

Volatility hits telecoms after 17 years of growth

Subscriptions of voice telecommunications are becoming volatile although the number of internet users is increasing. Tanzania ended 2017 with a 0.22 per cent drop in a number of voice telecom subscribers, rising a question whether the market is saturated. The number of subscribers has been growing in the last 17 years but 2017 experienced volatility and ended with 40.08 million voice subscribers compared with 40.17 million in 2016, according to the Tanzania Communications Regulation Authority (TCRA). According to FinScope study of 2017 released last September, mobile phone network reached 95 per cent of Tanzanians since last year and 93 per cent of Tanzanian adult had access to mobile phones. *"The Citizen, business week Pg.13"*

New credit card adds impetus to Tanzania's cashless goals

Tanzania is moving at fast speed towards becoming a cashless society as companies design more innovative payment systems. With the rise of mobile money payment systems and electronic cards, the firms are simplifying not only payment but also access to credit. This will go along way into increasing the number of Tanzanians who have access to formal financial services. As of last year, 65 per cent of Tanzanian adults had access to formal financial services, according to a 2017 FinScope Survey. That was slightly below the target set under the National Financial Inclusion Framework, 2014/2017 which sought to have 80 per cent of Tanzanian adults using formal financial services by 2017. *"The Citizen, business week Pg.16"*

CRDB shares trade at discount their value

CRDB Bank shares trade at a discount of 25 per cent from current market price, according to a report, providing a good bet to stock investors for good returns. The bank share currently trades at 200/- which stock analyst said in an equity research report that they are supposed to trade at 245/- apiece. The report, released recently, attributed its finding based on the second stage Dividend Discount Model (DDM) method and relative valuation method. The report shows the fair value of CRDB to be 245/- per share or 25 per cent discount to the current market price. CRDB is the biggest bank in the country controlling 23 per cent market share. Its share price appreciated by 25 per cent to 200/- since the beginning of this year. The target price was based on two stages DDM where researchers considered the impact of improving loan performance on the future earnings and earnings multiples. The report said it had discounted dividends for five years from 2017 to 2021. *"Daily News, Business & Finance Pg.19"*

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