



OXFORD BUSINESS GROUP SHINES SPOTLIGHT ON MERU'S INVESTMENT OPPORTUNITIES

New publication puts county under the microscope as Kenya's devolution takes shape

Kenya, February 2014: The global publishing, research and consultancy firm Oxford Business Group (OBG) maps out the investment opportunities emerging in the Kenyan county of Meru, as the African state's ambitious devolution process gathers pace.

OBG's economic booklet *The Report: Meru County 2014*, was launched on May 8th at the Panafric Hotel, Nairobi to a packed room of distinguished guests and members of the media.

Devolution formed a key part of Kenya's 2010 constitution, and the transfer of select powers – including fiscal, social and planning policy – from the central government to the 47 new county governments will bring with it a spate of changes in the business environment.

Hopes are high that the move to shift some of the responsibility for things such as health care provision and infrastructure maintenance – which previously were under the purview of the national government – to local elected officials will increase urbanisation in rural areas and encourage economic growth outside of Nairobi. The county governments, which began operation following the March 2013 elections, will receive not only a share of national revenues but will also have the ability to raise funds from within their jurisdictions.

The broad institutional changes wrought by devolution, and the subsequent impact on economic and industrial growth, are opening a raft of new opportunities for investors, as OBG's investment analysis of Meru indicates. In *The Report: Meru County 2014*, OBG's analysis highlights the potential that the county's agricultural industry offers for development, supported by the region's strategic location, rich soil, diverse climate and infrastructure.

It also explores the move by some of Kenya's counties, particularly those along the national borders, to team up for key projects to reduce distribution and transport costs, and benefit from economies of scale.

The governor of Meru County, Peter Munya, told OBG that while Kenya's localities would be competing for investment, it made sense to collaborate on major works, such as transport infrastructure.

"Around Mount Kenya, we are exploring how we can cooperate to protect the environment and promote tourism," Munya said in an interview which appears in the publication. "This collaboration also



goes for road building. We have passed along our new technologies, because an integrated road network benefits everyone. If you develop alone as an island, you will not be able to grow.”

In the interview, the governor said that upgrading Meru’s roads would make a huge difference to farmers who often struggle to transport their goods, particularly during heavy rainfall.

“We think if we build good roads, we can make a big difference and transform their lives. This is why we have explored more affordable technology for road building, specifically with strategic investors from Malaysia,” he said. “We see great opportunity in the analysis conducted by Oxford Business Group which has highlighted many of the opportunities emerging locally on the back of devolution.”

OBG’s Regional Editor for Africa, Robert Tashima, noted that devolution has the capacity to dramatically change the investment landscape in Kenya, by better marshalling local resources and encouraging greater community buy-in for large projects.

“The ability of county governments to raise and channel revenues on the local level will help encourage growth in needed areas, but perhaps equally crucially, counties like Meru will also be able to further improve Kenya’s overall investment attractiveness by offering local support programmes and incentives, as well as greater scope for community input.”

Charles Colon, OBG’s Editorial Manager, agreed that the devolution process had provided individual counties with a platform to relay their competitive advantages to investors.

“We see Meru as a key player in Kenya’s overall development in terms of innovation, particularly in agriculture, infrastructure, health and education,” he said. “It was a pleasure to work with Meru’s representatives and document their efforts to prepare the county for a new phase in its development.”

The Report: Meru County 2014 will provide 32 pages of analysis on the opportunities and challenges for investors interested in the region, as well as data on broader trends and indicators. The publication, which has been produced in partnership with Meru County, comes as OBG prepares to publish its first investment guide on Kenya.

The Report: Kenya 2014 launched at the end of last year and assesses trends and developments across the economy, including macroeconomics, infrastructure, banking and other sectoral developments. It will contain a special chapter on Kenya’s regions, focusing on the investment opportunities emerging across the counties.

The landmark report featured a wide range of interviews with leading political, economic and business representatives, including the President of Kenya Uhuru Kenyatta, the Secretary General of the East Africa Community Richard Sezibera, and the Cabinet Secretary and Ministry of Industrialisation and Enterprise Development Adan Mohammed. The publication is available in print or online.



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Oxford Business Group (OBG) is a global publishing, research and consultancy firm, which publishes economic intelligence on the markets of Africa, the Middle East, , Asia and Latin America Through its range of print and online products, OBG offers comprehensive and accurate analysis of macroeconomic and sectoral developments, including banking, capital markets, insurance, energy, transport, industry and telecoms.

The critically acclaimed economic and business reports have become the leading source of business intelligence on developing countries in the regions they cover. OBG's online economic briefings provide up-to-date in-depth analysis on the issues that matter for tens of thousands of subscribers worldwide. OBG's consultancy arm offers tailor-made market intelligence and advice to firms currently operating in these markets and those looking to enter them.

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