

TOL banks on new plant to increase profit

By **CHRISTINA MSEJA**

TOL Gases is expecting an increase in profitability following commissioning of the new air separation plant that set to tap regional market.

TOL Gases Managing Director, Mr Daniel Warungu said that will help to end lack of reliability of supplies for oxygen and nitrogen gases in the Tanzania market as well as in the neighbouring countries.

“The company is expecting to resume the Kenyan market for liquid nitrogen as well as liquid oxygen which will ultimately increase profitability,” Mr Warungu said during Annual General

Meeting (AGM).

Mr Warungu added that the company has managed to procure a brand-new air separation unit to replace the aged and oversized Aspen 1000 plant, while installation and commission of the new plant will be completed by next July.

Also, they are in the process of doubling its carbon dioxide production capacity as well as distribution capacity coming next year.

“This follows the rise in the demand for carbon dioxide within the country as well as from the neighbouring southern African Development Community (SADC) countries to the point that the

market cannot cope with the rising demand,” the Managing Director said.

Furthermore, the key to the company’s confidence in making investment is the increasing number of blue-chip bottling and brewing companies expressing their willingness to enter into a long-term commitment with TOL for the supply of food grade carbon dioxide.

He said they also plan investment in an additional production capacity for carbon dioxide into defending the company’s regional as well as local market that has been challenged by competition from the neighbouring country as well as increase

the company’s financial performance.

TOL Gases recorded a pre-tax profit of 2.4bn/- last year, up from 2.2bn/- registered in 2019, thanks to the increase in the company’s sales revenue.

During the period under review, sales revenue increased by 15 per cent to 19.82bn/-from 17.25bn/-in 2019.

TOL is the leading manufacturer and distributor of industrial and medical gases in Tanzania, with shares listed in the Dar es Salaam Stock Exchange and has been a pioneer in the gas industry in the country for several decades.