

Global Vision

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THE INTERNATIONAL MAGAZINE FOR BUSINESS EXECUTIVES

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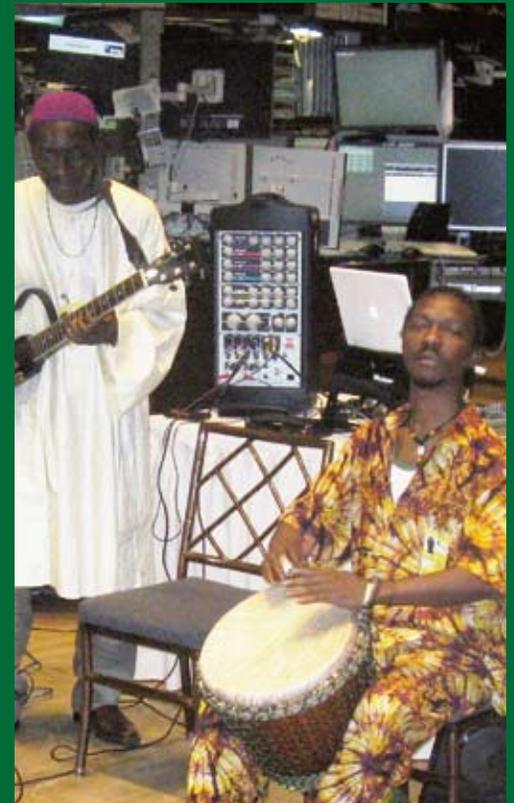
global vision — AFRICA

THE INTERNATIONAL MAGAZINE FOR AFRICAN BUSINESS EXECUTIVES

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■ **US PRESIDENT OBAMA** MAKES FIRST VISIT TO AFRICA ■
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New York Stock Exchange Hosts Africa Investor Summit and Awards Series

BY: JAKE R. BRIGHT

The New York Stock Exchange (NYSE) played host to the Africa Investor Summit and Awards Series. The day long affair featured a number of insightful speakers and panels showcasing African investment opportunities and business success stories. Participants included fund managers, financiers, CEOs, representatives of major African stock exchanges, entrepreneurs, and senior government officials. The Summit concluded on the NYSE trading floor with a keynote speech by Kenyan Prime Minister Raila Odinga and gala reception and award ceremony recognizing business leaders in many sectors in Africa. The overall tone of the seminar was positive. The perspective and activities of participants presented a markedly different view of Africa, compared to many negative headlines coming from the continent. Global Vision spoke with a number of the Summit participants, and chose five in particular to profile.



NAME: Jose de Lima Massano

PROFESSIONAL NOTES: Chief Executive Officer, Banco Africano de Investimentos, Angola

GV: What's the profile of your bank? How did you get involved with the Africa Investor Awards Series?

De Lima Massano: Our bank is the largest full service bank in Angola operating through 16 branches countrywide. Last year the bank grew 110 percent to, \$7 billion in assets. I came to the seminar because we were nominated for Best African Investment Bank.

GV: We hear more and more about a current economic boom in Angola? What's driving it? How is it helping reconstruction since the war?

De Lima Massano: Yes, Angola has become one of the fastest growing economies in Africa and one of the fastest growing in the world, driven largely by development of oil production. This growth has helped Angola rehabilitate infrastructure, make large investments in education, and invest in the competitiveness of the overall Angolan economy.

GV: You mentioned your bank has a growing retail operation. Does that mean there is a burgeoning middle class?

De Lima Massano: Yes, absolutely. That's one of the results of our economic boom and how we've been able to expand our personal banking and branch network.

NAME: Carol Pineau

PROFESSIONAL NOTES: Acclaimed African focused journalist and Director of Africa Open for Business, a documentary showcasing ten African entrepreneurial success stories and voted BBC World Documentary of the Year in 2006.



GV: How did you get the idea to do Africa Open for Business?

Pineau: I'd lived in Africa, reported in Africa, traveled all around the continent, and seen the media that was coming out of Africa. After being a reporter there with CNN, and VOA I started thinking that we need different images of Africa; images that blow away every stereotype. So I thought, "What do Americans like and relate to? They like business and money. So I'll show them success stories along those lines." It was my view that journalists should not just be covering negative things in Africa, just like they should not always try to cover positive

things. They should cover “things,” meaning everything that is going on the continent – the news. When there are positive business developments in countries in Europe, we don’t just cover it because it’s positive news, we cover it because it’s news. There are similar business developments in Africa that need to be covered as news the same way. The documentary was my answer to media covering Africa totally.

GV: *It seems you went to a second level of breaking down stereotypes on Africa. There’s one level of people understanding Africa is not all safaris and people living in huts, and then a second of actually showing people there is legitimate businesses happening.*

Pineau: That’s what I wanted to highlight, and rather than a typical African documentary with a narrator that takes you into the village or on safari, I wanted to highlight entrepreneur stories with the African entrepreneurs telling stories in their own voices.

GV: *How did you get the funding to do this? How did you pick the 10 entrepreneurs?*

Pineau: I went to the World Bank with the idea, because we originally could not find support from mainstream media. We picked most individuals through referrals on the ground in Africa and in some cases, went directly to them with cameras and did the interviews.

GV: *What was one of the more memorable interviews for you?*

Pineau: In the case of the Ugandan coffee maker and café owner, he mentioned that the President of Uganda always speaks about exporting its coffee all over the world, but Uganda can’t just export the best coffee, it has to drink it too. He said, “The President should come have coffee at my cafe.” So I called up the Ugandan Ambassador back in Washington and eventually they closed down the center of Kampala for an entire day and the President came to coffee with him at his cafe.

GV: *What was the most interesting response you received?*

Pineau: We did the documentary to change stereotypes of Africa for Western audiences. The largest response we had was from Africans inspired by entrepreneurship on their continent and wanting to replicate it.

NAME: Dr. Ndi Okereke-Onyiuke

PROFESSIONAL NOTES: Director General/Chief Executive Officer of The Nigerian Stock Exchange



GV: *What should people know about the Nigerian Stock Exchange?*

Okereke-Onyiuke: We’ve been around for quite some time, dating back to the 1960s. We have 262 listings with a market capitalization of several billion dollars.

GV: *What kind of companies list?*

Okereke-Onyiuke: We have everything. Government stocks, industrial loan type stocks, and the majority ordinary company shares, which also have connections to foreign operations.

GV: *Is there coordination of standards and trading platforms across African stock exchanges?*

Okereke-Onyiuke: This is something that is important and that we’ve been working on. There’s dialogue, but more work to be done.

GV: *How did you get involved with the Africa Investor Awards Series? Why do you think venues like this are important?*

Okereke-Onyiuke: We obviously have to get the word out to the world that there is sophisticated business going on in Nigeria and Africa. There are securities being issued, stocks being traded, legitimate deals being made. That’s what forums like this underscore.

NAME: Eddy Njoroge

PROFESSIONAL NOTES: Chairman of Nairobi Stock Exchange and Managing Director & CEO of KenGen Electricity



GV: *So what is KenGen? Is it a private company?*

Njoroge: KenGen is the largest power generator in Kenya. It was previously 30 percent private and 70 percent public. We went through an IPO in 2006 and privatized. The shares were bought across the whole country, with 375,000 new shareholders. We structured it grassroots so many Kenyans would be able to afford

shares and take a stake in their power company.

GV: *How do you generate the majority of energy in Kenya?*

Njoroge: Mostly hydro electric at the moment and we are looking to shift that to geothermal, which has big potential.

GV: *How did you get involved with the Africa Investor Summit?*

Njoroge: Since KenGen went public in 2006, the Africa Investor Index has been tracking us and our IPO performance as an investment.

GV: *Shifting to your role as Chairman of the Kenyan Stock Exchange, what are some basics about the exchange?*

Njoroge: We have a very vibrant stock exchange, which has some 53 companies listed. We also trade government bonds. The exchange has a goal of extending the reach of capital markets to all stakeholders.

GV: *So what kinds of companies are listed on Kenyan stock exchange? Before that, how would these companies raise capital?*

Njoroge: We have the breweries, the mobile phone companies, most of our banks, agricultural companies, and a number of industrial companies. Before the stock exchange, companies were left to the traditional financing; DFI’s, local banks or the World Bank.

GV: *So how has the ability to list affected the Kenyan private sector?*

Njoroge: Being able to list has given companies the ability to raise capital in a more efficient, market oriented way, which has created the ability to expand and create jobs. For Kenyan business in general and for us at KenGen, the ability to raise funds in the capital markets is a major business goal.

NAME: Don Elefson

PROFESSIONAL NOTES: Portfolio Manager, Harding Loevner, LP



GV: *Can you describe your firm and what you do with Africa?*

Elefson: Harding Loevner (HL) invests in listed equities in Africa for a mutual fund. The fund is a proprietary product with the symbol HLFMX and targets institutional investors. HL has been managing assets for institutional investors for 20 years. The firm has always taken a global approach that seeks the best equity investments across the world. That led us to investigate Africa. After researching the continent, we decided it was a good place to pursue listed equity investment and HLFMX has a significant investment weighting to Africa.

GV: *So how did you and your firm become involved in the Africa Investor Conference and Award ceremony? Why do you think a forum like this is important?*

Elefson: In the scope of our investing, we have been very positive about Africa. We’ve have written about African listed equity prospects in our monthly and weekly commentaries. The forum is a great venue and should be done more often. The conference serves the purpose of increasing awareness of Africa and African opportunities. People

have to be shown that there are attractive equity investments in Africa. The time for African investing is coming, and forums like this are playing a crucial role in ushering this time in.

GV: *You said in your panel comments that as a portfolio manager, you believe many investors are missing the boat when it comes to investing in Africa? You mentioned Latin American in the 70s and 80s as an example. Could you elaborate?*

Elefson: For years, mainly in the 70’s and 80’s, the joke was that Brazil was the country of the future, always has been and always will be. In that time period Brazil had many false starts economically; Brazil was heavily indebted; Brazilian industry was state controlled; inflation was rampant. In the 90’s this started to change, reform took root. Now, Brazil is one of the biggest investment success stories of the recent times. African countries resemble Brazil. Corruption and state ownership are facts of life. Brazil was very resource dependent, and resource issues clouded political and economic decision making, like it is doing in African countries like Nigeria and DR Congo. In short, many African countries are like Brazil was years ago. Brazil rose from this mess, and Africa will too. A parallel can be drawn with Mexico too.

Although there are not many in number, when you go to a market like Kenya you can find quality operators. Like Mexican companies way back when, these companies are small in market capitalization terms. They can grow. There are many quality companies in Africa just waiting to be discovered by investors, just like the ones in Mexico years ago. Essentially, the economic environment of many African countries is similar to Latin America in the darker days. Latin America rose above the economic situation and African companies can too. The key to all this is liberalization and reform. From what I have seen, large countries are starting to pursue these paths. The most noteworthy seems to be Nigeria. Yes, it is still early days in Nigeria’s path towards liberalization and reform, but it has potential. It, and many other African countries, have potential similar to that shown by Brazil, Chile, Mexico years ago.