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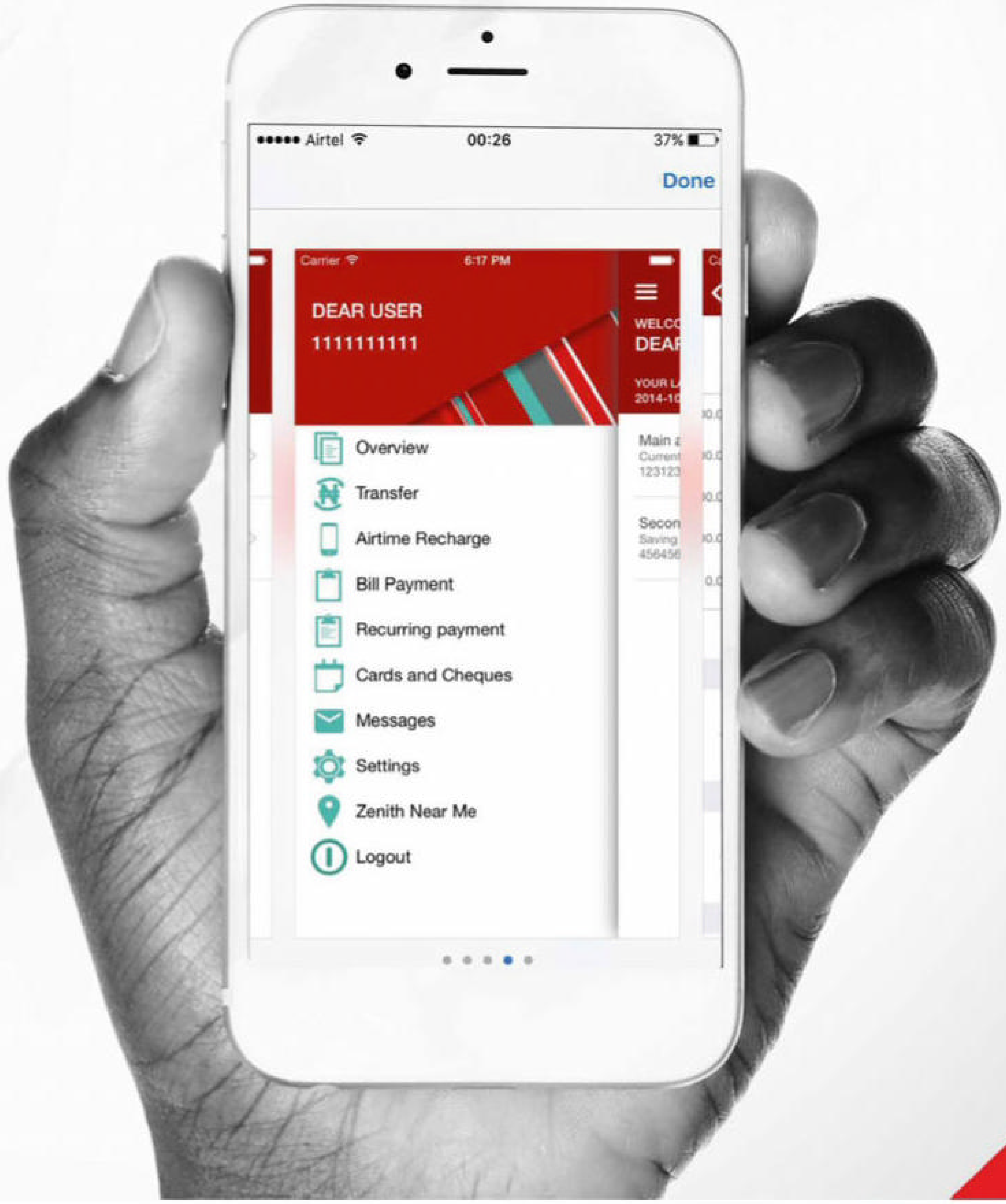

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CONTENTS – MARCH 2019

VOLUME 9 NUMBER 2


68


72

Pg76

CONTENTS – MARCH 2019

TREVOR STUURMAN'S SENEGAL

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A NOTE OF OPTIMISM

I ONCE STAYED IN a men's hostel. For two months. This was when I was studying film classics in one of India's most prestigious film institutes, as one of 50 chosen by the Ministry of Information & Broadcasting to undergo the short program.

The ladies hostel had run out of rooms, and the tough, bespectacled, no-nonsense matron somehow decided I was the lesser evil of the garrulous lot that arrived to check-in the day before commencement of the course.

I was what she thought to be 'a mature student' – in her book, someone slightly older than the rest and perhaps more worldly-wise and sensible enough to not mess with her. But the matron, would, of course, keep a watchful eye on me. My younger, now-resentful female course-mates thought it an unfair ruling, but there I was, marching with my bed, bags and books, to the men's wing.

This was still the early 2000s, when unisex salons and unisex toilets had not yet become the public norm. I got a single room but had to share the communal toilets – with the guys. I could write a tome on my experiences in this territory, but contrary to expectation, I received both attention and respect from my male peers.

This also proved to be one of the most eye-opening chapters of my life; when I learned to adopt a balanced and equal view of the world and convince myself that men can in fact be good feminists too, and that 'hostelites' and 'hooligans' are not always synonymous. A few of these young people ended up becoming some of India's brightest filmmakers and also my friends for life.

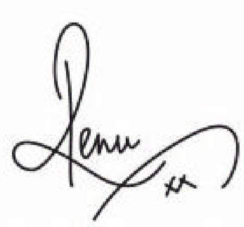
My lesson from this experience was always to see the positive in people, no matter how daring and daunting the prospect. But then again, there is something about student life that kindles this brand of positive thinking, on any discussion from gender to geopolitics.

Somehow, as a professional, that optimism seems to be eluding me at times today. As a journalist with an eye on entrepreneurship and the economy, the common narrative seems to be anything but robust. The other day, I was speaking with a prominent CEO in South Africa, who is also incidentally a strong male gender advocate. And as the pregnant clouds thundered outside his plush sky office, he gave me a more grim report of the corporate world: that the mood in 2019 is largely of pessimism; that CEOs anywhere are not hopeful this year.

Soon after, I also read with interest the just-released annual global CEO survey by PwC about "curbed confidence" and "caution". While last year saw a record jump in optimism regarding global growth prospects, this year has seen a record jump in pessimism. "If CEOs' confidence continues to be a leading indicator, global economic growth will slow down in 2019," the report stated.

How must we prepare ourselves? At a Discovery summit in Johannesburg in November last year, the company's CEO Adrian Gore spoke about "the science of optimism" and also "declinism" or "the belief that our country is in a state of irreversible decline". "We are on a negative narrative, blind to progress," he said, "but we are not in decline… I disagree we are not making progress."

As various countries in Africa head to elections this year, I would like to script, through the pages of this magazine, a new revamped narrative about a continent that is moving ahead with shared values and inclusive growth. I would like to stay the incorrigible optimist, in a unisex world.



METHIL RENUKA, EDITOR

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Photo by Motlabana Monnakgotla

PUBLISHER'S NOTE

THE MOST DEFINING ASPECTS OF OUR LIVES

BY RAKESH WAHI, FOUNDER AND PUBLISHER, FORBES AFRICA

I was recently invited as the keynote speaker at a business networking event in New Delhi. The format and outcomes were a refreshing change from the run-of-the-mill talk-shops we have become accustomed to. The closed group of entrepreneurs from diverse industries had weekly targets of meeting each other and providing contacts to establish meaningful and outcome-driven relationships. In the interactive sessions, they spoke about tangible dollar-based businesses generated from each other. Very refreshing, I thought.

They asked me to share my own journey, first as a military man and then as an entrepreneur. My life changed 38 years ago after a near-death experience in the military at the age of 22. I was inspired to become proactive and embrace the philosophy of transformation. My lifelong quest has been to find answers to what drives people to do what they do; why is human behavior so complex and why do people act differently in similar situations.

I asked the group to note five expressions that to my mind are the most defining in our lives –Circumstances, Making Choices, People, Opportunity and Change.

As human beings, we are products of our circumstances. In *Objectivist Epistemology*, Ayn Rand talked about identity. This is derived from our circumstances. We identify things based on individual circumstances. One can't judge anyone's decisions without knowing the complete background of the individual. We often make mistakes when we have a one-sided view or are blindsighted, especially when we sit in judgement. Societies and/or people have different economic, familial or aspirational considerations on the basis of which they behave in a particular way. Extrapolated, someone living in a developed country will have a very different outlook than someone in a closed or emerging economy.

Circumstances lead us to priorities and the choices we make. At a crossroad, some choose a path that, at times, seems irrational but in reality is the only option the person may have. It reminds me of the story of a farmer who could not buy a horse for his son when it cost him $100 but bought it 10 years later for $10,000; his son was perplexed. The farmer patiently explained that $100 represented 50% of his earning when he turned it down but 10 years later, $10,000 was just 1% of his earning. Choices are made in the 'now'.

The next important aspect are the people we come across in life. Those that influence us and then those we influence. Every leader at the end of his/her life recounts those that mentored them and then those that shared their vision and journey. We cannot live in isolation and therefore form inter-dependence with people that form our universe and circle of influence. Everyone you come across teaches you something, some good and some bad; but it's the summation of your learning. My own life has been blessed through some of the greatest interactions with some fantastic human beings. There is no regret as each one added to my life.

People bring with them opportunities which is how we progress; this is true be it national leaders, business leaders or simple human beings trying to find their way in life. When two creative minds come together, there are strains of music that often lead to an orchestra being formed. There are solutions and ideas that get discussed. Sometimes, these go on to become world-renowned home runs, some just survive while some fail. In reality, they all try for the same outcome - to be successful.

Finally, change is the soul of evolution. There is no growth or progress without change. Our world has been turned on its head as technology has caused disruption to become a way of life. All our processes and activities are being redefined in a world now predicated on what is predictive and what is through emotional intelligence. The real task ahead is to recognize change. This is the first step in introspection as humans live in denial. My son once said; bankruptcy is a Kodak moment. Nothing resonates more than the reality of those that fail to recognize change; destroying value through ego or dogmatic policies is a gong for disaster. Once the need is identified, the main challenge is to implement and then manage change. We get so used to a comfort zone and accept the status quo and resist change owing to the fear of the unknown. In today's world however, it's a lot better to adapt than to perish.

This evolution from circumstances to change is now over shorter periods of time. In the final analysis, it does not matter what the path is, the key to success is in adapting to the needs of the future and making the necessary changes to survive. The alternative will be a mantle in a museum that will talk about the past and the dinosaurs that were left behind.

Photo by Motlabana Monnakgotla

RWANDA'S TOP 5 DESTINATIONS

VOLCANOES NATIONAL PARK

Two and a half hours north of Kigali you will find Volcanoes National Park, home to most of the world's remaining mountain gorillas. Rwanda is among only three countries in the world where you can trek to see the majestic gorillas up close – a truly once in a lifetime experience.

LAKE KIVU

Kivu is one of Africa's Great Lakes, with deep emerald-green waters and a shoreline of magnificent mountains and fishing villages. The lake is dotted with uninhabited islands that can be explored by boat and provide the perfect location to relax and enjoy the peace of Rwanda's countryside.

NYUNGWE NATIONAL PARK

Nyungwe is one of the oldest rainforests found anywhere on the continent. The lush, green forest is home to over 300 bird species and 13 primate species including chimpanzees and colobus monkeys. Take a stroll through the canopy along a 70m high walkway for exhilarating views of the rainforest.

AKAGERA NATIONAL PARK

Rwanda's largest national park is home to a diverse array of plant and animal life. The lakes, papyrus swamps, savannah plains and rolling highlands make Akagera an incredibly scenic reserve. The park is home to the elusive Shoebill stork, seven newly introduced lions, elephant, leopard and the shy but stunning roan antelope.

KIGALI

Rwanda's capital provides the perfect backdrop for a weekend getaway. As one of the safest cities in Africa, Kigali is quickly becoming a favourite for East African and international tourists. Savour the tastes of international cuisine at the city's best restaurants and enjoy live music at the many clubs and bars in Kigali.

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SOWETO GOSPEL CHOIR BAGS THIRD GRAMMY

South Africa's multiple award-winning Soweto Gospel Choir won a Grammy for the third time.

They won the Best World Music Album Grammy for their collection of songs titled *Freedom*. This was the group's fifth nomination in this category. The album was recorded in June 2018 as part of the group's tribute to Nelson Mandela's centenary.

It features a selection of South African struggle songs including their scintillating version of Johnny Clegg's poignant *Asimbonanga*.

The group have previously won an Emmy and been nominated for an Oscar for their collaboration with Peter Gabriel on the theme song for the film *Wall-E*.

Other Grammy winners include rapper Cardi B and musician Childish Gambino.

SOUTH AFRICANS IN THE DARK

Mid last month, South Africa's energy provider Eskom, for the first time in history, implemented Stage 4 load shedding after seven generating units tripped.

The company said homes and businesses would experience power cuts, known as load-shedding, because of "continued pressure" on the national grid.

Eskom is losing R500 million ($35 million) every month, and will lose R2 billion ($142 million) for every 1% it does not get in its requested price hike.

This is according to the power utility's new CFO, Calib Cassim, in an interview with EE Publisher's editor and energy expert Chris Yelland as stated in *BusinessTech*.

According to *Fin24*, energy commentator Yelland said that Eskom and the country's energy supply were now in "unchartered territory".

Minister of Public Enterprises Pravin Gordhan held an urgent meeting to address the electricity crisis with Eskom.

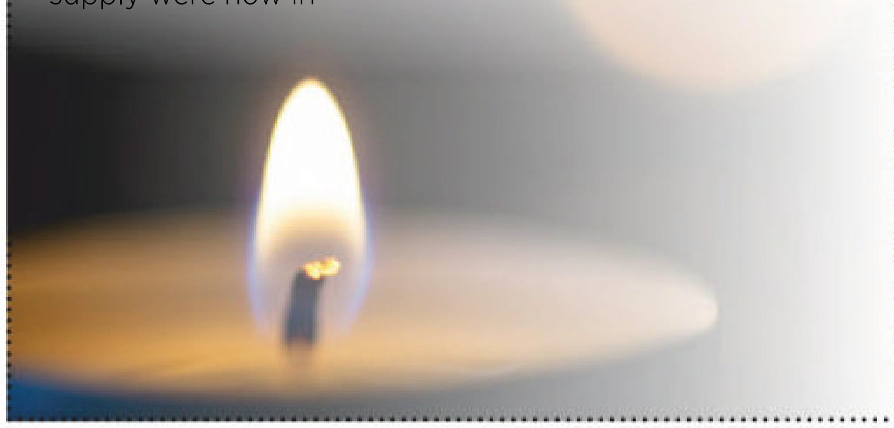
It has R419 billion ($30 billion) in debt which it is unable to service from its current revenue.

It does not make a profit from selling electricity at current price levels.

President Cyril Ramaphosa announced in his State of the Nation Address last month that Eskom would split into three separate entities and further announcements about supporting Eskom's balance sheet will be made in the budget speech.

The last time Eskom had to cut this much power from the national grid – between 3,000 and 4,000 megawatts – was in 2014/2015.

Experts have suggested it to be the worst crisis Eskom has faced in its history.



AFDB PREZ SCOOPS PEACE PRIZE

Former FORBES AFRICA cover star and President of the African Development Bank (AfDB), Akinwumi Adesina won the 2019 Sunhak Peace Prize.

He shared the prestigious $1 million prize with co-laureate Waris Dirie at an award ceremony on February 9, in Seoul, South Korea, for their global fight against female genital mutilation.

According to Adesina, "We are in a race with time to unlock the full potential of Africa."

He announced he was donating his $500,000 share of the prize to fighting hunger in Africa.

Dirie, on the other hand said: "Female genital mutilation scars victims physically, emotionally, and mentally."

More than 1,000 influencers from around the world, including current and former heads of state and government, private sector leaders, investors, and development experts, attended the Sunhak Peace Prize.

Each year, the prize honors an individual or organization making a significant contribution to global peace and the welfare of mankind.

PHONES EMITTING RADIATION

Cellphones have become the centerpiece of all things social but not much consideration is given to how they might be affecting our bodies.

Statista compiled a list of smartphones that emit the most radiation.

"While conclusive longitudinal research on the effects of cell phone radiation is still hard to come by, for those looking to hedge their bets, this infographic shows the phones that emit the most radiation when held to the ear while calling," *Statista* data journalist Martin Armstrong reported.

In consecutive order, the top three smartphone radiation emitters are Xiaomi Mi A1, OnePlus 5T and Xiaomi Mi Max 3.

The Apple product highest on the list is the iPhone 7.

In another list that was observing the opposite end of the scale, by listing smartphones that create the lowest radiation, Samsung smartphones were at the top.

"Samsung handsets feature prominently, with half of the top 10 coming from the South Korean company. This contrasts starkly with their major rival Apple," Armstrong reported.

AFRICANS MAKE IT BIG ON TALENT SHOW

South African DJ Arch Junior and Nigerian Kechi Okwuchi have caught the hearts of Americans and the eye of music mogul Simon Cowell.

Junior, only six-years-old was the winner of the 2017 *South Africa's Got Talent* and awarded world's youngest DJ by the *Guinness World Records*.

Hailing from Alexandra, Johannesburg, the young maestro, whose real name is Oratilwe Hlongwane, blew audiences away with his DJ skills and received a standing ovation.

An impressed Cowell said to him, "You and I need to be talking after this show because I've got some plans for you… trust me!

"I think you are a total, total little star. I absolutely love you. You're six years old. You've flown all the way in from South Africa to take on the best."

Nigeria's Okwuchi received a Golden Buzzer from judge Cowell which sent the singer straight to the finals.

Kechi first attained fame on season 12 of *America's Got Talent* in 2017.

She was one of the only two survivors in an infamous plane crash in Nigeria which claimed the lives of 107 people in 2005.

ULTRA-RARE CAT

A very rare leopard that has eluded capture, even through a camera lens, has at last been pictured for the first time in a century.

Searching for this magnificent creature may have been akin to searching for the Loch Ness monster or a Sasquatch.

The leopard was "captured by British wildlife photographer Will Burrard-Lucas, 35, while it was prowling around Laikipia Wilderness Camp in Kenya in the dead of night with a full moon looming above," *Mail Online* reported.

The hunt for the picture was a rigorous effort from Burrard-Lucas, who set up cameras in the region where the leopards were rumoured to have been spotted in.

He used specialist equipment including wireless motion sensors, high-quality DSLR cameras and two to three flashes.

Summing up the black leopard in three words, Burrard-Lucas said: "They are truly stunning, beautiful and elusive," the site reported.

– Compiled by Karen Mwendera and Unathi Shologu

Photo by Will Burrard-Lucas; Photo via instagram; Photo by Alberto E. Rodriguez/Getty Images for The Recording Academy; Photo by Antonio Real;

THE MULTI-SECTOR MAN FROM MADAGASCAR

Ylias Akbaraly talks about his secret to success and his plans to take Africa with him.

BY MONIQUE VANEK

IT'S A GLOOMY Monday afternoon in the leafy Johannesburg suburb of Greenside, South Africa, but inside the photo studio where we are, the mood is festive as Madagascar-born Ylias Akbaraly transforms himself from a humble, down-to-earth entrepreneur in modest casual wear into a stately capitalist wearing a nifty-grey Italian designer suit, dark tie and light-blue shirt.

Madagascar's wealthy businessman, who estimates his worth at just over a billion dollars, has come to share his story of how in under 30 years, he turned a small family business with a turnover of almost $34,000 and employing 20 people, to an empire with revenue expected to exceed $265 million in 2019 and employing 3,000 staff.

The multinational conglomerate that he created through discipline, hard work and seizing opportunities, now has tentacles beyond his island state extending to Mali, Ghana, Mauritius, France and soon the United States (US) and Canada, to name a few.

A phone-call to his parents was all it took for the silver fox to embark on this transformative journey.

The ebullient 59-year-old describes the moment: "It was a very special situation. I was doing very well in the US, I was living in California – can you imagine, beautiful state, beautiful weather, good friends. I could work there. I had some opportunities to work at the Bank of America at that time, so I called my parents and said I am going to stay in the US, it is better."

His parents were saddened by his decision, they asked him to return and join the business.

In 1992, he did.

"I decided to come back and be with the family and thank God I decided to come back. I don't regret it, I am very happy, and they were very happy," the man who calls himself a spiritual person tells FORBES AFRICA.

On his return, Akbaraly worked for Sipromad, a small retail business focused on detergents that his father, Sermamod, the son of Indian immigrants, established in Madagascar's capital, Antananarivo, in 1972 after a stint selling shoes, shirts and ties.

Warmly, Akbaraly says: "I came back, I saw a very small business, but my parents were happy, they had a very peaceful life, and things at home were very nice and joyful.

"I worked with my father, I assisted him, I wanted to change things but I was facing a generational conflict in business. But my father is very intelligent so step-by-step he let me change things."

Full of fresh ideas from his time spent working and studying in both France and the US, Akbaraly began to give his personal touch to Sipromad. He created a team, and hired new people and professionals.

The company started doing a lot of research; it went to see some local suppliers who asked Sipromad to change the packaging, pricing and color of its products, which it did. It extended its product lines.

For example, instead of offering its products in big boxes, it offered them in medium and small, so that it could target different consumers, says the man known as one of Madagascar's wealthiest.

"At the same time we had our ear to the ground, we went to see retailers and our customers to find out what they wanted, as the buyer is king," Akbaraly adds.

From this exercise an important lesson was learned.

"You have to adapt your product to the market, this is the base of an entrepreneur, to adapt his way of doing things."

Through these changes, the business started growing its market share and diversifying. It now operates in several sectors including broadcasting, agribusiness, real estate, technology, finance, renewable energy, tourism, aviation and industry.

Akbaraly, a staunch believer in 'free leadership', becomes animated when he explains how Sipromad was able to see opportunities in these sectors.

"It is a question of opportunities, it is a question of courage, I believe a lot in teamwork because with my colleagues, we talk, we debate, we change, we decide together."

"I believe that business is a creation," he adds. To explain his point, he draws an analogy to an artist with his palette, who mixes his paint as he sees the potential beauty it can create.

> **I WAS FACING A GENERATIONAL CONFLICT IN BUSINESS. BUT MY FATHER IS VERY INTELLIGENT SO STEP-BY-STEP, HE LET ME CHANGE THINGS.**

Like the artist who mixes his colors, business is a creation of the opportunities you take, reckons Akbaraly.

"This is why understanding the market, understanding what is going to happen in five years, is important so that you can take decisions when you have opportunities in front of you, we are very proactive, very fast in taking decisions and we are not scared, we are not afraid because we work very hard," Akbaraly says.

THE RATIONALE FOR DIVERSIFICATION

What is striking about the clusters Sipromad operates in is that they are vastly different.

Akbaraly claims the rationale for this is that it comes down to the businessperson you are: "There are two types of businessmen. Some prefer to stay in the same sector, to invest in the same sector and develop in the same sector, to integrate. Our strategy was diversification. We thought about it and the outcome of our discussions and debates was to diversify the business as it protects you if you are facing problems in one sector."

The architect of this multi-sector business also suggests the market demanded it: "Today, when we see how we became big and how we became so strong in business, it is because we diversified our business for different markets.

"Now things are changing because of this diversification, now we can synergize because sometimes our customers are interested in detergents, tobacco, soap, so we can synergize and propose many products to one customer because of our diversification. This is a big advantage because one customer is able to buy products from different sectors of our company."

REINVESTING PROFITS

The growth was funded by reinvesting a 100% of the company's profits back into the family empire, explains the mogul with an international outlook.

"When you don't distribute your profit it means your profit becomes a strength for your company... when you show the bankers that your money is reinvesting and you

don't distribute your dividends and you tell them, 'ok we have this type of investment, we can bring 30%, we can raise 70% from you', it gives our financial partners very big security and they follow us. this is how we raised money to reinvest, diversify and buy equipment, buy raw materials and increase our business."

'REPUTATION VERY IMPORTANT'

But it wasn't just Sipromad's shrewdness in capital raising that allowed it to expand but its reputation.

Candidly, Akbaraly says: "We are very careful about our management. Reputation is very important, because of our serious work, our engagement, our products, our customers, our suppliers, we created a name and when you do that, you create your brand, and because of that, when foreigners come to invest in Madagascar, they come to Sipromad.

Those that have partnered with the company include Orange Money in mobile banking, Italy's Tozzi Green in hydropower, Brink's for the transport of money, and Apple, to name a few.

Last year, the global company did a joint venture with one of Morocco's largest banks, Banque Centrale Populaire, to buy Mauritius-based Banque des Mascareignes and its subsidiary Banque des Mascareignes – Madagascar.

ANALOGUE TO DIGITAL

Akbaraly says the company's reputation led to its partnership with Rohde & Schwarz based in Munich, Germany, and its purchase of Thomson Broadcast. These deals catapulted it to another level.

Akbaraly, with fervor, explains further: "As we have a very strong IT department, we set up Broadcasting Media Solutions (BMS), which specializes in broadcast, because of our reputation, we were approached by electronics group Rohde & Schwarz.

"They came to us and told us 'we know you have a very serious business, you have a very good maintenance team, do you want to work with us in Madagascar to sell our products in broadcast and maintain them?' Of course we did!"

From Madagascar, Sipromad partnered with Rohde & Schwarz in Mauritius and Morocco and subcontracted for the electronics group after it won a tender in Zimbabwe and Ghana.

In the process, Sipromad became a player in the broadcasting space. In 2018, BMS bid for a contract in Mali for the deployment of a nationwide, end-to-end digital terrestrial television (DTT) turnkey

roll out, it lost to France's Thomson Broadcast. Refusing to give up, Akbaraly discovered Thomson had financial problems and decided to buy it.

Thomson not only allowed Sipromad to expand into Mali but transformed it to a truly global business with operations in France, Israel, Cape Verde, Bangladesh, India, Russia and the United Arab Emirates.

Akbaraly says it is looking to expand to Pennsylvania in the US, to Canada, Angola, Sierra Leone and South Africa. In Africa, it plans to migrate countries from analogue to digital broadcasting.

The visionary says Sipromad's dream is for a pan-African company to become a leader in broadcast.

But Madagascar will always remain his core. Full of love for his homeland, he speaks highly of it: "It is my center of energy, we call it plasma, I am here because of Madagascar, it was the source, the beginning, the start and my grandfather taught me, my mother's father [who said] 'don't forget Madagascar because you have been protected by the flag of Madagascar, Madagascar was your protector, do the best, develop your business all around the world', but the source, the energy, the key, the chi is Madagascar."

> **ONE DAY, ONE OF MY VERY CLOSE UNCLES TOLD ME 'YOUR LIFE IS LIKE A BUDDHIST LIFE, IT IS LIKE A MONK'.**

BALANCED LIFE

The father of four believes his success comes from living a balanced life, surrounding himself with the right people, being spiritual and positive.

"If you want to be successful in life, you have to create positive energy, how you create it is according to your behavior, according to what you do, how you behave with others." He reckons the energy was passed on from his family through education, their good attitude and transparency.

The martial arts veteran follows a very strict routine. It's the reason he has been called the monk of business.

"My life is very well-organized, because I wake up in the morning between 4AM and 4.30AM and pray; spirituality first, then mediation, yoga, and take some water, fruit and then I go for my sports, usually I start at 6 o' clock, for a minimum of one hour a day and then I go to the office.

"When you're at a certain level of business, you have to be very well-organized, you cannot afford to go outside in the night to clubs, to sleep late. This is not possible, otherwise in the morning, you cannot wake up early, your day starts badly... that is why one day, one of my very close uncles told me 'your life is like a Buddhist life, it is like a monk'. I think at a certain level you need to have this type of life. I don't drink alcohol, I don't smoke, and I don't eat meat."

PHILANTHROPY, EDUCATION AND INCLUSION

It is Akbaraly's deep spirituality, love for his country and sense of justice that led him to use his wealth for the greater good of humanity. In 2008, he and his Italian wife, Cinzia, who shares and developed his spirituality, founded the Akbaraly Foundation.

The idea was conceptualized while Cinzia was in hospital for cancer. She wanted to do something for Madagascan women because they are the foundation of life, the center of energy, the plasma of the world, says Akbaraly.

In Madagascar, they set up prevention centers to assist women with breast and gynaecological cancer.

The country is among the poorest in the world, it saddens the philanthropist when he reflects on it:

"We are not happy because when you see people you know that are not in a good situation, they don't have shoes, they don't have enough food... you need justice, life needs to be fair. My dream, and I hope it will materialize, is to fight against poverty, to give a better life to our population so that they can go to school and have hospitals."

It is for this reason that the foundation's aim is to fight against extreme poverty. Its projects extend to health, education and sustainable development.

"Right now, we are in discussions in the US with MIT [Massachusetts Institute of Technology]. We would like to sign an agreement between MIT and Thomson, and one university of IT in Madagascar, to offer our young generation of Madagascans IT and maybe send them abroad," says Akbaraly, who is a firm believer in the power of education.

"Ylias Akbaraly's reputation precedes him," says **NATHALIE GOULET**, a member of the French Senate and Former Vice Chair of the Foreign Affairs Committee. Goulet says the work Akbaraly does "has crossed oceans and France admires him. He knows how to share his knowledge and is a special kind of businessman". Goulet lauds Akbaraly's altruistic approach to business, in particular his relationship to the youth and refers to him as "socially responsible and someone who loves his country very much".

"He is someone who is open to the world. The personal touch he brings to his approach makes him unique. You can tell he loves his family, and society," she says.

Akbaraly and **PHILIPPE DOUSTE-BLAZY**, the Under-Secretary-General, Special Adviser on Innovative Financing for Development in the United Nations, have forged a friendship over the years. "Ylias is a self-made millionaire who started from humble beginnings," Douste-Blazy says. "We've had many interesting conversations about geopolitics and other trends around the world."

Douste-Blazy talks about Akbaraly's humility and how he lets his work speak for itself. "He is very discreet. When you see him walk down the street, he is not loud about his wealth. He walks freely without guards or expensive cars."

Douste-Blazy expends that Akbaraly's business strategies have captured the attention of many. "Akbaraly is respected in France, his acquisition of Thomson [Broadcast] was very important....The assets that he has acquired show him to be a smart businessman."

"I have much respect for my friend and peer Ylias Akbaraly. He is the textbook definition of a visionary entrepreneur. The transformation of his group of companies was single-handedly spearheaded by him. From their international expansion to endeavors in tourism, manufacturing, energy, real estate, they were all strategically invested by him. There's much to take note of in this story. What many may not know is in addition to his many accolades, I must say his piety seeps through all his endeavors, both professionally and personally. His strong faith has propelled him to be even more grounded and thus become the successful businessman he is today." - **MOHAMMED DEWJI**, CEO, MeTL Group, and Africa's youngest billionaire

– Inputs by Unathi Shologu

In countries where Sipromad operates, it prioritizes corporate social investment. In Mali, for example, together with the government, it is investing in radio to transfer education to parts of Mali, Akbaraly says.

The foundation also makes contributions. In Rwanda, for example, it is contributing $100,000 to the launch of new hospitals, says the businessman.

His sense of justice doesn't just extend to the foundation's projects but also to his own organization.

Women and men are paid equally for the same work. More and more women are being placed in executive positions because they are very good, Akbaraly says.

His fight against poverty lives out in the projects his company chooses to focus on.

"That is why we are investing a lot in the industry sector; we just built the [Orange Telecommunication] Tower," a 33-storey headquarter building, the tallest in the world's fourth largest island, and known as the "pride of the nation".

"We are doing so many investments, we hire people, we give them jobs. We are, right now, in another project for real estate, what we can do is to invest, to hire people, to fight against unemployment, to give them a chance to buy things, to go to the restaurant, to have good food and at the same time with the profit to share in the project of CSI, this is the positive energy, this is the karma, this is important in life because in life you have to be fair, you cannot accept that some people are in this situation while others are in a better situation," Akbaraly reflects. Throughout his career, he has received accolades. The one he is most proud of is the Pravasi Bharatiya Samman from India in 2009.

SUCCESSION PLANNING

Akbaraly is under no illusion he will hold on to power forever. He is hard at work preparing the next generation to take over Sipromad, because in a few years' time, he wants to do something else, he tells FORBES AFRICA. "I want to do more for others. Really to share with others," the monk of business says with a smile.

Photos by Motlabana Monnakgotla; Photos supplied; Photo by LattitudeStock via Getty Images

PATRICIA WRIGHT

A SOLUTION TO IMPROVE MADAGASCAR'S LOCAL ECONOMIES

MADAGASCAR IS A priority country for conservation and preserving Earth's biodiversity riches threatened by a rampant rate of habitat destruction. Ninety percent of the natural habitat of Madagascar has been destroyed and 91% of the lemur species are critically endangered, endangered or threatened.

Since the political turmoil of 2009, coupled with security issues and illegal extraction activities, the conservation situation has worsened.

The presidential election that took place in January offers hope that this new regime will make preservation of the unique wildlife of Madagascar a priority.

President Andry Rajoelina ran on a platform of eliminating poverty for his people.

Ecotourism is good for the economy, but there are doubts if it is enough.

Our conservation teams in the Ranomafana region are hoping that we have a solution for improving local economies.

Centre ValBio (CVB), a 30-year-old research center, is nestled overlooking the Ranomafana National Park rainforest near Fianarantsoa, and is an eight-hour drive from the capital Antananarivo.

CVB is a hub of modern science with laboratory equipment to study genetics, infectious diseases and mapping from satellites.

Substantial efforts by scientists have led to an improved understanding about taxonomy, species distributions, the evolution, behavior and population size of the flora and fauna, and the impact of habitat loss on Madagascan biodiversity.

This knowledge has been successfully used to guide conservation planning and action, as well as new discoveries in medical science. Scientists investigate the impact of anthropogenic influence, edge effects, climate change, and fragmentation on ecosystems and communities in these lush rainforests.

The CVB campus has five buildings and a staff of 130 local scientists, technicians and administrators who work year-round on research, training and conservation.

This station conducts studies of cyanide-eating lemurs, climate change, new leech species, lemurs that have genes that might be related to diabetes and Alzheimer's, and genetics of an ecosystem.

All around, the parks, forests and the rare species within them are still disappearing. Slash-and-burn agriculture is the main threat to rainforests in Madagascar.

Forests are sacrificed to plant rice, the staple food for humans.

CVB has launched an alternative against this destruction of natural resources. First, the village elders are engaged to ensure a buy-in by the communities.

If the villagers are enthusiastic, workshops and training begin in the fields.

Next, using years of botanical knowledge, the reforestation team (technicians and scientists) helps villagers plant endemic saplings of tree species eaten by lemurs. We don't plant a monoculture, but rather use natural dispersion as a guide.

We know from our pilot experience that it takes about 15 years for the endemic trees to fruit and flower, and for birds, bats and lemurs to return to these 'new forests' where they could help 'plant' more forests by dispersing their seeds.

We are hoping that this strategy will help to stabilize the soil, prevent erosion and river silting, and expand the habitats for wildlife.

But what value do these trees have for the Malagasy farmer?

Using these trees as structure vines of high value crops such as vanilla, wild pepper and cinnamon that need shade to grow well are transplanted onto these trees.

With assistance in processing and marketing, the local farmers can harvest these high-value crops and earn great economic gain.

The prices of Malagasy spices are high in the world market and spice venders project that the high prices will continue into the future with new markets in China and India.

There is hope that not only will this strategy increase biodiversity, but it will also bring affluence to the farmers and merchants of Madagascar.

Rajoelina's promise of prosperity is possible and the unforeseen benefits could be transformative.

– The writer is a Distinguished Professor of Anthropology at the Stony Brook University in the US and Founder of Centre ValBio Research Station, in Ranomafana, Madagascar

DEEP TROUBLE

South Africa's precious metal mining industry is on shaky ground and the government seems to be gearing up to fix it.

BY ANCILLAR NOMBEWU

Photos by Waldo Swiegers/Bloomberg / Rodger bosch via Getty images


A conveyor deposits raw aluminum ore

THE 1970S ARE KNOWN FOR political scandal while the 1980s are known for pop culture. They are also known for South Africa's boom in the mining economy. I write this article from Johannesburg dubbed eGoli (the city of gold) for its once rich gold mines. At the peak of those glory days, for every R100 the economy produced in 1980, R21 was from mining. In fact, during this boom, in 1987, the industry employed 760,000 people.

Today, the story of South Africa's mining sector makes for grim reading. The once mighty sector is a shadow of its former self as precious metals continue to struggle. Statistics South Africa (Stats SA) reports that gold has lost ground over the last three decades. The annual production index for gold is now 46% lower than it was in 2007.

In 2016, the industry contributed only 8% to the economy. That is R8 for each R100, which is R13 less compared to the 1980s. The problem is in 2019; the mines are old, deep and lack investors.

According to Stats SA, "mining production decreased by 5.6% year-on-year in November 2018".

The largest let-downs were the once flourishing gold and diamonds.

"The bulk commodities and base metals have performed in line with the global industry. Metals like coal, manganese and chrome have performed very well for South Africa. Unfortunately precious metals haven't performed that well," says Andries Rossouw, partner at PwC South Africa.

In its 2017 report, PwC revealed that gold and platinum had witnessed devastating dips in market capitalization. Gold, for instance, saw a dip of a shocking 52%, which translates to R114 billion ($8 billion), while platinum's market capitalization dropped by 21%. Last year, the market capitalization for gold dropped by 4% from 25% while platinum dropped 5% to 29%.

Rossouw, however, stresses that it is important to note that other commodities are performing well.

Coal is among them.

"The coal industry has been performing well in the last year at the back of higher coal prices. Eskom still demands a large number of coals for their coal-powered plants. So, it is important that our coal industry delivers that demand from Eskom. We are also exporting big quantities of coal mainly to India because they also need quality coal for their power generation," Rossouw says.

The good performers helped "mineral sales increase by 8% year-on-year in November". It's not enough. Even so, most companies are facing a painful drop in rankings and profits.

For instance, "Impala Platinum and Sibanye-Stillwater dropped by two and four positions respectively in the top 10 companies in the country," according to the PwC report.

In fact, Impala Platinum dropped from R27 billion ($1.9 billion) in June 2017 to R15 billion ($1.06 billion) in June last year. It is forcing the company to restructure and cut jobs.

"The only option for conventional producers today is to fundamentally restructure loss-making operations to address cash-burn and create lower-cost, profitable businesses that are able to sustain operations and employment in a lower metal price environment," says Impala Platinum CEO, Nico Muller.

Over the next two years, the company will downgrade from 11 to six operating shafts, reduce future production from 750,000 platinum ounces per year to 520,000 and cut jobs from 40,000 to 27,000.

Gold Fields is another company facing challenges.

Its South Deep mine, one of the biggest gold mines in the world, continues to make losses. It lost R4 billion ($283 million) over the past five years. Last year, it retrenched 1,082 employees at its South Deep mine.

> **"WE HAVE SEEN MINES BEING CLOSED DOWN BY COMMUNITIES AND NOT BY EMPLOYEES IN THE LAST COUPLE OF YEARS.**
>
> – ANDRIES ROSSOUW


Copper ore

"South Deep is a complex and unique mine, that has faced persistent issues that need to be addressed in a holistic manner which include, rising operating and overhead costs, consistent failure to meet mining and production targets; poor equipment reliability and productivity impacted by poor maintenance practices and operational conditions," said the company in a statement released last year.

The problem is so big that according to a report by the Department of Mineral Resources, there are about 6,000 abandoned mines in the country and massive job cuts.

"We have about 454,000 people now employed in the industry compared to 532,000 employees when the industry was performing well. In the 2018 calendar year, it dropped about 3,000 employees and that is despite shaft closures," Rossouw says.

This is a far cry from the industry's heyday.

Due to global conditions, mining production reached a record low in 2016 in South Africa, but since then, other countries have enjoyed growth, while the domestic mining industry shrinks.
It seems the bigger problem might be the relationship between industry and government.

Regulation is one of the major hold backs for the sector.

Until recently, the Mining Charter, which addresses the distribution of mineral wealth more equally to redress the racial injustices of apartheid, has caused courtroom battles between government and industry.

First issued in 2004 and amended in 2010, many agree the Mining Charter was a hastily and poorly written document, full of oversight, compiled without consultation with the industry. Industry heavyweights and unions disputed it, lawyers and economists argued over it and investors stayed away as a result.

"For investors to invest in the country, they would want to see a track record... We have had about 10 years of under investment, especially in our platinum sector and that will show in our lack of supply coming out of that sector in the future. Given the long-term nature of the mining investment cycle, it will impact our ability to supply in the future," Rossouw says.

Last year, in fact, in terms of its overall investment attractiveness for mining companies, the Fraser Institute, a Canadian public policy think-tank, ranked South Africa 48 out of 91. It ranked 74 out of 104 destinations in 2016, yet in 1980, mining accounted for almost 50% of the world mining market capitalization.

"What has dropped us down the rankings in the last couple of years is the uncertainty and regulation environment largely due to the Mining Charter. Investors are cautious. They judge the government on past performance so there is still a bit of caution out there," says Andrew Lane, Africa Energy & Resources Leader at Deloitte.

In February last year, President Cyril Ramaphosa appointed Gwede Mantashe — a former leader of the biggest union in Africa, the National Union of Mineworkers, as Mineral Resources Minister. With vast experience and trust from industry, Mantashe swooped in at the 11th hour to save the day and negotiated a new Mining Charter acceptable to industry and government.

"It was bad in 2017 and then we got a much positive outlook in 2018 when there was good interaction between industry, labor and all the stakeholders including government which culminated in the publication of the new Mining Charter which has gone a long way to address some of the concerns raised in the previous versions of the charter.

"It doesn't mean that it has been completely resolved but there is good engagement between the various stakeholders that only means positives for the future in terms of the regulatory environment," Rossouw says.

Lane believes the industry has welcomed Mantashe and it has a more positive outlook.

"The issue we have here is that most of the mines are deep and quite old. A lot of our remaining resources and reserves which are left are not safely or profitably minable with current technology. We are looking to technological advances to bring a lot of what remains in those commodities into a decently profitable environment," Lane says.

At February's Mining Indaba in Cape Town, President Ramaphosa, a mining man to the core, said significant work still had to be been done to remove the uncertainty that held back the development of the industry.

"As part of the package, government is reprioritizing spending, within the existing fiscal framework, towards initiatives that are aimed at driving economic activity, including financial and non-financial measures to turn around the economy," Ramaphosa said.

Lane says there is a trust deficit which makes the investors adopt a wait-and-see attitude.

"We have further recognized the challenges raised with us by

> **A LOT OF OUR REMAINING RESOURCES AND RESERVES WHICH ARE LEFT ARE NOT SAFELY OR PROFITABLY MINABLE WITH CURRENT TECHNOLOGY.**
>
> – ANDREW LANE

investors, among other things, administered prices for ports, rail and electricity, as well as infrastructure bottlenecks...We are working in earnest to address the constraints that were raised with us as we implement the Stimulus and Economic Recovery Plan.

"We are addressing issues that are of concern to companies such as visa regulations, reducing the cost of doing business, eliminating many bureaucratic constraints and making it a lot easier to conduct business," Ramaphosa said.

There has been positive movement in the regulatory environment but, for companies, the cost structure is, by far, the biggest challenge especially with labor and electricity prices and shortage. In February, investors and credit rating agencies flagged Eskom's rolling power cuts which weakened the rand. The power cuts also cost the mining industry productivity.

"We have the deepest mines in the world here. Certainly, the energy costs going up over the years have impacted productivity. Our mines are quite expensive to operate. We are not the most attractive destination for mining investment right now," Lane says.

Ramaphosa said the government would announce its plans to stabilize and improve Eskom's financial, operational and structural position and to ensure security of energy reserves in the country.

"Eskom's contribution to the health of our economy is too great for it to be allowed to fail. It is too important and is too big to fail; and we will not allow it to fail. Restoring and securing energy security for the country is an absolute imperative," he said.

Lane says government needs to continue to send a message of regulatory stability, act on Eskom and reliability of energy to start shifting the sector towards a more investor-friendly option.

There is also inadequate transportation in the industry. Some economists have said improving the costs related to exports such as port tariffs and railway costs would make the sector more profitable.

"Last year for example, we had to truck manganese to Durban which is inefficient. We should have freight rail in place to take care of those commodities," Rossouw says.

Another concern is the socioeconomic conditions around mining companies.

"Mining companies are quite often the main providers of employment in rural areas and that means it creates expectations by community and when our economy is struggling as it is at the moment, it means the pressure of the communities around that mine provides pressure on the mine environment. We have seen mines being closed down by communities and not by employees in the last couple of years," Rossouw says.

Minerals Council CEO Roger Baxter says the council has engaged extensively with government and other stakeholders on the challenges that have prevented mining from reaching its true potential.

"A collaborative approach is needed to develop and implement solutions that will see our industry grow and thrive in the future for the benefit of all. We need to get investment back in mining. We, as the industry, are fully committed to play our part," he says.

There is also a push for green coal to boost the industry and according to Rossouw, however, the green economy won't replace coal in developing regions like Africa, Southeast Asia and India.

"There is still a big increase in coal-fired power plants and generation capacity... The challenge the coal industry is facing, as a result of the green economy, has to do with the holding of new projects. A number of banks said they won't fund any new coal projects and therefore some of these projects," says Rossouw.

"There is potential for clean coal going forward and we need to invest in research and development to make coal work for us to provide cleaner energy from the vast coal resorts we have."

Just over two in every three gold mining jobs in 1995 no longer exist. However, mining remains an important earner of foreign exchange for the country and employs one in every 40 working people according to Statistics SA. Love it or loathe it, if government and industry play the ball right, South Africa may reclaim a large slice of one of the world's richest cakes.

MINING 4.0

The world's biggest mining conference, attended by ministers from across Africa, created a platform for governments to deliberate on how mineral-rich Africa could reap the greatest rewards.

Think cobalt, lithium, rhodium, titanium and palladium.

These minerals were foremost in the thoughts of 6,000 delegates who attended the Africa Mining Indaba – the biggest mining investment conference in the world. The Indaba took place in Cape Town, South Africa, in February.

You may be asking why these minerals are top of mind?

It's because they form the base of innovations related to the Fourth Industrial Revolution, from electric cars to smart phones; wearable devices and artificial intelligence.

Like aluminum, nickel, lead and copper, they also play a key role in meeting the rising demand for greener technologies required to reduce carbon emission.

Dubbed the 'minerals of the future', they stand to make investors billions of dollars in profit.

They can also help Africa, which is rich in these minerals, achieve its goals of alleviating poverty, inequality and unemployment.

But this can only be achieved if the status quo, in which Africa mostly exports raw materials without adding value to them through beneficiation, is changed.

This was the message Ghana's President, Nana Akufo-Addo, shared before the hundreds of mining company bosses who attended the Indaba in search of new investments.

"Africa has made the world rich with its minerals yet the continent remains poor. Why don't (African) communities look like the wealth they produce for the world? Our cities should look like the richest in the world," Akufo-Addo said.

He went on to tell investors that the value chain of mineral extraction has great potential for job creation in Africa, especially for the growing number of young people without jobs.

Beneficiation was also an essential basis for the transformation of economies around the continent, he added.

"It's time for the mineral sector to produce win-win outcomes for all stakeholders."

Ghana is Africa's second largest gold producer and the 10th largest in the world.

In 2016, its gold exports, mostly in raw form, totaled $9.4 billion. Hong Kong, on the other hand, which doesn't mine gold, exported gold worth $30 billion that same period, according to Commodity Monitor.

The message of creating shared value for all stakeholders in the mining sector was also delivered by South Africa's President, Cyril Ramaphosa.

It was the first time a sitting South African president delivered a keynote address in the 25 years the Mining Indaba has existed.

It was also the first time to have two heads of state present, according to its Managing Director, Alex Grose.

Ramaphosa called on mining companies to collaborate with government on a 10-point plan to create a modern, transformed and productive mining industry.

His 'ten commandments' as seen by some in the industry were: Fostering inclusive growth; partnering with local governments; improving living conditions of mine workers; investing in education and training; partnering with training colleagues to develop curriculum for the sector; investing in beneficiation; improving health & safety; providing internships and job opportunities for unemployed youth; developing women in mining and including workers in shareholding and unions on boards.

There was a general agreement from many of the world's top mining companies like Anglo American, Newmont and Barrick Gold, that greater inclusion and value creation would be beneficial for all.

Many committed to doing so, provided government also played ball and created an enabling environment to do business, particularly in South Africa – the most industrialized country on the continent.

For almost a decade, the sun has been setting on South Africa's mining sector. Falling commodity prices, rising costs and what some describe as draconian laws, have squeezed foreign direct investment into the sector and cost thousands their jobs.

Employment in the mining sector has dropped by 56,366 over the last five years to 453,543 in 2018, according to the Minerals Council.

The council represents 78 members in South Africa's mining sector who are responsible for 90% of mineral production in the country.

Changes to mining regulations under Ramaphosa's 'New Dawn' have ushered in new hope for the sector, according to industry players. The sun's rays are beginning to be seen although much more needs to be done for the sector to be the 'Sun Rise' industry the government envisions.

"This time last year we had a different mines minister (Mosebenzi Zwane), a different mining charter and a stalemate in relations between government and business," Roger Baxter, CEO of Minerals Council of South Africa said.

Topping the council's concerns were; transformation rules that required mines to be 30% black-owned in perpetuity; and that a 1% levy on revenue be paid to black investors before other shareholder dividends.

"Fast-forward 11 months, we have a new mines minister (Gwede Mantashe), a better charter and more frequent engagement with government. There is hope in the air," Baxter said.

The proposed 1% levy has since been scrapped under the new mining charter and companies that met previous empowerment targets of 26% black ownership will have five years to raise ownership to 30%.

Also scrapped was the proposed law demanding ownership targets on companies engaged in exploration in South Africa.

> **WE NEED TO TEACH OUR WORKERS HOW TO BENEFICIATE AND NOT JUST EXTRACT MINERALS FROM THE GROUND.**
> – JOSEPH MATHUNJWA

This had severely plunged exploration activity in South Africa compared to the rest of the continent. The relaxing of this requirement opened the way for French oil and gas player Total, to announce its new gas discovery in South Africa.

The gas find, off the coast of Mossel Bay, could unlock one billion barrels of total resources and contribute up to R1 trillion ($71 billion) into South Africa's economy over the next 20 years. It could also be a catalyst for other investments into the country.

The only other risk standing in the way, that companies said government needed to address urgently, was rising electricity prices. This follows demands from Eskom for higher tariffs to help plug the R420 billion ($30 billion) hole in its balance sheet.

Eskom supplies 90% of South Africa's electricity needs and mining companies have said higher tariffs will create a strain on business and could cost investment and jobs.

Ramaphosa said a rescue plan for Eskom that would include a possible unbundling into three units – generation, transmission, and distribution – would be soon be finalized.

Other issues that were discussed in great length at the Africa Mining Indaba, attended by 37 ministers from the continent, included addressing illegal mining, improving mining safety, enhancing the role of women in mining and upskilling the future workforce.

It's estimated that South Africa's mining sector loses R7 billion ($499 million) a year to illegal mining, according to auditors PricewaterhouseCoopers.

Industry players believe this could be addressed by including more artisanal miners into the formal mining system as was the case in Ghana.

On the matter of safety, Goldfields Chairman Cheryl Carolus said laws governing mining safety could not be stringent enough as one life lost was one life too many.

She said mining companies could also do more in driving the inclusion of women into top positions as increasing diversity on boards was the right thing to do.

"Doing the right thing is the best thing for business, taking short cuts will come to bite you in the back," Carolus said.

As for creating the future workforce in mining, changing the education system was seen as critical.

"We need to teach our workers how to beneficiate and not just extract minerals from the ground," said Joseph Mathunjwa, President of the Association of Mineworkers and Construction Union of South Africa.

-By Fifi Peters

Cyril Ramaphosa (center) at the Mining Indaba

'THE SOLDIER WITH A BIG VOICE'

In January, Africa lost Oliver Mtukudzi. His friend and fellow musician Yvonne Chaka Chaka fondly remembers the global icon.

BY KAREN MWENDERA

IN OCTOBER 2012, ZIMBABWE'S Oliver Mtukudzi, South Africa's Yvonne Chaka Chaka and Kenya's Suzanna Owíyo produced *Because I Am Girl* with musicians from around the world.

It was released to promote the global launch of Plan International's 'Because I am A Girl' campaign, marking the first UN International Day of the Girl Child, on October 11.

Dressed in African prints, they sang together, spreading the word about the empowerment of the girl child.

Mtukudzi's bass and Chaka Chaka's soulful voice in harmony, they became more than co-artists; they become brother and sister. It was the first performance of many for the two.

Seven years on, Chaka Chaka is teary-eyed about Mtukudzi's death 23 days into 2019, when not just she, but Africa lost a music legend.

In a strange coincidence, Mtukudzi died the same day the continent lost the father of South African jazz, Hugh Masekela, last year.

On the phone for this interview, Chaka Chaka describes Mtukudzi as a soldier at work.

"When he was on stage, he was a totally different man. When he had his guitar, it was like a soldier. Like a soldier who has a gun at work," she tells us.

"I think there were two different people. Offstage, he was just an ordinary man, and on stage, people ate out of the palm of his hand.

"I've never known Oliver to never be fit. He has been a skinny man and he would just twist that body with a guitar and that gravel voice of his. A big voice in a small body," she says.

"He has never called me Yvonne, he has always called me Fifi... Fifi means sister.

"The man was always humble, he never raised his voice, I have never seen him angry and all he has ever wanted is just to see Africa thriving. He wanted to see Africa beautiful. He wanted to see Africa with less disease, less hunger, less corruption, a happy Africa – that was his wish."

One anecdote Chaka Chaka shares is when Mtukudzi was made a UNICEF Goodwill Ambassador in Zimbabwe in 2011.

"You know he sat there with me and asked, 'so, what does this entail, my sister? You have been a goodwill ambassador for a long time. You will tell me what needs to be done. How should I act? How should I react? How should I do things?'

"And I'm like, 'no, but you know, you are more of a star than me and you have been in this industry long before I'. He was just so down-to-earth and had no chip on his shoulder."

The last performance the two did together was in October last year in Harare during the Jacaranda Festival, attended by more than 2,000 people and other artists around the continent.

"Oliver was not in his changing room or at home. He stayed there and watched other artists perform, which was so great," says Chaka Chaka.

"This year, he promised that we would do it [the Jacaranda Festival] in Bulawayo," she said. They had planned to make it a big show and use their status as goodwill ambassadors to encourage and inspire more youth.

But sadly, that promise will never be fulfilled.

"The legacy he will leave behind is a legacy of love, the legacy of pro-African and I think for me he was a pan-Africanist. That's what he was," she says.

> **"WHEN HE HAD HIS GUITAR IT WAS LIKE A SOLDIER. LIKE A SOLDIER WHO HAS A GUN AT WORK.**

To this day, *Neria* is still one of Chaka Chaka's favorite songs by him.

Mtukudzi, who died aged 66 of diabetes, was laid to rest on January 27 in his home village of Madziwa.

Thousands sang and danced to the melodies of his songs.

President Emmerson Mnangagwa declared him a national hero, posthumously, a status that has previously been reserved for ruling party elite and independence veterans.

He may be gone but his music will live forever in the hearts of the fans that loved this legend who soldiered on until the end.

Photo by Motlabana Monnakgotla

Imperial™ logistics

Solar project resolves power problems in Malawi hospitals

A solar energy project that is ensuring that patients at hospitals in Malawi are not compromised by power outages is the latest healthcare supply chain solution delivered in the country by Imperial Logistics company, Resolve.

As part of its plan to develop healthcare infrastructure in Malawi, the country's Ministry of Health embarked on a US$3,7-million project to install solar energy at 85 health facilities nationwide. *"The Ministry of Health contracted non-profit organisation PFSCM (The Partnership for Supply Chain Management) to procure and install the solar panels, and PFSCM awarded a subcontract to Resolve Solution Partners for the installation and a three-year maintenance programme,"* explains Cobus Rossouw, chief strategy officer at Imperial Logistics. *"This solar initiative aims to ensure the seamless delivery of healthcare services in the face of prolonged power outages that the country is currently experiencing,"* he states.

"District hospitals and health centres in remote areas of Malawi have been the worst affected by power outages," Rossouw notes. *"Big city hospitals have been less affected, although they have had to use generators to maintain operations at times, which are costly to run."*

According to Malawi's Ministry of Health, the goal of this solar project is to prioritise saving lives and curbing power disruptions, especially in key hospital sections like theatres, maternity wings, intensive care units and the section for children under five.

This project marks the third healthcare supply chain solutions project that PFSCM and Resolve have partnered on in Malawi. *"Last year, PFSCM and Resolve installed 115 prefabricated storage units across the country using Resolve's unique Storage-in-a-Box solution. After the success of this project, PFSCM and Resolve were awarded the roll-out of a further 95 Storage-in-a-Box units, which were completed at the end of October 2017,"* Rossouw reveals.

Resolve's innovative Storage-in-a-Box solution consists of prefabricated 70m² modular storage units that are pharmaceutical-compliant, validated, fully outfitted and can be deployed immediately. Delivered in 40 ft containers, Storage-in-a-Box brings supply chain solutions to both remote and urban settings with ease, allowing supply networks to develop where they are needed, not just where they have traditionally been able to be deployed.

"We look forward to the completion of our solar undertaking in Malawi, and are proud of the ongoing role that Resolve is playing in improving healthcare in Malawi," Rossouw concludes.

The hospitals that are benefiting include Bwaila Hospital in Lilongwe, Queen Elizabeth Central Hospital in Blantyre, Zomba Central Hospital and Mzuzu Central Hospital. Each of these facilities will be equipped with:

- **solar panels**, panel arrays and photovoltaic systems providing 100 kW of power
- **solar powered streetlights**
- **solar geysers** and
- **air conditioners**

Heat-reflecting paint will also be added to 16 facilities.

Bombast Bean Counters And Chilling Words From

THE MAN WHO BROKE THE BANK OF ENGLAND

The multimillion-dollar circus called Davos rolled into the Swiss ski-resort yet again, in January, in all its big deal bombast and bean counting glory. This year, African debate was scant: the man who broke the Bank of England foretold of a broken world laden with fear and doom; there was scary talk of cyber terrorism; just another day, another Davos, for the World Economic Forum.

BY CHRIS BISHOP

IF YOU WANT AN EXAMPLE OF how the dash of Davos can descend into self-parody, you should have taken a look at the huge banner draped across the posh Belvedere Hotel throughout the World Economic Forum in the mountain ski-resort. It was on the main street through Davos where thousands of delegates slip and slide to scores of functions – with at least one or two slipping over every day – along a line of shops taken over by big money corporate sponsors. Much more money is being made elsewhere in this ski-resort: the people who live here go away for the week and let out their homes for a king's ransom; $30,000 for the week is nothing unusual.

Most people saw an irony in the banner, yet clearly the people who spent a fortune on putting it up there couldn't have.

"Free trade is great," says the banner on behalf of Brexit-bound Great Britain.

"Didn't someone tell them they were about to leave one of the greatest free trade zones in the world?" says one passer-by with a cynical chuckle.

The crack summed up some of the irony that swirls around when cohorts of bean counters, highly-paid administrators and bosses gather in an Alpine icebox to solve the problems of the world.

The bigwigs weren't there and this year, there was less buzz and fewer queues outside the briefing rooms.

Donald Trump, who made a big splash at Davos last year, stayed at home trying to figure out his government shutdown. The four 'Ms' – May, Modi, Macron and Mnangagwa weren't there either; at least two of them tied up with fighting fires, from Brexit to economic meltdown, in their own backyards.

Empty hot seats, at Davos, at a time when the world is crying out for the wisdom of sage leaders.

Instead, it was left to business leaders, like the Australian-born CEO of billion-dollar turnover infrastructure giant Arup, Greg Hodkinson, to cut to the chase.

"We need clear political leadership in this fractured world... otherwise we are going to get easy political leadership preying on people's fears," says Hodkinson at one of the first panels of WEF 2019, on infrastructure.

Hodkinson, who has worked in infrastructure for 40 years, also said investment in infrastructure could no longer ignore the future, or the deteriorating environment.

"Carbon should be priced into infrastructure projects and that will act as an economic trigger for private money to come in because not only will it mean more revenue, it will help us put more money into saving the environment," says Hodkinson.

According to the *WEF Global Risks Report* for 2018, some of the top risks by impact are posed by the elements: floods and storms; water crisis, plus earthquakes, tsunamis, volcanos and electric storms.

"By 2040, the investment gap in global infrastructure is forecast to reach $18 trillion against a projected requirement of $97 trillion. Against this backdrop, we strongly recommend that businesses develop a climate resilience adaptation strategy and act on it now," warns Alison Martin, Group Chief Risk Officer, Zurich Insurance Group, in the report.

The money is there, according to Hodkinson, but needs to be channeled with foresight.

"Even if someone is building a car parking garage, I ask what else can they do with it because they won't need it one day," says Hodkinson.

"The money is there. Investors sank six trillion dollars into United States junk bonds last year; if investors are prepared to roll the dice on junk bonds, what about infrastructure investment?"

Investors, on this day at Davos, heard that 65% of world infrastructure projects are unbankable without government guarantees.

Private money is needed to fill the gaping infrastructure gap, yet negotiations between investor and government officials can prove difficult.

Just ask Heng Swee Keat, the Cambridge-educated finance minister of Singapore,

WE ARE CASTING OUR NETS HERE AND FINDING BIG FISH.
– CYRIL RAMAPHOSA

the former Parliamentary Private Secretary to the father of infrastructure on the industrious little island who harnessed private money for public good – the legendary late premier Lee Kuan Yew.

The finance minister warned relationships between public and private sectors could be "lumpy".

"I remember a man coming to me and saying he was never going to invest in infrastructure in your country again, I asked him 'why' and he said, because the last time we invested and made money the government came back to us and asked 'why are you making so much money'," chuckled Swee Keat.

Another major issue in Davos was Artificial Intelligence. This promises not only the development of new technology to take the backbreak and tedium out of life, but also to replace workers with robots. Exciting times for many, yet maybe worrying times for us all if one of the many briefings was anything to go by – one man's bank account can be another radical's cash cow. Experts painted a bleak picture of threats and radicalism lurking on the dark web.

"I wouldn't put my credit card into a machine today. This is happening right now," exclaimed retired US Marine Corps' four-star general, John Allen, a former commander of NATO's International Security Assistance Force. I had asked him about how far away we were from cyber-terrorism cleaning out bank accounts.

"A cyber terrorist can open a bank account on a Monday, start cleaning people's accounts out on a Tuesday and start supplying money to their cause on a Wednesday. I saw a case of a bank in Bangladesh that was cleaned out of $80 million in one day. We have to develop strong systems to defend our financial systems."

Cyber- terrorists are becoming ever more clever and ubiquitous, warns Karin von Hippel, a former senior advisor to the US Department of State, who worked on security for the United Nations and European Union in Somalia and Kosovo. The Islamic Isis movement, in Syria, attracted 40,000 volunteers from 120 countries and many used internet to further their cause, she says.

"They are all out there in the cloud and the dark web doing their work. They move so fast that it is very hard to keep up with," says Von Hippel.

"If we spent half as much money on easing the causes of this terrorism, as we do fighting it, we would not drive so many youths into the arms of the radicals," says Allen.

Don't panic, too much, cautions Von Hippel.

"Despite all of this, you've still got a bigger chance of dying in the bathtub than you do in a terrorist attack," she quips to ease the tension at the end of a worrying, yet eye-opening, session.

Heng Swee Keat warned relationships between public and private sectors could be "lumpy"

If you listened to South African President Cyril Ramaphosa at Davos, on a cold Wednesday night, you would have bathed with abandon and slept soundly in the snow afterwards.

"We are casting our nets here and finding big fish," says Ramaphosa, the master of the metaphor, at the press briefing earlier in the day.

In Davos, Ramaphosa would have faced awkward questions from investors over why his government is propping up loss-making state enterprises, taking time to cut back government expenditure and the civil service, plus the thorny issue of expropriation of land without compensation.

That night, at the customary presidential dinner, in Davos, Ramaphosa, with microphone in hand, was as optimistic as a leader should be in an election year.

"When we see people here, they ask us how we manage to get business, government and unions working together for the economy of our country," says Ramaphosa.

"They say tell us what magic you have. What I tell them is that there is a renewal and determination to make South Africa work. "

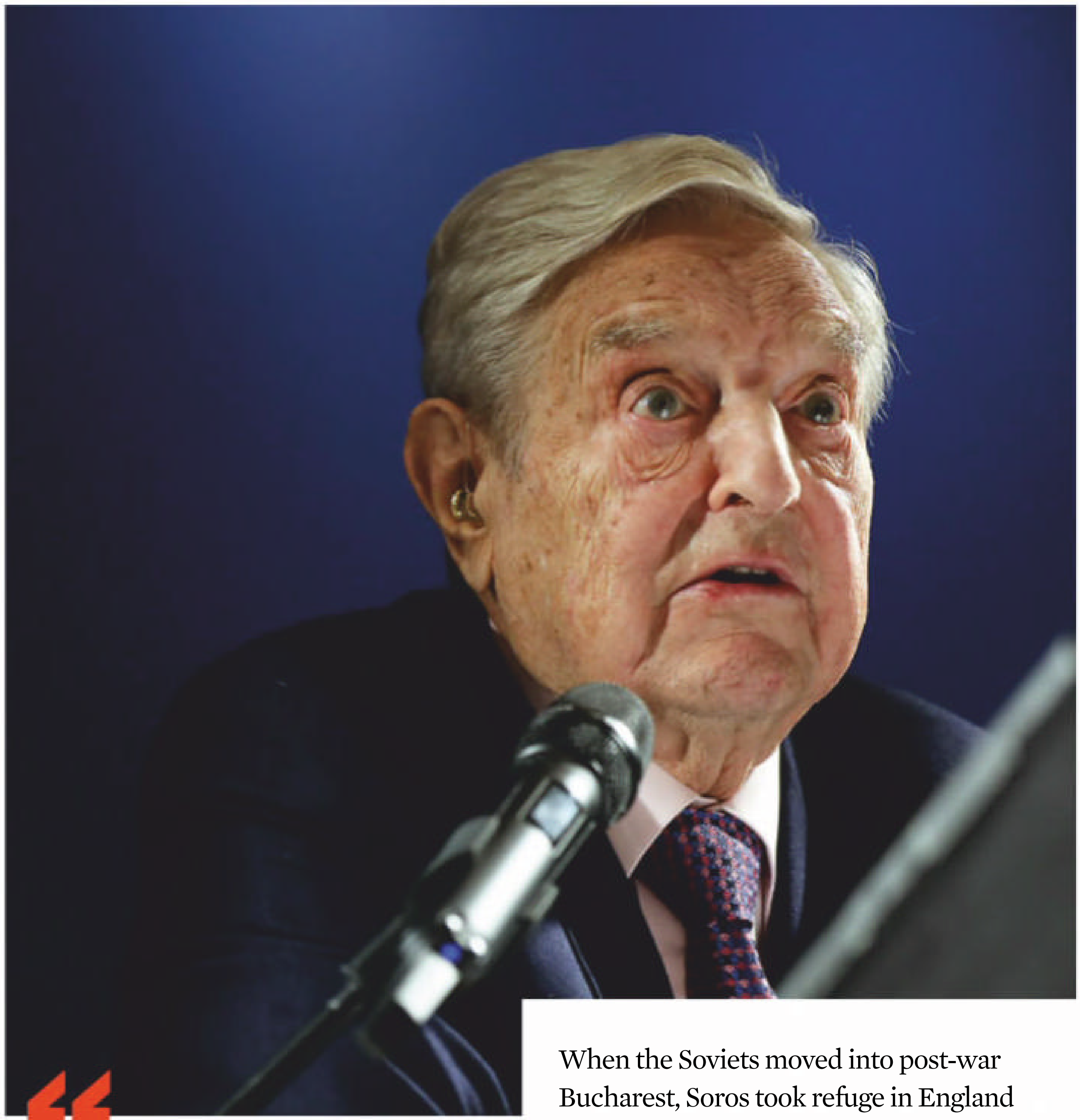
The most chilling view of the future was yet to come. It came from the lips of grey-haired global investor George Soros, the man who broke the Bank of England, who invited us to the plush Seehof Hotel, one icy Thursday night, for an icier speech.

The 88-year-old hedge fund tycoon, worth $8.3 billion according to FORBES, reportedly made $1 billion in one day, in Britain's sterling crisis of 1992, by shorting the British pound.

"I want to use my time tonight to warn the world about an unprecedented danger that's threatening the very survival of open societies," were the dramatic opening words.

Soros delivered a potted history of his early life in the shadow of oppression. When he was 13, in 1944, the Nazis invaded Hungary and deported Jews to concentration camps. His father, a lawyer, understood the system and arranged false papers and hiding places for the family.

Photos by Simon Dawson/Bloomberg via Getty Images; Photo by Jason Alden/Bloomberg via Getty Images



I WANT TO CALL ATTENTION TO THE MORTAL DANGER FACING OPEN SOCIETIES FROM THE INSTRUMENTS OF CONTROL THAT MACHINE-LEARNING AND ARTIFICIAL INTELLIGENCE CAN PUT IN THE HANDS OF REPRESSIVE REGIMES.

– GEORGE SOROS

When the Soviets moved into post-war Bucharest, Soros took refuge in England where he put himself through the London School of Economics by working as a waiter and railway porter. He became a leading hedge fund manager by analysing the weaknesses of prevailing theories guiding investors.

"Running a hedge fund was very stressful. When I had made more money than I needed for myself or my family, I underwent a kind of midlife crisis. Why should I kill myself to make more money?" he says.

Then, Soros began his philanthropic work, in 1979, by supporting scholarships for black students at Cape Town University. To this day, his Open Society Foundations aims to protect the human rights and freedom he fears are under attack.

"An alliance is emerging between authoritarian states and the large data-rich IT monopolies that bring together nascent systems of corporate surveillance with an already developing system of state-sponsored surveillance. This may well result in a web of totalitarian control the likes of which not even George Orwell could have imagined. Tonight, I want to call attention to the mortal danger facing open societies from the instruments of control that machine-learning and artificial intelligence can put in the hands of repressive regimes," says Soros.

"China isn't the only authoritarian regime in the world, but it's undoubtedly the wealthiest, strongest and most developed in machine learning and Artificial Intelligence. This makes Xi Jinping the most dangerous opponent of those who believe in the concept of open society. But Xi isn't alone. Authoritarian regimes are proliferating all over the world and if they succeed, they will become totalitarian."

Soros also criticized US foreign policy on China. "My present view is that instead of waging a trade war with practically the whole world, the US should focus on China. Instead of letting ZTE and Huawei off lightly, it needs to crack down on them. If these companies came to dominate the 5G market, they would present an unacceptable security risk for the rest of the world. Regrettably, President Trump seems to be following a different course: make concessions to China and declare victory while renewing his attacks on US allies. This is liable to undermine the US policy objective of curbing China's abuses and excesses."

The final chilling words for anyone who loves freedom: "My key point is that the combination of repressive regimes with IT monopolies endows those regimes with a built-in advantage over open societies. The instruments of control are useful tools in the hands of authoritarian regimes, but they pose a mortal threat to open societies."

Journalists at least closed a heavy night with a lighter moment. They asked Soros whose side Facebook and Google were on.

"I think Facebook and the others are on the side of their own profits," says Soros to a gale of laughter.

All the time we were listening to these predictions of AI surveillance doom at Davos, in a warm lounge at the Seehof Hotel, we were surrounded by armed police, airport security, surveillance cameras and cell phones that tell the world where you are, who you are and what you are doing, or saying, maybe doomsday is already here.

FIFI PETERS

AFRICA IN THE ALPS

FANCY A CUP OF COFFEE? How about a chocolate? Or a fresh cream waffle with syrup?

These were some of the treats offered to delegates on the Davos promenade, enroute the congress center of the World Economic Forum's (WEF) 31st annual meeting in January.

With temperatures plunging below -17° in Switzerland, it was hard for many to say no to the delights.

The promenade is a stretch of road where residents of the town located in the Swiss Alps, go about their everyday activities of shopping, banking and socializing.

This would be the case any other time but not in the month of January, when the high street is overhauled into one of the most important and richest in the world.

Book stores and coffee shops are shut and hired out to corporates with deep pockets.

Multinational heavyweights like Microsoft, Facebook, Amazon and Tata are intent on showcasing their products to the thousands of delegates that attend the forum.

WEF is regarded the most prestigious gathering of global leaders in business, government and society, who meet each year to discuss the world's biggest threats and ways to neutralize them.

This year's theme was *Globalisation 4.0: Shaping a New Architecture in the Age of the Fourth Industrial Revolution.*

What better way to tackle such a daunting task than with some steaming hot chocolate to invigorate the mind?

Back to the promenade.

The long stretch is carpeted by ice that mirrors the thick blanket of snow enveloping rooftops and walls.

Among the heavyweights battling it out to attract potential new clients, I see an African company.

It's South Africa's Absa bank; the only African company on the high street.

Ironically, like the promenade, which has been overhauled into a corporate marketing hunting ground, the African bank has completed its own makeover.

It was formerly known as Barclays Africa, a subsidiary of the London-based Barclays PLC.

"This year is the first time Absa comes to the World Economic Forum as a standalone entity," the bank's outgoing CEO Maria Ramos said.

"We've had a lot of our own meetings here. We've been able, I believe, to demonstrate that as a bank we are able to be at the cutting edge of what global financial markets are about.

"We have also demonstrated that as an African continent, not only do we have phenomenal sunshine, which we have been able to bring to Davos with technology into this fantastic space, but we've also got great financial institutions."

It seemed Africa's warmth followed relentlessly even in sub-zero climes.

Other action that took place on the sidelines of WEF included bilateral engagements between business and government.

Old Mutual CEO Peter Moyo told me of his private meeting with Zimbabwe's Finance Minister, Mthuli Ncube.

Ncube had to lead the Zimbabwe delegation after President Emmerson Mnangagwa ditched plans to attend WEF at the eleventh hour to deal with the latest crisis in Zimbabwe.

Videos of deadly protests in Zimbabwe over the doubling of fuel prices overnight had gone viral.

"I was pleading with the Minister of Finance for him to take us into his confidence so we can actually work together with them and see how we deploy the capital that we have for the benefit of our customers and we protect value for shareholders," Moyo said.

Old Mutual is the largest listed company on the Zimbabwe Stock Exchange.

For MTN CEO Rob Shuter, the sideline meetings at WEF provided a platform to deal with a crisis in Uganda with speed.

News broke that three MTN Uganda managers had been deported for allegedly compromising national security.

Shuter told me he met with Ugandan President, Yoweri Museveni, to address the matter.

"We had a cordial meeting. We assured [President Museveni] of MTN's commitment to Uganda. We have been 20 years in the country and we are in the process of renewing the license," he said.

Shuter also met with Oscar Onyema, CEO of the Nigerian Stock Exchange.

I asked if this was to discuss the much-anticipated listing of MTN on Nigeria's stock exchange but he declined to comment.

It was time for another cup of steaming hot coffee.

– The writer is a presenter-producer on CNBC Africa.

"RISING AFRICA SERIES"

A celebration of thought leaders, innovators, thinkers, problem solvers, and drivers of growth and development.

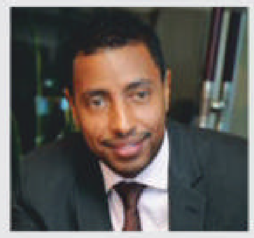
Dr. Mohammed Nuri Osman, Board Chair & CEO, Medtech

Medtech is an Ethiopian pharmaceutical company that was created due to the shortage of pharmaceutical supplies in the country. Dr Mohammed Nuri, Chairman and CEO of Medtech Ethiopia began his long successful career as a clinic based medical doctor, and through an unstoppable passion for a more substantial quality of life in Africa, rose to become the CEO of Medtech.

He states that it is persistence which has brought Medtech great success and will increase the company's stability even further. Medtech is known for supplying long term solutions to create an affordable and accessible pharmaceutical market. With this in mind, Nuri has set goals in motion to become one of the top three African pharmaceutical companies by 2020.

Through his endeavors, Medtech has advanced from trading limited drugs to manufacturing a variety of advanced medicines. Nuri states that Medtech follows an invaluable level of respect and reputation for all included parties, striving toward the motto 'we care to cure'.

To Nuri there is nothing more important than quality at the core of everything Medtech does, bringing affordable drugs to Ethiopians throughout the country and beyond.



Benyam Bisrat, Managing Director Jupiter International Hotel

"We are certainly endowed with numerous attractions, extensive historical sites, and a great climate mix, however, our competitive edge remains elusive because we are yet to properly develop and brand our product globally. Despite this, in recent years, Ethiopia's tourism and hospitality industry has emerged as one of the key sectors driving the country's economy. The tourist sector continues to flourish, owing it to a surge in both business and leisure travel, with international and regional visitor numbers climbing. This said, there are plenty opportunities for investors, not only in mid-scale hotels, but also in timeshare business, conference centers, water parks, golf courses, and recreation centers throughout the country."

IS FOREX A SCAM OR MONEY GOALS?

Currency trading is a vast and technical space, however, many get caught in the seductive web of quick gains. Untangling forex can be daunting but with patience, it can be rewarding.

BY UNATHI SHOLOGU

Foreign exchange, also known as forex (FX), is a trade that has risen in popularity over the last decade on the continent. Many companies and sole proprietors have claimed to have amassed wealth from FX, going as far as offering seminars and flaunting their opulence on online platforms. However, a number of them have also been exposed as frauds and scammers. This has called into question the validity of FX as a credible investment vehicle, but the semblance of wealth has also continued to attract unsuspecting investors.

Simply put, FX is the market where foreign currencies are traded. It is a vast and mercurial space as currencies from all over the globe participate in this market. The buying and selling of currencies in this decentralized global market is determined by whether markets move up or down and traders make decisions based on these movements.

These market conditions influence how traders speculate and make predictions, with the ultimate goal of selling a currency at a higher price than it was purchased for in order to make a profit.

FORBES AFRICA followed the breadcrumbs of an unsettling FX story that has since uncovered a police investigation into a shocking FX scam that spans provinces and allegedly defrauded millions from unsuspecting investors. How easy is it to pose as a forex trader? What steps do investors need to take to ensure their money is the hands of reputable traders?

FOREX LANDSCAPE IN AFRICA

In relation to other markets, the popularity of FX in Africa is relatively new. The first retail forex CFD (contract for difference) on the continent opened its doors in 2017 in Sandton, dubbed the richest square mile in Africa.

This is an indicator that FX had not been previously commercialized on the continent, while globally FX lounges were commonplace. This speaks to the idea that FX is still developing in Africa. It is also an indicator that Africans have shown enough interest in FX for investors to identify a gap in the market and take the risk of trying what others have not previously ventured towards.

Although it has provided investors the golden opportunity of an uncharted territory, it has also created a feeding frenzy for predators looking to exploit a decentralized market that produces an average value of $5 trillion daily trading volume globally.

FX trading occurs digitally, via the internet which is an immeasurably colossal space, with crevices like the deep web that elude the average Googler. Its boundlessness means that it does not fall under any particular jurisdiction and, therefore is not restricted by laws and regulations.

Herein lies the first of many obstacles for an unsuspecting investor who hands money over to scammers. Technically, anybody can trade should they choose to do so and this opens the door for reputable traders and shysters alike.

Economist Kathy Nicolaou Manias cautions that "scamming in the digital space is very intense… it's actually very easy to be scammed but you've got to keep your wits about you and be very careful.

"The forex environment is an incredibly volatile one, especially if you're looking at the rand. It's different if you're looking for a retail trader – that's someone who is an agent who can convert currency for you," says Manias who is a leading expert on the

Photos by Motlabana Monnakgotla / Fuse via Getty Images

Forex had not been previously commercialized on the continent, while globally Forex lounges were commonplace.

continent on illicit financial flows, AML/CFT, beneficial ownership and trade-based money laundering.

There has been increasing evidence to show that a significant number of people who invest in FX have a limited understanding of what it entails and inadvertently end up being victims of unscrupulous traders, trainers, brokers, and companies.

The draw to the FX market is that it's purported to be a space of opulence and lightning-quick extraordinary returns for relatively little work.

Nick Sproule, who is a retail trader and director of Blackstone Futures – which is a forex and CFD company, says his clients are "mom-and-pop clients who are interested in being involved in the financial markets".

He agrees it's possible to make large sums of money but says there are a variety of distorted associations with FX.

"You can make excessive profits in a short space of time, based on the amount of capital that you put in... There are a lot of people out there that purport themselves to be mentors, trainers, FX experts that who lure people in with this idea of big wads of cash and create the idea that it's achievable for everybody.

"Typically, there's a training program that comes with it; they offer free signals, and the reality is that most of these mentors or trainers can't trade themselves.

"They make money charging R20,000 ($1,415) for a course, people part with their money and before you know it, they haven't learned anything and the mentor has disappeared."

Manias echoes Sproule's sentiments in saying there might be a burst of financial incentives from trading but it's inconsistent and therefore it's erroneous for traders to perpetuate the idea that FX offers a limitless amount or wealth daily.

"The rand is probably one of the most volatile exchange rates globally. It's a very small, open economy ...so that can promise you ridiculous things in a short space of time but over the long term, that can be very unsustainable," Manias says.

Those interested in trading are not at the complete mercy of shysters. The South African Reserve Bank (SARB) enforces the exchange control legislation.

These "controls are most commonly imposed because of concerns about outward flows, but controls can also be imposed to restrict inward flows, for e.g. an influx of funds risks damaging an economy," SARB reports on its site.

Despite vigilant monitoring, insalubrious practices by false traders can, at times, go unnoticed because scams often include scenarios where the victims voluntarily offer their money or personal information.

"South Africa's reserve bank has probably got one of the most sophisticated foreign exchanges, particularly for a developing country. That forex surveillance office functions incredibly well and it's got a very good handle on how it manages forex in the market," says Manias.

"YOU CAN MAKE EXCESSIVE PROFITS IN A SHORT SPACE OF TIME, BASED ON THE AMOUNT OF CAPITAL THAT YOU PUT IN.

– NICK SPROULE

BIG BANKS

According to reports, the dollar is the most traded currency globally, taking up 84.9% of all transactions. The euro is second at 39.1%, while the yen is third at 19.0%.

On the continent, the only local currency ranked among the most-traded in the international FX market, is the South African rand, which was placed at the end of the top 20 in 2017 – accounting for 1% of the world's daily currency trading, according to a survey by the Bank for International Settlements.

Also, in the last three years, the rand has strengthened by almost 6.3% against the dollar since December 2015 – making it the strongest currency against the dollar in this period, according to data published in December 2018 by independent analyst Johann Biermann.

As much as this bodes well for the economy, it is an indicator that the rand is fluid/volatile. Fluidity reflects that the rand is highly malleable and is often affected by external conditions.

"The rand is too volatile. Today, it's up 10 cents, then tomorrow, something silly happens; we have a Bosasa scandal and the next thing you know, the rand plummets again," Manias laughs.

How can this fluidity be used to the advantage of those involved in currency?

In 2017, South Africa's Competition Commission filed an affidavit stating that more than a dozen banks were illegally profiting from the rand's volatility.

A total of 17 banks were implicated, three of them were South African banks.

Sproule says that those who can manipulate currencies do so because as conglomerates, they dominate the environment.

"There are only a handful of big market players, these are the banks that set the prices for the rand–the big banks.

"Because the rand is controlled by a couple of big players, it is much easier for them to move the market much faster. You only have to look at the fact that there will be announcements on policies that come out, and before that, the rand has already moved quite significantly.

"I think it's easier to move because it's controlled by a handful of people who have good access to information that we wouldn't necessarily have access to," Sproule says.

Manias acknowledges that there are instances where banks might exchange information, however, as part of common business practices that many partake in.

"From a competition perspective, you can understand that if they [banks] are colluding to manipulate the exchange rate, they are driving the price up or down," she says.

"Institutions would do things like that. Whether it's done nefariously or with the intention of proven business practices – it's difficult to prove.

"In the early '90s, George Soros and his son collapsed the rand... If you have enough capital backing, you can easily do that. And South Africa is a small open economy, so it's really vulnerable to that kind of volatility.

"Whether big banks intentionally do that, I'm not sure. I wouldn't blatantly state that big banks are manipulating the exchange rate... I'm not saying it's not happening, I'm saying – I think if there's an opportunity, anybody is going to capitalize on it," Manias says.

Another Africa incident where banks were in hot water recently; the Central Bank of Nigeria (CBN) barred 15 Nigerian banks from accessing the small and medium enterprise (SME) foreign exchange market. This decision was made in 2017 as a result of persistent complaints that banks were preventing SMEs from accessing the foreign currencies window created for them.

Through the forex window, the CBN had aimed to offer each SME up to $20,000 per quarter.

VICTIMS OF FOREX SCAMS

We're all aware that bad news travels fast but what happens when unbelievably good news about money enters the grapevine?

FORBES AFRICA was initially informed of an incident where 50-year-old Vanderbijlpark resident Maria Cock said there was a suspicious incident where a friend offered to invest R1,500 ($106) on her behalf to Marelize Coetzee (not her real name), a forex trading company owner.

However, Cock did not receive her pay-out within the timeframe she was given.

At the time, Cock was mourning the death of her husband who had recently passed in 2018 and her family friend, in an effort to comfort her, told her about an amazing forex trading entity that was paying out large sums of money within a very short waiting period.

"I didn't really have any interaction with her [Coetzee]. My brother-in-law's wife introduced me to the scheme and told me that they put the money into the scheme and then she [Coetzee] goes onto the forex market and makes the profits.

"She invested the money [R1,500] for me and then she told me at the end of the month how much I made. I told her to reinvest that R3,000 ($212)," Cock says.

"I did not invest my own money but my son invested money. Before she [Coetzee] started having problems, he applied for his money but never got it back.

Sanet Vance

What are these problems?

Currently, Coetzee is being investigated by the Hawks, South Africa's Directorate for Priority Crime Investigation, which targets organized crime, economic crime, corruption, and other serious crime.

"Cases of fraud and theft have been opened against the alleged suspect on the matter, and we have obtained enough witness statements from Gauteng, Western Cape, and Eastern Cape," said Hawks Communication Officer, Captain Ndivhuwo Mulamu.

"After investigations have been finalized, the docket will be handed to NPA [National Prosecuting Authority of South Africa] for a decision. A directive will be given whether to prosecute or not."

> **WE LIVE IN A DIGITAL AGE WHERE WE HAVE ACCESS TO A LOT OF INFORMATION, AS A RESULT, WE HAVE ACCESS TO A LOT OF LIARS, THIEVES AND CHARLATANS.**
>
> – KATHY NICOLAOU MANIAS

How exactly did Coetzee come to be investigated by the Hawks? Sanet Vance, 40, from Sasolburg, which is part of the Vaal triangle, invested into the FX company. She too was not paid and has since made it her mission to ensure she gets answers.

"We paid money into a bank account that was under Marelize's name. In July [2018], no money was paid out... It went like that up until she told us she lost all the money [in October].

"She kept saying to everybody that 'your investment is growing, you will get your money at the end of the month'. Then suddenly there was a problem at SARS, then there was a problem at the reserve bank," Vance says.

The Vaal Triangle is a triangular area formed by Vereeniging, Vanderbijlpark and Sasolburg and is 83.3 kilometers from the FORBES AFRICA offices in Sandton, Johannesburg. Numerous visits were made to the triangle because of the sheer volume of stories that were coming out about Coetzee.

At some point during the collation of stories, Coetzee, who perpetually changes her phone number, agreed to meet with us but did not honour the appointment.

"I would like to meet you and give you my side as well," she texted.

Her clients say she has been evading them since September 2018.

Vance, who acted as an agent and was recruiting for Coetzee, says the moment she started to realize that something was wrong, she advised her clients to stop investing. Or if they wanted to reinvest, they should consider using initial pay-outs that her clients had not received.

She says Coetzee told her that payments were stalling because her paperwork was not in order and she had a myriad of excuses. Eventually, Coetzee announced to all her investors all the money was lost while trading.

"When things get heated, then she suddenly gets sick."

"Two weeks after she [Coetzee] let the people know that all the money was gone, a client had to make her give the money back. She stood there the whole day because it was R1 million ($70,731) – all her pension," Vance says.

LIVES AFFECTED BY THE SCAM

Numerous accounts have been given by Coetzee's former clients stating that their first interactions with her were at a chain-restaurant in the Vaal Mall where she used to set up station and claim to be working.

Economist Nicolaou says, "I know it sounds terrible, because progressively, businesses are getting smaller and more people are operating from home. But if you are a legitimate large-scale trade, why are you operating from home?"

"A legitimate company would have a proper office and would be registered with the bank."

Nosipho Zungu, 22, former employee of the chain-restaurant, says Coetzee was watching her as she worked and eventually recruited her and asked her to be a receptionist for a higher salary.

"She [Coetzee] used to tip very well, everyone wanted to serve her and eventually I was that person. I was excited it was my tip for the day," Zungu says.

"She asked me to sit down and told me, 'we have a position for you, we make money'."

"I resigned and started working at the office. I was handling new investors and anything else I could do, I did it."

"Eventually, things got so bad that she couldn't pay clients anymore."

Zungu says she did not do work at the operational end of the business, so she is unable to say how money was handled from end-to-end.

She worked for Coetzee for three months, from August to September. Eventually she was dismissed for reasons unknown to her.

Zungu is currently unemployed and desperately looking for work. Her fiancé sold his car and spent the money, excepting a lucrative pay-out. He did not get the funds promised to him.

Another of Coetzee's employees, says he and his friend were recruited by her while trading at the restaurant.

"I don't know if Marelize traded or not," Tshepo Molefe (*not real name*) says.

"We were just agents, and Marelize was meant to be the trader, we were recruiting people who were interested in investing in forex."

"Each day, we were getting between 10 and 20 clients. Some were recruited through word-of-mouth, and others would call the company."

"Clients would come in and sign forms. Then they would deposit money into Marelize's bank account, and we would give clients updates," says Molefe who worked for Coetzee from June-October.

When asked how he was giving clients updates if he personally did not trade, he says, "Marelize would give us updates which were good in terms of money clients were making. But, instead of paying money back to clients, she would give them excuses about SARS and her account being blocked."

Molefe is currently unemployed.

Another former employee who "did admin and data capturing," says her life has been in turmoil as a result of working for Coetzee.

Elize du Toit (*not real name*) says she is humiliated by being associated with Coetzee.

"I told most of my family about this trading and they invested in it and most of them lost their money. I feel so embarrassed that I have to look them in the eyes and they lost their hard earned money in something I got them into.

"I never knew if she was really trading but she told me she was trading and had other people trading for her."

"To this day, she ignores me when I make contact. I'm so tired of how she ruined my life and I want to end that part of my life," Du Toit says. She too is currently unemployed and desperately looking for work. Her relationship with her family is not the same.

Pensioner Danny van Buren Schele, 72, says he was recruited by one of the employees at the chain-restaurant. He parted with R2,000 ($142) of his money that he could not afford to lose.

"I gave her R2,000 ($142) and she told me that I would get R24,000 ($1,708) after a month."

"Then she sent us a message telling us that there was a special for September. You invest R9,000 ($640) and you get R400,000 ($28,475) back. So I told her to take the R9,000 ($640) from the R24,000 ($1,708) and reinvest it. To this day nothing has happened. I did not get my money back," van Buren Schele says.

Another employee at the restaurant says she persuaded her father, who has cancer, to invest a portion of his pension and she is heartbroken as she was hoping that she could use the pay-out for medical fees.

Yet another employee at the restaurant says she persuaded many of her friends and family members to invest and she now lives with the stress of knowing that people lost money because of her.

FORBES AFRICA visited other businesses at the Vaal Mall, and more employees at other businesses were vocal about the havoc investing into Coetzee's business has wreaked in their lives.

The Hawks know to a greater extent the effects of Coetzee's actions.

"There are allegations that the alleged suspect lured unsuspecting investors to believe that they were investing into a legitimate forex trading company. However, we cannot comment on the content of the evidence-gathered during the investigation process, but we are looking at over R10 million lost by investors," Mulamu says.

Manias offers advice.

"We live in a digital age where we have access to a lot of information, as a result, we have access to a lot of liars, thieves and charlatans.

"On the due diligence side, check if you're with a trader who is registered with the reserve bank.

"Track their record. Are they a registered entity? Check what kind of currency are they trading. If it's a SARS reference number, validate it somewhere.

"Do *Hello Peter* checks, to see what's being said. We need to be very vigilant about personal information," says Manias.

Danny Van Buren Schele

THE TOP 7 INVESTMENT TRENDS FOR 2019

Most people give up on their resolutions by mid-February. As we usher in March, a reminder that it's never too late for investment goals.

THE YEAR IS FIRMLY underway and investors are searching high and low for new opportunities to grow their financial portfolios. Being abreast of these of investment trends gives some insight into how they are most likely to move.

Sonja Saunderson, Chief Investment Officer at Momentum Investments, speaks to us about seven cyclical trends and longer structural investment trends they see dominating 2019 and what they mean for investors.

CYCLICAL TRENDS:

1. Better valuation in growth-orientated asset classes

Valuations are more attractive in equity and property assets in emerging and developed markets – with the United States (US) being the laggard. This is largely due to market corrections in 2018.

2. Moderating global growth

This trend has been in the headlines with 2019s growth forecasts being revised down. There is potential for a recession in the US in 2020, although there is some debate as to whether this would only be a further slowdown.

3. Geopolitical factors

One of the biggest ticket items this year is the US-China trade war and its direction – whether it will escalate or moderate. Regional trade integration is coming to the fore more prominently.

In South Africa, Eskom and the elections are two big geopolitical issues this year. General elections take place on May 8 and the results are eagerly anticipated, as is the action thereafter. Eskom, South Africa's power utility that is struggling with a debt of $30 billion and power supply problems, poses a systemic risk and could affect economic growth and the country's sovereign credit rating.

Investor take out: We are expecting a year of volatility, which gives active investment managers opportunities and strengthens the case for investing in alternative asset classes such as private equity.

LONGER STRUCTURAL TRENDS:

4. Lower returns

A lower return from asset classes is expected, in part due to the significant overhang of debt. Extreme volatility will mask this at times, but we expect lower returns in the medium to longer term.

5. Hunt for returns

The expectation of lower returns means the hunt for yields is on. This will lead to continuing innovation in listed and unlisted markets such as smart-beta investing, and the growth of alternative asset classes where higher returns can still be found. Although, these investments are more complex and restrictive.

6. Pressure on fees

The pressure on asset management models will continue with the focus on lower fees. Surviving models will either be a scale approach where the volume of assets can pay for the costs of asset management, or the boutique model where smaller teams can justify higher costs on a smaller asset base.

7. Outcome-based investing

The long-term investment trend is not just about delivering a return against a benchmark, it is meeting clients' needs and goals. This is the focus of outcome-based investing which simplifies the investment process by helping investors remain focused on what matters – staying invested.

Investor take out: Having a trusted adviser will be key to ensuring investors can develop sensible financial plans. Regular engagement with advisers will help navigate the bumps in the road and stay the course, which has proven to be the best investment strategy. Along with this, investors need to have a diversified investment portfolio.

– As told to Melitta Ngalonkulu

Photo by Getty Images

IS NAIROBI'S STORIED HISTORY QUIETLY DISAPPEARING?

If distinctive architecture marks a great city, then, Nairobi, chief among the great capitals of the continent, has plenty to appreciate. Unfortunately, faced with the urgent needs of development, the preservation of its historical buildings has often been overlooked.

BY MARIE SHABAYA

NAIROBI, AS SOME MAY KNOW it, presents a bewildering range of architectural styles. Influences conflict from religion and the decadence of imperial culture to the studied modernism of post-independence and the synthesized futurism of late.

Yet, even in this dazzling array of constructed expression, the city's architecture will not be recommended by many, if any, of its locals.

One might notice that a lot of the older buildings, some survived from the colonial era and others erected in the fleeting euphoria of post-independence, are taken for granted. Their relevance now narrowly defined by current occupants and not by what they were and how they came to be.

The more anonymous international-style towers made of glass and steel that define the city skyline enjoy more frequent limelight, locating the ambitions of a modern African city in an increasingly globalized world.

This attitude has been explained by a popular theory frequently offered in the niche but studied debate within Kenyan architecture. One that often dominates any headline to do with the designs of the capital.

Evelyne Wanjiku, an aficionado of African architecture and co-author of a book on the history of Nairobi's buildings, lambasted the tastes of her fellow countrymen as a crisis in the city's property fashions.

"Buildings in Nairobi are a testimony to the influences of various industrialized countries. A walk around the city reveals buildings of British, Indian, and even Dutch influence," she notes in a particularly disgruntled article in one of the papers of record, *Daily Nation*.

Beyond the alien persuasions of the Nairobi skyline, she says that even the well-to-do homeowners in the country reinforce this pattern through the "Victorian houses or fancy Tuscany structures" that they have built for themselves.

The assertion is heavy. Kenyans as, consumers of architecture, are all too willing to be swayed by those of an 'imported culture'.

The reality, however, is a lot more complex.

In just a number of decades, Nairobi has spread, from its traditional center, to a sprawling network of settlements. In this frantic urbanization, the designs of architecture have been subordinate to the needs of development; conditions that the discipline has traditionally tried to avoid.

This phenomenon inspired a tangent in a conversation with Dr Bitange Ndemo, a popular newspaper columnist and professor at the University of Nairobi in Kenya.

"The beef I have... is that once we are all dead, nobody will say that architecture existed in Kenya!" he laments.

To those new to the argument, the *beef* is two-fold.

Nairobi's history is quietly disappearing. Some of it claimed in a recent spate of demolitions such as those of the colonial-era bungalows in and around

Photos by Eric Lafforgue/Art in All of Us / Neil Thomas via Getty Images

A narrow street leading to the sea at Lamu Town

Jamia Mosque is a specimen of Islamic architecture

the neighborhoods of Kileleshwa and the famous Kariokor Estate, home to the African porters of the 'Carrier Corps' during the first World War.

Their replacements, brutally modern apartment blocks, allegedly erected for immediate commercial return that the professor, and other proponents, maintain, do not redefine these areas in any language but instead deprive them of all identity. Worse still, with average rental prices per month averaging upwards of $800, only a small slice of the city's inhabitants can now afford to call these places home.

"THE BEEF I HAVE… IS THAT ONCE WE ARE ALL DEAD, NOBODY WILL SAY THAT ARCHITECTURE EXISTED IN KENYA!"

– BITANGE NDEMO

Nairobi, often dubbed as the 'green city in the sun', has a storied history which is told rather vividly through its buildings.

Founded at the turn of the 20th century, as a depot on the Uganda Railway, it quickly rose to prominence as a trading post in what would become British East Africa. It was the industrial center of the country's colonial economy - the main artery in the trade of coffee, sisal and tea. Eventually, in 1907, it was declared the capital of that region of the British Empire, a title furtively snatched from the bordering town of Machakos.

As such, Nairobi's architecture cleverly accommodates the country's diverse indigenous and settled cultures along with their individual histories.

Even today, monumental buildings, commissioned by the colonial government of the day, show a pride in Kenya's position within the empire. Designed by a 'rebel' architect from the British School of the Arts in Rome, Parliament House, the home of the country's legislature, is not a carbon copy of its archetype as was intended. Instead, it is a cheerful interpretation of Westminster, showered by the equatorial sun and in constant conversation with the towering palm trees around it.

The South Asian community, among the city's early settlers, is responsible for a large part of the architectural kitsch. Forming the bulk of Nairobi's established merchant class, they have left an indelible stamp in the Art Deco styles prominent in some of the older downtown blocks such as Nanak House, which resembles a distant cousin of London's Commonwealth House on New Oxford Street. An example of the generous extravagance of 1930s design, it is today better known for the upmarket hair salon on its first floor, than the conditions that inspired it.

While overshadowed by a clustering of modern towers, Jamia Mosque, in the center of town, is a beautiful specimen of Islamic architecture in the Arab tradition typical of the period of its construction, the first decade of the 20th century. Now a central place of worship for Nairobi's sizable Muslim population, it is also well known for the businesses that have sprung from it, including an eponymous shopping mall several yards away.

Even as antiquated foreign fashions identify some of its streets, there are vernacular interpretations of them shrouded in the edifices of Nairobi. The Catholic Parish of St. Austin's, at the edge of the middle class Lavington suburb, is a glorious showpiece of Gothic Revival with an African accent.

With its colossal *mabati* (corrugated iron) and timber roof trusses, it is a firm favorite of Ndemo.

"I get satisfaction from good architectural design… and if you go inside [the church], you can feel that someone put their thoughts together to do this," he says.

The preservation of these Kenyan relics is not a recent concern. There is, in fact, a government agency dedicated to this crucial mandate at the National Museums of Kenya. However, for many of these buildings, the costs of safeguarding them for posterity far outweigh those of constructing anew.

Perhaps no one in the country is more aware of this conflict than the Head of the Directorate of Antiquities, Sites and Monuments, Dr Purity Kiura. While adamant that the task of preservation, in an effort to conserve history and memory in Kenya is important, she insists that there are other factors that weigh the equation.

"There is agriculture, there is education, there is health…and all of these are competing with other needs for the nation so [these] monuments are not a priority," she says.

She does admit that attitudes are slowing changing. With so many of the buildings in need of protection poignant reminders of a difficult period in the country's past, the need to conserve them is often set against embittered sentiment.

A younger cosmopolitan population, a few generations removed from that time, lends a more sympathetic ear to the obligations of architectural conservation.

"We are starting to see a more positive response… they seem to be understanding their history and accepting that history," she continues.

Outside of public office, there has also been, in response, a modest movement building. Sometime in 2013, the Architectural and Heritage Advisory Committee (AHAC) was convened. The group, comprised of an eclectic mix of brand name architects, lay enthusiasts, a prominent journalist and an architect-turned-photographer, set out to protect Nairobi's built heritage.

Its architect, an economist by trade, Aref Adamali, was compelled to organize it after returning home in 2008. Having lived in some of the world's great architectural cities, among them New York and London, he was met with a fast-changing metropolis in the midst of a property boom.

To him, these developments were not convincing evidence that it was heading in the right direction.

"We were losing older buildings… not just old colonial buildings made of stone but [some] from the '60s and '70s with post-independence modernist architecture and even cool buildings from the '80s… that we could [never] recover," he recalls.

After a number of conversations, Adamali began the initiative that would form AHAC. Looking to avoid the taxing listing procedures of the National Museums, they took their campaign to the interwebs.

"Listing can be contentious [so] we decided not to take the regulatory approach… our interest was in casting our net further than the city center and into the neighborhoods that were quickly changing," he explains.

The result was an online poll open to all of Nairobi and a blog cataloging the capital's aging architectural gems. After a period of voting, AHAC compiled a list of 50 of the city's most treasured historical properties informed by a broad spectrum of its residents. They also collaborated with local artists and photographers to immortalize these structures in exhibitions that appealed to the greater public.

The committee is still contemplating a longer term approach but they do have a few ideas.

"We'd want the owners of these buildings to be, in effect, the unofficial custodians of them," Adamali proposes.

Some of the buildings that feature on the list include some of Nairobi's most photographed landmarks like the iconic Kenyatta International Conference Centre.

Inspired by the vernacular structure of an African hut and constructed using locally-sourced materials, it was designed by Norwegian, Karl Henrik Nøstvik, in close consultation with the country's first architect, David Mutiso, in 1968.

The exercise was a particularly important one for Nairobi. As the architectural debate blares on, in local newspapers or in intellectual salons, along with its interpretations of identity, it remains far removed from the wider Kenyan public.

Offering locals and laymen an opportunity to locate and share their own ideas of the city's heritage gives the preservationists some support and a lasting shot at success.

Nairobi is host to not just one but a cornucopia of cultural connotations through its buildings. Each making conversation, in the language of design, about their origins and place in the city. Taken for granted as they are, these monuments of old will continue be lost without memory by the modernizing nation around them.

As Adamali insists, this cannot be allowed to happen.

"We've got to appreciate what we've got and together try to do what we can to preserve them for future generations," he says.

"THERE IS AGRICULTURE, THERE IS EDUCATION, THERE IS HEALTH… AND ALL OF THESE ARE COMPETING WITH OTHER NEEDS FOR THE NATION SO [THESE] MONUMENTS ARE NOT A PRIORITY."

– PURITY KIURA

ARE CORPORATE UNIONS THE WAY TO GO?

Mergers and acquisitions often have unforeseen consequences even as companies join forces to create formidable businesses.

BY PEACE HYDE

IN WEST AFRICA, there has been a recent flurry of activity in the mergers and acquisitions (M&A) market, particularly in Ghana and Nigeria, in the financial, telecommunications, oil and gas and manufacturing sectors. Although these M&A transactions are of a higher transaction value in Nigeria based on its position as Africa's largest economy, M&A activities in Ghana have been on a steady increase over the past decade.

In what was seen as a broader move to consolidate the banking system and protect customers from financial institutions who had failed to meet the new capital requirements for banks in Ghana, the Bank of Ghana withdrew the licenses of some five well-known banks. The proposed amalgamation of the banks – Construction Bank, Beige Bank, Royal Bank, UniBank and Sovereign Bank – resulted in the newly-formed Consolidated Bank Ghana, with the government of Ghana owning 100% shares of the bank.

The merger of the banks makes the newly-formed financial institution one of the largest in the country with over 148 branches across Ghana.

For many customers who were fortunate enough to not lose their life savings, Consolidated Bank Ghana represents a much-needed lifeline.

However, the history of recent mergers does not make for good reading. The financial experts FORBES AFRICA spoke to are skeptical about how the amalgamation will play out.

"Merging five struggling banks together with the hope of making them stronger is an ill-advised move. A lot of businesses have lost confidence in the brands and, to be honest, nobody will be beating down their doors to be coming in for loans or opening accounts with the newly-formed bank," says Kaz Bello, an economist in Ghana.

Where the new merger may seem positive on the claim of size and economies of scale, in reality, there are those who feel it might be negative due to weak asset quality and staff-related concerns. Furthermore, the bank's management focus could shift from tackling non-performing assets to integration of the banks.

"The bank of Ghana took over the assets and also the liabilities of these banks. These insolvent banks will need some more years to start working properly as a bank, even though it is considered a bank by the central bank," says Franklin Cudjoe, the founding president of the IMANI Centre for Policy and Education, a think-tank in Ghana.

Consequently, there is also the issue of how costs would be more effectively managed, if there were no reductions in jobs through this amalgamation.

"The government has made available about 450 million cedis ($86 million) as starting capital for the new bank. We understand that the takeover will present several challenges and we are committed to ensuring we maintain the integrity of the Ghanaian financial sector and ensure we maintain investor confidence as well," says Daniel Addo, the CEO of Consolidated Bank Ghana.

According to Cudjoe, Ghana is one of the "big three" countries in Africa that dominate the African M&A landscape.

"THERE ARE MANY FAILED ATTEMPTS AT MERGERS AND THE REASON, SOMETIMES, IS DUE TO LACK OF PROPER DUE DILIGENCE DURING MERGING.
– FRANKLIN CUDJOE

"In recent years, there has been a steady growth in the banking and telecommunications industry including the AirtelTigo merger in 2017 effectively creating the second-largest telecommunications network provider in the country.

Bayport Financial Services and CFC Savings & Loans also merged in 2017. Also, that year, there was the takeover by Ghana Commercial Bank when it acquired all the deposits, liabilities and assets of both UT Bank and Capital Bank.

M&A is a term that refers to the consolidation of companies or assets through various types of financial transactions. This has become an important channel for investment in Africa both locally and globally by improving access to market and competitiveness of companies, which is invariably good for consumers.

According to the African Development Bank (AfDB), M&A deals on the continent totaled $27 billion in 2011. In 2018, an analysis by Baker Mackenzie, for Thomson Reuters which was featured on CNBC Africa, estimated a decline of 44% in deal volume and 57% in aggregate value of M&A transactions in Africa with a total of 485 deals valued at $19.4 billion in the first half

> **OVERALL, FEW MERGERS AND ACQUISITIONS ARE TAKING PLACE IN AFRICA. IF YOU LOOK AT THE STATISTICS, THERE HAS BEEN A DOWNTURN OF MERGERS AND ACQUISITIONS SINCE 2017.**
> – BISMARCK REWANE

of 2017 alone.

"Overall, few mergers and acquisitions are taking place in Africa. If you look at the statistics, there has been a downturn of mergers and acquisitions since 2017 and I think this is due to political uncertainty and unpredictability, especially where Nigeria is concerned," says Bismarck Rewane, CEO Financial Derivatives, an economic think tank in Lagos.

With regard to Africa's largest economy, the trend in M&A transactions in the banking sector are largely driven by regulatory directives.

"Back in 2010, the Central Bank of Nigeria instructed commercial banks to diversify from their non-banking activities or adopt a holding company structure in the event they chose to retain their non-banking activities. This meant that a majority of the banks chose to divest, which gave opportunities for a lot of M&A in 2013 and 2014," Rewane says.

Other factors influencing the increase in M&A include synergistic needs, the need for competitive advantage as well as growth. Each M&A transaction is distinguished by the relationship between the two companies that are merging. A horizontal merger occurs when two companies are in direct competition and share the same product lines and markets come together.

In Nigeria, this type of activity is especially prevalent in the oil and gas sector.

Other notable mergers in 2017 include Coca Cola's investment in Chi and Suntory Beverage and Food's investment in the GSK beverage business.

Conglomeration refers to two companies that have no common business areas. In the agriculture sector in Nigeria, Abraaj's investment in Indorama Fertilizers is an example of this.

Underpinning these M&A activities in Nigeria is key legislation including the Security and Exchange Commission (SEC) rules and regulations and the Companies and Allied Matters Act (Chapter C20) laws of the Federation of Nigeria.

"The SEC regulates M&A activity together with sector-specific regulators depending on the target's business. Nigeria does not yet have a competition-specific law or regulators, the listing rules of the Nigerian Stock Exchange apply to M&A deals involving listed companies," says Oscar Onyema, CEO of the Nigerian Stock Exchange.

In the financial sector, another recent example of a horizontal merger is the recent announcement of Diamond Bank in 2019 to accept a winning bid from Access Bank. Financial experts believe the move will create Africa's largest retail bank by customers.

"Access Bank has, over the years, built a very strong corporate banking business and commercial banking business, very strong on treasury and very strong on risk management. We have also built and pursued a value chain management strategy to deepen our retail incursion. Diamond Bank brings a very strong and phenomenal retail base. They have invested significantly in digital and they have been extremely successful as far as reaching out to customers with 17 million customers and a very significant retail base," says Herbert Wigwe, CEO, Access Bank, in an interview

Photo by Whisson/Jordan via Getty Images; Photo by John Lund via Getty Images; Photo by Steve Chenn via Getty Images with CNBC Africa.

Consequently, the new merger is going to provide a robust, large, diversified commercial bank with a very extensive retail footprint according to Wigwe.

From Diamond Bank's perspective, the merger presents an opportunity to join a tier-one bank and become a formidable platform.

"I think we have built a fantastic retail platform, but for us to really maximize the resources that we have invested, we wanted access to a bigger platform, a platform that allows us to really drive the value chain across for our customers and one that gives our customers access to many multiple touch points as well," says Uzoma Dozie, CEO of Diamond Bank, in the same interview.

It is worth noting, however, that not all M&A activities are successful.

"There are many failed attempts at mergers and the reason, sometimes, is due to a lack of proper due diligence during merging, overpaying for deals, difficulty aligning the two operations and a lack of effective organizational change management procedures," Cudjoe says.

This is certainly something the Diamond-Access merger needs to consider moving forward.

Although the merger may look good on paper with respect to creating one of the largest financial institutions by customers in Africa with over 34,000 retail touch points, according to Wigwe, in the short to medium-term, experts believe there may be some significant challenges that the bank needs to overcome.

Top of that list is the issue of the significant non-performing loans from Diamond Bank that the company has inherited through the merger, which may affect Access Bank.

But where Nigeria is still struggling to get a handle on its economy and subsequently, bogged down by the uncertainty of the forthcoming elections, the M&A climate in Ghana is picking up steam. Financial deregulation and strong political democracy in the country over the past decade has fueled a rise in M&A activity, which is attracting foreign direct investment into the country. This has led to stiff corporate competition with many organizations looking at M&A as a strategy to improve internal growth.

There are several challenges to the M&A landscape but Ghana's economic climate and relative ease of doing business, as well as its growing size and depth, make the economy a competitive market for M&As. As a result, the current growth we are seeing in the sector is expected to steadily grow over the next couple of years.

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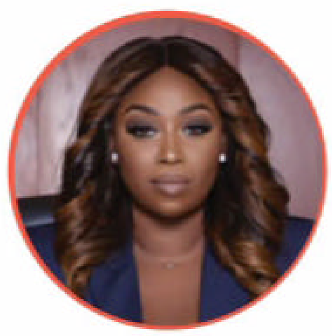

Peace Hyde

Head of Digital & Partnerships
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Nigeria

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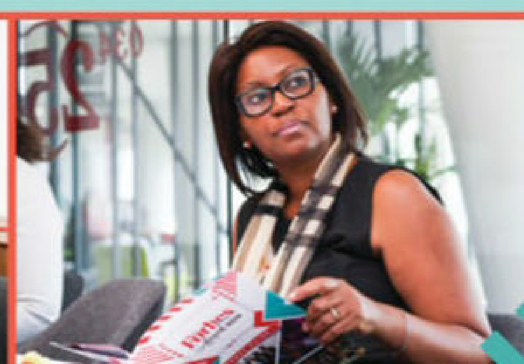

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PAYING IT FORWARD

Mobile money services have not been very successful in South Africa. The new products for micro-payments must address the larger ecosystem of banks and retailers.

BY NAFISA AKABOR

CASH IS STILL KING IN AFRICA and most parts of the world. Yet, we cannot ignore the continued growth of mobile offerings on the African continent, from the uptake of smartphones, app usage, or digital and mobile payment solutions.

Today, it is possible to open a bank account from a smartphone or feature phone, and for small businesses to set up payment solutions directly from mobile devices. As technologies advance for micro-entrepreneurs, so too for micro-payments.

A new form of payment aimed at 'paying it forward', be it to a car guard, gardener, or a donation, has been introduced by South African startup Jini Guru, called uKheshe, which means 'cash' in Zulu.

The service allows a receiver to accept a tip or payment once a physical card with a QR code is scanned through the uKheshe app, by the sender.

The money accumulated can be cashed out at any Pick n Pay outlet in South Africa, making it an essential solution for those who don't have bank accounts. The cards, attached to a lanyard, are of no cost and distributed freely; anyone can order a batch online, only incurring courier fees.

Guru first started working with Pick n Pay about five years ago, which resulted in the startup building and integrating its mobile wallet and rewards platform with the supermarket's new smart banking capabilities back in 2017.

"The mobile money marketplace in South Africa has been riddled with several failures and false starts over the last 15 years," says uKheshe founder Jason Penton.

"We looked at these mistakes, registered our FSP [Financial Service Providers] and focussed on building a solution for the unbanked that could uplift and increase their earning capability, and after various iterations, and around a year of red-tape and coding,

we were ready to share uKheshe with South Africa."

uKheshe has two types of users: the receiver who is equipped with a QR code, compatible with a feature phone; and the payer who has a smartphone with the app installed to make quick payments.

The receiver, upon obtaining a free uKheshe QR code, can register via a USSD menu easily on a feature phone, and thereafter, check balances; withdraw; and transfer funds. "The users are charged a R5 a month admin fee ," Penton says.

Withdrawal fees from Pick n Pay will cost R5, which is much lower than ATM fees; and those who purchase goods at the supermarket will pay a R2 fee.

Similarly, M-Pesa, one of the biggest success stories from Kenya and Tanzania, is a virtual

> **"THE MOBILE MONEY MARKETPLACE IN SOUTH AFRICA HAS BEEN RIDDLED WITH SEVERAL FAILURES AND FALSE STARTS OVER THE LAST 15 YEARS.**
> – JASON PENTON

banking system that allows users to transact with a SIM card by making payments and transfers via SMS, through Safaricom. The popular service, however, did not find the same success in South Africa, and was discontinued in 2016.

MD of World Wide Worx Arthur Goldstuck says M-Pesa in South Africa was launched in partnership with an elite bank, Nedbank, then with an almost unknown bank, and finally hidden away in USSD menus. "They [M-Pesa] did everything wrong, and the timing of the launch wouldn't have saved them."

"uKheshe is probably making a mistake in its pricing, since it is being punted as an ideal way to tip the poor, it is baffling that the cost of withdrawal is practically the size of a standard tip," Goldstuck says. "Again, with its emphasis on the poor, the R2 cost of payment for transactions suggests little understanding of the limited resources of the poor."

But the company says another key proposition is that uKheshe card holders can transfer money to each other at no cost. "We see potential for an entire sub-economy evolving where uKheshe value is exchanged between users," adds Penton.

"As a registered financial services provider, there are regulations in place to prevent money laundering and transferring large sums of money without being traced in the banking system," says Penton on the account of the system being abused.

"We have a daily withdrawal limit of R3,000 ($220) and a monthly limit of R24,000 ($1,760). All sources of money into our system have to come from a banked individual and all transfers out are limited to the daily/monthly caps, in line with regulations," he says.

Given that the majority of mobile money services have previously been a failure in South Africa, Goldstuck says the fundamental difference between markets within Africa is that South Africa already has an extensive and highly-efficient money transfer system through retail outlets, and people both trust and understand it.

"Furthermore, South Africa has a high-banked population, with more than 70% of adults having a bank account. In East Africa, fewer than 10% had a financial instrument before M-Pesa came along."

A downside to these new products is that they are specific to one retailer, says Goldstuck. "They need to be interchangeable and brand agnostic, so that they can be used elsewhere, which requires an ecosystem that incorporates most banks and retail chains; and right now, we have deals rather than ecosystems."

More competition is expected in South Africa as mobile operator MTN is set to relaunch its Mobile Money service in the first quarter of 2019. The service currently has more than24 million active subscribers in more than 20 markets.

Photos supplied

UBER'S SECRET GOLD MINE

Uber Eats could make up a tenth of the ride-hailing giant's revenue this year, impressive news for investors in its IPO. But well-capitalized rivals are already trying to tap the same vein.

BY BIZ CARSON

WHEN EARLY INVESTORS WERE PITCHED ON UBER'S ORIGINAL plan for a car-service app in 2008, it wasn't until the second-to-last slide that they heard delivery could be another money-maker for the business. Ten years later, delivery is no longer an afterthought. According to projections from its CEO, Dara Khosrowshahi, Uber Eats is on track to deliver some $10 billion worth of food worldwide this year, up from an estimated $6 billion-plus last year. Uber takes a 30% cut and a delivery fee, then pays drivers, suggesting that Uber Eats could generate at least $1 billion in revenue this year, or an estimated 7% to 10% of the total. That means Uber Eats is already among the planet's largest food-delivery services and ranks second in the U.S. behind rival Grubhub (likely $1 billion in 2018 revenue) and ahead of competition like Caviar, Postmates and DoorDash.

Uber could certainly use the extra calories. The money-losing San Francisco-based company was valued at some $76 billion when it last raised money, in August 2018, and bankers hope its IPO, slated for later this year, could boost that to $120 billion. The problem is, there is no way Uber's core ride-hailing business is worth that much. Its explosive growth is showing signs of slowing, and internationally, the taxi service has struggled, selling its China operations to local rival Didi Chuxing in August 2016, as well as its stakes in Southeast Asia. Uber's self-driving-car business, once considered the answer to rising driver costs, suspended testing and fired workers after an autonomous Uber killed a pedestrian in March 2018. Now, as Uber prepares to tell investors why they should buy its stock instead of rival Lyft's, Uber Eats looks like a distinguishing factor.

"When I first joined Uber, I think Uber was much more associated with ride-

Chow time: Since the launch of Uber Eats, its leader, Jason Droege, has had 18% of all of his meals from Eats,including this bowl of noodles.

hailing and Eats was this interesting part-time endeavor," says Khosrowshahi, who took over as CEO in August 2017. "It has since exploded, in a good way, into a truly significant business."

But despite the growth, Uber Eats is losing lots of money, and even Khosrowshahi doesn't know when it will be profitable. Potential Uber investors will have to decide: Is food delivery a smart bet on future growth or a fool's errand in a crowded market?

It's a question familiar to Jason Droege, the 40-year-old protégé of former CEO Travis Kalanick.

Droege has run Uber Eats since its 2014 inception, and some of the most critical voices he had to overcome were from Uber's pre-IPO investors, who thought the company was on a path to re- create the terrible economics of Web 1.0 failures Web van, which blew through over $700 million trying to reengineer grocery delivery in the late 1990s, and Kozmo.com, which spent nearly $300 million trying to deliver video games and convenience-store fare. Droege shrugs off the comparisons—and the competition. "The world was telling us this was a crowded space. But our hypothesis was it wasn't," he says.

Making money on delivery isn't easy. Sure, Uber Eats gets a hefty chunk of a restaurant's bill and charges a delivery fee, generally between $2 to $8. But Uber has to pay the driver to pick up and drop off the food, plus market the service. Uber's share of bill is lower, on average, than in the ride-hailing business. Restaurants are, at best, semi-willing partners that can ill afford a 30% blow to their bottom lines. And since Uber isn't (yet) willing to have your meal share a ride with a paying customer, there are fewer network efficiencies to capitalize on.

Its largest competitor, publicly traded Grubhub, has proved you can make a profit in this business. That success has made it a formidable rival, and it's not the only one: Just in the U.S., Uber competes against Square subsidiary Caviar, well-capitalized startups DoorDash and Postmates, and the potential giant in the wings, Amazon.

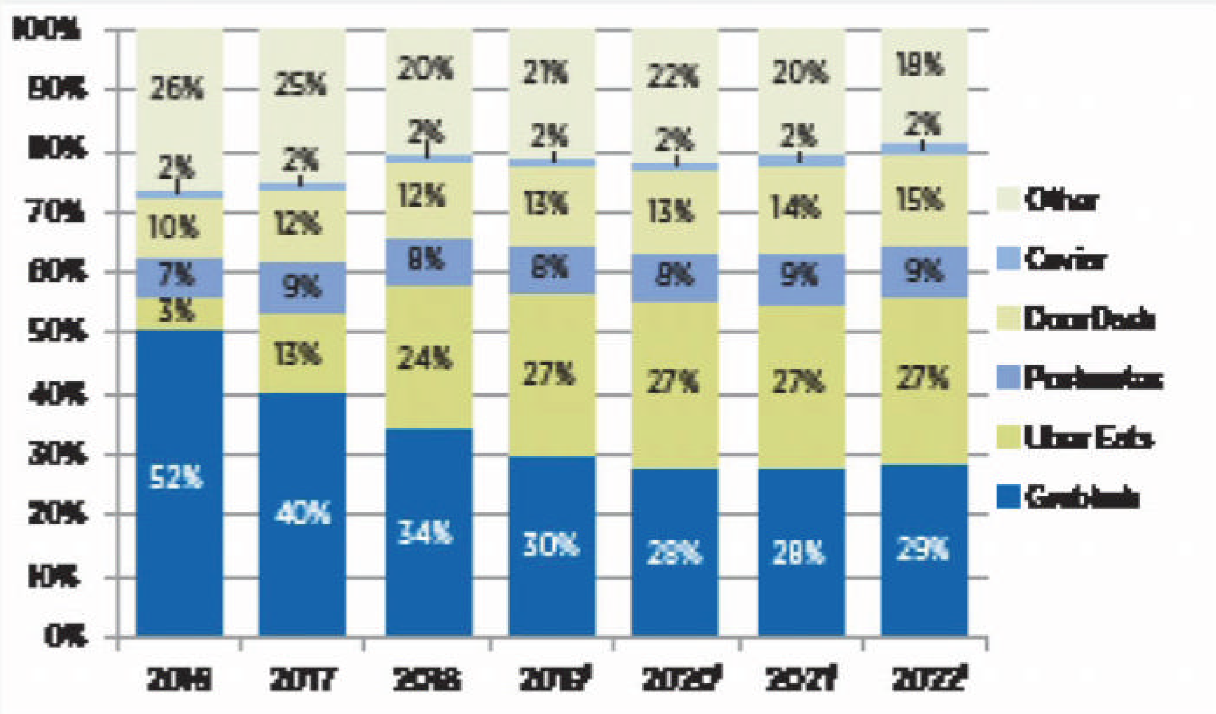
Kalanick recruited Droege, with whom he had cofounded a file-sharing startup as undergraduates at UCLA, in March 2014 to head what was loosely called Uber Everything. His mandate: Find a service that could become as big as ride-hailing. Droege tried delivering everything from diapers and deodorant to daisies and dry cleaning. Nothing worked — except food.

After a few stunts like delivering ice cream and BBQ on the Fourth of July, Uber made its fi rst serious attempt with Uber Fresh. Fresh had drivers circling city blocks with coolers full of soups and sandwiches ready for delivery within

Dara Khosrowshahi, Uber's CEo, has left much of Eats to Droege: "Honestly, I'm there to do the corporate grunt work," he says.

Gobbling Market Share

SINCE 2016, UBER EATS HAS GROWN FROM LESS THAN 5% OF THE U.S. FOOD DELIVERY MARKET TO NEARLY 25% – AND IT'S EXPECTED TO JUST KEEP GETTING FATTER.



ESTIMATE. *SOURCE: WEDBUSH SECURITIES ESTIMATES.*

minutes. On launch day in Los Angeles in August 2014, the Uber team sold hundreds of meals in an hour and a half, a giant leap from the eight orders a day for deodorant. "The signal spike was big," Droege says.

It was the right market but the wrong product. Magical as it was to have a driver show up with a burrito in 5 minutes at the tap of an app, Droege realized customers would wait 30 minutes if they could order any meal they wanted. Internally the team quietly started work on Project Agora (Greek for marketplace) to launch Uber Eats. They started in Toronto in 2015, chosen because competition was lighter than in a city like New York, and then expanded to Miami, Houston and secondary cities like Tacoma, Washington. A couple of markets (Miami and Atlanta) became profitable in 2017, proving that the business was possible, at least in certain places.

But just as Uber Eats was getting traction, Uber's executive team fell apart in the wake of reports of sexual harassment, gender discrimination and questionable business ethics. Ultimately, Kalanick was ousted, and other groups, like self-driving cars, lost their department heads. But Droege and his team of nearly 2,000 remained mostly unscathed. He admits it was a "tough year," but he told his team to keep their heads down and execute.

What's most exciting to Uber executives is that many Eats customers don't even use the ride-hailing service: Last year, four of every ten people who used Eats were new to Uber, giving the company access to fresh customers who might later be convinced to give the car service a try.

"Of all the side bets that Uber has made over the years, whether it's autonomous or delivering other things or different modalities of transportation, this has come out as the clear number one in scale and executive attention," says Mike Ghaffary, the former CEO of delivery rival Eat24.

Eats is closing in on Grubhub, still the U.S. market leader. In 2016, Grubhub controlled over half the market, says Wedbush analyst Ygal Arounian. Its market share dropped to 34% in 2018, while Eats' grew from 3% to 24%. "The pace of their expansion has caught everyone off guard," Arounian says.

But the tailwinds helping Eats, such as a generation turning to their phones first when hungry, also propelled its opponents. In 2018, DoorDash raised about $1 billion in venture funding and nearly tripled its valuation to $4 billion. Postmates also raised $400 million in the last six months of 2018 and now has a valuation of $1.9 billion. Both competitors also benefit from their single-minded focus on food delivery.

To trim costs, Uber Eats batches orders so a driver can pick up multiple meals at once. It's also enticing customers with free delivery from restaurants that already have a courier en route.

But Khosrowshahi draws the line when it comes to pairing passengers with pad thai: "We don't want your experience to suffer because it may be good for our business."

To grow further, Uber Eats needs to win over more customers and restaurants. Droege is betting partnerships with McDonald's and Starbucks will entice customers to open the Uber Eats app instead of a competitor's. Uber is also copying Grubhub's core business model and letting some restaurants do their own deliveries in exchange for a bigger take of the bill.

Success depends on convincing restaurant owners like Simon Mikhail, of Si-Pie Pizzeria in Chicago, that Eats trumps its rivals. Mikhail works with more than a dozen delivery services, but only Uber Eats approached him with an idea for a virtual restaurant, after it noticed how many folks in the neighbourhood were searching for fried chicken. Now he sells 160 pounds of chicken a week, exclusively through Uber Eats app. "They do cut into profit a little bit, but it's worth it," he says.

Will investors decide that Uber Eats is also worth it? That's now up to Droege to deliver.

Photo by Tim Pannel for Forbes; Photo by Winni Wintermeyer

COLLABORATION IS THE WAY FORWARD

The Future of Education Summit in Johannesburg unpacked some of the key challenges of tertiary education in Africa.

From left: Godfrey Mutizwa, CNBC Africa reporter; Jonathan Foster-Pedley, Dean and Director of Henley Business School Africa; Professor Sally Smith, Dean of Computing at Edinburgh Napier University, Dan Adkins, Transnational Academic Group, Middle East CEO.

The Fourth Industrial Revolution (4IR) was a leitmotif throughout 2018. The rapid influx of technology will continue to be so in 2019 and beyond.

Education, as the cornerstone of society, is one of the sectors affected by 4IR.

At a time when access to the internet has become easier than qualifying for financial aid, market research firm, Global Industry Analysts Inc, projects the e-learning global market will reach $406 billion by 2024.

According to the report published in January 2019, the driving force behind market growth is owed to the "emphasis placed on building a knowledge base as an important force multiplier for economic development and the ensuing acceptance of the culture of anytime, anywhere and any device dynamic e-learning".

As Africa gears up to improve its higher education, the underlying social and economic issues need to be addressed.

To examine these challenges, FORBES AFRICA hosted a one-day summit in November 2018, at the Sandton Convention Centre in Johannesburg, in collaboration with CNBC Africa. Panel discussions, brought together key stakeholders to present solutions.

Rakesh Wahi, the founder and publisher of FORBES AFRICA and also co-founder of the Transnational Academic Group (TAG), says platforms of this nature give thought leaders an opportunity to share best practices that can develop African education.

For Wahi, bringing to Africa foreign institutions that have practiced for over 100 years gives insight into global experiences critical for sub-Saharan Africa. "We are looking at solutions coming out of it over time. It is not just to come together and talk, we want to actually see some results and outcomes and make sure that we build those networks," he says. Research collaboration and the importance of regulatory control in the education sector was the focus of discussions at the summit.

"We don't have blue sky research in Africa, but we are able to use the infrastructure research in the western world and the developed world. If we look at the problems from Africa and integrate those problems with those research resources, we will be able to get outcomes," adds Wahi.

A lot remains to be done.

TAG's Middle East CEO, Daniel Adkins, says the future of education is critical and organizations that remain committed to the growth of the sector will develop the people who will develop the nations of Africa.

For Adkins, the development of human capital in Africa will avoid brain drain.

This can be achieved by bringing in globally-recognized degrees into Africa so that when students graduate, they already have a footing on the world stage.

Focused on building value across three major business verticals including media, education, and information technology, TAG is in partnership with universities that deliver industry-relevant undergraduate and postgraduate programs to students in Africa and the Middle East.

These include Lancaster University Ghana, Murdoch University Dubai and Curtin University Dubai.

Adkins manages Curtin University in Dubai. With the development of technology around the globe, Africa is in a good position, he adds.

Higher education institutions such as the University of Johannesburg and Henley Business School were among the guests who made valuable contributions at the summit.

Unlike countries in the US and Europe that had built infrastructure based on old technologies and now have accrued costs to replace them, Africa is in a different position.

"Africa is in a place where all the countries can leapfrog all of that old technology and go straight into 4G and 5G. The development here will be much faster than we saw in the other countries. I would say by 2050, Africa should be the powerhouse of the world in terms of education, economy, business and creative ideas coming out [of it]," says Adkins.

-By Gypseenia Lion

A VALENTINE'S GIFT THAT UNWRAPPED A CRAFT

Vusani Ravele taught himself to craft home decor with an unlikely tool.

BY MELITTA NGALONKULU

TWO MEN QUIETLY SIT IN the corner of a warehouse, covered in sawdust, as they deftly carve a rendition of the Johannesburg skyline on a block of wood, oblivious to the creative mayhem around them.

They are focused on ensuring that the plywood is silky-smooth and ready to adorn a stranger's living space.

At this warehouse in Wynberg in Johannesburg that we are visiting, we are confronted by the constant din of drilling and the high-pitch buzz of machinery that is in fact etching shapes on a sheet of birch plywood. In no time, we are covered in pulp and wood shavings.

A few minutes later, the brainchild of Native Décor, 32-year-old Vusani Ravele, arrives, ready to tell us how he turned a cordless drill that was a Valentine's Day gift from 2015 into a lucrative online business with a R2.2 million ($154,522) turnover.

"She was probably trying to hint that I should make more things for her — not that I was lazy," jests Ravele.

This millennial is anything but disinclined to work. He used the gift as a medium to explore creative ideas at home, most times, this was after putting in long hours of work by day as an industrial engineer.

"I just started drilling holes into everything and I realized that this was a lot of fun," recounts Ravele.

Originally from Tzaneen in the Limpopo Province of South Africa, he moved to Johannesburg in 2005 to pursue a career in industrial engineering, not knowing he was destined to become a business mogul in the home decor industry.

It all began when he posted some of his work on Facebook and it led to more 'likes' than he had anticipated.

As he continued to attract a new market, he invested R100,000 ($7,028) into his enterprise making nifty home accessories and corporate gifts.

His creativity grew as did his entrepreneurial edge — something he believes he inherited from his mother, who had an exemplary work ethic and was resourceful.

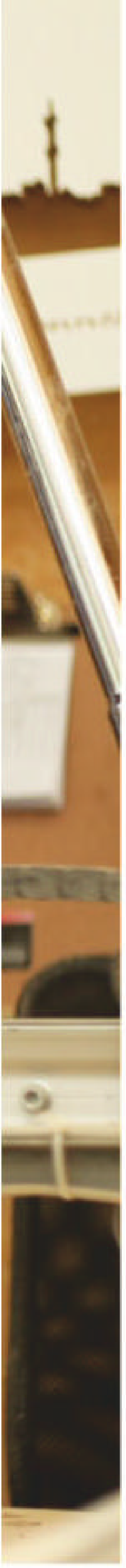
"At some point, my mother would sell some fruit and vegetables from the back of her car. It was very exciting for me," Ravele says.

Following in her footsteps, he opened a tuck shop at his high school which eventually outdid the main school tuckshop.

"Clearly, I had an affinity for running a business," he says.

A year after establishing Native Décor, he made waves on M-Net's *Shark Tank South Africa*, a show on budding entrepreneurs who pitch their business concepts to moguls with

Photos by Gypseenia Lion



the hope of securing an investment.

Gil Oved, now the COO of investment company LLH Capital, was impressed.

"I remember saying to my girlfriend if there is anyone that I need to go home with, it is Oved. I just knew a lot about what he had achieved. He is a go-getter, he is well-connected and I thought he would be the perfect entrepreneur to take me to where I need to go," Ravele says.

Ravele believed in Oved's ability to grow his business that he offered him a 40% stake of Native Décor.

He did not make use of all the funds — an attribute he wishes other startups would also grasp.

"Sometimes, when you receive funding so early, it can confuse everything. You feel like you are successful but you are really not," he says.

The mentorship from Oved honed his business acumen.

"He is one of those guys that you have to go to and know what you are talking about. So don't go to him and ask him a question that you have not researched before... He will give you the feedback that you are looking for and more," he says.

Ravele says that being open-minded has helped him approach his work artistically.

"Creativity is everywhere... Look around and just see different shapes and how they work together and you get ideas. Then you experiment, and see how things work. When one thing doesn't work out, you can try something else with the same concept and it sort of flows."

He believes that the home accessories market is currently thriving in South Africa.

"If you are, perhaps, moving into a new house, you need to buy furniture. The furniture can't be by itself, you need decor to put on your walls and those sort of things," he says.

Native Décor is an online retail store, which is also available on other platforms such as eBucks and takealot.

"In this day and age, we are moving into the online space rapidly. More people are shopping from their cell phones; forget your computers. If people are there, that is where you want to be as well," Ravele says.

"I AM NO LONGER WORKING FROM MY LIVING ROOM, SO THAT IS A RELIEF.

According to eShopWorld, in South Africa, there are currently 18.43 million eCommerce users, with an expected additional 6.36 million of users by 2021. The online shoppers are expected to be spending approximately $189.47 each on average.

Online trading has also proved to be more beneficial for Ravele's bottom line.

"The overheads are low so it doesn't cost a lot to sell online. The beautiful thing about selling online is that you do not have to have stock on hand," he says.

"Our model is that we make to order everything that we dispatch. It can be a surprising thing, because people believe that we have this warehouse full of stock... and the online space is great for that."

Ravele might appear to understand the decor business to the core, but that was not always the case.

"It all has been, amazingly, YouTube; it has been my friend. I feel like anybody can learn anything from there apart from professional things like being a doctor. It is a great resource and anybody can make use of it," Ravele says.

That is why he believes that providing guidance to others is a necessity for entrepreneurs and that "information should be free".

"I don't have all the answers, sometimes people come to me that are in business and they ask me for advice. It is nice to get that sort of attention but it is also quite nice for me to develop that sort of rapport with other people to network."

He is still learning as much as he can, but looking after his money is the greatest lesson that he has learned in his journey as an entrepreneur.

"In business, you can make money quickly and lose it at twice the speed. It is a space where you have to be awake all the time and be ready for change. Change drives you to be constantly re-evaluating everything.

"I decided that I was never going to be in that situation again. Now we are able to think on our feet and react much better."

The exposure to *Shark Tank South Africa* enhanced his Valentine's Day gift, and for that, Ravele will be forever grateful.

Martin Monareng, a craftsman at Native Décor, attests to his success.

"The workload has increased because we are getting a lot of business as compared to when we were working from his [Ravele] house. Things were tough for us at that time, we were not even really sure if the business would grow," he says.

Despite the din all around him in the warehouse, Ravele is calm.

"I am no longer working from my living room, so that is a relief," says the man turning wood into workmanship.

SWAPPING SWEATPANTS FOR SUITS

Photo Supplied

After 15 years at play, Bryan Habana, the man who was once compared to a panther, discusses the end of his run on the field as he gives business a shot.

BY SIBUSISO MJIKELISO

SITTING AT THE SLOW LOUNGE in Sandton, Africa's richest square mile, sleeves rolled halfway up his arm, Springbok and World Cup-winner Bryan Habana looks a lot less like the menacing right winger with an insatiable appetite for tries and more like the entrepreneur he has now become.

The change was sudden. One day, he was recovering from injury and plotting a new season with his French club Toulon, the next he was walking into the Toulouse Business School getting his first badge in Business Studies.

"The decision to call an end to your sporting days is probably the most feared in a professional athlete's life," Habana says.

"You don't really know what you're going to be jumping into, even though they talk about preparing yourself for life after professional sport.

"The transition is the most talked-about topic in sport because it's so huge. When you've been doing something you love for five, 10, 15 years, you almost need to rediscover yourself once it's done.

"But I've kept myself busy – even though I thought I would give myself time to reflect on the past 15 years, which hasn't happened yet."

In the post-training, post-gym routine that retired players find themselves, former professionals can often get stuck trying to find their next move. It's an often depressing realization and a lonely time, filled with much angst and doubt.

Not for Habana. With much of the same finesse he weaved past seemingly closed spaces on the rugby field, he called marketing guru Mike Sharman after calling it a day and the pair, alongside Ben Karpinski, came up with sports marketing agency Retroactive.

"I had a chat with Mike Sharman – whom I've known since high school at King Edward VII School – when I announced my retirement last year and came up with the idea of creating something fresh and authentic within the digital sports marketing environment," Habana says.

"Through Retroviral, Mike had been in the agency space for more than 10 years. He is not about being the biggest but just being the best at what you can do. Ben's been in a similar space from a sporting fan point of view and he knows sport – not just one type but the heartbeat of it. Shaka Sisulu [Retroviral chairman] comes with a wealth of enterprise experience, which we all needed.

> “THE DECISION TO CALL AN END TO YOUR SPORTING DAYS IS PROBABLY THE MOST FEARED IN A PROFESSIONAL ATHLETE'S LIFE.

Swapping togs, kitbags and sweatpants for bespoke suits, ties and matching pocket squares was always going to make for an awkward transition for one of the most celebrated Springboks of all time.

In rugby numbers, Habana has clocked 124 test caps and a record 67 tries for South Africa, not to mention the World Cup, Tri-Nations, Super Rugby, European Championship and Currie Cup medals that dangle from his neck.

In his post-rugby career, his numbers were dialled back to zero – his factory settings restored.

However, his relationships garnered through rugby have come in as invaluable human relations capital.

Seeing him give a talk at the Mining Indaba in February, you'd think he's been an entrepreneur for years. Doors that he didn't know existed have opened and his shoes are tap dancing into rooms that rugby boots cannot take you.

Already, the company can count Jawitz Properties, Cricket SA and Biogen among the clients they create storyfied, authentic digital marketing content for.

Habana says: "I am fortunate as well that, throughout my rugby career, I was able to create a brand for myself and work with some of the biggest brands in the world... Through these partnerships, I've been able to see how the other side works.

"Given my wide network, it made sense that I come into a role where I could engage with potential clients. Hopefully, I won't get seen as Bryan Habana: P.A. to Mike Sharman.

"Yes, it's difficult and you definitely don't earn your playing salary but I am fortunate to have opportunities leading up to the World Cup. The synergy is very good and there is definitely something special brewing."

Habana joins a growing list of ex-professionals who have veered away from the predictable coaching route – something he describes as more difficult than being a player.

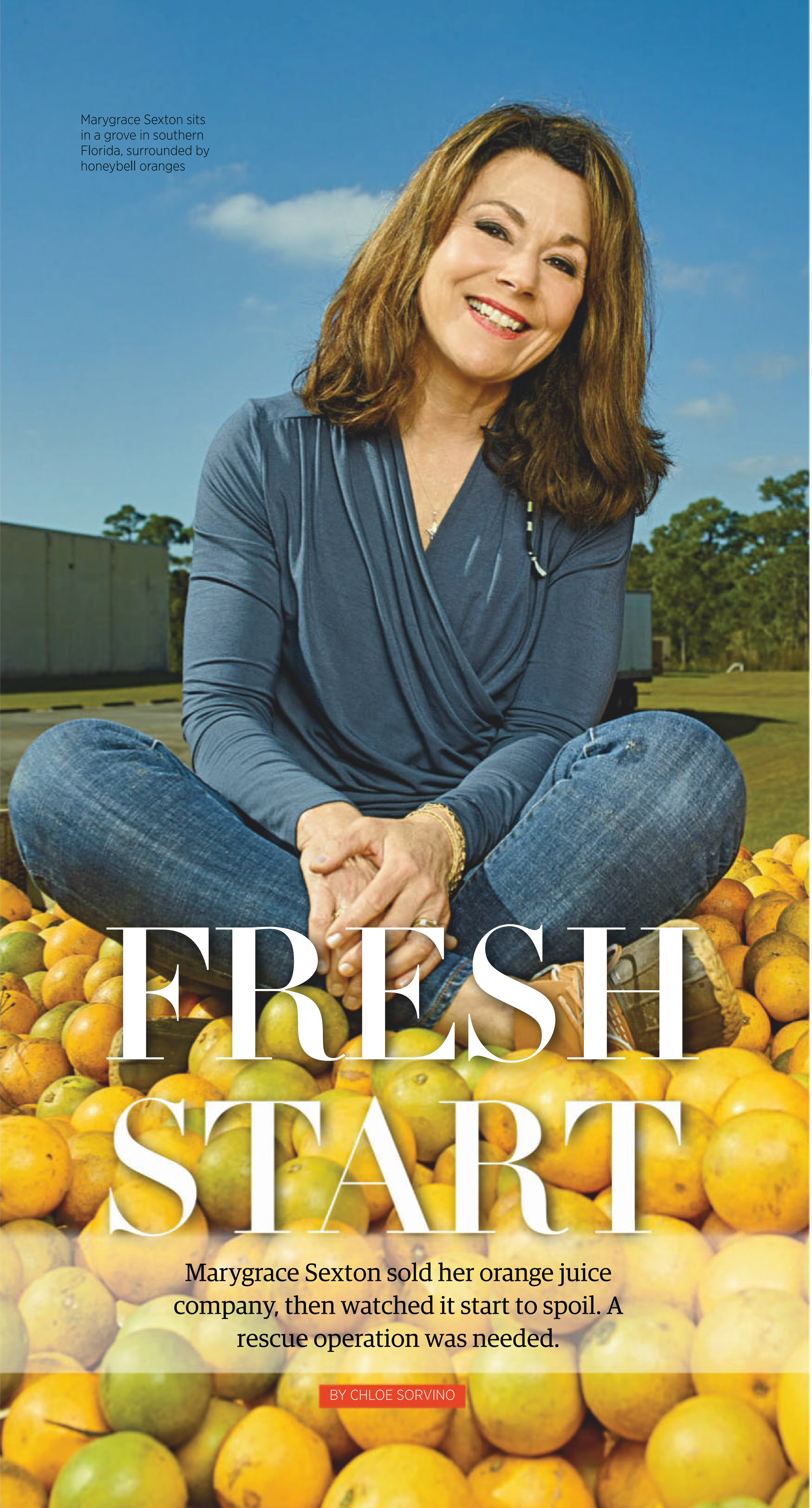
Patrick Lambie, who retired recently, also ruled out the possibility of getting into coaching and is likely to join his father, Ian, and former teammate Guy Cronjé's business partnership.

Other teammates such as Bakkies Botha (game farming) and John Smit (former Sharks CEO) have provided Habana with a good sounding board in this dark new world he has entered.

"There's not a support group or a WhatsApp group where we all log on and discuss these things but I definitely chat to John, Jean [de Villiers] and Bakkies, who have entered this space.

"And of course, my wife [Janine Viljoen], who ran her own business in Cape Town, provides good support."

Perhaps, the grass actually is greener on the other side.



Marygrace Sexton sits in a grove in southern Florida, surrounded by honeybell oranges

FRESH START

Marygrace Sexton sold her orange juice company, then watched it start to spoil. A rescue operation was needed.

BY CHLOE SORVINO

ACROSS TOWN from Tropicana's factory in Fort Pierce, Florida, which swallows dozens of truckloads of oranges each run and fills the air with the sting of bitter peel oil, Marygrace Sexton is walking through the considerably smaller juice plant she owns. At 7PM, the first of six semis rolls up with 50,000 pounds of fruit. Workers check each orange for bruising before a claw-like machine juices it. By 3AM, 30,000 gallons will start flowing into bottles.

While Tropicana's juice can remain for a year in million-gallon tanks covered with a blanket of nitrogen, Sexton's product is shipped out later that morning. "Feed your body like you want it to treat you," the tan, athletic 60-year-old says. "We were making fresh juice before it was chic."

It was in 1989 that Sexton was inspired to compete with the preservative-laced cartons on supermarket shelves. With $20,000 she had saved from a job as a radiologist's receptionist, she installed two 1,000-gallon stainless steel tanks and a juicer in a shack surrounded by groves and borrowed a butcher's refrigerated truck to deliver the first pallet herself. Thus was born Natalie's Orchid Island Juice Co., Natalie referring to Sexton's first child, born nine months before.

"In those early days, I had a terrible fear of poverty," Bottles of Purify, a blend of fruit, dandelion and ginger, roll off the conveyer belt

Photos by David Yellen for Forbes

> **YOU CAN GET INVESTORS TO PUT IN $20 MILLION FOR MARKETING, BUT IT'S THE MANUFACTURING THAT'S THE HARDEST.**

says Sexton, who was raised by a single mother who worked as a maid. Sexton herself started working at a movie theater at age 14, and later as a waitress, to help pay her family's electric bills. "Knowing what poverty does," she says, "I was just so driven."

Natalie's now sells 25 flavors — from tangerine to matcha (green tea) lemonade — in 42 countries and 5,000 U.S. supermarkets and makes private label juice for chains like Pret A Manger. Sales last year topped $60 million on a volume of 7 million gallons.

What's this baby worth? Let's suppose that Natalie's EBIT margin (profit before interest and income tax) is not far from the 13% Pepsi enjoys on its North American soda and Tropicana business.

Suppose, too, that a buyer would pay the same multiple of EBIT that all of Pepsi goes for. Then those two steel tanks, still in use, have expanded into an asset conservatively worth $140 million.

A fast-talking devout Christian with a twangy accent and nails painted silver, Sexton got to this point without taking on outside investment or, until a recent $3 million mortgage, any debt. "It's organic growth," says Sexton, who's wearing a polka-dot blazer with leopard-print flats. "But it's really hard when you're up against these people that'll get capital infusions of $20 million or $40 million."

Sexton uses only Florida oranges, even though they have gotten expensive as bacterial disease has killed off a lot of groves. She spends $10 million a year warehousing fruit so she can juice it fresh in the summer, another industry rarity. With all these costs, she turns down lowball contracts, such as the one offered to her years ago to have her juice sold in Disney World.

Isn't this a commodity business? Not exactly. There are variations in how much processing goes into the juice. Tropicana doesn't add sodium benzoate, the traditional preservative, but in lieu of that has to deaerate the juice, pasteurize it at around 200 degrees for as long as 30 seconds and then restore flavor using orange peels, according to patents and allegations in a 2011 lawsuit pending in federal court. Natalie's pasteurizes at the FDA minimum — 165 degrees for 3 seconds — and skips the flavor enhancement.

"Big companies like Nabisco and Kraft and General Mills are now struggling to position their products to appear to be fresh or minimally processed," says chief operating officer Frank Tranchilla, 51, who came to Natalie's in 2011 from salad vendor Taylor Farms. "This is something that Marygrace has been doing since the beginning of the company."

Sexton is not afraid to say no to a private-label customer who wants to use preservatives.

She killed off a test line of juice-based popsicles that would have needed a gum additive to prevent crystallizing in the freezer. She is an unrepentant perfectionist. "If there's a madness in this company, then you just better drink the juice," she says, tweaking the popular cliché about Kool-Aid. "We care enough that we want that madness in the company."

That's a hard-won lesson. In 2001 she sold Natalie's to North Castle Partners, a private equity firm known for investments in Equinox and Jenny Craig. “They said I was doing a great job but wasn’t going to be able to take it to the next level and they could,” Sexton explains, shaking her head. “They got me all twisted.”

North Castle also bought four other juice companies at the time, including Saratoga Beverage Group and Naked Juice. Sexton thought her top executives (three of whom were her brothers) would stay on. But the new owner bundled the companies together under a new boss brought in from Tropicana.

How’d that go? Not great. North Castle sold off Natalie’s in 2003 at a loss, although it more than recouped the loss with a gain on Naked Juice, sold to Pepsi. The explanation from North Castle founder Chip Baird: “The front-end synergies proved difficult to achieve, and the economy was hit by a recession in early 2001. Institutional demand went way down. We quickly decided the strategy wasn’t working and retreated.”

The next owner, a Fort Pierce fruit firm, brought Sexton back in as a consultant in 2003 and two years later offered her 50% equity at a bargain price. (Sexton says she is not permitted to talk about the deal.) “It was a wreck. I just straightened them out,” Sexton says. “When you’re in it, there’s so much to change, there’s so much to fix, you don’t sit and think about it. You’re just constantly doing it.” She and her family bought the rest of the shares in 2006.

Sales, which were $20 million at the time of the first acquisition, had dropped by 20% by the time Sexton was back at the helm. Benefiting from Natalie’s weakness, upstarts like Blueprint (acquired by food giant Hain Celestial in 2012) and Pom Wonderful (backed by billionaires Stewart and Lynda Res nick) entered the shelf. Juice mainstay Bolthouse Farms was acquired by the private equity shop Madison Dearborn Partners through a $1 billion leveraged buyout.

Sexton arranged a label redesign, sank $5 million into machinery and bought an 11-acre site with a warehouse for $3 million. She and other managers walk through the juice plant several times a day to oversee the 145 workers, who are expected to feel a certain level of ownership over the product; bottling-line operators see their initials printed on every jug.

“You can get investors to put in $20 million for marketing, but it’s the manufacturing that’s the hardest. That’s what holds you back,” Sexton says.

Over the past year, Natalie Sexton, the company’s now-30-year-old namesake, who joined in 2012, has been developing a new line of wellness-style drinks. The first three flavors, out in March, tout ingredients like turmeric, elderberry and passionflower.

“The beverage category is becoming so saturated and competitive,” says Natalie, the company’s vice president of marketing. “Many of these brands produce juices that they claim are clean or healthy, but if you read the ingredients, they’re not. We’re going to continue being the authentic option up against the canned juices.”

Even with her succession plan set and her heir apparent preparing to launch her first line with the company, Sexton says she will never retire. “You have to stay focused and be true to what you are,” she says. And just in case it wasn’t clear, she adds: “The company’s not for sale.”

Marygrace Sexton with her heir apparent, daughter Natalie

30 YEARS AND STILL Groovin'

Emotions run high as Mango Groove celebrate three decades of one of their biggest-selling albums. The mixed race band, formed during the apartheid era, reflected the pain and politics of the time in their music.

WORDS AND PHOTOS BY MOTLABANA MONNAKGOTLA

Claire Johnston rehearsing for the anniversary concert

SOUTH AFRICAN MUSIC HAS evolved over the years but its African authenticity remains in the notes of the 35-year-old pop band Mango Groove.

FORBES AFRICA shared a few moments with them as they rehearsed in their North Riding studio, 40kms north of Johannesburg, one glorious summer afternoon in February.

To celebrate 30 years of their 1989 eponymous hit album, the band will be performing a one-off anniversary concert at Teatro in Montecasino, Johannesburg, in March.

We first speak to Claire Johnston, the lead singer of Mango Groove, who has been with the group for 34 years. Johnston started at the age of 17 when still in school.

Those memories are still fresh.

Born in England, she had moved to South Africa when she was three with her parents at the height of apartheid.

"In 1989, things went big for us [Mango Groove]. Prior to that, we had been playing around clubs and small venues. We had a few singles on the radio between 1985 and 1989, and then we had this lovely record deal that got us to all South Africans and huge exposure at the right time. South Africa was ready for a mixed race band called Mango Groove," Johnston recalls.

In one year, the band sold out six shows at the Standard Bank Arena.

"The album had just come out – we were all over radio, television, and magazine covers; it was very exciting and we were putting on a show at the arena which accommodates about 6,000 people. We sold the one show, then the second, then the third, the fourth, fifth, sixth and eventually we had to do the seventh, but because tickets were pirated, we had to put on a show for free for all the people who had been conned."

That was the night Johnston saw 'the Mexican wave' for the first time.

It wasn't easy being in a mixed race band, because of the racial segregation laws that existed in South Africa. It was during this tense period that they released their *Another Country* album with a song written by group founder John Leyden about the state of the country. It was an overtly political song, however, their African tunes saw them through.

There were also instances when the band couldn't play together at certain venues. They would play in downtown clubs in Johannesburg

The backing vocalists

Founder of Mango Groove, John Leyden

Sydney Mavundla on the trumpet

where black and white South Africans would jam and interact as if restrictive apartheid laws did not exist.

Post democratic elections in 1994, Johnston says she was proud to be South African. She recalls the band's performance at Nelson Mandela's inauguration that year as one of her most memorable.

"That experience was amazing. It was just an amazing sense of optimism and possibility. South Africa was on the world stage for a positive reason and for change. Then, we performed for a massive crowd at the Union Buildings, it was black and white South Africans, it was the best time, it was mostly emotional," she says.

The band, nonetheless, has lost a few members over the years and Johnston sobs as she remembers the late Mickey Vilakazi.

"When I joined the band in 1985, Mickey was 64 and he passed away prior to 1989 and he missed all the excitement, he missed the changes in the country, he missed the wonderful release of *The Hotel Room*. It makes me sad that he wasn't around to have seen that, and of course Banza Kgasoane who's the father of Mo T (band member of popular South African house band Mi Casa). He was our trumpeter for many years. Phumzile Ntuli has also passed on. We ultimately had to keep going, move on. I imagine if I go, I hope Mango finds someone to replace me," she says.

As the conversation flows and the band rehearses in the background, a cheerful man wearing khaki shorts appears bearing a glass of whiskey, walking towards a water container to mix his spirit. He is Sydney Mavundla, a trumpet player and one of the new members.

"I joined the band in February 2008, just after getting married. The trumpeter before me was Johnny Bower; I used to play for him when he was not available. He got a full time with an orchestra, that's how I got the job," he says.

Mavundla describes the band as family. He used to listen to them growing up; little did he know he would be a part of it. He was fortunate to work with legendary artists such as the late Hugh Masekela.

"We recorded two albums with Bra Hugh and then an album with the late Oliver Mtukudzi. If we are talking about Mango Groove, I want to believe it is different from the beautiful energy the old-timers had. Now it's a bit youngish in terms of the horns, it's not the original horn players who started the band," he says.

Playing a tune, Mavundla talks about the freedom they now enjoy as newer artists.

"I am very excited about the upcoming concert. The first time you heard Mango and the very last time you heard Mango – that is what you should expect to hear. Thirty years is a long journey and that is 30 years of what you are going to hear. Better than that, you are going to see a very energetic, groovy Mango Groove. Come with your dancing shoes if you want, you won't be disappointed," he says.

The trumpeter wishes Africans would read more about South African music instead of western artists and their music, and recalls Masekela's quote: "One day, our kids will be asked 'who are you' and they will respond 'we used to be Africans, they used to call us Africans'."

The band's founder Leyden also joins the conversation, saying he just wanted to be in a band as a teenager.

Leyden is Zambian-born but came to South Africa at the age of eight. He lived his life through the political transformation of South Africa and as an artist, never affiliated himself with politics. Instead, he started a band.

"In terms of the influences of Mango and what drove me, it was a pop act but we were very easily influenced by South African urban music forms from the 1950s and 1960s like kwela music, marabi music and African jazz sounds. They were music forms we loved.

"Mango was a funny little group of people, some came, some went, it was totally an organic process and we did what we did. When the first album broke big, we were more surprised than anyone."

For the upcoming concert, Leyden and the gang are working on a huge production. They want the event to be about memories of the late band members, as well as celebrating the band's journey.

Elaborating further, Johnston says the big night will be about nostalgia, energy and emotion.

It will be the eighties all over again in a country that has neither forgotten its bitter apartheid past nor the music that defined the long hard years of pain and political fervor.

"WE PERFORMED FOR A MASSIVE CROWD AT THE UNION BUILDINGS, IT WAS BLACK AND WHITE SOUTH AFRICANS; IT WAS THE BEST TIME, MOSTLY EMOTIONAL.

– CLAIRE JOHNSTON

PUT YOUR MONEY INTO THESE

Rhythmic Beats

Nigeria leads the proliferation of Africa's new sounds in the West.

BY PEACE HYDE

IN AN AFRICA FRESH FROM ECONOMIC LIBERALIZATION, music found a new voice, thanks to social media and platforms like YouTube, Spotify and Apple Music, which streamed thousands of African songs into the homes of millions in the diaspora.

The western world, suddenly, was introduced to Africa's new sound, Afrobeats. Free from the shackles that had previously plagued the Nigerian movie industry, known locally by the moniker, Nollywood, artists, now empowered with this new distribution platform, could begin to experiment in different languages, sounds and genres that had, until then, remained confined to only regional pockets.

The past few years, however, have seen a rapid evolution of the Afrobeats scene across Africa and Nigeria is leading its explosion globally.

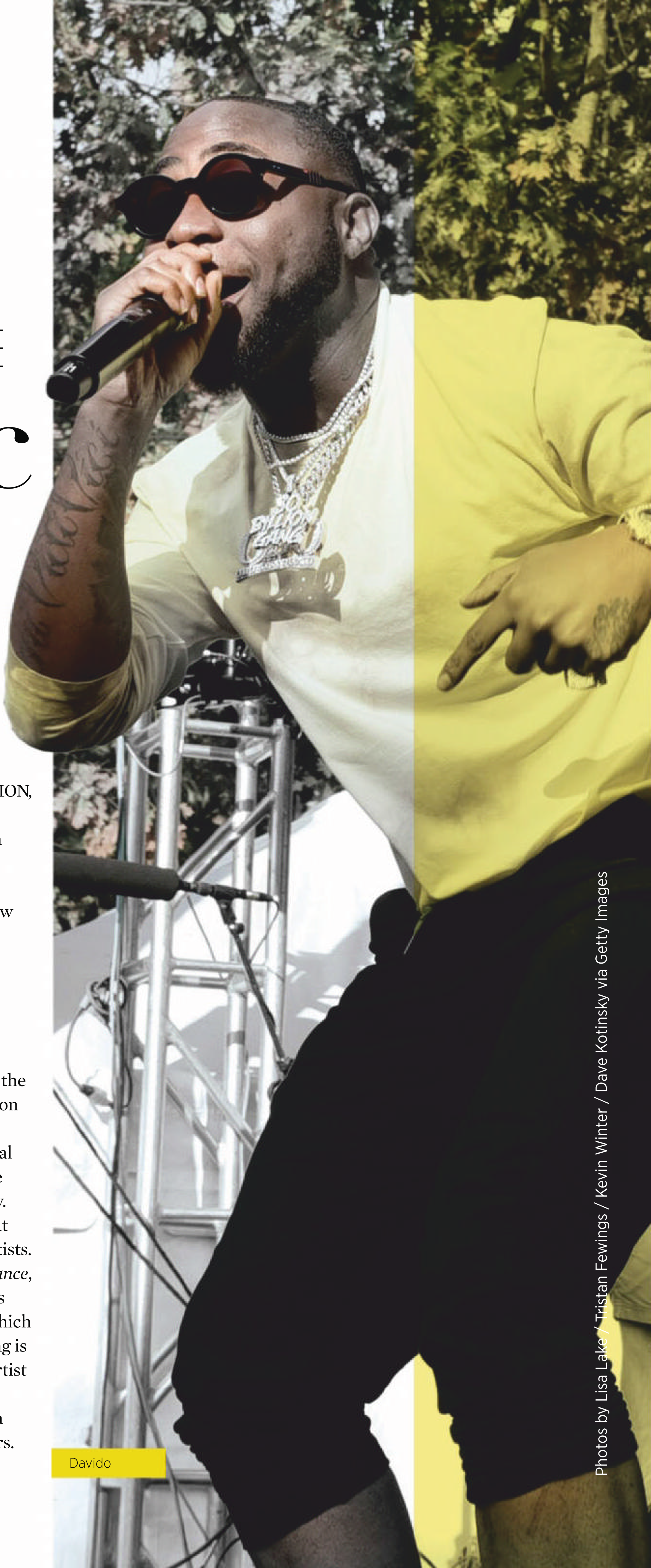
Events such as the One Africa Music Fest, an African musical experience showcasing Africa's best and brightest talents, have solidified Africa's position in the global entertainment industry.

Afrobeats has not only captured a new western audience but has also influenced the sounds of some of America's biggest artists.

"Afrobeats is absolutely taking over. In 2016, Drake's *One Dance*, which featured Wizkid, was arguably one of the biggest sounds globally. Then you had French Montana with *Unforgettable*, which was also huge and both videos were shot in Africa. So, this thing is becoming a movement," says D-Black, a Ghanaian Afrobeats artist and founder of Black Avenue Muzik record label.

It's almost impossible to attend a party or wedding in Africa and not be treated to one of Afrobeats' ubiquitous chart-toppers.

With hits from artists like Davido, Wizkid, Yemi Alade and



Davido

Photos by Lisa Lake / Tristan Fewings / Kevin Winter / Dave Kotinsky via Getty Images

WizKid

French Montana

many more pounding out of speakers across the continent, the movement of Afrobeats not only covers major cities in Nigeria, but also some far-flung locales.

"You cannot really talk about Afrobeats without talking about Lagos. The music scene is very fast-paced and colorful. Each local area has its own unique sound. On the mainland, we have the heart music being pushed by artists like Small Doctor.

"We also have the live Afrobeats scene and then the Alte scene, which is a different music on its own. People like to identify Alte sound with the western crowd and mainly people who live on the island," says Paul Yusuf, DJ and founder of Music Revolution Nigeria.

But that doesn't mean that the artists are benefiting from the buzz. Similar to Nollywood, piracy remains rampant making it impossible for artists to sell their music.

> **"YOU CANNOT REALLY TALK ABOUT AFROBEATS WITHOUT TALKING ABOUT LAGOS. THE MUSIC SCENE IS VERY FAST PACED AND COLORFUL. EACH LOCAL AREA HAS ITS OWN UNIQUE SOUND."**
> – PAUL YUSUF

"There are several ways of accessing music locally in Nigeria, from the streets, where you have street vendors selling illegally obtained music or in a well-known tech hub called computer village, where consumers can download thousands of illegally obtained new music onto their hard drive from as little as N2,000 ($5)," Yusuf says.

"In Africa, the model is different. It is all about putting out as much free music as you can without necessarily charging, then you become a big artist once you have enough hit songs and then make your money back from being booked on shows. When you think about it, some of the biggest stars in the United States make most of their money from tours," says D-Black.

Despite these challenges, the advent of Web 2.0 and community marketing mean the Afrobeats scene has been digitalized, providing savvy entrepreneurs like Don Jazzy, with a new revenue model.

"Back in the day, we didn't care too much about online streaming platforms like YouTube, Apple Music and Spotify, but now it is a major focus for generating revenue. Nigeria still lags behind on online platforms but there are people in the diaspora who because of the growth and exposure of the Afrobeats music patronize us online by buying from these streaming platforms. The numbers from Nigeria is not big because most people prefer to download from free sites and most of them use Android, boom play apps and others to get access to the music," says Jazzy.

Born Michael Collins Ajereh, he is a record producer, singer, songwriter and entrepreneur. He is also the founder of one of Nigeria's most successful record labels, Mavin Records, with a roster of stars including Tiwa Savage and Korede Bello.

He pioneered the proliferation of Afrobeats into countries like the United Kingdom (UK) and the United States (US) when he created his first record label, Mo' Hits Records, with former partner, D'banj. The pair was signed by US music mogul, Kanye West, to his GOOD Music imprint, at a time when the industry was still in its infancy bringing global attention to the world of Afrobeats.

"Everything changed with D'banj. *Oliver Twist* opened up the labels to want to invest in Africa because that was the first single that was pushed by a label properly. Kanye West signed D'banj and Don Jazzy and that was big news. When Mo' Hits came out with their sound, it was easy to get the world's attention on Afrobeats, coupled with improved production and quality music videos," says the London-based DJ Flex.

According to Jazzy, the digital revolution of the Afrobeats sound has led to the proliferation of the music into the diaspora, leading to different sub-categories like Afro-pop, Afro-dance and Afro-reggae. This has also affected the revenue model of the business.

"When it comes to Afrobeats, we have to look at two main revenue streams. The type of songs that impact the clubs and Nigeria locally; and secondly, the type of sound that moves numbers online, thus digitally. So, you have to be very conscious of the type of music you make at the moment. You have to consider whether you are trying to do this song so that you will be popping in Nigeria and thus offline or are you doing the song for international.

"For example, Korede Bello has *Godwin*, which was a very big song offline and translated into him going for more shows and getting club plays and party plays. But a song does like that, if you go on YouTube, Spotify and Apple, the numbers are ridiculously crazy because the diaspora market preferred that kind of sound and they streamed it more. So, you definitely have to be conscious about what you want to achieve," says Jazzy.

Social media has played a big role in this new trend by making artists connect with audiences outside Nigeria. It has also influenced the new sound of Afrobeats by giving Nigerian and African artists a window into the world of pop culture in America by removing geographical barriers.

"You no longer have to travel to the US to see what your favorite artists are doing because they are all vying for attention on social media platforms out of fear of dying out," D-Black says.

With a population of 180 million in Nigeria, its music industry is projected to grow, buoyed by the increase in smartphones and platforms such as Instagram, Twitter and YouTube. According to

Yemi Alade

WHEN IT COMES TO AFROBEATS, WE HAVE TO LOOK AT TWO MAIN REVENUE STREAMS. THE TYPE OF SONGS THAT IMPACT THE CLUBS AND NIGERIA LOCALLY; AND SECONDLY, THE TYPE OF SOUND THAT MOVES NUMBERS ONLINE, THUS DIGITALLY."

– DON JAZZY

the International Federation of the Phonographic Industry, the global recorded music market grew by 8.1% in 2017, reaching $17.3 billion that year on the strength of digital streaming revenue.

The big question is, with a largely unregulated industry, how are these artists making their money?

"Money comes in when you have a good product and you make FX from digital sales and when that artist starts growing and you go for shows, then they get paid and you split the proceeds, depending on the sharing ratios you have with the artist.

"Different artists have different sharing ratios and that depends on how long you have been with the artist and how badly perhaps you want the artist. There are also endorsements from brands as well," Jazzy says.

His Mavin Records label recently made news for securing an undisclosed investment from Washington DC-based investment firm Kupanda Capital, a firm with the goal of creating, capitalizing and scaling up pan-African companies.

"We are trying to build a long-term structured platform that can connect African music on the continent and beyond for further global consumption. We intend to use the investment for distribution of our own music, product development and hire new staff to take the brand to the next level," Jazzy says.

The alleged multimillion-dollar investment by Kupanda into the Nigerian record label presents yet another compelling case for the Afrobeats genre, which presents revenue generating opportunities that are too big to be ignored.

TREVOR STUURMAN'S SENEGAL

His love for fashion and film led him to Senegal where he experienced art as an everyday lifestyle.

BY MOTLABANA MONNAKGOTLA

THIS YOUNG MAN FROM Kimberly in the Northern Cape Province of South Africa has cemented his name in front of and behind the camera and just as Midas would turn all things into gold, Trevor Stuurman turns all things African.

As a kid, Stuurman used to draw, then decided to explore photography, and further studied film.

In 2012, he was an Elle Style Reporter winner that launched his career in the fashion and photography world.

"That was my introduction into the publishing world," Stuurman says in a phone conversation with me.

He has since gone on to show his work all over the world and over the years, been invited to photograph the best street style looks at Pitti Uomo (a trade event for menswear and men's accessories) in Florence.

But no place in the world entices him quite the way Senegal does, he says. He visited the African country mid last year.

"I went to Senegal for the Dakar Fashion Week in June and I was able to connect with a lot of creatives and saw a lot of raw talent. I think being able to connect with talent and being able to create work and collaborate organically was one of the best experiences," he says.

The first thing Stuurman noticed when he got to Senegal was how art is a part of their everyday life.

"When you go to Senegal, there is so much art around you that it becomes a lifestyle. Art is just a daily practice. It was beautiful to see it in an organic and an everyday fashion, where art is

Photo supplied; Photo by Christian Goupi via Getty Images not overly thought out, where a painting is not to make a statement, but to just be a way of life. Art and dressing up is a daily practice."

Stuurman visited Senegal for a week and recalls the French spoken around him; the Senegalese are far more receptive and warm, loving and giving of their time, he says.

"In terms of the fashion week, it was very interesting because of the format; it was one-of-a-kind. It has different venues and each day has a new narrative as opposed to the traditional fashion week. What I took from there is being able to celebrate each other's differences as opposed to trying to find the commonality," he recalls.

Stuurman is no stranger to celebrating differences and forging collaborations.

He has an honors degree in motion picture and live performance, and has co-directed a documentary *Ubuhle Besintu* on South African textile and knitwear designer Laduma Ngxokolo.

"The documentary was shot in 2013, and we were both still in Cape Town at the time. Trevor was a student then and he asked me to be a case study for his assignment," remembers Ngxokolo.

"At the time, I used to often work alone in my work space. I was the jack of all trades in my company. I did everything from sales, to accounting and design, so it was very rare to have other people in my space," Ngxokolo

Trevor Stuurman

"I THINK BEING ABLE TO CONNECT WITH TALENT AND BEING ABLE TO CREATE WORK AND COLLABORATE ORGANICALLY WAS ONE OF THE BEST EXPERIENCES.

reflects. "I shared my journey and cultural outlook with him. I am Xhosa, so there are certain cultural practices he wasn't aware of because he comes from a different background."

Today, Stuurman works with record label Soulistic Music which has collaborated with globally-celebrated DJ Black Coffee.

The stable's marketing manager, Neo Chabedi, who also manages Stuurman, tells FORBES AFRICA they have worked together for the past year.

"It's been an eye-opening experience working with Trevor, it's really just great to watch how creativity gets delivered and accepted through social media or a campaign he is working with, be it Absolut or being a photographer for Naomi Campbell. He is just an amazing, humble person," Chabedi says.

Stuurman was also invited to speak at Oxford University on how he is reframing the African narrative, but that trip was not as memorable as Senegal.

Following his camera around the globe, Stuurman has also photographed former United States president Barack Obama at his ancestral home in Kenya.

For the 27-year-old lensman, the world is his everyday stage.

WILL CINEMA JUST DISAPPEAR?

South Africa's local film industry is becoming a serious economic player, but for all the advances in technology, film distribution has become far more complex. We delve into whether theatrical releases are still feasible.

BY ROBERT HAYNES

THERE'S THE OLD ADAGE that "there must be money in film", but research and interviews this reporter conducted recently revealed a complex and tricky new system that needs to be simplified and explained.

The biggest question remains, why do it? What are the models for making money?

There must be money being made somewhere since the South African and African film industry and box office seems to be thriving. The time has come to demystify one very specific area of the business of film and this is distribution.

A brief explanation of distribution is in order before we delve into the technological advancements that have disrupted the entire industry over the last few years.

Distribution is defined as the release of a completed film. Back in the 1980s, 1990s and up until the late 2000s, the process was fairly simple; write the script, get the funding or studio backing, shoot the film, post-produce the film and have a distributor release the film to cinemas, then video or DVD and ultimately television.

The process is no longer that simple. One of the major reasons for the more complex distribution model these days is the advent of high-end digital technology.

Back in the day, about a decade or so ago, all films were projected on 35mm film. The origination format was irrelevant but the final product was always 35mm projection. Now, although 35mm has its advantages, it also has its flaws.

It was both cumbersome and expensive. Prints of film cost anywhere from $2,000 to $5,000 per print, then there was the delivery costs associated with the prints, as well as the fact that after a certain period of time, the prints would be damaged and/or ruined – due to their organic nature, film as a medium does degrade over time.

The advent of high-definition cameras in the early 2000s and ultimately 4K and 5K cameras in the last five years changed everything.

Cinemas decided to adopt a new standard, the Digital Cinema Print (DCP). A DCP is a digital file that, much like a film print, consists of a variety of digital stills and sound files that are sequenced and recognized by the digital projectors that cinema owners have now equipped their cinemas with.

The file can be either in 2K or 4K depending on the projection system that's available.

The cost of the digital conversion from the old 35mm projectors was astronomical, so much so, that the cinema owners, locally and internationally, had to be subsidized by what's now become known as a virtual print fee. This has effectively replaced the old 35mm print fee and is cheaper, ranging from

Photo supplied; Photo by Fancy/Veer/Corbis via Getty Images

$750 per screen to $2,000 per screen.

Helen Kuun from Indigenous Film Distribution in South Africa has some insights on this.

"When the world converted to the DCP system, all that equipment had to be funded by two banks in the world who funded it because it was around R1.5 million ($110,000) per screen to the software and hardware conversion. So the exhibitors put up as much money as they could and then Arts Alliance Ventures put up the rest of the money; everywhere in the world, they are there for digital conversion as a bank, so that digital print goes straight to them to pay off the digital equipment. But there is an end in sight, it's November of 2020."

The financial burden has now been placed on the distributor who owns the film to pay the virtual print fee to screen it. This has become an additional rather large expense, thereby reducing profit margins for the filmmakers and their respective distributors.

If you want to put your film into 100 cinemas, at $650 per cinema, that's $65,000, and this is more than the entire budget of some South African feature films.

Also, the exhibitors are keeping on average 55% of your box office receipts on top of all these fees and this excludes print and advertising costs.

The burden of profit is far greater than it used to be, even though it's become cheaper than ever to produce a film with 4K production and projection available to almost all.

"You have to structure your funding. You need to source money from more than one place in the world. You can tap into various structures of soft funding and then you can have two environments of recoupable funding. If you're spending, say R10 million ($732,000), you should be able to, quite easily have not more than 60% of your budget recoupable due to soft money," Kuun says.

Due to the complex nature of the business structures behind the independent film world, this is often times why the cinema market is flooded with mainstream Hollywood releases and not local independents.

We spoke to Ben Crowley, CEO of Gravel Road Media in Cape Town, who's a South African and international distributor, about the merits of a theatrical release. Is it still feasible?

"Releasing a film theatrically is not necessarily the start and the end of the film. It's a very important part of the life of a film, certainly if you're wanting to drive other sales because a good theatrical performance will drive your home entertainment sales, it will drive your pay TV price, it can influence your initial batch of marketing that happens, creating awareness around the project, so it is important especially with the higher budget films. One shouldn't be naïve thinking you can do a high budget film and then release it straight to TV or VOD (video on demand) platforms," he says.

The truth is this money is being made in the process of windowing.

It would be remiss of me not to mention that South Africa's local film industry is becoming a serious economic player, having contributed R5.4 billion ($395 million) to the GDP during the 2016/17 financial year.

The research was gathered from an economic impact assessment study commissioned by the National Film and Video Foundation (NFVF).

With the Department of Trade and Industry's filmmaking incentive schemes and rebates in place, production has been taking place swiftly in South Africa over the course of the last four to five years. Let's face it, a 40% rebate on all local revenue spent is an attractive offer to any producer, because it's soft money.

There are also various regional film commission incentives around the country and the KwaZulu-Natal (KZN) Film Commission is one such office making a viable swing for the stars in terms of what they're offering for development in the province. We spoke to Carol Coetzee, the CEO of the KZN Film Commission.

"We are a fully-funded government organization, funded by the Department of Economic, Tourism and Environment Affairs and we have a very clear mandate. First of all, we look at promoting the region (KZN) as a destination for productions and secondly, we focus on the KZN film industry and how we facilitate the development. One of those areas is through the funding of film productions so we fund right from the beginning of development through to production right through to marketing and distribution and we've got about 160 projects on our portfolio at the moment.

"We've had about 26 productions that have been completed in the last four years, that's how long we've been around. We really have quite an interesting selection process. We want to have a balance of historical artistic films but we also want to have a balance of films that are going to be commercially viable but our focus is KZN stories so they get priority," Coetzee says.

But where are these films being seen? They're certainly not all at your local cinema complex. You also can't find many of them on physical media (DVD or Blu-ray) but where you can find them is the new on-demand platforms like Amazon, Netflix, Showmax, DSTV Box Office, Cell C Black and many others and across specialist local television channels like Mzansi Magic and KykNET.

"FILMMAKERS SHOULD CONCENTRATE ON MAKING MOVIES AND LET DISTRIBUTORS WHO HAVE THESE RELATIONSHIPS DEAL WITH IT BECAUSE IT'S A VERY COMPLEX SIDE OF THE FILM BUSINESS.
– BEN CROWLEY

With the death of physical media, the video-on-demand platforms have become the go-to for independent filmmakers and, let's face it, all African filmmakers encompass the word independent.

We spoke to Crowley of Gravel Road about their distribution arm.

"We work with all the major VOD platforms, so your Netflix, Showmax... there's a plethora of VOD platforms that are popping up. Some are better than others, some pay more, some pay less. When you're trying to build a relationship with anyone, you've got to get to know who the buyers are.

"VOD is all about volume as well, so the amount of content and the quality of content that you're pushing through to them as well. Eventually you become a reliable supplier of good quality content.

"It's not something that anyone can do and it's not something that a filmmaker should want to be doing. Filmmakers should concentrate on making movies and let distributors who have these relationships deal with it because it's a very complex side of the film business, when you're dealing with rights and how they're carved up amongst the different platforms. It's really not for the faint-hearted."

We also asked Crowley as to whether or not he thought film was still a viable revenue stream or business model.

"I think film is still viable, it just really comes down to doing your research and knowing who your market is. What you find is that filmmakers often go and make a movie without thinking about their market.

"You have to take the reverse approach. So, first think about your market, what does the market want and then produce for that market and also know what the buying power of your market is. So, if your market is a hundred people strong you can't go and make a movie that's going to cost a hundred million rand."

A logical approach, but there's a conflict of interest with exhibitors. Exhibitors want big box office returns and instant gratification and they seem to propagate the myth that only Hollywood or big action adventure superhero films can deliver these numbers with an attractive young cast, which you'll have to compete directly against.

Crowley offers another solution – local content quotas.

"Local content quotas would be a good idea from a local circuit perspective because what that will do is it will open up the market to a lot more South African content because we need to get our audiences used to watching more local content theatrically.

"I think more so what should actually happen is also to have a levy or a tax on all the international films that get released in this market, where a small percentage of that box office taking actually gets allocated back into the industry by some sort of fund that's administered by the NFVF or some other body so we can further develop our industry. It's worked excellently in France."

So what then do you do with your finished film to pay back those investors to whom you've promised the earth. This is where the term windowing comes into play – it is the gradual platform release of your film to various forms of media over a period of two years. This is the life of the film.

Step one is to secure your theatrical release and prepare yourself for the fact that you're probably not going to make any money at this stage. Your exhibitor is going to take a minimum of 55% of the receipts, which leaves you with about 45% of the box office gross, then your distributor is going to take off their expenses for releasing your film off the balance before you see a cent.

These figures can amount to millions; including things like advertising and virtual print fees per screen. You'd need to try and keep the costs down and secure as much free publicity as possible but the chances of you actually making any kind of return on investment at the South African box office are slim to none, unless you have the kind of hit that transcends all markets locally, it's highly unlikely though.

You're left with the video-on-demand platforms and television stations, which your distributor will approach for you. The key to making money seems to be to get an international buyout from one of the big international on-demand platforms like Netflix, Shudder, Hulu and Amazon.

Research reveals even these license figures vary wildly; anywhere from $10,000 to $250,000.

VOD platforms are broken down into several sub -categories: TVOD (Transactional Video on Demand). This is a service like iTunes, where you rent or buy a specific film; SVOD (Subscription Video on Demand). These are subscription-based monthly services like Netflix, Amazon Prime, Showmax and so on; then there's AVOD (Advertiser Video on Demand). Free video on-demand services that have commercials peppering their content, an example of this would be TubiTV.

Windowing reveals that an ideal strategy would be to keep a two- to three-month gap between releases on each one of these services for maximum impact. After you've hit the VOD platforms, there are hundreds of TV channels crying for content, again the figures aren't big in terms of rights but if you take the sheer volume of platforms available today, windowing your film can become a potential goldmine.

All the VOD platforms and TV stations take into account whether or not you've had a theatrical release in your country of origin since that automatically pushes the value of your film up. So although you won't be making any money off the theatrical release it's still something important to secure since it increases the value of your film down the line in the distribution window chain.

Kuun has some encouraging but sobering words.

"The good thing is volumes of content are increasing across the board worldwide because there are so many more places to host it but it doesn't mean that every single piece of content that goes out there is watched by millions of people, so every platform has its place. Cinema will always be there, I don't personally think it will just disappear, it will always have a place because it's about going out and having a communal experience."

With the sheer volume of platforms and windows available to you and with a good marketing plan, the opportunity is still there to make some serious cash, it just takes patience and happens strategically.

Watch a soon-to-be-released special on CNBC Africa for more insight into the world of film distribution.

VICTOR MAMORA

CORPORATE AFRICA NEEDS TO LOOK FOR PROBLEMS

PRODUCTIVITY IS calculated by dividing each country's GDP by the average number of hours worked annually by all employed citizens. In my opinion, country productivity simply means the financial evidence for problems solved by business communities over a period of time. According to a 2018 report by the Organisation for Economic Co-operation and Development, businesses in the African continent are among the lowest ranked when it comes to productivity.

This means corporate Africa needs to solve problems that matter. In each firm, the chief executive officer is the chief problem solver for customers and the firm.

In every enterprise, problems are resolved at a different level. The man at the gate solves the problem of parking and watches out for thieves and intruders.

The chief operating officer solves the problems of disorder and inefficiency. The ability of a leader to recognize that everybody in any enterprise has the capability to solve a problem makes the business system efficient and productive.

When a leader believes he is the only one who can solve all problems at every level of an organization, it only wastes the corporate potential. Everybody in an organization has the potential to solve challenges.

Problems are facts of every business because we live in an imperfect world. For winning enterprises, tests are stepping-stones to maturity and productivity.

There are two perspectives to a problem that will put firms in the winning mode.

It is important to be reminded that an outstanding person is the one who resolves an outstanding problem.

Can you think of an outstanding billionaire who didn't resolve an outstanding problem? I believe there is none.

I think a team's attitude should be focussed on solving an outstanding issue for all humanity.

That is what Larry Page and his team have done by creating Google. They solved the global problem of searching for information at the click of a mouse.

Secondly, problem-solving is the quickest route to leadership. In every society, people fall into two categories of problems; those who create them and those thatr solve them. As an entrepreneur, you will be rewarded based the degree of problems you solve, not the ones you create.

As a team member, when you solve a problem beyond your current job description, you are likely ready for a promotion.

Thirdly, the capacity of the entrepreneur is more important than the size of the problem. The problem is the self-image of the person. This means an entrepreneur will not take on activities on the outside that he or she is not capable of on the inside.

These three attitudes mentioned above are important for any firm to create a winning team. Let me quickly say that it is only effective when a business leader helps his or her associates and team members develop this attitude.

When they express these attitudes, they solve challenges with you in the enterprise. Don't be caught by the 'Moses syndrome', because you cannot solve every problem in your enterprise by yourself.

Problem-solving is first an attitude and then a technical skill. Now let me share with you a few technical skills that are applicable to problem-solving.

The first step would be to erect a business thermometer to identify the issue. Focus on vital aspects such as finance, sales, marketing, customer satisfaction, employee performances, and turnover rate.

You need to look for an anomaly in the vital signs before you can identify the threat and knock it off.

Secondly, prioritize the problem and identify the most important and urgent of them and attend to it. The problem can be important, important and urgent, or urgent and unimportant. You must be able to place it in the appropriate category. You will need to dig around the it to define the real issue. If the sales are poor and it is an important and urgent concern on your priority list, the next thing is to dig around it and define the elements of the problem, both internal and external.

Thereafter, select a project team to solve the contingency.

Whether it is to be solved in two hours, two days, two months or two years, call the project team and give them responsibilities within a space of time to solve it.

Finally, select the best solution and create a policy. Look at all recommended solutions to the problem and select the best that suits it. Evaluate the solution appropriately and set up a policy that can guide against the recurring of the problem in the future.

Photo by 2A Images via Getty Images

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Keep Calm And Carry ONE

This season, men's fashion is about embracing bags.

COMPILED BY: JULIA RICE

This year sees several on-trend bag choices and the must-have is the tote, large enough to hold your keys, phone, wallet and more, while still appearing chic. For business attire, showcase a high-end leather style and, for after-work or weekends, go for the casual look. A canvas tote is bang on trend.

Striped tote, Fendi, R13,145 ($964)

Henry large suede tote, Michael Kors, R9,040 ($663)

Transparent vinyl tote bag, Zara, R699 ($51)

Soft blue extra-large tote bag, Zara, R999 ($73)

Hold-all beige canvas and leather tote, Superbalist, R1,549 ($114)

Henry large suede tote, Michael Kors, R9,040 ($663)

Large black leather tote, Balenciaga, R19,899 ($1,460)t

FOR HER

Capri shopping bag in printed canvas, Dolce & Gabbana, Price on request

Dollar prices are approximate figures as per the exchange rate at the time of going to press.

STOCKISTS
Zara www.zara.com • **Balenciaga** www.balenciaga.com • **Michael Kors** www.michaelkors.com • **Superbalist** www.superbalist.com • **Fendi** www.fendi.com

THE MILLION DOLLAR GAME

WORDS AND PHOTOGRAPH: MOTLABANA MONNAKGOTLA

WAVES OF FANS POURED INTO THE FNB Stadium in Soweto, Johannesburg, in regalia rivalling the world's most jubilant festivals, to watch South Africa's biggest Premier Soccer League teams Orlando Pirates and Kaizer Chiefs clash it out for the Soweto Derby.

The stadium, also known as The Calabash and home to the Chiefs, seats 87,436 fans and rumbled with vuvuzelas and unbridled euphoria. The Soweto Derby is one of the most fiercely-contested matches in African football. Between the two rivals, there have been 163 past derbies, and of that, 67 won by Chiefs and 39 by Pirates.

However, it would seem that Pirates are making inroads to close the gap. Chiefs have not managed to claim a victory against Pirates since 2015; the equivalent of 12 matches and 1,496 long days.

In this image, fans wear the traditional team colors; gold and black for Chiefs, black and white for Pirates. They wait with bated breath and watch the players who will control the course of their destiny – for at least the next 90 minutes.

The whistle blows and the stadium roars in anticipation. This is an event that spectators and organizers alike bank on.

"Just out of this event, we are looking at just over R30 million ($2.2 million) contribution to the local economy. We are talking sales from a granny selling pap and *vleis*, to the guy selling merchandise and the guys helping to park cars. That's what sports does," says Barba Gaoganediwe, Head: Destination Promotions and Marketing for Gauteng Tourism.

Unfortunately, the match ends in a draw and neither side is pleased as they disappear into the changing rooms to plot the defeat of the other side for when they meet next.


WE ARE ALWAYS WITH YOU
WE ARE ALWAYS WITH YOU
WE ARE ALWAYS WITH YOU

CAN THE 'CHOKERS' RECLAIM GLORY?

The Proteas have a reputation of dropping the ball at the final moment. The team hope to make important changes as they prepare for the Cricket World Cup.

BY NICK SAID

SOUTH AFRICA'S SEARCH FOR what is becoming their 'Holy Grail' will continue in May when they contest the Cricket World Cup that is to be played in England and Wales, providing another shot at a trophy that has frustratingly eluded them in the past.

The Proteas have entered World Cup tournaments as heavy favorites in the past, indisputably the best team on the planet at the time, yet found unusual ways to be eliminated, leading to the tag of 'chokers' that has haunted the team for two decades now.

In 1999, they got themselves into a winning position against Australia in their semi-final, yet gave up their final wicket to a crazy run-out needing just a single run for victory.

Four years later, on home soil, they misread the Duckworth-Lewis par score after rain in a pool match against Sri Lanka and did

not realize they needed one more run than they had.

In 2007, they folded in the West Indies when too many of their top players could not find form, while four years ago, they gave up a commanding position to lose a semifinal to New Zealand, made all the more galling as South African-born Grant Elliott proved match-winner for the Kiwis.

failures of the side have almost part of cricket folklore, with fans delighting in throwing choker tag at South Africa at every opportunity.

So what chance of a change in 2019? It is the first time in perhaps 27 years that South Africa do not go in as one of the genuine pre-tournament favorites, with England and India many people's top tips, and with good reason as both have been outstanding in 50-over cricket of late.

An evolving South Africa could have as many as 10 players in their 15-man squad who have never been to the World Cup before, and while that lack of experience could be a hindrance, it could also be a help in that they will not carry the 'baggage' of past failure.

Captain Faf du Plessis will go to his third tournament and he knows what to expect in terms of media and fan pressure over past failures on his players.

"As soon as you get to the tournament, you get to hear about it," Du Plessis tells FORBES AFRICA.

"When you chat to the media that is all people want to talk about, when you play against opposition, they will bring it up.

"For me now, it is about making players aware of it and giving them ways to deal with it, to mentally preparing for it, so that when we do get to England, it is not a surprise."

Du Plessis believes that managing key moments in games better than they have in the past is the key to success, as well as making sure the players stick to their game-plans and don't try to be 'supermen'.

"For the last year or so we have been dealing with different aspects of that. Hopefully, when we get there, we will manage those situations better than we have previously.

"We have played some really good cricket at tournaments in the past, but we have always had little moments in the game where pressure got the better of us.

"How do you fix that? How do you deal with it? How do you cope in those moments?

"I hope that by talking to players, by giving them a 'how' of dealing with those moments, they will handle them better than we have in the past."

The make-up of the South African side has been the subject of much debate, but the picture is clear for Du Plessis – if everybody is fit. Three fast-bowlers, a spinner and seven batsmen, which includes an all-rounder, is the preferred make-up, with the swinging ball likely to dominate the bat.

When all are available, the South African side generally picks itself, but the return of fast bowler Lungi Ngidi from injury is key.

"If you have a very good bowling attack that can get wickets, then you put yourself there or thereabouts," Du Plessis says.

"India have got a really good bowling attack at the moment and are bowling teams out constantly.

"If we have a full-strength team, we also have a very good bowling attack. We have missed Lungi recently. I feel that if you have Lungi, Dale [Steyn] and KG [Kagiso Rabada] together, it makes our bowling attack a lot stronger.

"They are all wicket-takers and that is what winning in white ball cricket is about."

With Andile Phehlukwayo having moved ahead in the race for the all-rounder spot and JP Duminy likely to return from injury in time for the tournament, giving a -part-time spin option, South Africa's first choice side looks strong.

But do Quinton de Kock, Hashim Amla, Reeza Hendricks, Du Plessis, Duminy, David Miller, Phehlukwayo, Rabada, Steyn, Ngidi and Imran Tahir have the look of world champions? Time will tell.

The Proteas open their campaign against England at The Oval on May 30, with all 10 teams playing each in a round-robin format. The top four sides then advance to the semi-finals, with the decider to be played on July 14.

> **"WE HAVE PLAYED SOME REALLY GOOD CRICKET AT TOURNAMENTS IN THE PAST, BUT WE HAVE ALWAYS HAD LITTLE MOMENTS IN THE GAME WHERE PRESSURE GOT THE BETTER OF US.**
>
> – FAF DU PLESSIS

‘NOT MANY MAKE THE MOVE’

African footballers are still a wanted commodity for the global game, but are not necessarily from the continent.

BY MARK GLEESON

BY THE TIME THE MID-SEASON TRANSFER WINDOW closed at the end of January, an estimated 2,000 footballers used the month-long opportunity to transfer from one club to another.

It is one of the two periods in the year when clubs are allowed to buy and sell players and although not as busy as the June-August window, it is a frenetic time as clubs in the major football-playing nations look to strengthen their teams for the second half of the season.

Among the list of movements this January were a bevy of common African names: Bangoura, Boateng, Diaw, Kamara, Mendy, Owusu, Sissoko and Touré.

But while this might suggest there is a healthy exodus of Africa’s top talent to the bigger, and more lucrative leagues of Europe, it is but an illusion.

African footballers are still a wanted commodity, but not necessarily those from the continent.

Instead, it is the ever-increasing numbers from the diaspora – second- and even third-generation kids born in Europe to African parents who are prized for the physical prowess and creativity that their African genes provide, but also having had the benefit of a more formal footballing education in Europe.

France has always been the primary destination for African footballers with the top clubs long casting an eye over the best that the continent has to offer.

But while there were many African footballers moving to and from French clubs this January, not one arrived directly from an African team.

In England, Germany and Spain, none from them either. Two Belgian clubs took players from academies in Mali and Senegal but not from clubs.

Only Italy’s Atalanta spent €200,000 ($225,533) on William Tabi from ASEC Abidjan in the Ivory Coast. His teammate in the Ivorian under-20 side, Wilfried Singo, also went from Denguélé to Torino.

“It is as if the market has dried up and a lot of it has to do with the age restrictions on player movements,” London-based agent Rob Moore tells FORBES AFRICA.

South African Moore was at the heart of the biggest move of the January transfer window as American Christian Pulisic went for some €60 million ($67.6 million) from Borussia Dortmund to Chelsea.

“There is little doubt that when FIFA brought in the rule that restricted the movement of players aged 18 it put African players at a severe disadvantage,” adds Mike Makaab, whose agency has moved

Photo by Francois lo presti via Getty Images

players to Belgium, Germany, Greece and Italy in the past.

"Clubs want younger players because they believe they can still mould them. It has been a major blow to the market although I wouldn't be surprised if that rule is changed.

"Obviously, it would have to come with strict rules and restrictions on potential exploitation."

But African football is about much more than only an incubator of talent. It has established competitions like the Nations Cup, Champions League and Confederation Cup, which now all enjoy fulsome coverage with matches broadcast live around the world.

"Football clubs in Europe are spoiled for choice," Makaab adds.

"The market in Africa is competing with players from Eastern Europe, from the Americas and now increasingly Asia. There is a lot of choice.

"I find that sometimes the clubs in Africa are not realistic in their pricing of players. They want too much for players who have already established themselves, not cognisant of the fact that clubs can find similar quality elsewhere in the world."

Moore says clubs in Africa must also realize that the increasing sophistication of football and its growing technicality demands better developed players, with physical prowess and skills now needing to be matched by decision-making and sporting intelligence.

"This is probably why now there are so many young players from the USA that are making a breakthrough in Europe. American youngsters grow up with a lot more of theory of the game than those from Africa. It's the way they are coached at an early age."

"AMERICAN YOUNGSTERS GROW UP WITH A LOT MORE OF THEORY OF THE GAME THAN THOSE FROM AFRICA."

– ROB MOORE

Historically, most transfers from Africa are from the west. Players from north and southern Africa are paid better in their domestic leagues and, therefore, tend to stay home.

"You find that South African footballers don't really have that ambition to go overseas anymore as the money in the Premier Soccer League has improved. Once they get to the PSL, many of them tend to sit on their laurels," laments Bafana Bafana coach Stuart Baxter, who feels it is imperative that players move to Europe for the experience and increased competition.

"Our national team is stronger if there are more players based at European clubs. I try to encourage players to get out there but not many make the move.

"The best African national sides are those with the most players at the biggest clubs. That's the reality," Baxter adds.

When South Africa won the African Nations Cup title in 1996, the majority of their players were either already at European clubs, or on the brink of making the move.

Fast forward to this season and the country does not have a single player in the top leagues in England, Spain, Germany and Italy, and just a handful plying their trade in France.

It's a fact that correlates with the downward turn in fortunes for the national team.


Usain Bolt at the 16th IAAF World Championships in London

THE BOLT AND THE BEAUTIFUL

From cheers on the track and field to cheers of a different kind, Jamaican sprinting champion Usain Bolt was in South Africa recently to launch his signature champagne.

BY GYPSEENIA LION

WIDELY CONSIDERED the world's fastest man, Usain Bolt, the nine-time Olympic gold medalist who has broken records, is now breaking new ground in the business world.

He was in South Africa in January to launch a limited edition champagne in collaboration with champagne producer G.H. Mumm.

Having graced some of the world's biggest Olympic stadiums, the retired Jamaican sprinter was at the swanky The Maslow hotel in Johannesburg,

Photo by Gypseenia Lion / Matthias Hangst via Getty Images promoting the pink bubbly as it poured endlessly into fluted glasses.

As the $45 Mumm Olympe Rosé bottle was being passed around, all attention was on the world champion.

"In Jamaica, we do this naturally; we mix cognac with champagne, and it's something I enjoy. So when we sat down in the first meeting and we were trying to figure out what direction we wanted to go with for the bottle and with the drink, I mentioned it and asked 'is it possible?' and they said 'yes'. So for me, that was something I was happy about. When you taste it, you'll taste the cognac and together it's very nice, trust me," Bolt tells FORBES AFRICA, aptly marketing his product.

The A-list sports star poses with two bottles, symbolic of the two years it took to create what he calls a premium drink.

G. H. Mumm's Senior Global Brand Manager, Etienne Cassuto, says collaborations of this magnitude have to be a reflection of authenticity and teamwork.

"This is not something we created and said 'great, put your name on it, sign it and we sell it'; he created this wine with us and that is why it is something that is truly collaborative and that is where some brands get it wrong," he says.

"It took a long time to really get to know Usain Bolt… as an athlete, as someone who has broken records and who has surpassed everything in life to get to where he is today. This desire to partner with Usain Bolt, who is now a retired athlete but still pushing the limit to what he can achieve and really daring himself to go beyond to find his next victory… that is why since 2016, we have been collaborating to try and understand how we can build something in common."

Bolt, who retired from athletics in 2017, has since pursued a career in football; he decided to hang up his boots in 2018.

His short-lived football career saw him play for Central Coast Mariners, and train in South Africa with Mamelodi Sundowns F.C.

The Olympic sprint champion says athletes should focus on building a brand beyond the track.

"In sports, I was always trying to be the best and do things that have never been done before, it is the same thing in business. You have to find things that no one has done before… As athletes, you should focus on trying to build your brand. Try to work hard and try to develop a personality.

"I think I get sponsorships because I have a personality. I am different, and I stand out. Develop a personality, a brand that people know, this is Bolt, this is Simbine, this is Wayde. I always tell Wayde 'it is good to be fast and to be great, but if you want to build your brand you have to show your personality'. People will want you to be a part of their brand'," he tells us.

Usain Bolt with his champagne as he changes track to business

"THIS THE ONLY PLACE I HAVE BEEN TO WHERE I HAVE DANCED SO MUCH.

– USAIN BOLT

Akani Simbine and Wayde van Niekerk are South African athletes.

And Bolt loves South Africa. "When they called and told me we are launching in South Africa, I was happy. Last year, I had so much fun. The energy was different. It felt like home because this is the only place I have been to that I have danced so much. In Jamaica, we dance a lot, but in Africa, you guys dance. A lot!" he says joyfully.

The whole vibe is that of celebration.

"Africa is an exciting market for champagne. African consumers want more premium goods; they want to really discover new things, new products, new categories and they want to spend a little more to discover high-quality products, whether it is luxury or premium goods," adds Cassuto.

South Africa's affluent market is no different, and Bolt attests to that – the man fast on the track and faster with his soundbites.

ME & MY MONEY

'RETIRING ONLY AT 90'

Raizcorp CEO Allon Raiz helps develop entrepreneurs and businesses but shies away from an extravagant lifestyle and has a simple investment philosophy.

YOUR MOST REGRETTABLE FINANCIAL BLUNDER SINCE BECOMING AN ENTREPRENEUR?
One of our divisions, Partner Elite, does venture capital. We invested in a business based on personality and a relationship. Due to this, we did not do the due diligence we should have, and ended up paying the price. A big lesson indeed!

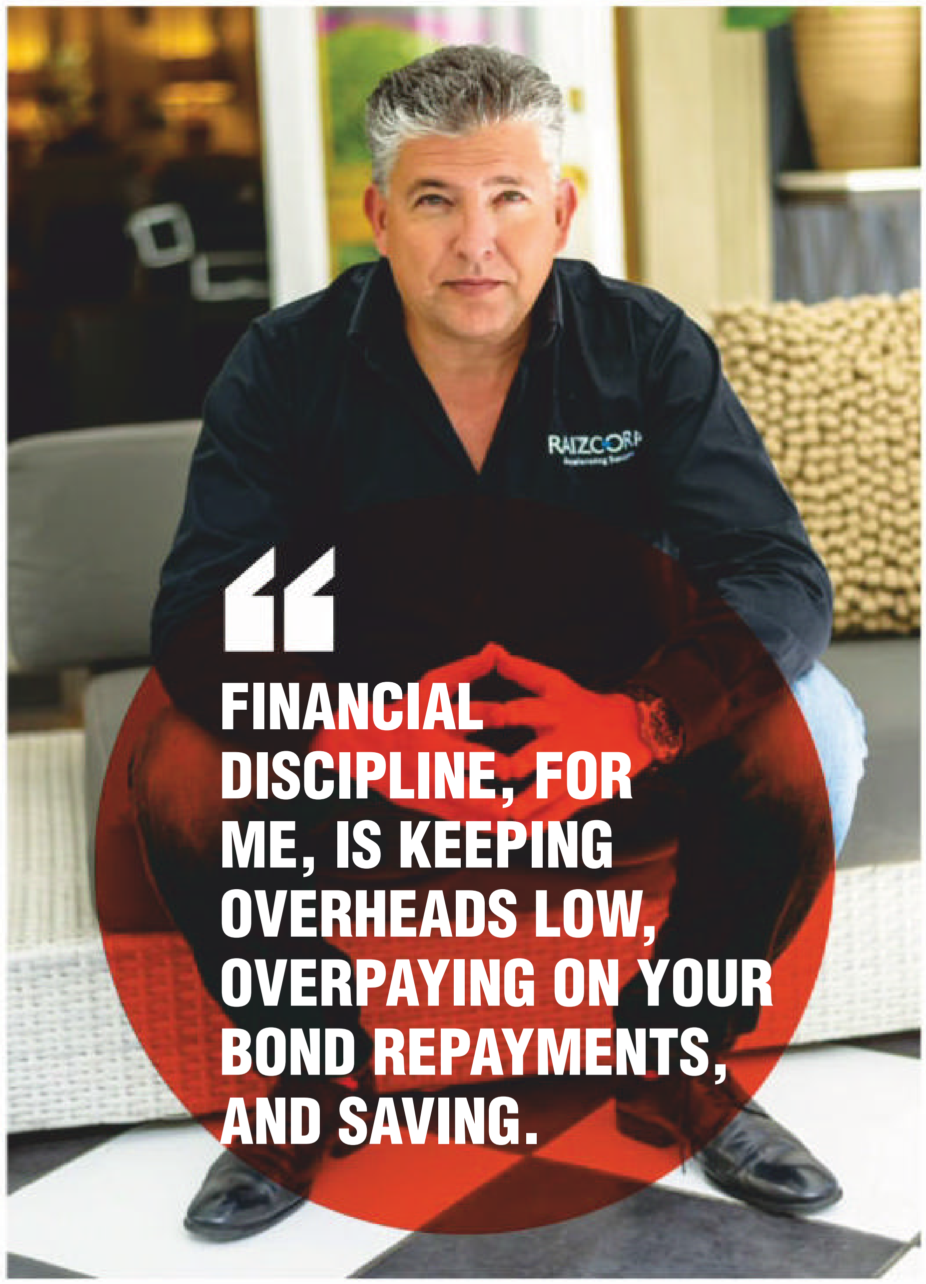
TO WHAT DO YOU ATTRIBUTE SUCCESS?
I do not believe I am successful. I believe I am in the process of succeeding, because I am obsessed with what I do, and have managed to congregate a bunch of equally passionate and obsessed people on this journey to serve entrepreneurs. I have, as a result, a very strong work ethic. I am extremely competitive, and drive people mad until I achieve the various milestones of the picture in my mind.

HOW DO YOU DEFINE FINANCIAL DISCIPLINE?
I am lucky because I certainly don't lead a flashy lifestyle. I do not have a flashy car; in fact, it is nine years old. I also don't own a flashy watch, I do not wear flashy clothes, and I often wear jeans and my Raizcorp regalia. I do not eat out at flashy restaurants all the time. So my personal finances are rather simple. I focus on pumping all excess cash into bonds. Financial discipline, for me, is keeping overheads low, overpaying on your bond repayments, and saving. I do not invest in the stock market.

HOW HAVE YOU DIVERSIFIED YOUR INVESTMENTS?
Personally, I am not well-diversified. I have really two asset classes which are my Raizcorp shares and property. My life is in the business and most of my wealth and meaning come from it. However, the company is well-diversified. It has six divisions and each one contributes to the bottomline.

WHICH IS YOUR FAVORITE TRAVEL DESTINATION AND WHY?
I travel so much for work that I actually loathe travel. I spent my December holiday in my garden reading, braai-ing, entertaining and swimming. But if I were to have to choose, it's anywhere with a beach I can swim in.

IF THERE WAS ONE FINANCIAL OR BUSINESS GOAL YOU MUST ACCOMPLISH BEFORE YOU RETIRE, WHAT WOULD THAT BE?
I do not plan on retiring! Well, perhaps at 90 to get my things in



"FINANCIAL DISCIPLINE, FOR ME, IS KEEPING OVERHEADS LOW, OVERPAYING ON YOUR BOND REPAYMENTS, AND SAVING.

order before I die at 93. Seriously, I do not have the concept of retirement in my head.
My business goal is to serve 100,000 entrepreneurs at a single point in time through our various divisions. Entrepreneurial development is my life mission and my love and my passion. As long as I'm doing it, I'm at my goal point.

WHAT WAS THE LAST ITEM YOU REGRETTED PURCHASING?
It has to be my tablet. I thought I would use it but I am a person who prefers to write in a notebook and create boxes that I can tick. I think I used it for two weeks and have never used it again.

– Interviewed by Melitta Ngalonkulu

Photo supplied

TWO REALITIES IN ONE COUNTRY

The grandeur of Victoria Falls is in stark contrast to the rest of Zimbabwe.

BY ANCILLAR NOMBEWU

IT IS EIGHT DAYS BEFORE Christmas. We take the 1,300-kilometer drive from Johannesburg to Victoria Falls for a short vacation. As we arrive in Beitbridge, the border connecting South Africa and Zimbabwe, the sun is shining its warm golden light over the bridge. There are no birds chirping over the Limpopo River. It seems like a peaceful morning, until you get closer.

There is pandemonium as hundreds of cars line up to be stripped and searched before proceeding into Zimbabwe. Most here are Zimbabwean nationals working in South Africa traveling home for the holidays. They are bringing with them supplies like cooking oil, fuel, stationery, furniture, clothing, drinks, building material and even Christmas trees. These items are scarce and overpriced in Zimbabwe. Some want to sell them to hurried customers and others want to use them at home. The problem is, most of them require as much as 40% duty and others can't be imported.

"Is your friend here today? I would like him to help me cross with my goods," I overhear a man in the autumn of his life say over the phone.

He isn't the only one trying to smuggle goods into Zimbabwe. According to local reports, the Zimbabwe Revenue Authority (ZIMRA) loses over $1 billion due to smuggling each year. With hundreds trying to make their way across, a journey to Victoria Falls is delayed by at least five hours.

As we drive into Beitbridge, we can see and almost smell struggle. This place is seized by an oppressive gloom. Our first stop is an Engine Garage that now operates almost like a tuckshop. Here, fuel tanks are dry and the shop inside has only bread, water, cold drinks, biscuits and chips.

Outside, it is filled by a crowd of people pushing, shoving, shouting, buying and selling. There is dirty water flowing down the street and litter fills the potholes.

Yet, this grubby place is seeing more trade than Zimbabwe's biggest banks. Here, the black market is king and the bond notes are pawns.

In 2016, the government introduced bond notes in hopes to ease the cash crisis that saw the US dollar become scarce. The Reserve Bank may say bond notes are 1:1 to the US dollar; the free market says no. The black market traders are selling $1 for three bond notes.

"I used to be an accountant with a good job but our company closed down and now I am jobless. I have to make a living somehow so I rather sell cash on the streets to put food on the table," says Bongani Moyo.

As we drive further into Zimbabwe, the situation gets worse. Stores are packed with imported goods; roads and buildings are dilapidated. One of the biggest problems is fuel.

"I just came out of a two-day fuel queue. The situation is bad. People can't go to work and sometimes people hire [other] people to spend the day queueing for them," says Given Mwale, as he directs us to a garage that sells fuel in foreign currency so we can continue our journey to Victoria Falls.

"That is the only garage that doesn't get many queues and doesn't run out of fuel. It is a private garage. They import their fuel from Botswana and they only sell in forex," he says.

Shocked by the scarcity of cash, we drive towards Victoria Falls. On the way, many businesses are boarded up, their paint peeling and doors closed. As we arrive in Victoria Falls, there are jaw-dropping scenes.

The place looks nothing like the rest of Zimbabwe. Fueled by the tourist economy, the streets are clean and the business district buzzing. People are relaxed in summer clothing and look like they have no worry. It is a true holiday destination.

At Victoria Falls, the Zambezi River plummets over a cliff and into the boiling pot before flowing through a series of gorges. It has a width of 1,708 meters and a height of 108 meters, making it the world's largest sheet of falling water. As nature lovers, we experience the falls while walking through a rainforest and playing with monkeys. We also get to watch the sunset while drinking champagne in an open boat.

For a few hours, we forgot the troubles that belie Zimbabwe; until we drove out of Victoria Falls, back to Bulawayo. There may be laughter and foreign currency near the smoke that thunders but the rest of the country continues to cry for an economic breakthrough.

Photo by Edwin Remsberg