

# **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

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- 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

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- 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
<b>Total sales</b>		<b>42739</b>		<b>65157</b>		<b>31351</b>



# 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*

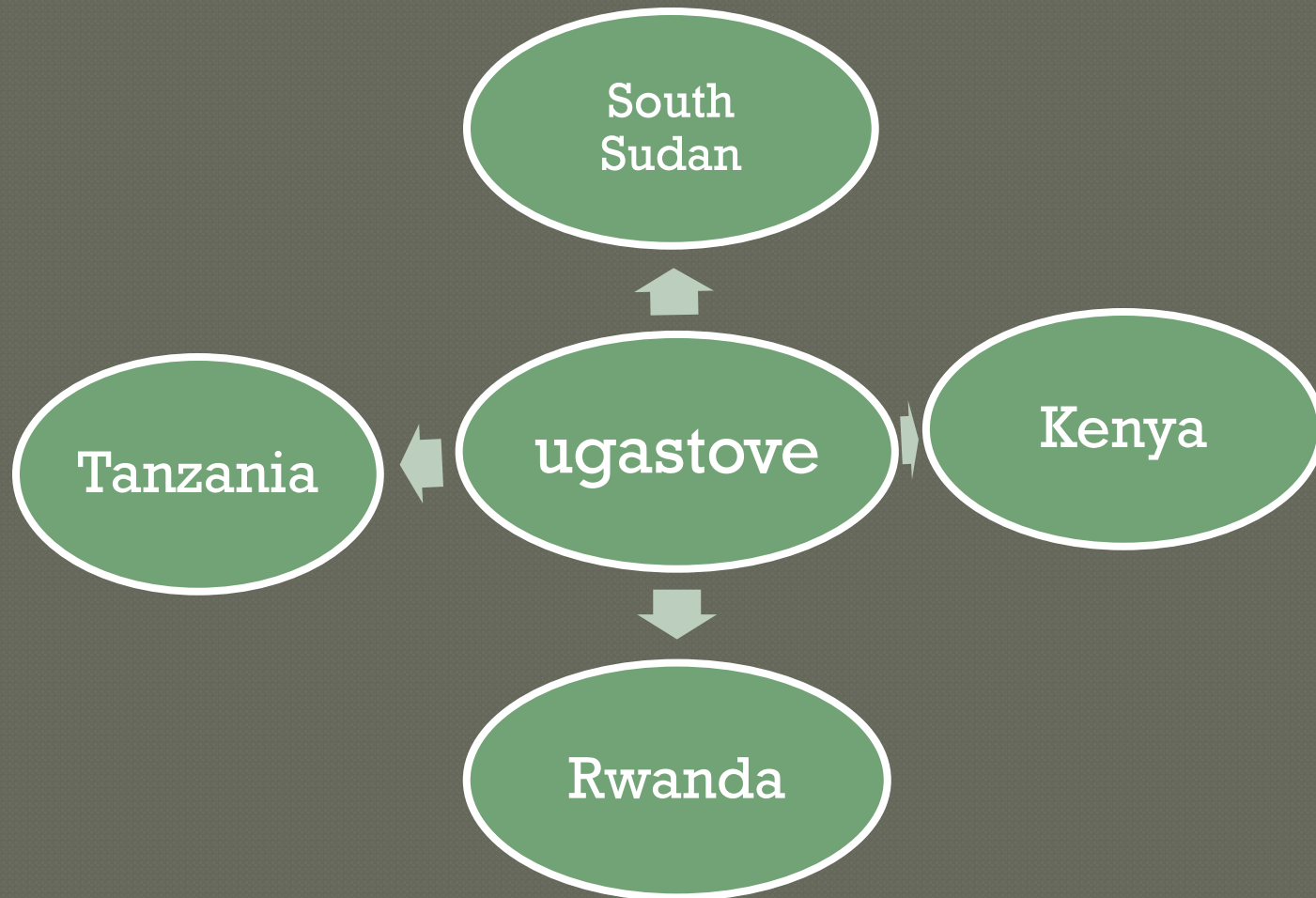
# Scaling up

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- 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 scale 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 6000 liners a week that is around 24000 liners a month more than double of what we have been selling currently.

# UGASTOVE EXPANSION CONCEPT

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# Ugastoves major challenges

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- ◉ There 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.....

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

