

هرهنرما Top پر هوئي



توے داؤدي بهرہ قوم ني جماعة! تمیں جرہي کام کرتا هوئي اهنے اتقان سي
کرجو، خداني طاعة کري نے حلال سي کرجو، حرام سي دوررہجو، انے
دنیا ما هرهنرما تمیں ذروة پر هوئي، Top پر هوئي انے ير Top پر پنچوا
واسطے اجتهاد کرجو، پسينه بهي بهاوي ديگو، مگرير Top پر کوئي حيلة
بانري سي يا دھوکا بانري سي نر پنچائي، Top پر پنچوا واسطے بيجا پر ظلم
کري نے توپ چلاوي ديوايم نر کرجو. (الداعي الاجل سيدنا مفضل سيف الدين طع)



A WORLD OF OPPORTUNITY AWAITS YOU AT AL-FAZAL

Al-Fazal, an Investment Firm formed with a mission to make the community wealthier by helping entrepreneurs build great companies that improve the way, we live, work and play.

Our Board, constitute of visionary entrepreneurs who are at the helm of the affairs, fueling the development of prospective companies that will drive the regional Bohra innovation. Some of them are business leaders from different industries bringing with them tremendous sector insight and deep networks.

Al-Fazal's planned investment strategy spans all stages of a project's growth, from seeding innovations in emerging markets to funding

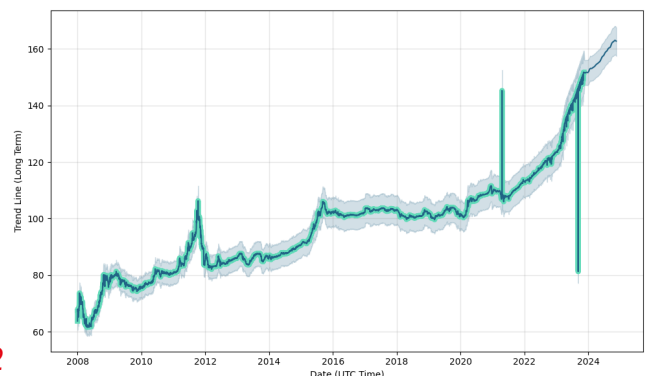
early-stage companies in high-growth markets to fueling the growth of market leaders. We invite businessmen at any stage of growth to partner with us. We can add value and offer expert guidance throughout your company's lifecycle, be it at inception, or at an advanced stage, to be a viable reality.

We have the means, now it is for YOU to make things happen!!!

Call us on: +254 782 772343 or email us on: ceo@alfazal.co.ke anytime during business hours and we will be more than happy to present to you our Investment Objectives.

THE WEAKENING OF KENYA SHILLINGS - WHY?

Year 2018 and 2019, saw a steady Kenya Shilling to the dollar ranging between 99 and 101, but come Feb 2020, just before the outbreak of the coronavirus pandemic, it has been no looking backward. The Shilling has been rising adversely to the dollar from 99 in Jan 2020 to 110 in Dec 2020, to 123 in Dec 2022 and today it stands at 152, a drop in value by 50 Ksh to a dollar (about 53%) the drop as steep as the rift-valley in Kenya.



This means that Importers end up paying ... **contd. page 2**



"It won't happen overnight. But if you quit. It won't happen at all."

50% more than what they used to pay prior to 2020, and repriced these items to cause an extra dent in the consumers pocket.

One wonders why this effect. Is it the fault with Kenya or there are external factors that affect the slide? The answer is partially yes. Since the US Fed Reserve started an aggressive monetary tightening campaign raising finance cost rate from 0.25% to 4.5%, all banks, hedge funds, and other investors world-wide pulled out their investment from frontier economies and pledged with first-world economies. Then came the inflation due to rise in import products with the shillings sliding down, which led to foreign investors pulling out almost 24 bn Ksh from the Nairobi Stock Exchange. Investors also pulled out following fears that the General Election in 2022 would cause disruption. Last but not the least the fiscal tightening in Kenya forced business to either cut operations here or move entirely leading to dwindling in tax revenue, raising questions about the Government's ability to pay its external debts, which also contributed to the shilling slide. So, it was a chain reaction, one leading to another until, here

we stand with a Ksh 100, that could buy a dollar, now with the same 100 Ksh, could only buy 2/3rd of a dollar.

Furthermore, two of Kenya's key forex earners, tourism and horticulture, still depend largely on European markets. Flowers and vacations are luxury goods, and are among the first purchases that Europeans will cut-off if they go into a full-fledged economic crisis, leaving Kenya in a very precarious situation.

So will the shilling recover? Given the current economic conditions it is very unlikely. There are two critical aspects that prevent the shilling from regaining. First is the Fed Reserve of the US which is committed to retain its high rate of finance cost and second is, if in the unlikely event, Kenya defaults its external debt repayment, then it could send the shilling spiraling down by 20-30% to between 170-180 around Feb 2024.

So how does the businessmen come out of this situation? Read in our next issue....

ARTIFICIAL INTELLIGENCE (AI) AND US



We hear so many stories of AI replacing human in the next 20 years. Humans will be unemployed. There will be mass starvation with no jobs; only the rich will survive and get richer. This then brings one question to my mind.... "If AI can do everything, can it do my laundry or cooking?" If not, then I don't have to worry.

On a serious note, in today's rapidly evolving business, having a competitive edge over your customers requires forward looking, and that is by adopting innovative technologies to enhance your business and one such transformative force is AI, which has the potential to revolutionise business. It can be used by a small trader to a large business conglomerate. AI has the ability to analyse data and identify patterns that enables businesses to make accurate predictions and forecast, empowering businessmen to take informed decisions.

As every bright side has a darker version in it, so does AI. However the bright side outweighs the darker side by far with just one research - doctors can now predict breast cancer in the woman at earlier stages using AI-technologies.

Hence, every invention will have both, but we as humans need to take care of that and use the positive sides of the discovery.

Read more about how AI can actually help in businesses in our next issue.



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KENYAN FISCAL HIGHLIGHTS

Kenyan businessmen have been cautioned of cyber-crime for the next 12 months as per report from Allianz Risk Barometer. Last month local organisations faced a total of 123.9 million cyber threats including system attacks which accounted for 89.7%. Fraud, crime, terrorism, money-laundering are some of the potent cyber-crimes.

Radical Transition in Kenya's supplementary budget for fiscal year 23/24. Priority spending has shifted from development-led expenditure to debt-servicing and investments in primary sectors like Agriculture, Education and Health. Those that saw downward revision in their budgets were Energy, Housing and Roads, thereby affecting among other industries.

KRA hands-over stamp duty collection to Land Ministry. From 27th Nov'23, all payments for land transactions attracting stamp duty shall be made to the State Department for Lands and Physical Planning through the e-Citizen portal. Payment instructions are available when user clicks 'PAY' on the Ardhisasa platform.

Kenya ready to privatise 35 state companies

Kenya's President William Ruto said that his government was ready to privatise 35 state companies "trapped in government bureaucracy" in a bid to boost productivity. The revised law aims to push up the private sector's participation in the economy. The government was also exploring options of some 100 state-owned firms, that "would-be lucrative companies... if they are operated by private sector."

NEXT-DOOR NEWSFLASH

Tanzania records a 30.5% increase in revenue in Tourism and Transport from \$4.41bn in the year ending Sep'22, to \$5.75bn in the year ending Sep'23, reflecting a steady tourism sector recovery. Tourist arrivals rose from 1.3mn to 1.7mn in the corresponding period.

Ugandan Parliament passes law giving government exclusive right to import fuel. The bill if passed as law will come into effect from Jan'24, leading to lower fuel prices by removing Kenyan middlemen from the supply chain. Currently, Uganda imports 90% of its petroleum products through Kenya.

Ethiopia to formulate legal framework to facilitate private investment in renewable energy generation and distribution. Despite Ethiopia's abundant solar resources, only a fraction of its potential has been utilised.

Even though tinier in size, the island of **Zanzibar has attracted nearly \$3.73bn** in investments through projects, as per ZIPA. From Sports to Entertainment, the Blue economy, Agriculture, Energy, Tourism to Technology, the island is setting up an impressive illustration of monumental progress.

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