

Uganda stove manufacturers limited (Ugastove)

**Presented by
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History

- Uganda stove manufacturers limited (ugastove) stated in 1980s as a family business making pots and traditional metallic stoves selling them in one of the local market. Later on the stove business was registered as an association by Kawere.
- Dealing in Garbage collection within the community and on a small scale making stoves and selling them in the near by communities.
- Producing 150pcs and on selling 100pcs per month (with 15 artisans and 5 management staff.
- In 2006,Ugastove was registered and by then it had no extruder, no klin. Later on,ugastove won an award from PCIA and a modern klin was constructed and a small factory. This increased on production and the quality of the stove.

Developments....

- Ugastove has grown and is now a profit making company.
- Fully registered to earn carbon finance.
- Manufacturing and distributing on average 9000 stoves monthly.
- Ugastove is currently employing 85 artisans ,8 management staff , 7 sales Executives and 4 drivers,4 trucks for distribution.
- We have scaled up and currently having three branches in the north(Lira, Gulu and Arua)With distributors in almost all big towns of Uganda.
- Money earned from the proceeds of carbon is currently used to subsidize the cost of the stove ,mechanization of production line and getting involved in community social responsility activities(CSR)

Cost and sources of finance

- In general its very expensive to manufacture and distribute a stove in Uganda . The total cost of the stove on average is 11\$ or more and we are selling at 6\$.
- **Below are what we consider to be our major costs:**
 - ❖ Materials
 - ❖ Labour
 - ❖ Marketing
 - ❖ Administration

Sources of finance

- Ugastoves retained earnings
- Carbon finance
- Small grants from partners e.g. GIZ

sales and distribution channels

- Ugastove has a number of marketing channels:
 - Sales promotions
 - Retailer sales
 - Organized groups
 - Door to door sales
 - Corporate sales
 - Trade fairs and exhibitions

The way we market our stoves



How ugastove tries
to reach the end
users in different
areas of the
country



Sample Product Focus: Charcoal

This is Ugastove's most popular locally-made charcoal stove model:

- Reduces HH fuel consumption by 35%
- Saves average family ~US \$70/year
- Comes with a 1-year warranty
- Lasts an average of 4 years
(and as many as 6)
- Wholesale price subsidized
by carbon finance
- Retailers can sell high volumes at
attractive margins



Sales from 2011 – May 2013

| | | 2013 | | 2013 | | 2011 |
|------------------------|--|--------------|--|--------------|--|--------------|
| | | (5months) | | (12 months) | | (12 months) |
| CS1 | | 24472 | | 33840 | | 13938 |
| CS2 | | 13132 | | 22480 | | 13014 |
| CS3 | | 5006 | | 8422 | | 4008 |
| CS4 | | 27 | | 58 | | 90 |
| CS5 Large | | 4 | | 24 | | 48 |
| CS5 Small | | 16 | | 21 | | 54 |
| Double Burner | | 3 | | 12 | | 9 |
| Fixed Institutional | | 6 | | 9 | | 20 |
| FRS | | 73 | | 291 | | 170 |
| Total sales | | 42739 | | 65157 | | 31351 |

What Our Customers Are Saying



"I used a traditional 3 stone fire. Fire was a big problem because it can cause accidents. There was also too much smoke. I also used a clay local charcoal stove, but it can break easily. [The new stove] takes less charcoal, which saves me money... I spend 4000 shillings a month on charcoal, where I used to spend a lot more than that!"

*- Susan Kakayi, Age 22
Mbale, Uganda*

"The Ugastove product is so great that if I had the money, I would buy them for all my friends! It saves me 1000 shillings per day on charcoal compared to my other stove."

*- Florence Kibuuka
Makindye,
Uganda*

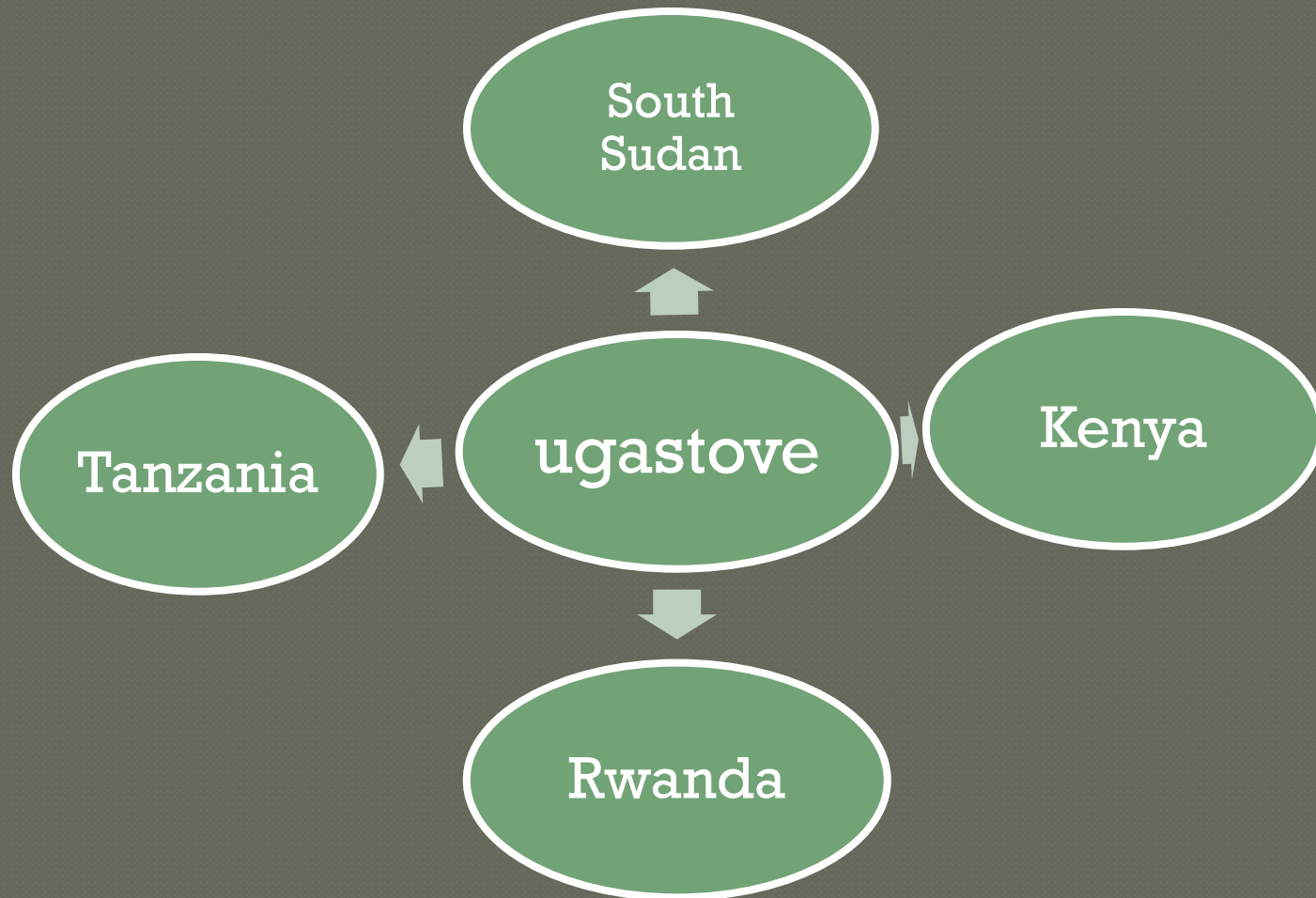
The "Ugastove is more convenient and economic compared to other stoves. They last longer and we strongly recommend these to our friends and neighbours."

*- Haj Ahman Mutebi
Kampala,
Uganda*

Scaling up

- Ugastove is currently distributing all its stoves in uganda and this is because of the limitations of the carbon credits project.
- We are currently looking at how to scall up and move to outside (neighbouring countries with our products.
- Considering the fact that we have now managed to construct a bigger kiln which can be able to burn 6000liners a week that is around 24000 liners a month more than double of what we have been selling currently.

UGASTOVE EXPANSION CONCEPT



Uganda's major challenges

- ◉ There are no agreed upon standards of improved cook stoves in Uganda which has brought about a lot of counterfeits
- ◉ Fluctuation of material prices
- ◉ Lack of awareness of improved cook stoves
- ◉ A lot of taxes levied on the private companies
- ◉ Carbon finance legalities

Uganda's problem.....

95% of Ugandans rely on wood and charcoal for cooking. Most solid fuel is burned on inefficient technologies.

