KenGen

Media Report

Sept 22-23, 2011

KenGen News

Print Media

MEDIA HOUSE	DATE	PAGE	TOPIC
The Star	Sept 23, 2011	41	NSE: Kenol/Kobil trades massively as British American gains

Industry News

Print Media

MEDIA HOUSE	DATE	PAGE	TOPIC
Business Daily	Sept 23, 2011	11	Increased investment in the energy and airports infrastructures
The Standard	Sept 23, 2011	37	Date set for completion of EA power project
The Star	Sept 23, 2011	6	Nile Basin countries agree to share electricity

Industry News

Electronic Media

MEDIA HOUSE	DATE	LINK	TOPIC
Classic FM	Sept 22, 2011	http://bit.ly/rkEA8I	Nile basin countries to connect power generation
KBC Eng Service	Sept 22, 2011	http://bit.ly/oyqM8o	Nile Basin countries to integrate electricity grid
East FM	Sept 22, 2011	http://bit.ly/r0vqH5	Nile basin countries to interconnect power generation
KBC TV	Sept 22, 2011	http://bit.ly/oYFgre	Nile basin countries to interconnect power grid

The Star
September 23, 2011

KenGen fell a further1.05% to close at 9.40 and traded 155,400 shares.
Kengen has fallen 44.705% in 2011 and this is a 30 month closing low.

★financial

FOREX Exchange Rates

CURRENCY	MEAN	BUY	SELL
US DOLLAR	97.5806	97.3389	97.8222
STG POUND	150.5802	150.5284	151.2800
EURO	132.1221	131.8036	132.4406
SA RAND	11.9051	11.8690	11.9411
KES/USHS	28.5433	28.5211	28.7655
KES/TSHS	16.8119	16.7447	16.8792
AE DIRHAM	26.5077	26.5012	26.6342
JPY(100)	127.0518	126.7542	127.3495
IND RUPEE	0.20009	0.19945	0.20072
CHINESE YUAN	15.2463	15.2073	15.2852

NSE BIGGEST MOVERS

WINNERS

	CHANGE	PRICE
BRITISH-AMERICAN	8.4	6.45
CFC INSURANCE	7.46	10.80
CFC STANBIC	6.52	49.00
REA VIPINGO	3.33	13.95
ACCESSKENYA	2.8	5.50

NSE BIGGEST LOSERS

LOSERS

	CHANGE	PRICE
B.O.C KENYA	-8.08	91.00
CAR AND GENERAL	-5.45	26.00
EXPRESS LTD	-5.00	3.80
NBK	-4.26	22.50
OLYMPIA CAPITAL	-3.49	4.15

Chinese mobile firm eyes Kenyan market

BY LOLA OKULO

Essar and KDN now opt for arbitration

BY SAM KIPLAGAT

COURT DEAL: Madhur Taneja Country Manager YU at a past function

Standard Chartered partners will Cellulant

BY STAR CORRESPONDENT

KenolKobil trades massively as British American gains

ALY KHAN'S HIGHLIGHTS

More info at www.rich.co.ke

British American rallied 8.403% to close at 6.45 while Tracentury closed unchanged at 30.00.

In Industrial and Allied, KenolKobil was the most actively traded share at the NSE but eased 2.91% to close at 10.00 and traded 7.439m shares worth 74.665m. Mumias Sugar traded 3rd at the bourse and rallied 1.553178% to close at 6.55 and traded a 6.50-6.80 range and 5.086m shares worth 33.32m. Mumias Sugar traded a 6.50-6.80 range. Mumias Sugar trades on a 5.198 trailing PE and has elected to pay a 50 cent final dividend which is 7.633% of near term yield versus the price of 6.55. Mumias Sugar has rallied 10.084% since closing at 5.95 24th August, which was a 23 month closing low. Mumias Sugar remains -32.474% in 2011.

Bamburi Cement traded 4th and traded 203,100 shares worth 32.456m all at 160.00. Bamburi Cement has retracted 11.13% in 2011 and on 11.413 trailing PE.

ARM was unchanged at 160.00 and traded a 1,000 shares. Portland did not trade.

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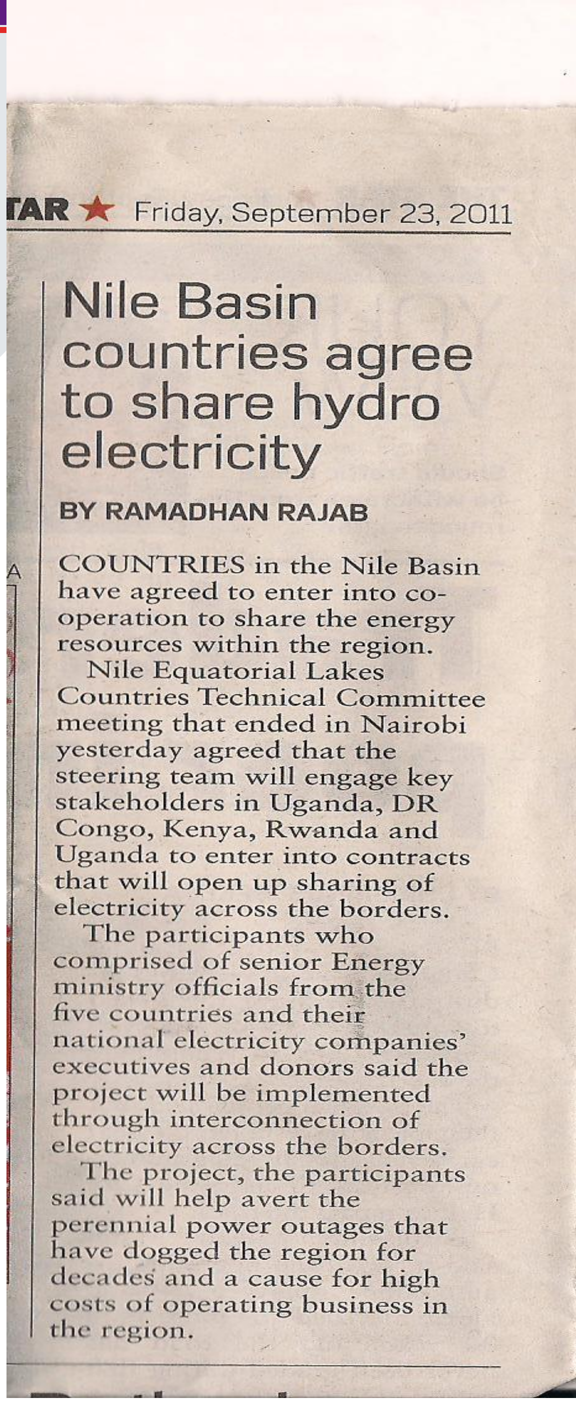
TAR ★ Friday, September 23, 2011

Nile Basin countries agree to share hydro electricity

BY RAMADHAN RAJAB

COUNTRIES in the Nile Basin have agreed to enter into co-operation to share the energy resources within the region.

Nile Equatorial Lakes Countries Technical Committee meeting that ended in Nairobi yesterday agreed that the steering team will engage key stakeholders in Uganda, DR Congo, Kenya, Rwanda and Uganda to enter into contracts that will open up sharing of electricity across the borders.

The participants who comprised of senior Energy ministry officials from the five countries and their national electricity companies' executives and donors said the project will be implemented through interconnection of electricity across the borders.

The project, the participants said will help avert the perennial power outages that have dogged the region for decades and a cause for high costs of operating business in the region.

The Star
September 23, 2011

Countries in the Nile Basin have agreed to enter into co-operation to share the energy resources within the region

The Standard
Sept 23, 2011

A plan to interconnect electricity grids within the larger East African region is set for completion in 2014.
The move will open up a platform for trade in power within the region.

Energy

Date set for completion of EA power project

Grids of regional countries will be interconnected by 2014

By MACHARIA KAMAU

A plan to interconnect electricity grids of countries within the larger East African region is set for completion in 2014.

The move will open up a platform for trade in power within the region.

A meeting yesterday in Nairobi reported completion of studies on the design of transmission lines that were undertaken by individual countries.

Construction works on the lines is scheduled to commence next year and completed in 2014.

The transmission line will connect five countries on the Nile Equatorial Lakes countries — Kenya, Uganda, Rwanda, Burundi and DR Congo — and it is an initiative of the Nile Basin Initiative.

For Kenya, the line will start at Lessos in North Rift and run to Tororo in Uganda and onward to Rwanda, Burundi and DR Congo.

CONNECTION LINES

The line will also connect with other existing and planned electricity transmission infrastructure in Tanzania and Ethiopia.

The project has been projected to cost $363 million (Sh33 billion).

Fred Mwango, chairman Nile Equatorial Transmission Advisory Committee, said the power transmission lines would open up trade in electricity, with countries that are producing more being able to export excess capacity to neighbouring countries.

"Once constructed, the seven countries in East Africa will have their elect_icity grids interconnected and will form the backbone for future power trade. We expect that by 2015, we will have a regional power interconnected grid," he said.

He spoke at a meeting to evaluate progress of the project in Nairobi yesterday.

Energy PS Patrick Nyoike said the transmission lines would enhance supply power in the region and help some of the countries bridge deficit between their installed power generation capacity and demand.

"Lack of power is a common challenge in all our five countries. We have numerous occurrences of load shedding because existing supply cannot satisfy demand," he said.

"These power grid interconnections will provide links between our electricity transmission systems and allow any two adjoining countries to share energy resources," he said.

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Secret to happiness at work, P41

Man U investors can always vote with their feet

JOHN FOLEY
INVESTMENT

Shares without votes raise hackles. Consider the disquiet around Manchester United's upcoming listing in Singapore, where new shareholders may be offered a package of vote-lite instruments that will entrench the Glazer family's control. But while unorthodox, that's not necessarily bad. Besides, investors are free to demand a discount, or boycott the IPO altogether.

Many companies break the one-share-one-vote principle. Carmaker Ford and Warren Buffett's Berkshire Hathaway both have vote-lite and vote-heavy shares.

Ditto internet companies Google and LinkedIn. Manchester United may have dreamt up an alternative by "stapling" non-voting preference shares to regular voting ones.

Reduced voting power can be problematic if managers misbehave or if takeovers arise. Take media empire News Corp, where shareholders have struggled to exert pressure on the founding Murdoch family despite their poor governance. Or Playboy founder Hugh Hefner, who used his control of voting shares to take the adult entertainment group private in 2010 for less than the owner of rival Penthouse said it would offer.

But votes aren't everything. The majority of investors don't always know best, as shown by dreadful, shareholder-approved deals like Time Warner's bid for AOL and Daimler's tie-up with Chrysler.

Meddling investors can also impede development. Companies should be encouraged to experiment, so long as rules are clear, and investors protected from deceit and fraud.

For the Glazers, the question is how much the IPO pricing is harmed by them bending the norms of shareholder democracy. If pref and regular shares are glued together, investors who want one may demand a discount for having to take the other too.

Without guaranteed dividends, valuing the prefs would be even harder -- giving rise to a potential "complexity discount".

The value of a vote also depends on investors' faith in management. Berkshire Hathaway's A and B shares trade on par, suggesting Buffett has investors' trust. Manchester United investors should ask for a sizeable discount, if only to compensate for the Glazers' taste for aggressive financing. If the family don't like it, they have a choice too. They can stick to the norms, or find capital elsewhere.

Mr Foley *is a Reuters Breakingviews columnist. The opinions expressed are his own.*

Letters

The editor welcomes brief letters on topical issues. Opinions expressed here are not necessarily those of the editor or publisher. They may be edited for clarity, space or legal considerations. Send via e-mail to **bdfeedback@ke.nationmedia.com**

Increase investment in energy and airports infrastructure

Among the key sectors in a country's economic growth plan is infrastructure. Therefore, investment in infrastructure such as roads, energy and airports should be increased.

Infrastructure investment has a knock-on effect on the economy as it helps to reduce poverty ,facilitate trade, generate employment and increase activity in the construction sector.

Adequate infrastructure also reduces the cost of doing business.

I watched with interest news reports on the completion of upgrading of Kisumu International Airport, which will make the lake side city a business hub in the western region.

It will play a critical role in fostering development and growth by ensuring reliable transportation hence boosting tourism activities in the region.

Public Works ministry employees repair the Nyeri/Karatina Road yesterday. JOSEPH KANYI

Since 2005, road construction has become prevalent. Even staunch Kenyan economists will readily admit that priority has been given to roads.

The 2011 budget seems to focus primarily on transport and energy sectors. It identified areas of investment like roads, rail, fuel storage and geothermal drilling.

However, the budget does not spell out how the government will address energy supply disruptions that have a serious impact on productivity and growth. It is not a surprise then that the high cost of electricity seems destined to last longer, reducing competitiveness and production.

The budget did not provide any significant information on ports and airports. The port of Mombasa is sometimes considered to be a constraint to economic growth in the region.

Oil infrastructure has a great stake in the economic growth. Therefore high oil prices have a negative impact on the economy, feeding inflation and driving up the cost of living.

There are challenges in the area of supply as a result of infrastructure constraints. Indeed, the Budget underscored that oil supply constraints have weakened tax collection by KRA.

For Kenya to realise the much anticipated economic recovery and Vision 2030 dream, let all attention be directed to our infrastructure.

ERICK KIZITO
Nairobi

When will Kenyans learn not to siphon fuel from overturned oil tankers?

The rate at which Kenyans are dying while trying to siphon petrol is worrying and should be dealt with immediately.

Reports that four people lost their lives in Busia days after the Mukuru Sinai slum tragedy that killed more than 100 people is shocking. Kenyans must take precautionary measures especially avoiding petrol tankers that have overturned.

Moreover, stiff measures should be put in place to deal with anyone caught siphoning petrol. The public should change their attitudes towards free things.

MACDONALD OGAMBI
Nairobi

When will Kenyans ever learn about danger of going close to an overturned petrol tanker. We are still grappling with the effects of the Sinai tragedy yet some villagers in Busia died while siphoning fuel from an overturned tanker after it caught fire.

It is not poverty that is driving people to do this. This is sheer ignorance and lust for free things.

SOLOMON NDERITU **Nakuru**

Better pay for farmers vital in ending the sugar shortage

HARRY MISIKO
FARMING

Sugarcane shortage has been cited as one of the major factors that have led to the current shortage of the commodity.

Most sugar millers in Western and Nyanza provinces are operating below capacity as some issue alerts of their machines grinding to a halt as a result of biting shortage of the raw material. Many sugar factories are all operating at less than half their normal capacities.

Insider reports indicate that the factories are forced to accumulate the reduced cane deliveries for more than three days before milling. The situation is bound to worsen considering that the millers have now turned to poor quality and premature cane—that should be saved for future use— to remain afloat.

This has resulted in low productivity and according to industry regulator, Kenya Sugar Board (KSB), the annual output is expected to drop to 400, 000 metric tonnes from last year's 500, 000 metric tonnes and against the annual demand of over 800, 000 metric tonnes.

So far, a myriad of theories have been advanced to explain the possible cause of the acute cane shortage bedevilling the sugar sector. Some millers, for instance, have been pointing accusing fingers at their colleagues for 'invading their territories' as others cry foul over 'rampant cane poaching'.

Struggle

KSB on the other hand attributes the shortage to declining yield per acre and static production and it blames the millers 'for not doing enough to boost cane production in their respective zones'. Others have linked the shortage to poor cane varieties which they argue have low sucrose content.

As a cane farmer, I instead want to state that the current cane shortage has everything to do with poor pay for cane deliveries and losses emanating from cane transportation to factories.

Despite numerous adjustments to cane price per tonne— both through amicable settlements and fierce court battles— the cane farmer still holds the short end of the stick as pertains benefits.

It is disheartening that none of the millers pays more than Sh3,600 per tonne despite the fact that the cost of cane farming has been increasing exponentially over the years. Most private millers have left the already impoverished farmers to struggle with skyrocketing cost of seed cane, pesticides, fertilizer and labour only to take their cane at throw-away prices.

It beats logic to invest your money painstakingly for over a year only to realise the same amount or even less in some cases while inflation rates increase. Sugar millers continue to reap the benefits of farmers' sweat as the latter continue to live in abject poverty. Millers should realise the pivotal role played by farmers in the sugar sector.

Business Daily
September 23, 2011

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