



## James Mworia's interview: Centum Investments and designation of Two Rivers as SEZ

**T**he Centum Investment company is listed on the Nairobi Securities Exchange and the Uganda Securities Exchange. It is a diversified portfolio with assets of about Ksh 50 billion and debt of about Ksh 2 billion. Since its inception in 1967, Centum Investments has been able to achieve its goal of creating value for shareholders by creating extraordinary enterprises. It has further invested in a variety of sectors of the economy, including a diversified portfolio of enterprises, cutting across real estate, power, agriculture, financial services,

education, and manufacturing.

Throughout its operation, it has proven to be a conduit for investors to bring their capital into the continent, through the creation of extraordinary enterprises hence the tagline 'tangible wealth'.

In its operation, Centum Investments invests in enterprises and makes them valuable, and ultimately exits to allow other investors to come in. In an interview with the Vellum Kenya team, the CEO of Centum Group, Dr James Mworia, gave a recent

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example of Coca-Cola bottling companies, which were three small enterprises that Centum onboarded as anchor investors and ultimately consolidated into one and implemented a value creation strategy that saw profitability of that entity move from about Ksh 100 million to close to Ksh 2 billion over five years which was sold to Coca-Cola in 2018 at a Ksh 19.5 billion transaction.

He said that in the financial service sector, Centum invested in a company called Genesis that they rebranded into GenAfrica which then expanded into the rest of the region and the assets tripled under the management of Centum. It later sold off its 73.35% stake in GenAfrica Asset Managers (“GenAfrica”) to a fund managed by Kuramo Capital Management LLC. Others include the transformation of Sidian Bank and the creation of Centum RE which developed and sold more than 2,200 houses and therefore fulfilled the needs of clients across the region.

Within the investment portfolio of Centum Investment is the Two Rivers International Finance & Innovation Centre (TRIFIC) which the Kenyan Government, through the SEZ Authority, has officially designated as a Special Economic Zone (SEZ), which Dr James Mworira stated that:

“A Special Economic Zone is a customs territory, which offers certain incentives to enterprises that operate within that zone. The Special Economic Zone Act recognizes different business activities that can take place within a special economic zone. One of the areas that has been there since 2015, but which had not quite been exploited as an area of services.”

He explained that the Special Economic Zone Act recommends one to set up a special economic zone focusing on business parks, technology parks, conferences and conventions areas, that Centum Investments have focused on at TRIFIC.

Out of the 25 special economic zones that have been gazetted, TRIFIC is the most advanced in terms of infrastructural development offering exciting prospects for global, regional, and Kenyan service-oriented business enterprises seeking a base to access international markets competitively.

“TRIFIC will offer high-quality infrastructure and space whether it’s office buildings and the infrastructure or

developments and the necessary amenities that form an important component. That’s one of our brand promises which you can offer very competitively. As an investor, you don’t have to come and build, we’ll do the building and have the offices fitted out for all our investors,” said Dr Mworira.

He further outlined that TRIFIC will offer business facilitation in interaction with the government thus providing ease in doing business and saving time in engaging with various regulatory agencies. The interface between business and government will be through a private sector intermediary who will provide the investors with a service level agreement, and the one-stop centre will then interact with all the various government and regulatory agencies so that investors deal with only one party as opposed to having to deal with several parties.

The target focus for TRIFIC is an enterprise in services with a significant component of export in those services, an enterprise in technology, enterprises in financial services and professionals like audit firms, consulting, Business Process Outsourcing (BPO) firms, professional services providers, NGOs, media and entertainment firms, and hospitality and international law firms looking to set up base in Kenya, communication businesses, any business offering business to business services or business to consumers’ services to other enterprises. The Centum Investments CEO noted that TRIFIC is a good location for the head office of companies, HQ for the region, for the continent, or even globally.

In addition, Dr Mworira outlined that the onboarding journey for a TRIFIC tenant would be simple as they shall be offering expert services by providing the tenants with the necessary information requirements to be registered as a Special Economic Zone enterprise and handle the application process on behalf of the tenants.

The licensing of TRIFIC as SEZ will not only reinforce Kenya’s status as a global investment hub but also as a global talent hub as TRIFIC will create a wide range of employment opportunities. Organisations looking forward to setting up in Kenya and seeking a world-class environment to thrive can position themselves and take advantage of the financial and business-facilitation incentives offered to SEZ enterprises.