The Guardian
SMART MONEY
Tuesday 2 August 2022
BUSINESS ➔ ECONOMY ➔ MARKETS ➔ WEALTH

Zaburi Isack: Rural electrical technician targeting to create jobs among youths
Page14

EAC Heads of State need to walk the talk to deliver a full common market
Page14

Ethiopia embarks on e-mobility transition amid rising fuel prices
Page15

Indian firm crusades for use of agro-waste biomass in manufacturing

By Correspondent Beatrice Philemon

MUMBAI -based company Hi-Tech Consultants and Services has embarked on a campaign to reduce industrial carbon emissions in Tanzania by creating more awareness to manufacturing industries about the use of biomass instead of furnace oils.

The company's founding Director, Harish Ingavale, who was accompanied with director Sameer Ingavale said this last week at the Indian High Commissioner to Tanzania during an interview with The Guardian.

"We have been in Tanzania for the last month and we are here for industrial machinery installation and commissioning projects, as well to meet with manufacturers to discuss the advantages of replacing furnace oil with agricultural biomass waste," said Ingavale (pictured).

He said the company has embarked on the campaign after discovering that the average potential of agricultural biomass waste to decrease carbon emissions in industries ranges between 15 to 30 percent.

According to him, the basic difference between biomass and furnace oil when it comes to the carbon emissions is–when biomass is burned, the CO2 absorbed by a plant is recycled back into the atmosphere and gets reabsorbed by other plants for their growth, while burning furnace oil adds CO2 to the atmosphere, increasing the greenhouse effect and worsening the human-caused climate change.

"Besides conserving the environment, the country has substantially more to gain from the biomass industry such as cutting industrial steam generation cost by half, reducing dependence on import of oil, and generating local employment in the new biomass processing industry" he said.

Highlighting on agricultural biomass, he said are waste material left over from agricultural and forestry processes such as coffee husk, sawdust, rice husk, wood shavings and cashew shells.

"They are normally left to decompose or burned in the open, but are in practice a potential valuable supply of fuel," he said.

More than 80 percent of Tanzanians depend on biomass as a source of energy by burning firewood, dung, and other traditional fuels.

However, the industrial application of biomass hasn't had equivalent attention because of relatively affordable fossil fuels and lack of information on potential advantages of switching to agro-waste biomass and ways of achieving the benefits consistently and reliably.

The industrial sectors in Tanzania are developing rapidly and industrial production is projected to increase by a factor of 4 between now and 2050.

They need to be encouraged to leapfrog to climate friendly technologies if they are to avoid locking themselves into long-term, inefficient, and polluting technologies for decades to come."

he said.

In a bid to encourage private companies to improve their environmental footprint and turn carbon-neutral, the government needs to play an active role in making the stakeholders fully aware of the economic and environmental advantages of biomass utilization and come up with new policies that favor and incentivize companies to switch to more climate friendly fuels.

"With highly volatile and surging oil prices along with increasingly stringent environmental regulations, the economic and business incentive to switch over to more sustainable sources of fuel such as biomass has never been higher." he said.

While the government can help create a conducive environment for growth, the private sector needs to take lead in the development of the biomass industry in Tanzania.

Biomass resources are available abundantly but are scattered in pockets around local agricultural hubs. In order to reduce the cost of transportation, private players must establish biomass projects close to the source, leading to consolidation and centralization of biomass availability.

During his last visit to Tanzania in January this year, Harish Ingavale met with the Executive Secretary of Tanzania Renewable Energy Association (TAREA) Dr. Matthew Matimbwi to conduct a preliminary survey on the availability of agro-waste biomass in Tanzania.

Currently, there are massive heaps of sawdust in Tanzania and agro-waste such as rice husk being disposed of through burning which can fulfill the steam generation requirements of the entire industries belt nearby" he said.

Hi-Tech is 15 year old engineering consultancy and service firm, providing a comprehensive range of services like turn-key installation of equipment and commissioning, consultancy services for greenfield and brownfield brewery and spirits projects, quality improvement, and cost-saving initiatives, energy audits, supply of engineering spare parts, as well as undertaking routine maintenance services at companies such as Serengeti Breweries Limited (SBL), SBC Pepsi, and Nile Perch Fisheries among others.

"Last year, we registered our company in Tanzania with the intention of expanding our overseas business, contributing to the local economy and catering to the growing Tanzanian market" he said.

Sameer Ingavale explained what sets them apart in the biomass space is that "We have been actively involved in the growth of this industry right from its inception in early 2010s. Hi-Tech commissioned the biomass boiler at Nyanza Bottling Company Limited (NBCL) Coca-Cola, Mwanza in 2011 and SBC Pepsi, Mbeya in 2012."

"We are offering companies a full value chain turn-key solution, right from technical evaluation and installation of biomass boilers to after sales support and services such as fuel supply and boiler operations, and bear a decade-long history of executing biomass projects in India and Tanzania." he said.

Mkombozi Commercial Bank repositions its digital interventions

By Guardian Reporter

MKOMBOZI Commercial Bank PLC has said is planning to reposition its digitalization interventions including agency banking, mobile banking application, internet banking, and cash management solutions.

Speaking during the bank's 13th Annual General Meeting (AGM), the board chairman Gasper Njuu said the bank will focus on innovation and investment in technology in order to deliver quality service and improve customer experience.

He said the bank has successfully completed integration with key partners in the provision of digital services especially Mobile Network Operators (MNOs) and other digital solution integrators.

"We also plan to expand the Bank's physical outreach through agency banking and mini branch/service center outlets (successfully recruited 140 agents out of 250 planned for 2022, rolled out Sadaka Digital solutions for church collection, and recruited 40 Parishes in Dar es Salaam out of 250 Parishes in Tanzania in 2022)," he said.

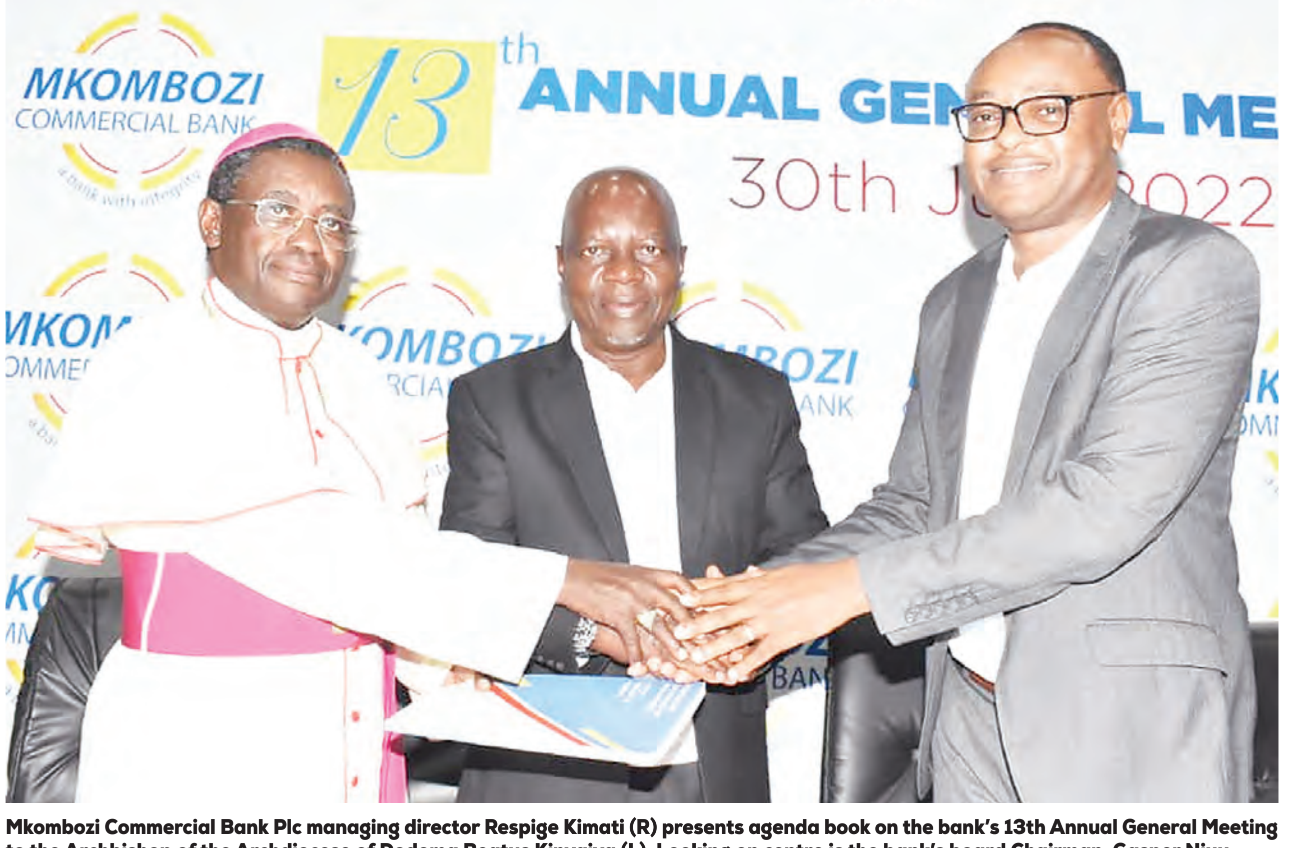
Njuu said: "We'll also intensify cost optimization initiatives with a strategic focus to achieve a cost/income ratio of 55 percent in a medium-term (1-3 years).

During the year, the bank registered a profit after tax of 3bn/- for the period ended 31st December 2021, which was attributed to business operations efficiency and the outcome of the turnaround initiatives.

The bank chairman also commended the financial outcomes on key balance sheet and profitability parameters.

He said that the bank posted impressive profit and improvement in the Capital formation that was attributed to business operations efficiency and the outcome of the turnaround initiatives.

"We focused on growth opportunities while taking positive strides to address challenges in our operating environment," he noted.



Mkombozi Commercial Bank Plc managing director Respige Kimati (R) presents agenda book on the bank's 13th Annual General Meeting to the Archbishop of the Archdiocese of Dodoma Beatus Kinyaiya (L). Looking on centre is the bank's board Chairman, Gasper Njuu. PHOTO: GUARDIAN CORRESPONDENT

Njuu added that despite a number of challenges in the year 2021, the bank continues to focus on strategic initiatives of expanding the Banks physical outreach through agency banking (Mkombozi Wakala) and Mini Branches/ Service Centre Outlets.

Bank's managing director Respige Kimati said 2021 placed them relatively better than the previous financial year 2020 on fundamental balance sheet metrics, especially capital element and delivery of the strategic initiatives.

Addressing about 500 shareholders attended the AGM, Kimati said: "Our business transformation and growth ambitions calls for sustainable capitalization especially through fresh capital injection to support necessary investment in key infrastructure and balance sheet growth. It is our call to the shareholders to continue supporting the bank's investment plans in this endeavour in order to deliver profitable, consistent and sustainable results for the bank."

Having navigated through the three-year phase of business turnaround and repositioning, the management and board are working on a medium-term strategic plan which shall be presented to the shareholders at a later stage for consideration and necessary support, he said.

Kimati announced that on the funding side, the bank increased shareholders' funds by 26percent to 25.82bn/- up from 20.57bn/- the previous year, driven by fresh capital injection (Rights Issue) of 2.2bn/- and profit retention during the year under review.

He further noted that the Core Capital and Total Capital Ratio were at 19,589m/-, 14.63 percent, and 14.63 percent respectively (2020: 16,423m/-, 11.08 percent, and 11.08 percent). "This compares favourably with the minimum regulatory requirement of 15,000m/-, 12.5 percent and 14.5 percent respectively in Core Capital, Core, and Total Capital Ratio respectively."

Archbishop Bishop Beatus Kinyaiya, the bank's board member commended the excellent performance of managing director who took over the position in 2019, when the bank was undercapitalized with a capital of 8bn/- below the regulators limit and managed to raise it to 19.9bn/- in 2021.

"This was a huge turnaround time for the bank, as the regulatory minimum capital limit for commercial banks is 15bn/- and within two years, Kimati struggled and brought it above theilimit. This is quite commendable and this is what shareholders want to hear," he said.

European shares rise as banks, HSBC offset weak data

LONDON

EUROPEAN shares edged up on Monday as a jump in banking stocks after HSBC's strong results offset fears of a global economic slowdown fanned by disappointing Chinese economic data and figures showing contraction in euro zone manufacturing activity.

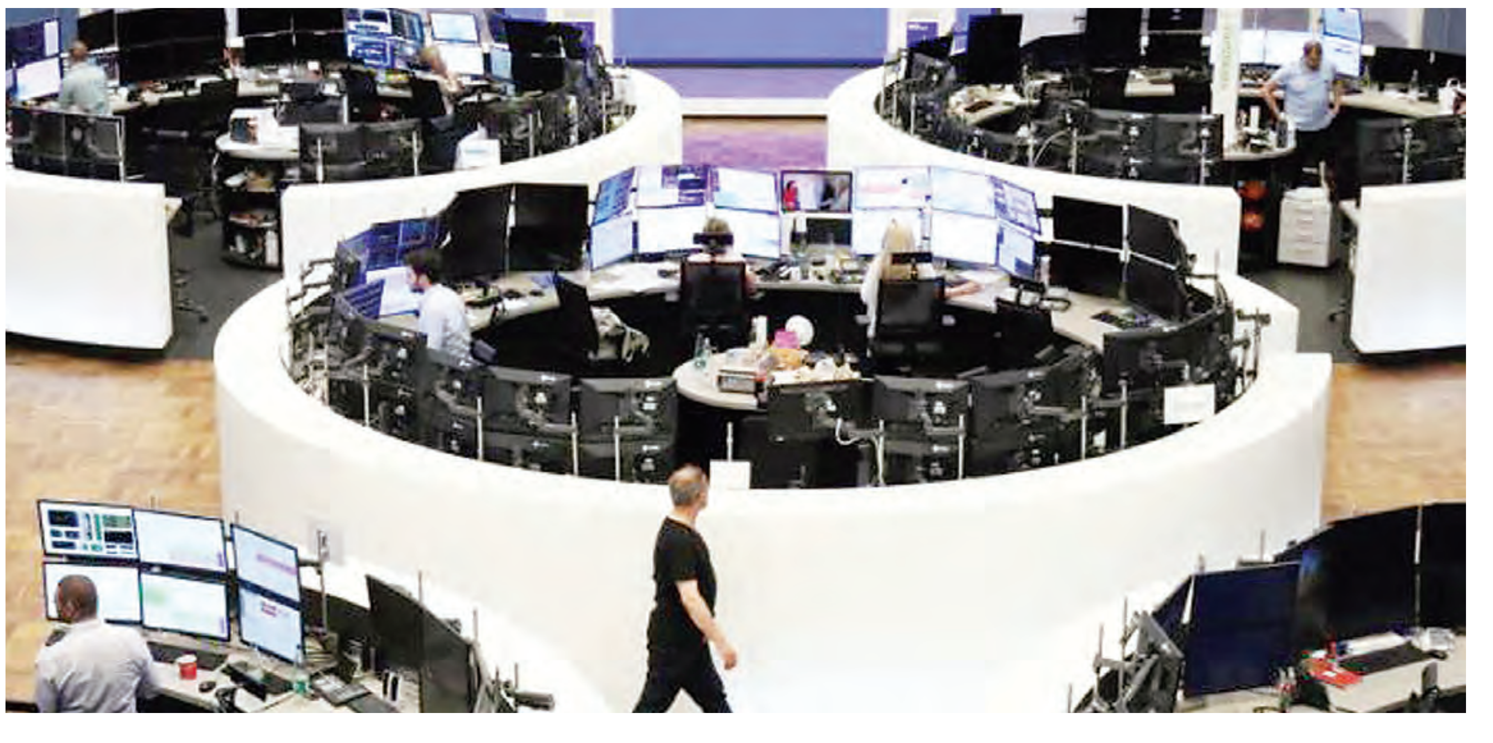
The biggest boost to the index came from London-listed HSBC that jumped 5.7% on posting a profit that beat expectations. The company also pushed back on a proposal by top shareholder Ping An Insurance Group Co of China to split the lender, arguing the move would be costly.

The banking index climbed 1.9%.

"We've had a bit of a positive boost to the banking sector from the initial rising interest rates ... the problem for the sector is further down the road as we get the economic slowdown everybody is anticipating," said Stuart Cole, head macro economist at Equiti Capital.

European stocks posted their best monthly performance on Friday since November 2020 helped by strong earnings from corporate Europe, even as broader sentiment remained fragile on fears of an economic slowdown.

Adding to concerns the bloc could fall into a recession, data on Monday showed manufacturing activity across the euro zone contracted last month with factories forced to stockpile unsold goods due to weak demand.



"The picture being painted is looking increasingly bleak for the EU, and a drill down of the numbers shows lower sales, declining rates of new orders and exports, and large rises in stocks," said Cole.

"The expectation has to be that manufacturers will be cutting output further going forward."

In Germany, the powerhouse of the European economy, data showed retailers ended the first half of 2022 with the sharpest year-on-year sales drop in nearly three decades, as inflation, the Ukraine conflict and the pandemic take their toll.

Heineken NV slipped 0.9% as the world's second-largest brewer shelved its margin target for 2023 as costs spiked.