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TransCentury eyes big pojects to increase revenue tenfold

ENGINEERING firm, TransCentury, is seeking to leverage on the country's increased appetite for transport and energy infrastructure projects to increase its revenue tenfold in the next five years.

The company, which is listed on the Nairobi bourse, is now eyeing the construction of road and power plants to accelerate its growth.

Company chief executive Gachao Kiuna says among the various subsidiaries in the firm, the construction and engineering arm will play a pivotal role in its five-year plan to achieve the ambitious revenue target.

Power projects

"TransCentury is today doing just over Sh10 billion in revenue and we believe that we can get to Sh100 billion in five years, half of this will come from Civicon Engineering, which is our engineering and construction arm," Mr Gachao told journalists in Email, where a Sh2 billion tin manufacturing plant is under construction.

"We are looking into big power projects and even construction of the Nairobi-Mombasa toll road added to the 10,000 kilometres annuity plan for which we have been prequalified."

Civicon Engineering plans to complete the factory by August 2015. The contract was awarded by GZ Industries, a firm based in Nigeria where it has the largest tin plant on the continent.

TransCentury acquired Civicon in 2011 and has since used it in several construction projects involving energy, oil and gas exploration as well as construction of industrial and manufacturing plants both in Kenya and in the regional countries including Uganda and the Democratic republic of Congo.

Security station

The company is currently constructing a security screening station at the Jomo Kenyatta International Airport.

The investment firm, which began in 2004 with Sh24 million capital, has since grown from an annual turnover of Sh300 million per year to more than Sh10 billion annually. There are plans to increase this turnover to Sh40 billion in half a decade, according to the chief executive.

There have been challenging times for the investment firm as well. TransCentury's first investment in South African Breweries Ltd is said to have made no profit by the time it closed shop five years later.

Last year, the firm exited from Rift Valley Railways in a plan that saw it lose close to Sh5 billion. This led to a record Sh1.63 billion loss in the first half of 2014, compared to a net profit of Sh380 million in a similar period the previous year.

The company also plans to start an independent power supplier business and is set to build a 35 megawatts plant in Menengai, this year.

Increase investment

Mr Gachao urged the government to contract local companies and increase its investment over GDP ratio to achieve the envisioned double-digit growth rate.

"Countries which have achieved the double-digit growth in GDP ensure more than 20 per cent investment over GDP. An economy is like fire and unless firewood is added, it will just die out," he said.

"Local companies are the ones who generate capital and invest it back into the country. If the government is not procuring local companies when even foreign companies believe in us, then there is need for the government to build local capacity and encourage direct domestic investments."

— Edwin Okoth