

ARM Cement set to end 2014 on a high

Euticus Mola business ARM, ARM Cement, ARM Kitui Factory 0 Comments



2014 is almost drawing to a close and for ARM Cement, one of the largest manufactures of cement in Eastern Africa, it will be remembered as a great year. Formed in 1974, ARM Cement celebrated their 40 year milestone this year making them one of the oldest and best known local companies.

Pension scheme for employees

They joined a growing number of Kenyan employers who are now providing retirement benefits for their employees in May this year. The move was a welcome reprieve to the company's 2000+ employees given the financial situation in Kenya. The company partnered with Alexander Forbes, a leading pensions and employee benefits firm, as its pension provider.

Statistics show that of the 12m plus Kenyans in some form of employment (formal, informal, self-employed), only 1.5m currently contribute to the NSSF. Of these, 1.5m only about 400,000 benefit from additional pension provision from their employers. Employers who participate in pension schemes may opt out of making Tier II Contributions to the NSSF and instead pay these to their own arrangements.

Green light to set up largest cement factory in Kenya

ARM also received the go ahead to set up the country's largest cement factory in Kitui County so as to meet the growing demand for cement in the country and the region. The company had been engaged in negotiations with Kitui's county government over extraction of the huge deposits of limestone, which they have been prospecting for since 2009, in Ngaaie Location-Kyuso District. The area has a total coverage of 3,500 acres rich in limestone. Construction is set to start in 2015 and should be complete within two years.

According to ARM's Managing Director Pradeep Paunrana, they project to offer 2,000 jobs directly and another 1,500 jobs indirectly to the local residents who will be given preference in recruitment.

Favourable half year results

Revenues for the regional cement manufacturer grew 16% per cent to Shs 7,566 billion compared to Shs 6,499 billion over the same period in 2013, on the back of a 10% growth in distribution in Kenya and 38% increase in distribution in Tanzania.

For the reported period June 2014, ARM Cement assets grew to Kshs 31,870billion from Kshs 29,705billion. The Cement Company invested an additional Kshs 2.4 billion into its Tanga Plant in Tanzania bringing this to a close with the total investment for the plant to Kshs 10billion. This brings total investment into Tanzania at Kshs 15billion.

Commissioning of East Africa's largest clinker plant in Tanga, Tanzania

ARM Cement also commissioned East Africa's largest clinker plant with hopes that in the next 5 years they will double their capacity from the existing 2.5million tones to 5 million per annum. This will help maintain their position as the largest cement company in East Africa and meet the continued high demand for cement in the region.