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Energy on the Move

AFRIPET JULY 2023 - SPECIAL EDITION

TRANSITION

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Building a solid, thriving business:

An entrepreneur's perspective

Eng. Peter Njeru | Riva Petroleum, MD

When Eng. Peter Njeru quit employment to venture into the petroleum products business in June 1996, he thought he was just making a leap into the world of business to make a living. Eng. Njeru initially had just 5 staff including himself, a driver, a loader, a front office person and a store assistant.

More than 26 years down the line, the Managing Director of Riva Petroleum Dealers Limited (Riva) shares his story of building a brand with a tinge of satisfaction but also acknowledging the challenges he, his three other shareholders and almost direct 200 staff, have had to contend with over the years.

Riva Petroleum is now a regional giant with an interest in Retail Petroleum Stations, Real Estate, Lubricants and LPG. Riva, which has grown to be the largest distributor of Shell lubricants in Africa, has 30 retail service stations in Kenya.

Sitting at the head office on the 5th floor of Mayfair Suites along Parklands Road; with the scenic beauty of skyscrapers dotting the Westlands suburb of Nairobi in view, Eng. Njeru details the company's journey. He admits it has not been all rosy.

"Before going into business, I had worked and grown as a roads Engineer in the government. My career was going very well in the government, and I was even offered an opportunity by ILO to work outside the country as an expatriate with some very attractive terms. When I decided to pursue business and leave employment, I then contemplated joining the oil industry as a retail dealer. After attending a few interviews with 3 major oil companies, I ended up being offered an opportunity as a reseller.

"By the time I registered Riva and joined the oil industry as a reseller, I had gained some experience in the distribution of hardware materials as a "briefcase" business person. Generally, I felt that the distribution of petroleum products was the much better and more organized business though at the time the Idea of resellers in the industry was in the formative stages". He says.

The company also participates in the lucrative Kenya Open Tender System (OTS) – a government-coordinated tender system for the importation of petroleum products into Kenya.

"Five years into the business, our main partner in the business told us that we could not continue to resell for them as a sole distributor since the market dynamics had changed due to the liberalization of the petroleum sector. Suddenly, we were required to raise about KES 100 million in addition to the very little capital we had in order to move to the next level of business operation. We are required to import at least a million litres of product as line fill in the Kenya Pipeline and sign up a Transport and storage agreement with them. That was one major headache as we did not even have the structure or human resource capacity to deal with the resultant dynamics of the changing business needs. It almost crushed us since we had to fend for ourselves," Eng. Njeru recounts.

He says many people have fallen short in the business as they venture into it thinking that it is an easy way of making money. Some, he observes, want to live a lavish lifestyle after making their first millions into the business, a move that has seen some go down.

In his case, Eng. Njeru says that the company had to plough back most of the profits made in the early years in order to keep growing. An Entrepreneur has to deny himself and his family luxuries so that he can build the foundation on which a company is founded. Building a strong team was also a priority, He notes.

Eng. Njeru, a Bachelor of Science in Engineering graduate from the University of Nairobi and a holder of a Masters of Business Administration, Finance from Egerton University speaks highly of putting up a good management system. In addition, he says it is always prudent to have a strong dependable and motivated team.

"I am a firm believer in the popular management adage that salary is not a motivator. You may give people a good salary, but the same does not motivate them to work. One must look for incentives to motivate his team to be successful," he says, adding that the business also requires consistency in the delivery of products and services. He cautions against going into heavy debt.

According to the seasoned entrepreneur, one must work within the set standards and regulations, and not only those set by authorities but also self-regulate. For instance, maintaining quality products at a time when adulteration and counterfeiting of petroleum products is on the rise remains a major challenge in the industry.

"Some people go to shady places, putting labels of genuine products on their counterfeits, which they end up selling cheaply. This has become a menace in this business. We as Riva have built a reputation of integrity among our customers and with all our suppliers of goods and services," he adds.

In addition, those coming into the market must endure high capital requirements against low margins, especially because prices are controlled with margins ranging between 2% and 5% most of the time. He also takes issue with the over-pumping trend, saying unlike before, there are now very many Petrol stations located too close to each other stretching the returns on investment for investors.

"That is why many petrol stations are now diversifying by putting up restaurants, mini-supermarkets, rental spaces for other businesses and service bays to bring in more revenue, otherwise breaking-even only from fuel sales is now difficult," Eng. Njeru says.

As a parting shot, Eng. Njeru advises new entrants into the business to conduct their business with integrity for the retention of customers and to earn referrals.

He also encourages business people to obey the laws regulating the business they are in and to pay taxes and avoid the risks plus penalties that come with defaulting. The punishment for not being compliant in Tax is higher than the cost of compliance when doing business," he says in conclusion.

Note from the PUBLISHER

AFRIPET Convention is an event conceived and initiated by Alison and Davis Group (ADG). For over seven years, ADG has provided customized services in event management, public relations, publishing and advertising. AFRIPET 2023 is resuming for the first time post COVID -19. It comes at a time when the industry is facing many challenges. It affords an opportunity for event participants to exchange ideas and network with players likely to solve those pressing challenges.

The Convention is a platform for equipment, services and indeed - all solutions providers to the petroleum industry in the Eastern Africa region. Solution providers range from manufacturers of petroleum equipment, industry technologies companies, distributors, maintenance and support, contractors, regulatory agencies, amongst others. The three days event is expected to host over 2,000 visitors based on online registration statistics.

During the Convention, solutions providers meet their potential customers and pitch their equipment, services, technologies and innovations. The solutions provider gets into the Convention as a sponsor, exhibitor or advertiser while the customer walks in as an exhibition/conference visitor.

Gilbarco Veeder- Root and Dover Fueling Solutions are the main sponsors of AFRIPET 2023. We are grateful to them, to our exhibitors and the event magazine advertisers as their support makes the Convention.

Deliberations brings to the table oil marketing companies like Total, Rubis, Vivo (Shell), OLA and their local counterparts the Galana Oil, Hass Petroleum, Riva Petroleum, Stabex, BE amongst others. These are all members of Petroleum Institute of East Africa (PIEA). Others are micro entities such as Petroleum Outlets Association of Kenya (POAK) members. They are resellers and dealers of the bigger companies, individual service stations owners and petroleum transporters from various parts of Kenya.

The Fueling Magazine is an opportunity for anyone interested in showcasing their products or brands for a longer period to event visitors and beyond. The magazine will circulate for several months after the event. Magazines remain on customers' shelves for years after publishing.

The PIEA Annual Golf Tournament will take place on 21st July at the Muthaiga Golf Club. Industry players will join together for a game of golf after a week of activities. Should this week be named East Africa Fueling Week...food for thought!

Very Best Regards,

Kimemia Mugo
Publisher

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THE KISUMU OIL JETTY; Regional Game Changer

The Kisumu Oil Jetty (KOJ) is a strategic investment critical for the development of the lake transport of petroleum products. Product transported through Kenya Pipeline Company to Uganda, Rwanda, Burundi, Eastern DRC, and South Sudan was 3,015,738m3 in the Financial Year 2022/23. Out of this, total product evacuated to Uganda in the Financial Year 2022/23 was 1,827,028m3 nearly half of the total exports (3,664,163m3) in the same period. Most of which was transported by road from KPC's Western Kenya depots.

Total product evacuated by road from the Western Depots to the East African Region makes up 94% of total exports. There was therefore a case for an alternative route to transport products reliably, safely and efficiently. Hence KPC's objective in investing in the KOJ.

The Kisumu Oil Jetty (KOJ) was commissioned on 28th February 2018. For its operationalisation, it was expected that the complementary facility in Bugiri Bukasa in Entebbe, Uganda, would be ready at the same time. This took long until 10th May 2021. The jetty was commissioned on the in December 2022. The vessel MT Kabaka was flagged off, after loading an initial commissioning product of 1,178m3 of AGO for Line fill and product for Tupesh Petroleum.

The Kisumu jetty facility has 4No. independent oil pipelines carrying AGO, IK, MSP, and Jet-A1 from the tanks to the Jetty Head with the capacity to load a 4,500m3 barge efficiently. So far, 20 customers have been onboarded and signed contracts with Mahathi Infra Uganda who built the jetty. Customers were offered a volume-based discount approved by EPRA (the energy regulator) - \$0.99/m^3 for six months.

To take advantage of the huge potential for business growth, KPC has also reviewed all its operations to ensure that KOJ receives enough products to serve the two barges that will be transporting products to Uganda. These important projects are:

1. Increased flow rate from Mombasa to Nairobi from 950m3 to 1300m3 on 3rd April 2023 with a 37% increase in flow rates.
2. Enhanced Supply to Western Kenya Depots which entailed a change of philosophy that resulted in an improved improved from 530m3/h to 636m3/hr (20% increase). This has improved product availability in Nakuru, Eldoret, and Kisumu from two and three cover days for AGO and MSP respectively, to five days for both grades.
3. Upgrade of Line Four (4) to Western Kenya to enhance the flow rate from Nairobi to Western Kenya from 350 m^3 to 550 m^3/hr (a 57% increase). This will improve product receipt in Western Kenya. The progress status is at 23%; the expected completion date is January 2024. Line 4 supports Kisumu and this will feed into the needs of Kisumu Oil Jetty.

The Kisumu Oil Jetty's performance has been incremental, and it has an average loading uptake of 3.1 million m3 in voyage numbers two to five. The utilization equals 71% capacity utilization (4.5 million m3 barge capacity). Approximately, 27,000m3 has been loaded through Kisumu Oil Jetty.

KPC, Mahathi Infra Uganda together with the Oil Marketing Companies in Uganda and Kenya are working on ensuring there is full capacity utilization of the Kisumu Oil Jetty and the Mahathi Infra Uganda facilities. The KPC team and stakeholders have displayed outstanding commitment to the operationalization of the two jetties.

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Shifting Tides:
Is it Time to Bid Farewell to Petroleum?

The world is witnessing a significant shift towards sustainable alternatives in various sectors, and transportation is at the forefront of this movement. As concerns about climate change grow, petroleum's dominance as the primary source of fuel is being challenged.

Electric mobility, led by innovative companies like Roam, is paving the way for a future where petroleum may no longer hold sway.

Roam is an electric mobility company headquartered in Nairobi that designs, develops and deploys electric buses and electric motorcycles here in Kenya. They are on a quest for a more sustainable transportation system focusing on local production, therefore, reshaping the landscape of urban mobility.

The company currently designs their products 100% in-house and manufactures 35% of its electric mobility products in-house. They have an ambitious goal to manufacture and assemble as much as 70% of their electric motorcycle locally over the next five to ten years.

The Rise of Electric Mobility

Electric vehicles have emerged as a compelling solution to combat climate change and reduce our dependency on fossil fuels. With zero emissions, reduced carbon footprint, and lower operating costs, electric vehicles are gaining traction as a viable transportation option.

Why is a paradigm shift imminent? The rapid rise of electric mobility signifies that the era of petroleum dominance is nearing its end. To put it in context, 50-70% of motorcycles sold in Africa are expected to be electric by 2030. Currently, there are 844 electric motorcycles, 184 electric 3-wheelers and 20 electric buses on Kenyan roads.

Several factors contribute to this paradigm shift, below are a few of these reasons:

1 Environmental Imperative

The detrimental environmental impact of petroleum and fossil fuels cannot be ignored. The combustion of petroleum fuels releases significant amounts of greenhouse gases, contributing to climate change and air pollution. In response to these challenges, governments, industries, and consumers are embracing electric mobility as a viable and sustainable solution.

2 Technological Advancements

Advancements in battery technology have been instrumental in propelling the electric mobility revolution. Lithium-ion batteries have become more affordable and practical, with increasing energy density and declining costs. Electric vehicles now offer greater range capabilities, improved charging infrastructure, and reduced charging times. These advancements are rapidly closing the gap with petroleum-powered vehicles, eroding their once-dominant advantages.

3 Government Support and Regulations

Governments worldwide are recognizing the importance of transitioning to electric mobility and implementing supportive policies and regulations. Many African countries, including Kenya, have set ambitious targets to phase out internal combustion engine (ICE) vehicles and incentivize electric vehicle adoption through subsidies and tax benefits such as the recent e-mobility tariff proposed at KES 17 and an even lower tariff for off-peak periods. Investments in charging infrastructure are also being made, providing a clear signal that the future lies in electric mobility.

4 Global Shift in Transportation Paradigm

Public transportation systems, delivery fleets, and shared mobility services are transitioning towards electric alternatives. Electric buses and motorcycle taxis are being introduced in major cities, reducing air pollution and improving urban livability. The convenience, efficiency, and sustainability advantages of electric vehicles are reshaping the entire transportation landscape.

5 Disruptive Potential and Market Dynamics

The rise of electric mobility represents a disruptive force that will reshape the transportation ecosystem. As electric vehicles become more prevalent, the demand for petroleum is projected to decline, leading to a fundamental shift in market dynamics. Oil companies are recognizing the need to adapt and diversify their portfolios, investing in renewable energy sources, electric vehicle charging infrastructure, and battery technologies to stay relevant.

Range anxiety is the number one concern when it comes to electric mobility but it presents a new opportunity to rethink service station models.

Reimagining Service Stations

To support the unique needs of electric vehicles, charging infrastructure and service requirements must be addressed. Companies like Roam are revolutionizing the concept of service stations.

The company's Roam Hub stations provide high-speed charging capabilities for their motorcycle batteries at only Kes 150, allowing riders to recharge.

Roam is establishing a vast network of these conveniently located charging stations. They have them at 3 locations, at Total Energies Waiyaki Way, Lusaka Road and Ngong Road, alleviating range anxiety.

These stations, partly powered by solar energy, are designed to service not only Roam's vehicles but also those of their partners. They provide comprehensive services, including battery rental, charging, and after-sales support, catering to the variable needs of riders.

Roam's electric mass transit bus known as the Roam Rapid

Conclusion:

The time has come to shift our reliance on petroleum to electric mobility as it offers a path to a more sustainable and resilient future. As companies like Roam continue to innovate and advocate for change, we can look forward to a world where the roaring engines of petroleum-powered vehicles are replaced by the silent, efficient, and emission-free hum of electric mobility.

INSTITUTE OF ENERGY STUDIES AND RESEARCH

KENYA POWER

INTRODUCTION

The Institute of Energy Studies & Research (IESR) was established in 1957 to develop technical and supervisory skills to the then East African Power and Lighting Company (EAPL) employees. IESR is fully owned by Kenya Power & Lighting Company Plc (Kenya Power).

Initially, training was concentrated in power line distribution and later on expanded to include electrical fitters, plant operators, motor vehicle mechanics electricians and electronic mechanics. To date, these courses are still conducted to meet the training needs of Kenya Power staff and other corporate organizations.

In 2000, the Institute opened its doors to the public as the Kenya Power Training School. Later on, the Institute registered as a Technical Industrial and Vocational Education Institution (TVET). This allowed IESR to offer KNEC examined Certificate and Diploma programs in addition to the National Industrial Training Authority (NITA) courses that were already in place.

In 2014, the Kenya Power Training School was reconstituted as the Institute of Energy Studies & Research with a mandate of developing academic programs; improving on revenue diversification, innovation and research as well as high level capacity building. Currently, the Institute offers capacity building courses, research and consultancy services as well as artisan, craft and diploma programs.

The Institute occupies a niche market position in energy education, research and innovation. Our prgrams are recognized and examined through national and international examination bodies including KNEC, NITA and Cambridge International College.

The Institute of Energy Studies and Research (formerly Kenya Power Training School) located at Ruaraka along Thika Highway is a regional center of excellence in training

We are receiving applications for the following courses for 2023

ONLINE PROGRAMS			
PROGRAM	**TARGETGROUP**	**DURATION**	**MODEOFDELIVERY**
TECHNICAL COURSES			
Safety Competency in Power Systems	All Energy sector players Contractors Telcom technician staff	4 weeks of 2 hours Per day online and 3 days practical	Online/Face to face/Virtual
Solar PVT1&T2 Solar PVT3	All energy sector players Contractors Solar Practitioners	4 weeks of 2 hours per day online and 3 days practical	Online/Face to Face/Virtual
MANAGEMENT			
Leadership and Supervisory Skills for Technical Staff in Energy Sector	All Energy sector players Contractors County technical staff Telcom technical staff	8weeks	Online/Face to face/Virtual
Project Management for Technical staff in Energy sector	All Energy Sector players County technical staff Contractors Telcom technician staff	8weeks	Online/Face to face/Virtual
DATA ANALYTICS			
Analytics Using Excel	Professionals Students Youth interested in digitization and automation Hobbyists Form four leavers	4weeks	Online/Face to face/Virtual
Website design essentials Using PhP	Professionals Students Youth interested in Digitization & Automation	4weeks	Online/Face to face/Virtual
Fundamentals of online learning -using Moodle (LMS)	Trainers interested in using digital approaches in training	4weeks	
Internet of Things	Professionals Students Youth interested in Digitization Hobbyists		

PROGRAM	TARGETGROUP	DURATION	EXAMINING BODY
Diploma in Electrical and Electronics Engineering	Power Option	Module1	KNEC
Diploma in Mechanical Engineering	Plant/Automotive Option	Module1	KNEC
Diplomain Information and Communication Technology		Module1&II	KNEC
Craft Certificate in Electrical & Electronics Engineering	Power Option	ModuleI	KNEC
Craft Certificate in Mechanical Engineering	Production Option	ModuleI	KNEC
Craft Certificate in Information and Communication Technology		ModuleI	KNEC
Overhead Line Construction Maintenance		4 Weeks	IESR

IESR PROFESSIONAL COURSES		
PROGRAM	TARGETGROUP	DURATION
POWERLINECONSTRUCTIONANDCABLINGJOINTING		
Installation and Maintenance of Solar Power PV Systems-TI	County Government Technical Staff; Solar PV Vendors; Solar PV System Installers, Instructors, Project Managers, Architects	5days
Installation and Maintenance of Solar Power PV Systems-T2	Advancement from Installation and Maintenance of Solar Power PV System-TI.	5days
Installation of Hybrid and Grid-ne Power Systems -T3	Advancement fromInstallationandMaintenanceof Solar Power PV System-T2	5days
Wind Energy Fundamentals-Design and Development Technology	Technical Staff who Install, Maintain and Repair Wind Turbine Power Plants	5days
Repair and Maintenance of Air Conditioning and Refrigeration Systems	Technical Staff Involved in Maintaining and Repair of Air Conditioning and Refrigeration Systems	5days
Small Hydro Power Plant Fundamentals,Operations andMaintenance	Technical Staff Involved in Development Operations and Maintenance of Small Hydro Plants	5days
Energy Management Essentials	Facility Engineers, Energy Auditors, Environmental Officers, Building ServicesManagers and Plant Managers	5days
Energy Efficiency in Electrical Utilities for Commercial and Industrial Systems	Facility Engineers, Energy Auditors, Environmental Officers, Building Services Managers and Plant Managers and Entrepreneurs Contractors	5days
Fundamentals of Fiber Optics	Technical Staff Involved in Fiber Optics Cable Installation	5days
Fiber Optics Installationon Power Lines I (for LV and MV)	Contractor Staff Involved in Fiber Optics Cable Installation on Powerlines	5days
Cyber Security	ICT Staff	5days
Structured Cabling (FiberandCopper)	ICTNetwork Technical Persons	5days
Supervisory Skills for Technical Staff (Team Leaders)	Technical Team Leaders	5days
Fire Safety	All staff	4days
FirstAid	All staff	4days
Occupational Safety&Health	Company & Contractor Safety Committees Members	5days

A training program participants in action

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Petroleum Outlets Association
Unveils Antidote to Products Theft

The Petroleum Outlets Association of Kenya (POAK) is in the process of rolling out a platform that will manage the logistics of petroleum products to address the challenges of adulteration and other malpractices.

The Association says it has developed a system dubbed; P-Smart Platform, which enables tracking of members' petroleum products from the point of loading to the pump thus curbing interference with products and unethical practices perceived as widespread amongst independent and smaller industry players.

The umbrella body that brings together Kenyan stakeholders in retail distribution of petroleum products across the country says the technology is the ultimate game-changer that will deal with rogue traders in the industry.

"We are currently at the piloting stage of this platform. Once it is rolled out, it will be easy to track the entire chain of distribution, including tracking the drivers. This will close the gap on tampering with products along the chain and also eradicate other malpractices," says John Njogu, POAK Chief Executive Officer (CEO).

Njogu says that though the problem of adulteration is now not as rampant as it previously was before the introduction of the anti-adulteration levy on kerosene, which bridged the cost of the fuel with that of petrol and diesel, underhand tricks amongst a few players still persist. Kerosene was the product mainly used to adulterate other petroleum products.

"The problem is not as rampant now. If you look at the reports from the Energy and Petroleum Regulation Authority (EPRA), you will realize that about 98 percent are adhering to the ethics of the business. But as an Association, we are also profiling the few who may be involved in dirty deals so that we close in on them," he adds.

Njogu however observes that the issue of malpractices was unfortunately used as a narrative to fight small players in the industry; majority of them POAK members by portraying their products as non-compliant.

"Because we are small players, there is a perception that has been created to portray us as giving substandard products, which is not the case. Like the big players we are also giving quality products," he says.

He reveals that plans are in place to have all outlets under the Association's membership branded as "POAK Network" so that consumers can identify retailers that are under the association's supervision.

According to the retailers' umbrella body CEO, since the formation of POAK in 2019, it has helped champion the interests of stakeholders, giving them a voice in every policy decisions in the industry. This is unlike before when only the big players, mainly multinationals, were recognized by the government.

Initially, members came together as a lobby group, then expanded to form POAK Association, a savings and credit unit (SACCO) and then a trading entity named POAK Energy limited. The smaller importers – local oil marketers, resellers, transporters and retailers.
The Association members have suffered under the challenging business environment especially in the last three years. Since prices are controlled and the business requires a huge capital outlay, remaining profitable is difficult.

The POAK CEO also challenges the Kenya Bureau of Standards (KEBS) to be flexible in setting standards for pump requirements, arguing that it is wrong to require players operating in far flung areas to comply by having similar pumps operated in urban areas.
"We would like KEBS to allow kits that if you have something like KShs 250,000 you can start doing business. Surely, the pumps and storage set ups should not be dictated by the big players. How about those in the rural areas who majority of customers they service are boda boda?" He poses.

Njogu says the association's strategic plan is well spelt out, promising members and other stakeholders that the National Petroleum Conference, which they started last year, will be converted into an annual event to bring together players in the sector under one roof to address pertinent industry issues.

Ninthinzeo Petrol Station Kithamba

PETROLEUM SECTOR OUTLOOK 2021/2022

A Case Study on The Petroleum Industry in Kenya, Tanzania, Uganda and Rwanda

Background Study

The Democratic Republic of the Congo (DRC) joined EAC last year making East Africa Community to now spans a vast continent split between the Atlantic and Indian oceans. According to experts, the area is destined to emerge as Africa's petroleum province and a bright new player in the oil and gas industry with a larger population.

Recently, there have been severe fuel shortages in several regions, and the cost of the commodity has increased to unaffordable levels where it is still accessible.

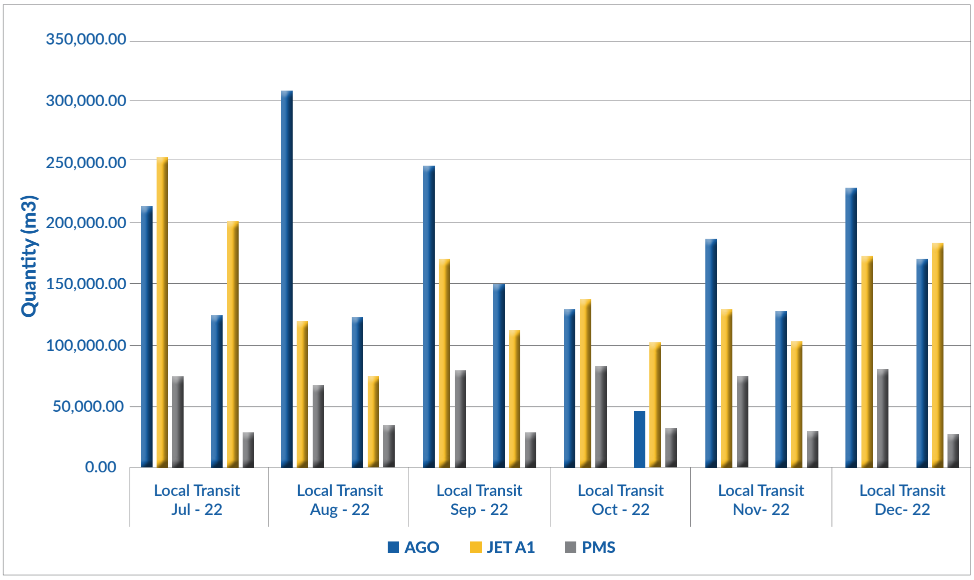
Governments blamed the Russian invasion of Ukraine in late February for the increase in pump prices throughout the remainder of East Africa in 2022, which resulted in a disruption of the global supply chain and an increase in prices elsewhere.

This outlook explores the growth and performance of the petroleum industry in the 2021/2022 fiscal year with four East African countries as the focal point; Kenya, Uganda, Tanzania and Rwanda.

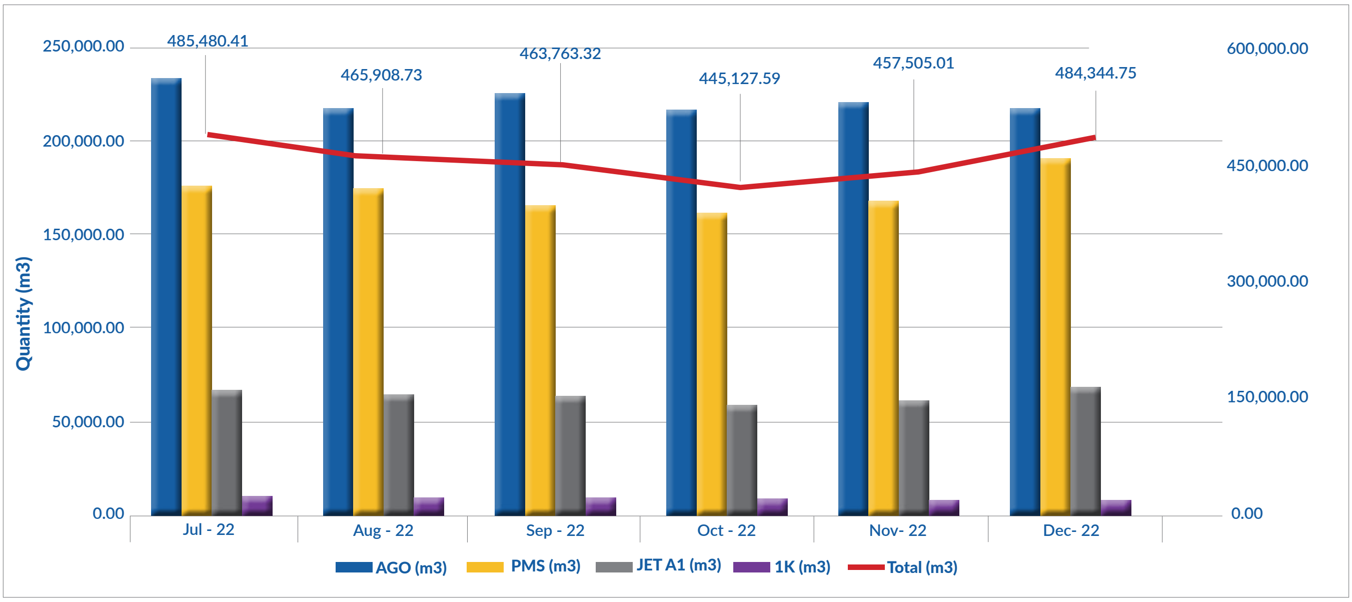
It will thoroughly analyze the consumption, pricing, overall sales and market share in the petroleum sector.

Kenya-Petroleum Supply and Demand 2022

Trend in OTS imports from July to December 2022



Trend in the consumption of petroleum products.



Petroleum Imports

Through an open tender system known as the Open Tender System(OTS), the Ministry of Energy and Petroleum manages the importation of Petroleum products.

During the **2022** review period,

4,451,472.64m³

were imported via OTS. 62% of the overall volume was made up of volumes for the domestic market.

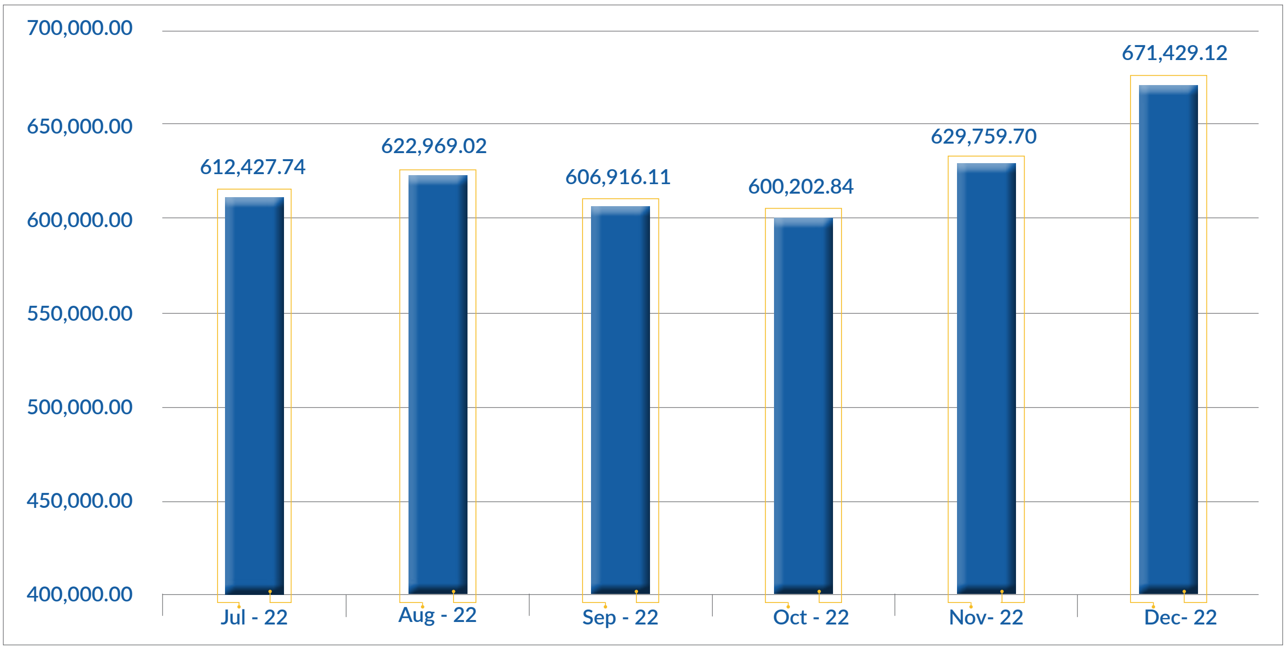
Domestic Petroleum Consumption

In comparison to the same period in **2021**, the total domestic demand for petroleum products fell by **2.58%** to

2,802,129.80m³.

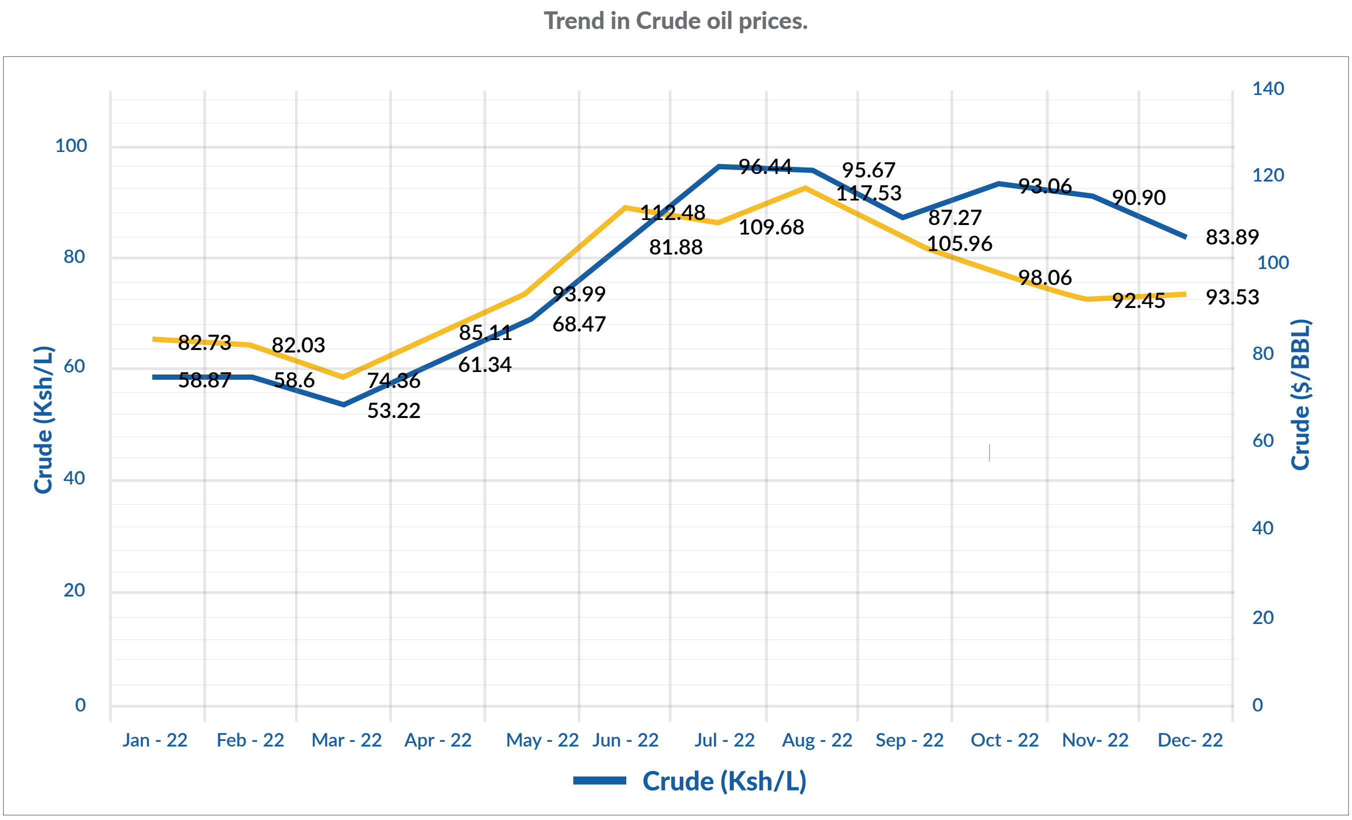
Reduced demand brought on by high gasoline costs on the domestic and global market may be the cause of the lower consumption.

Pipeline Throughput

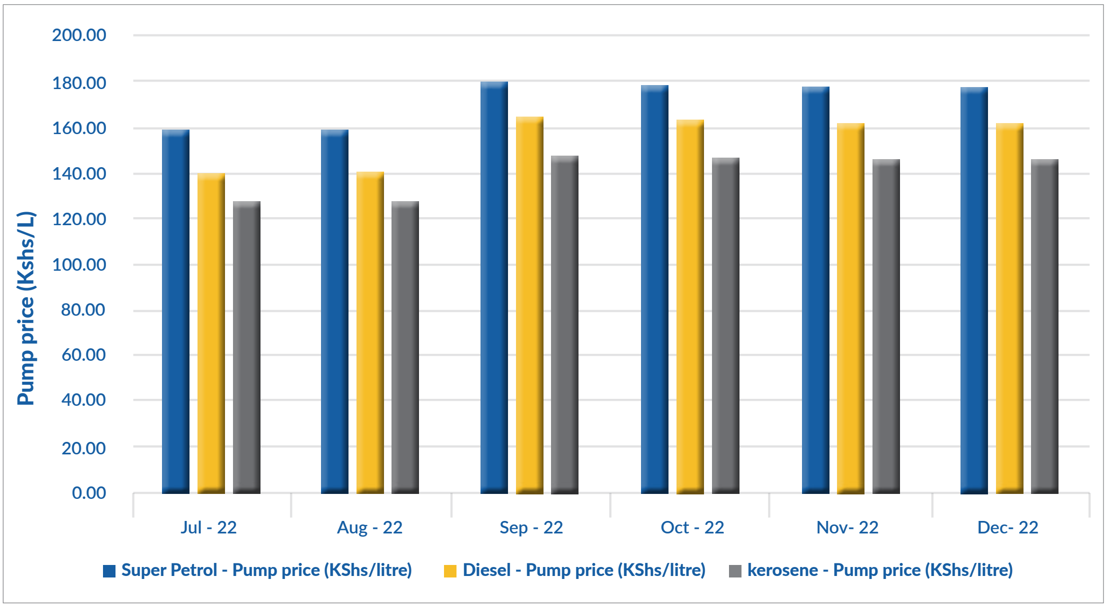


The Kenya Pipeline Company (KPC) is primarily responsible for handling petroleum products imported through the OTS. The increase in pipeline throughput towards the end of the year, which is attributable to more travel over the holiday season, followed the trend in petroleum consumption.

Kenya- Petroleum Prices 2022



Trend of Nairobi Pump Prices for the period July 2022 to December 2022.



International Crude Oil Prices

The price of worldwide crude oil peaked over the time period under consideration at

96.44 dollars per barrel and fell to

87.27 dollars per barrel in September 2022. In the second half of 2022,

there was a general downward trend in the price of Murban crude oil. The decline in crude prices resulted from the resolution of the Russia-Ukraine conflict and a decline in global oil demand brought on by the recurrence of COVID-19 cases in nations like China, which is regarded as the world's largest oil consumer.

Local Petroleum Prices

Every month on the

14th,

the Energy and Petroleum Regulatory Authority releases the maximum prices for super petrol (PMS), diesel (AGO) and lighting kerosene (IK). The evolution of the Nairobi pump prices for the months of

July 2022

and

December 2022

is depicted in Figure above ref: Trend of Nairobi Pump Prices for the period July 2022 to December 2022.

Petroleum Subsector Competition Analysis- Market Shares

As of December 2022, there were 122 registered Oil-Marketing Companies (OMCs). Diesel, kerosene, petrol (petrol), lubricants and LPG are all sold by these businesses.

OMC	Local sales volume for OTS imported products (m^3)	% Share
Vivo Energy Kenya Limited	638,468.03	22.79%
TotalEnergies Marketing Kenya PLC	459,050.32	16.39%
Rubis Energy Kenya PLC	306,070.96	10.93%
Ola Energy Kenya Limited	214,139.00	7.64%
Oryx Energies Kenya Limited	154,320.61	5.51%
Stabex International Ltd	107,447.69	3.84%
Be Energy Limited	101,906.66	3.64%
Galana Oil Kenya Limited	74,332.29	2.65%
Lake Oil Limited	59,851.38	2.14%
Hass Petroleum Kenya Limited	54,362.00	1.94%
Petro Oil Kenya Limited	53,131.00	1.90%
Gapco Kenya Limited	49,749.00	1.78%
Tosha Petroleum (Kenya) Limited	41,910.03	1.50%
Gulf Energy Holdings Limited	41,827.40	1.49%
Texas Energy Limited	39,363.17	1.41%
Fossil Supplies Limited	30,246.00	1.08%
Lexo Energy Kenya Limited	26,735.80	0.95%
Riva Petroleum Dealers Limited	20,150.21	0.72%
One Petroleum Limited	20,022.00	0.71%
Dalbit Petroleum Limited	19,908.88	0.71%
Others	288,282.17	10.28%

Uganda- Petroleum Supply and Demand 2021

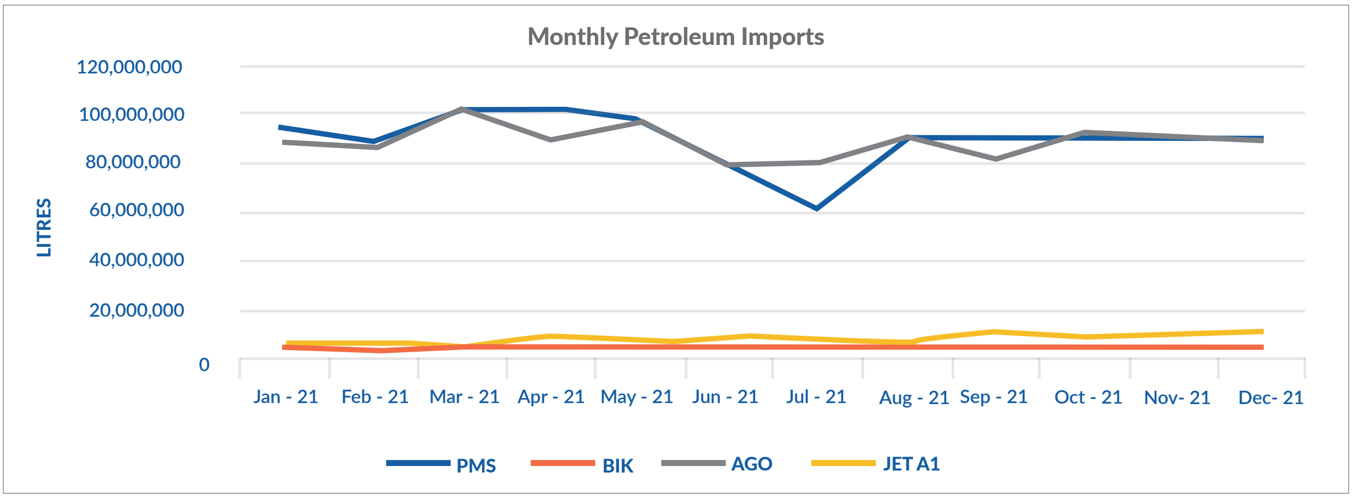
To lessen its dependency on supply routes through Kenya, Uganda planned to resume oil product imports via Tanzania in August 2021. The nation hoped to avoid supply-chain hiccups caused by Kenya's 2022 general election.

From 1.147 billion litres imported in 2020 to 2.298 billion litres imported in 2021, the total volume of petroleum product imports grew by 100.35%. The majority of these (46,7%) were imported, with AGO (46,5%), JET (4,5%), and BIK (2,3%) following. The amount of petrol (PMS), the main imported petroleum product, rose from 0.940 billion litres in 2020 to 1.073 billion litres in 2021, an increase of 14.15%.

Petroleum Imports- Monthly

In accordance with this table, the largest month for petroleum imports was March with 215.388 million litres, followed by May with 205.558 million litres, and July with 153.855 million litres.

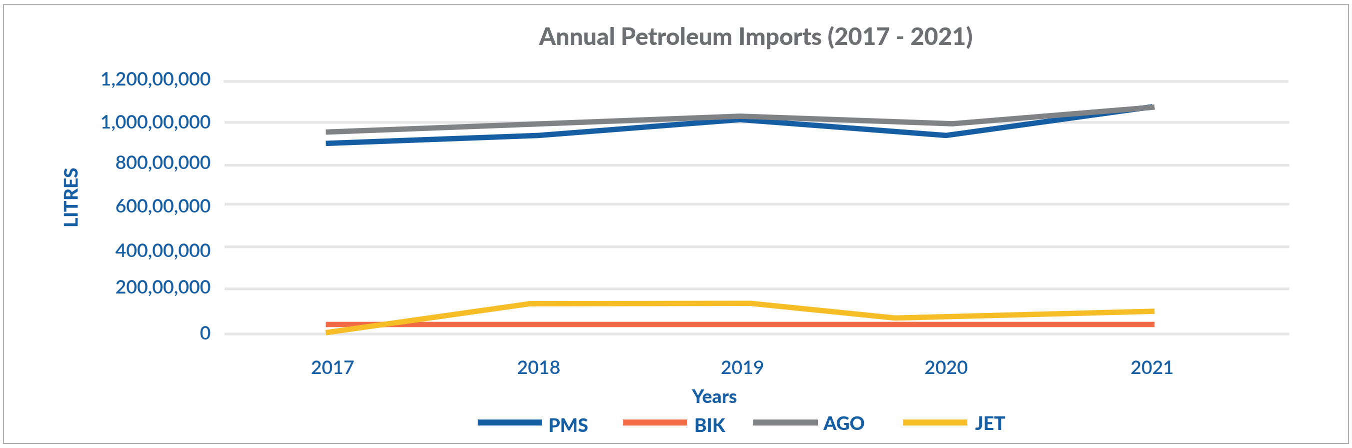
	PMS	BIK	AGO	JET AI	TOTAL
Jan-21	93,965,988	4,656,801	89,106,350	7,343,401	195,072,540
Feb-21	89,232,564	3,334,900	86,137,396	7,960,241	186,665,101
Mar-21	101,917,914	4,843,236	102,401,681	6,224,748	215,387,579
Apr-21	101,768,269	4,205,060	89,929,458	8,886,383	204,789,171
May-21	97,573,360	4,427,532	96,030,434	7,526,431	205,557,756
Jun-21	77,171,133	4,846,740	79,790,026	9,622,730	171,430,629
Jul-21	61,429,983	4,462,569	80,301,210	7,660,983	153,854,745
Aug-21	90,254,821	3,836,045	91,416,998	7,045,782	192,553,646
Sep-21	89,484,665	4,872,190	82,403,004	10,699,581	187,459,440
Oct-21	88,907,864	4,248,275	92,276,859	8,609,081	194,042,079
Nov-21	90,629,931	4,893,798	88,651,399	10,582,194	194,757,322
Dec-21	90,895,306	4,993,086	89,491,051	11,179,138	196,558,581
TOTAL	**1,073,231,798**	**53,620,231**	**1,067,935,867**	**103,340,693**	**2,298,128,589**
Average	**89,435,983**	**4,468,353**	**88,994,656**	**8,611,724**	
Minimum	**61,429,983**	**3,334,900**	**79,790,026**	**6,224,748**	
Maximum	**101,917,914**	**4,993,086**	**102,401,681**	**11,179,138**	



Petroleum Imports-Annual

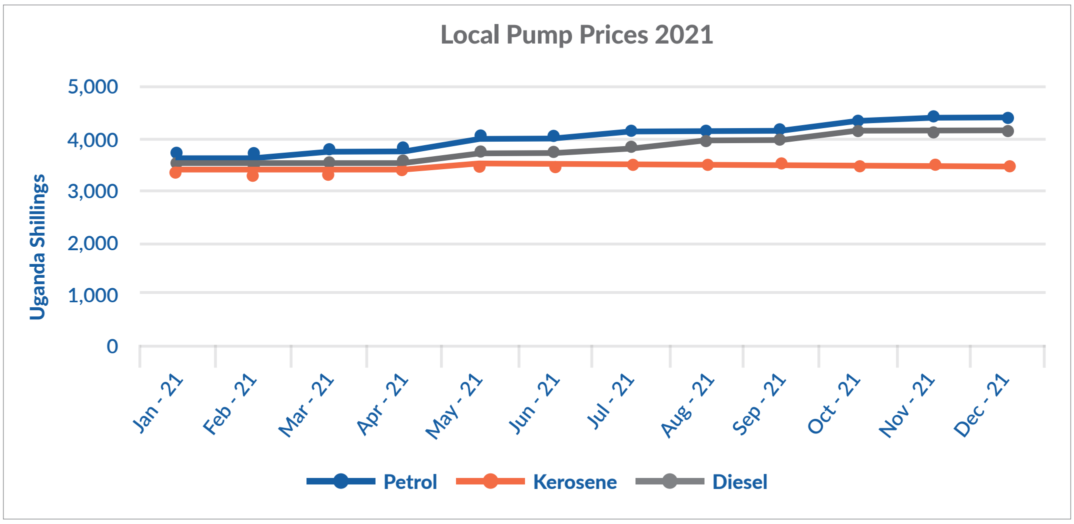
In 2021 compared to 2020, imports of petrol, kerosene, diesel and jet fuel grew by 12.5%, 14.5%, 7.1% and 48%, respectively.

	TOTAL IMPORTS SUMMARY				
Year	**PMS**	**BIK**	**AGO**	**JET**	**TOTAL**
2017	894,072,306	56,526,813	945,083,916	125,962	**1,895,683,036**
Annual change (%)	4	2	4	4	
2018	930,541,768	57,658,460	982,220,283	133,518,534	**1,970,420,511**
Annual change (%)	8	-7	5	-2	
2019	1,006,824,202	53,446,003	1,030,057,910	131,099,506	**2,090,348,115**
Annual change (%)	-7	-14	-45	-45	
2020	939,529,043	45,871,200	992,229,532	69,607,710	**1,977,629,774**
Annual change (%)	12	14	7	48	
2021	1,073,231,798	53,620,231	1,067,935,867	103,340,693	**2,298,128,589**



Uganda Petroleum Prices 2021- Local

In 2021, the average local pump price for petrol, kerosene and diesel was UGX 4,043, 3,473, and 3,798, respectively. From January through December, local pump prices for each of the three items showed a consistent rise. All year long, the most expensive fuel was petrol, followed by diesel and then kerosene.



Uganda Petroleum Prices 2021- International

The two months of November and December saw the greatest prices for crude oil, with Brent reaching

US$ 82.87

in December and OPEC's price of

US$ 81.26

in November. This was only fleeting, however, since in December the prices for OPEC, Nymex, and Brent fell to

US$ 72.55,

US$ 70.52,

and

US$ 73.11,

respectively. Increased demand, weather-related supply disruptions, and constrained OPEC output all contributed to the steady price rise that began in February.

Month	OPEC	Nymex (WTI)	Brent (ICE)
Jan-21	54.38	52.39	54.29
Feb-21	61.05	60.34	61.14
Mar-21	64.56	62.35	66.33
Apr-21	63.24	61.41	64.62
May-21	66.91	66.72	68.63
Jun-21	71.56	72.59	73.18
Jul-21	73.53	69.83	73.66
Aug-21	70.33	66.73	70.92
Sep-21	73.88	72.12	74.25
Oct-21	79.60	78.55	82.87
Nov-21	81.26	80.99	80.88
Dec-21	72.55	70.52	73.11

Uganda-Petroleum Market Analysis/ Share

One of the main petroleum products used in Uganda's transportation and clothing industries is diesel. By 2020, the rail industry used 39.6 million litres, the road sector used roughly 555.6 million, and the fishing industry used 99.2 million litres. Due to a lack of oil refineries, Uganda does not generate any petroleum products domestically. Instead, they are imported from a few other countries like Kenya, China, and the United Arab Emirates. Uganda brought in almost 992.2 million litres of diesel in 2020. Historically, the import of diesel grew till 2019. However, as a result of the COVID-19, the volume of imports fell as demand for goods in the road and railway sectors fell.

In 2021, Vivo Energy Uganda Ltd. And Total Uganda Limited held the majority of the market share for oil, with Vivo Energy holding 16.93% and Total Uganda claiming 15.32% respectively.

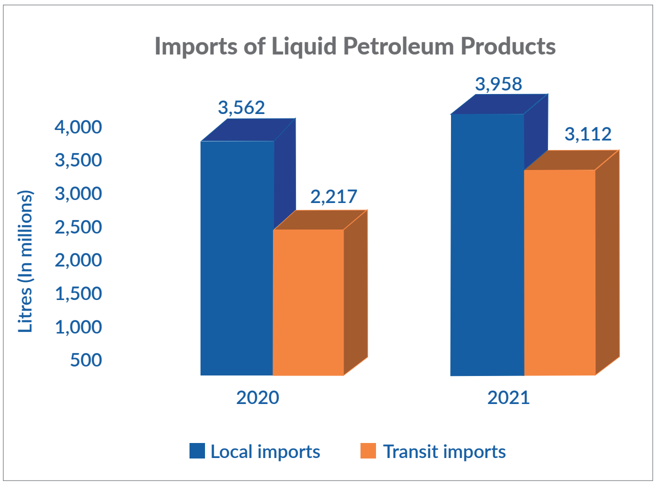
Uganda- Petroleum Market Share

Market shares of Oil Marketing Companies in 2021.

OMC	% MARKET SHARE	SQUARES OF MARKET SHARE
Vivo Energy Uganda	16.9	286.6249
Total Uganda Ltd.	15.3	234.7024
Nile Energy Ltd.	5.6	30.9136
Gasline Petroleum	4.5	19.8916
Stabex International	3.7	13.3956
Hass Petroleum	2.8	8.0089
Dolphin Petroleum	2.8	7.9524
Moil Ltd.	2.6	6.8121
Torch Energy Ltd.	2.6	6.5536
City Oil Ltd.	2.4	5.9536
Rubis Energy Ltd.	2.0	3.8809
Others	38.8	45.49
Total	**100**	**670.18**

Tanzania- Petroleum Supply and Demand 2021

From 6.15 billion litres imported in 2020 to 7.07 billion litres imported in 2021, the importation of liquid petroleum products grew by 22%.Transit imports rose by 40% while local imports rose by 11%.

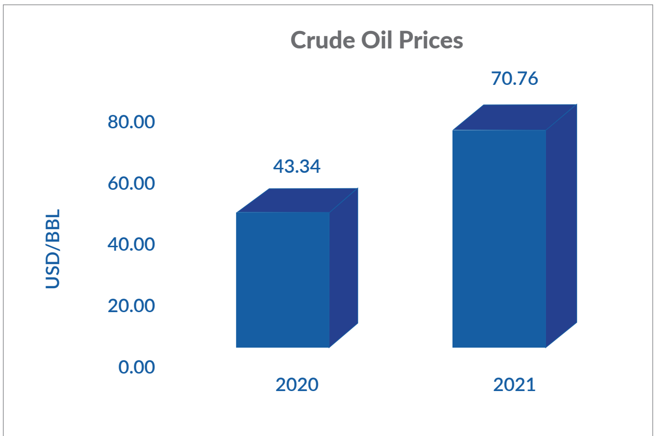


Total local and transit Imports in 2020/2021 fiscal period

Local Imports	2020	2021	% Change
Diesel	1,924,872,486	2,147,613,783	12%
Petrol	1,467,242,413	1,603,624,453	9%
Kerosene	34,883,322	20,085,277	-42%
Jet A-1	118,254,496	162,172,606	37%
HFO	26,795,952	24,239,147	-10%
Transit Imports	**2020**	**2021**	**% Change**
Diesel	1,392,057,753	1,886,886,591	36%
Petrol	702,508,392	1,078,857,760	54%
Jet A-1/ Kerosene	102,397,758	131,170,115	28%
HFO	7,844,645	15,496,268	98%

Tanzania- Petroleum Prices 2021: International

In comparison to the average crude oil price of 43.34 USD/BBL in the year 2020, which increased by 63%, the price of crude oil in 2021 was 70.76 USD/BBL



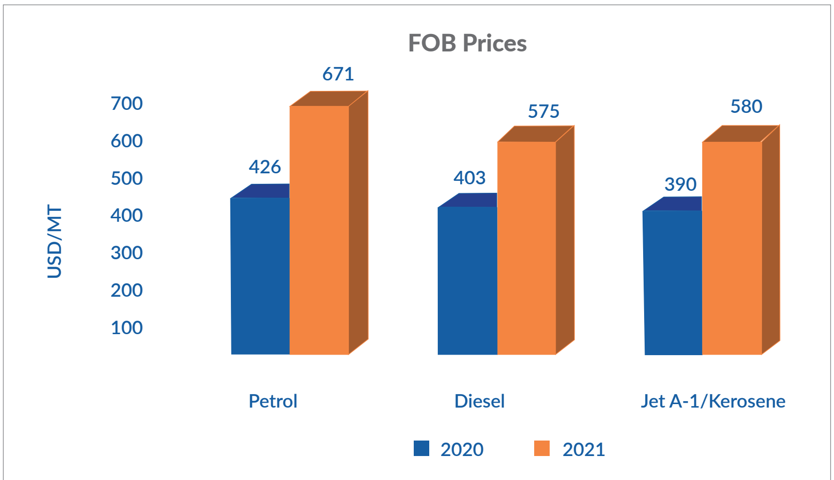
Tanzania- Petroleum Prices 2021: Domestic

Pump prices in Dar-es-Salaam 2021.

Month	Petrol	Diesel	Kerosene
January	1,834	1,695	1,650
February	1,887	1,829	1,769
March	1,981	1,911	1,863
April	2,123	1,996	1,863
May	2,169	2,038	1,957
June	2,249	2,073	1,957
July	2,405	2,215	2,121
August	2,427	2,251	2,176
September	2,427	2,251	2,176
October	2,439	2,261	2,188
November	2,439	2,243	2,188
December	2,510	2,392	2,235
Average – 2021	**2,241**	**2,096**	**2,012**
Average – 2020	**1,928**	**1,862**	**1,768**
% Change	**16%**	**13%**	**14%**

Tanzania- Petroleum Prices: FOB

The price of refined goods also increased as a result of the rise in crude oil prices. Petrol, gasoline, kerosene and Jet A-1 FOB prices climbed by 58%, 43% and 49%, respectively, in 2021 compared to FOB prices in 2020.



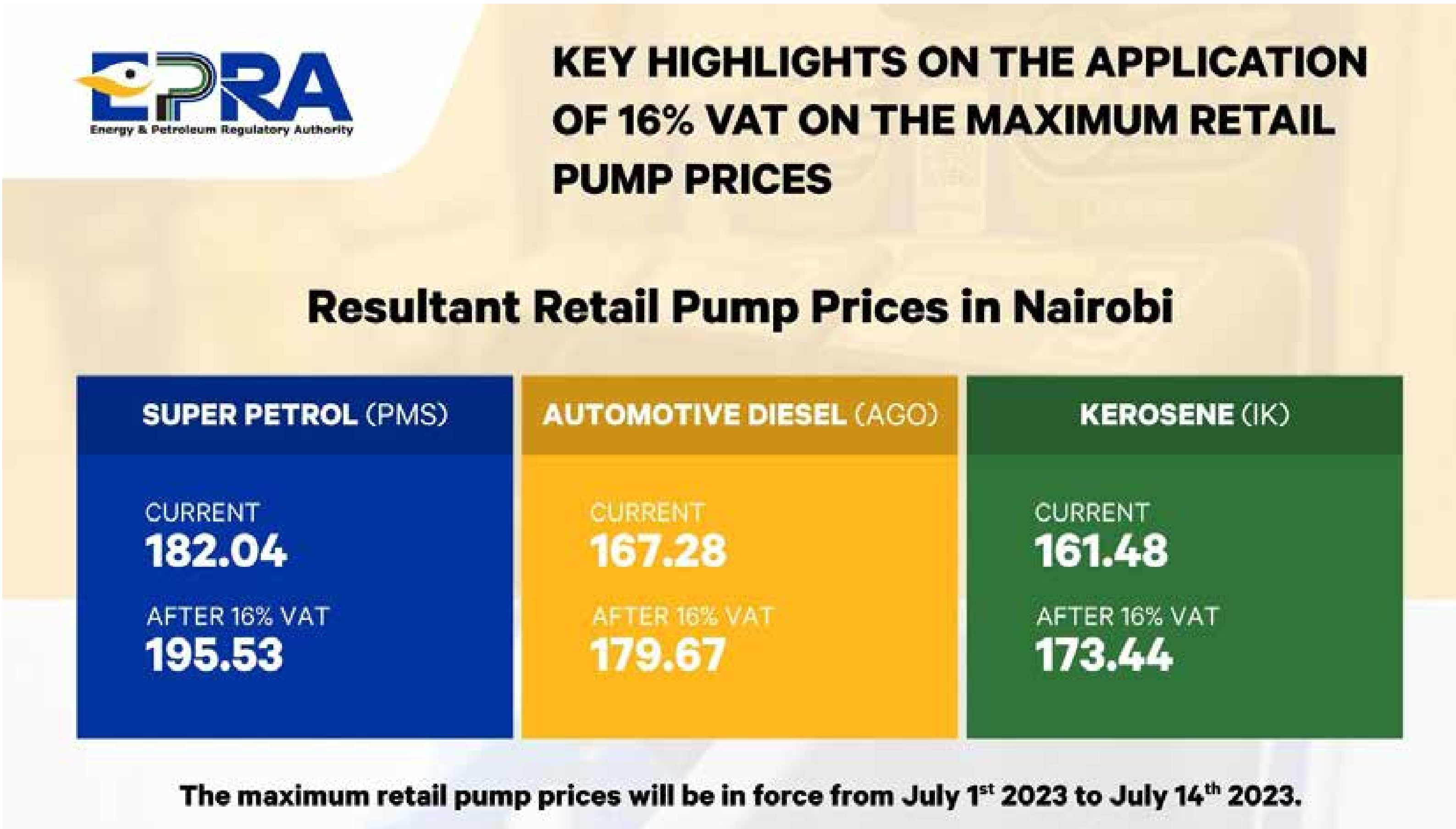
The table illustrates the average World Market Refined petroleum products FOB price in 2021.

Month	Petrol	Diesel	Kerosene
January	496	443	448
February	562	504	504
March	617	513	513
April	618	506	512
May	644	548	555
June	680	586	589
July	720	595	600
August	697	564	570
September	732	614	617
October	793	710	721
November	775	679	690
December	718	634	644
Average – 2021	**671**	**575**	**580**
Average – 2020	**426**	**403**	**390**
% Change	**58%**	**43%**	**49%**

Tanzania- Petroleum Market Share

Market share of petroleum in Tanzania for the year 2021

OMC NAME	AGO	PMS	IK	HFO	JET A-1	IDO	Total	Market Share
PUMA	339,020,706	119,929,700	-	11,580,525	108,539,139	-	579,070,070	14.0%
TOTAL	285,458,157	203,299,673	5,227,260	17,562,500	29,786,528	38,324	541,372,442	13.1%
GBP	180,079,940	166,247,600	4,159,750	-	-	-	350,487,290	8.5%
MOIL	187,841,902	161,297,747	-	-	-	-	349,139,649	8.5%
ORYX	194,838,925	112,031,197	1,072,906	574,349	-	51,000	308,568,376	7.5%
OILCOM	117,442,315	90,520,948	10,901,894	-	26,051,018	-	244,916,175	5.9%
CAMEL OIL	132,966,030	82,634,300	-	-	-	-	215,600,330	5.2%
ACER	94,033,072	84,291,628	-	-	-	-	178,324,700	4.3%
MT.MERU	101,683,400	77,112,000	-	-	-	-	178,795,400	4.3%
LAKEOIL	98,302,357	100,837,870	-	-	-	-	199,140,227	4.8%
HASS	72,480,300	41,557,300	-	-	-	-	114,037,600	2.8%
STAR OIL	61,464,250	60,676,250	-	-	-	-	122,140,500	3.0%
OLYMPIC	53,701,700	62,913,900	-	-	-	-	116,615,600	2.8%
VIVO	53,186,900	46,881,200	-	-	-	-	100,068,100	2.4%
AFROIL INVESTMENT	60,293,361	31,623,800	-	-	-	-	91,917,161	2.2%
TANOIL	46,150,000	34,974,200					81,124,200	2.0%
GAPCO	23,639,500	32,251,500	429,500	-	-	-	56,320,500	1.4%
BARREL PETRO ENERGY	30,707,000	20,762,500	-	-	-	-	51,469,500	1.2%
DALBIT	34,847,729	5,032,300	-	-	-	-	39,880,029	1.0%
PETROAFRICA	29,092,500	19,153,570	-	-	-	-	48,246,070	1.2%
ATN	11,279,220	13,939,548	-	-	-	-	25,218,768	0.6%
PETROFUEL	32,112,000	50,000	-	-	-	-	32,162,000	0.8%
UNITED GROUP	23,899,600	145,100	-	-	-	-	24,044,700	0.6%
ADMIRE	10,833,300	7,377,500	-	-	-	-	18,210,800	0.4%
OTHERS	41,503,281.00	23,169,492.00	18,000.00	-	-	-	64,690,773.00	1.6%
TOTAL	**2,316,857,445**	**1,598,710,823**	**21,809,310**	**29,717,374**	**164,376,685**	**89,324**	**4,131,560,960**	

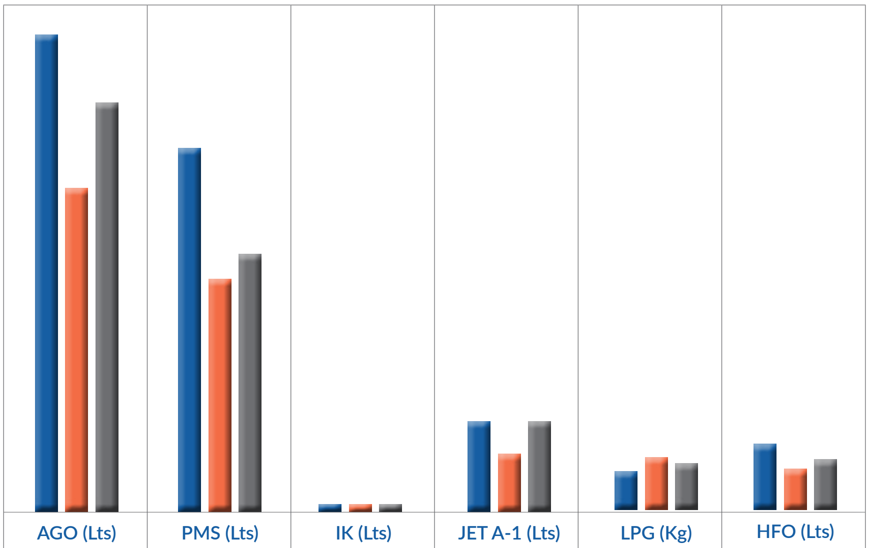


A slide released by Energy and Petroleum Regulatory Authority showing petroleum prices in Kenya effective July 01, 2023. Petroleum prices in the region are at a historical high almost doubling in Kenya within one year.

Rwanda-Petroleum Supply and Demand 2021/2022

Currently, 7.1% of Rwanda's imports of petroleum fuel come through the Northern Corridor (the port of Mombasa in Kenya), while 92.9% of imports come from the Central Corridor (the port of Dar es Salaam in Tanzania). The Dar-es-Salaam port is now chosen because it offers lower transportation costs, quicker loading speeds, and more flexible payment options than Kenya's Open Tendering System (OTS).

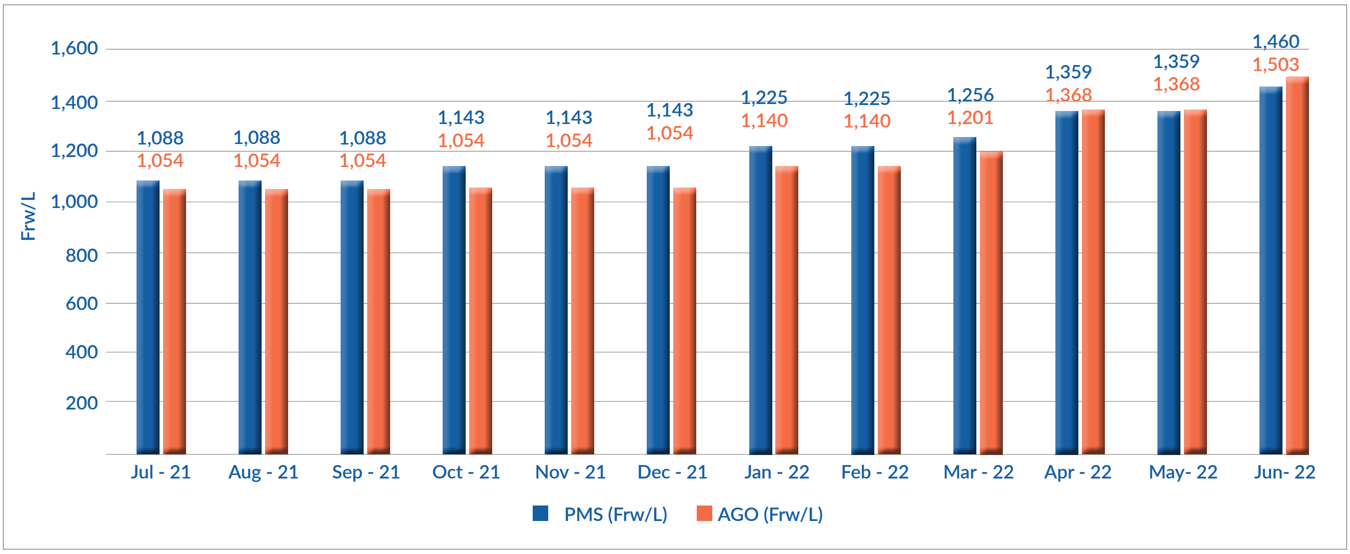
The Rwandan government is still working to attract investments in petroleum infrastructure in order to meet the 198,000 m3 volume that is the aim under the country's petroleum strategy. In comparison to the 2020, imports of diesel, petrol, kerosene, Jet A-1, and heavy fuel oil rose by 26.07%, 10.66%, 7.01%, 54.39%, and 26.79%, respectively. This growth is a result of the economy gradually picking up after the Covid-19 pandemic's restrictive measures.



	AGO (Lts)	PMS (Lts)	IK (Lts)	JET A-1 (Lts)	LPG (Kg)	HFO (Lts)
Imported Quantities July 2019 - June 2020	301,045,241	229,743,055	5,092,918	57,274,554	24,873,425	1,548,848
Imported Quantities July 2020-June 2021	204,297,977	147,121,568	4,407,560	36,887,280	32,931,501	25,573,870
Imported Quantities July 2021-June 2022	257,559,343	162,817,362	4,716,582	56,950,917	30,144,767	32,656,116

Rwanda- Petroleum Prices 2021/2022

In order to account for world events and fluctuations in the price of oil, the cost of Jet A-1 is evaluated each month and the pump price for petrol and diesel every two months. In order to slow the significant rise in fuel costs during the year under review, the Rwandan government subsidised the pump price of petrol (PMS) and diesel (AGO).



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Compiled by; Kevin Adundo & Gillian Achieng

Dispensing Pumps Regulation in Kenya

By The Weights & Measures Department

Dispensing pumps are measuring instruments employed in the measurement of petroleum products used in motor vehicles and domestic homes including diesel, super, kerosene and gas. These instruments by virtue of their use in trade transactions, are subject to legal metrology control. It is the responsibility of any person manufacturing or importing such instruments into the country to submit a model to the Director of Weights and Measures for type approval. Only after such approval can the instruments conforming to such model be sold in the country.

The type approval process is initiated by the instrument importer by making an application to the Director and submitting technical manuals of the design and an OIML Certificate of Conformity relating to the instrument model. The process entails review of the design documentation for compliance, physical evaluation of the instrument sample for integrity and accuracy, report preparation and eventual issuance of type approval certificate and unique type approval number if the model passes the evaluation. Dispensing pumps must be constructed such that access to all metrological parameters is protected via physical sealing. Password protection alone is not permitted.

The law requires that every instrument deployed for use for trade must first undergo initial verification before use. The instruments must be submitted to an Inspector of Weights and Measures for such verification, stamping and issuance of a certificate of verification as proof that the instrument conforms to the approved model and is fit for use for the intended purpose.

A model of measuring instrument should not be placed into the

Kenyan market for trade use before it is type approved. Such instrument shall not be accepted by an Inspector of Weights and Measures for initial verification since the inspectors are prohibited by law from admitting such instruments for verification. Suppliers have been making this mistake thereby ending up with dispensing pumps at petrol station which cannot be admitted for initial verification which situation has caused profound losses to start-up businesses investing in Petrol stations. The law also prohibits use for trade or possession for use for trade instruments which have not been verified and stamped by an Inspector of Weights and Measures.

Dispensing pumps like all other measuring instruments in use for trade, are subject to stringent controls due to their central role in determining exchange of goods for money and hence impacting the economy of a nation. The installation, service and repair of the dispensing pumps can only be carried out by service personnel licensed by the Department of weights and Measures and employed by Service Companies registered with the Department in accordance with the set guidelines.

Such personnel carry with them identification cards known as Authorized Technicians' cards bearing the authorization number, license type and category of instruments the licensee is authorized to repair. For dispensing pumps, the license category is Type 4 for mechanical dispensing pumps and type 6 for electronic dispensing pumps.

Dispensing pumps have undergone a lot of transformation from the simple mechanical type only providing computation for quantity and sales made together with cumulative values to the current electronic ones capable of being integrated into forecourt systems for control of sales, remote transmission of data as well as advertising. The Department works with other legal metrology institutions and manufacturers around the world through technical committees under the OIML to develop principles and procedures for determination of efficacy of instruments manufactured for use as dispensing pumps around the globe. It is therefore advised that anybody venturing into the business involving dispensing pumps either as a seller/ dealer or user should first consult with the Department of Weights and Measures for guidance to avoid costly mistakes.

Courtesy; Weights and Measures Department, Ministry of Investments, Trade & Industry, Kenya

Left to Right: *Kimemia Mugo, Alison & Davis Group (ADG), Managing Director and Florence Wanjiru, ADG Board Chairperson present a certificate of appreciation to representatives of Gibarco Veeder-Root (GVR) in Eastern and Central Africa, Emmanuel Musau and Susan Muchemi at Sarit Expo Centre on June 30, 2023. GVR, a global petroleum equipment manufacturer was the lead sponsor in The AFRIPET Convention 2023.*

The Kenya Ports Authority is currently transitioning from credit terms of payment to advance payment for port charges. As a result, the Authority met stakeholders in Nairobi drawn from Shippers Council of Eastern Africa, Kenya Transporters Association, KIFWA, Kenya Association of Manufacturers, among others as part of sensitization efforts.

Back row, left to right: *John Okulo, NCBA Group Director, Corporate Banking, Bernard Njiraini Former Managing Director, Kenya Bureau of Standards, Joe Sang Managing Director, Kenya Pipeline Company and Solomon Osundwa Petroleum Institute of East Africa (PIEA) Vice Chairman with front row,* ***left to right****: Mohammed Baraka, Managing Director Synergy Lubricants Solutions, Ministry of Petroleum and Mining Cabinet Secretary, Davis Chirchir, Susan Koech Deputy Governor, Central Bank of Kenya and Daniel Kiptoo Director-General, Energy & Petroleum Regulatory Authority during the 1st Quarter Petroleum Industry Briefing hosted by PIEA at the Sarova Stanley Hotel, Nairobi on April 26th 2023.*

Speakers at the Petroleum Institute of East Africa (PIEA) and WLPGA 2023 Africa LPG Summit held on May 17, 2022 at Serena Hotel, Nairobi. They are ***from Left:*** *Bernard Ngugi of Stanbic Bank, Wanjiku Manyara, the General Manager PIEA, Gadibolae Dihlabi, MD, LPG South Africa Association, David Tyler of WLPGA and David Appleton of Argus Media. This year's event brought together participants from different corners of the globe under the theme: Towards Net Zero with Clean Energy Technologies in Africa.*


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