

TCC shareholders get 7pc dividend rise

By Josephine Christopher
@JoclineQ

jchristopher@tz.nationmedia.com

Dar es Salaam. In the midst of the Covid-19 pandemic which has adversely affected the world's stock markets and other businesses, shareholders of the Tanzania Cigarette Company (TCC) will get a seven per cent increase in dividend per share for 2019.

The manufacturers - owned 75 percent by the Japan Tobacco International (JTI) - reported during the year to December 31, 2019 that investors would pocket Sh512 per share, up from the Sh479 received in the previous financial year.

This was attributed to the company's good performance in 2019 whereby its net profit surged to Sh51.2 billion from Sh47.9 billion in 2018.

The company's revenues for the year-2019 increased by 5.2 percent to Sh309.8 billion from the previous year's Sh294.3 billion.

The increase in the revenue was attributed by the pricing methodology adopted in the domestic market and the increase of export volume to countries like D R Congo.

A brokerage firm, Tanza-



nia Securities Limited, said that, despite these promising results, the company has been relatively illiquid with limited share volume and price movement at the Dar es Salaam Stock Exchange (DSE).

"The stock price remained flat, closing at Sh17,000 on the bourse since May 2018 with moderate to low demand," the statement reads in part.

The firm's market capitalisation currently stands at Sh1.7 trillion.

Meanwhile, the DSE market capitalisation is still on its downward trend, having dropped to Sh14.44 trillion - a record low - on Friday last week.

Zan Securities' weekly market wrap-up said "the equity market has posted abysmal

Some members of the Parliamentary Standing Committee on Investments, Trade and the Environment during a past tour of the Tanzania Cigarette Company (TCC Pic) PHOTO | FILE

performance due to the ongoing global events. We do not expect a pick-up in activity until the third quarter" of 2020.

The All Shares Index (DSEI) reached 1,739.63 points while the Tanzania Shares Index (TSI) moved to 3,484.11 points - largely due to stability of some local firms during the week.