



Proactive leadership as a catalyst for inspiring growth, reputation and competitiveness in Africa.

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Brand Africa FORUM 2011 Report

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Brand Africa FORUM™ 2011

Proactive leadership as a catalyst for inspiring growth, reputation and competitiveness in Africa.

The potential for an economic boom in Africa is awakening greater interest in the continent both internally and around the globe. This is reflected in total foreign capital flows into Africa which rose from \$15 billion in 2000 to a high of \$87 billion in 2007. During the recent global financial crisis Africa's collective economy resiliently outpaced that of developed nations, growing at an estimated 5%. However, while Africa's GDP - estimated to be \$2 trillion - is almost the size of leading BRIC nations Brazil and Russia it is worth only 4% of global GDP. What is holding back individual African nations and the continent as a whole from leveraging off this positive sentiments and encouraging statistics?

In part, Africa's battle against poverty and the continent's aid-based development history - fuelled by over \$1 trillion in the course of the last 50 years - is an ongoing issue for debate and concern. At the Brand Africa FORUM™ 2010, global economist and author of *Dead Aid* and *How The West was Lost*, Dr Dambisa Moyo warned that aid continues to blight Africa.

In recent years the mind-shift from aid to growth has been significant among African leaders. In fact, the World Bank estimates that for Africa to put a meaningful dent in its poverty statistics the continent will have to achieve annual growth rates of at least 7%; a similar growth rate to that experienced by the BRIC nation's rapid development. Since 2000, China's economy has grown annually by 10.5%, Russia's by 7.1% and India's at 7.1%.

With growth as the end goal, the key to Africa's development lies in developing and nurturing African businesses, brands

and institutions inspired by the continent's entrepreneurial spirit, burgeoning urbanisation levels, rising investment levels, increasing political stability and regional co-operation.

While much has been written in the global press about multinational, Fortune 500 South African companies such as SABMiller, Old Mutual and Anglo American, less is recorded about the likes of Oando PLC, Nigeria's largest indigenous energy group; Kenya's CFC Bank or the country's East African Portland Cement Company; Angola's national diamond company Endiama; or even Sudan's Kenana Sugar Company. A 2010 tally by African Investor Relations revealed that there were 1 652 listed companies across 21 bourses in Africa. Of that number, South Africa's MTN Group is the only African brand to be included in the BrandFinance Global 500™.

Nevertheless, South Africa's recent elevation to a full BRIC member - now BRICS - bloc shows the significance of the continent's 900-million consumers and burgeoning consumer spending figures, estimated to double by 2020 to some \$1.4 trillion.

How Africa will harness the continental opportunities the BRIC invitation presents requires proactive, and inspired leadership.

In recent months, Africa's leadership in ECOWAS, SADC and the African Union has shown a willingness to tackle African problems with Africa-centric solutions. Furthermore, the challenges in North Africa, Ivory Coast, Sudan and Zimbabwe have deepened the call for proactive and visionary leadership on the continent.



The Brand Africa FORUM™ 2011 focused on key questions which are catalytic to Africa's growth, reputation and competitiveness:

- How can South Africa leverage its membership to BRIC to raise Africa's voice and influence African economic investment and growth beyond 7%?
- What market-driven interventions and policies can African nations learn from other BRIC nations to transform Africa's economy?
- How can savvy global African business and brands inspire and empower other African brands to grow beyond financial services, FMCG and telecommunications?
- Are many African businesses looking to African expansion ahead of global development? If so, what are the implications of looking inward rather than internationally?
- What type of leadership is required to build an enabling environment and systems to inspire growth, investment and innovation in Africa?
- What is the youth's vision for the future of Africa?

Brand Africa Advisory Council 2011

The Brand Africa Advisory Council is comprised of a diverse group of the foremost African and global thought leaders, influencers and decision makers across the public and private sector and civil society who are passionate about improving the stature of Africa in Africa and the world. The ad hoc Council gives strategic direction and helps shape the vision, relevance and sustainability of the Brand Africa agenda for creating a better Africa.



Thebe Ikalafeng,
Founder and Chairman –
Brand Africa

Thebe Ikalafeng is arguably one of Africa's foremost brand authorities. He has been recognised as one of the Top 10 Thinkers in Marketing in an Ipsos survey among business decision makers in Southern Africa. He is founder of the award winning Brand Leadership Group,

Brand Leadership Academy, Brand Africa™ and Public Sector Excellence™ initiatives. He has been recognised with the award Asia Brand Congress "Global Brand Leadership" award and the Marquette University/American Marketing Association "Award for Marketing Excellence". Ikalafeng's distinguished career is highlighted by his leadership of NIKE Africa to over 75 local and global awards, including 10 Cannes Lions and the Institute of Marketing Management's "Marketing Company of the Year" Roll of Honour and leading Brand Leadership to the Fin Week "Marketing Services Agency of the Year, 2008" and the 2011 REBRAND 100 Global Award for Effective Brand Transformations. He has served on leading corporate boards and all notable industry bodies. Ikalafeng holds a BSc (Business Administration) and MBA degrees from Marquette University in the USA, completed executive leadership education in Finance at Wits Business School and Harvard Business School and is a Chartered Marketer (SA). He advises, teaches and speaks globally in commercial, political, nation and personal branding and related matters.



J. Meyer Kahn,
Chairman – SABMiller plc

Meyer Kahn joined the group in 1966 and occupied executive positions in a number of the group's former retail interests before being appointed to the board of The South African Breweries Limited in 1981. He was appointed Group managing director in 1983 and executive chairman in 1990. In 1997, he was seconded full-time to the South African Police Service

as its chief executive, serving for two and a half years. He was appointed chairman of South African Breweries plc upon its listing on the London Stock Exchange in 1999.

Among other awards, he holds an honorary doctorate in commerce from the University of Pretoria and was awarded The South African Police Star for Outstanding Service (SOE) in 2000.



Sir Sam Jonah,
Chairman – Jonah Capital

Jonah Capital's founder and chairman, Sir Sam Jonah, is one of Africa's most prominent businessmen with an internationally recognised profile and an illustrious career. As managing director, he supervised the underperforming Ashanti's transformation into a mining multinational and its subsequent merger with AngloGold. He was appointed president of the new AngloGold Ashanti giant, now the world's leading gold producer.

He has been director of three major mining houses, chaired the boards of six others, and served on the boards of several local and international institutions. As well as his directorships, Sir Sam Jonah is a member of the Advisory Board of the London Business School and is currently the chancellor of the University of Cape Coast, Ghana, and the non-executive director of Vodafone Plc and The Standard Bank of South Africa Limited.

Sir Sam's experience, reputation, and extensive network of business and political contacts allow Jonah Capital to gain unparalleled access to investment opportunities in Africa.



Dr Reuel Khoza,
Chairman – Nedbank, Aka
Capital and
Nepad Business Foundation

Reuel was appointed the non-executive chairman of the group in May 2006. He is also chairman of Aka Capital, a non-executive director of Nampak Limited, Protea Group Limited and Old Mutual plc. He is president of the Institute of Directors and in this capacity served on the King II and King III Committees on corporate governance. He is a founding director of the Black Management Forum and the former chairman of Eskom Holdings. Reuel is also the chancellor of the University of Limpopo.



Professor Nick Binedell,
Founder and Director – Gordon
Institute of Business Science
(GIBS)

Nick Binedell is the founding director and Sasol Chair of Strategic Management of the Gordon Institute of Business Science, a business school situated in Illovo, Johannesburg and established in January 2000, by the University of Pretoria.

After an initial career in the industry in the mining and manufacturing sectors in sales and general management in the Barlow Rand Group, Nick has focused his career for the past 20 years in the area of business education.

His academic qualifications include a PhD from the University of Washington in Seattle, an MBA from the University of Cape Town and a BCom. degree from Rhodes University.

In 1998 he was invited to establish a new business school focused on meeting the individual and corporate needs of business in South Africa. The school has rapidly established itself as a leading business school in South Africa with a strong focus on partnering with leading South African corporates and providing a high level of local and international business education. It was recently ranked as one of the top 40 global executive education providers by the London Financial Times. Nick is a determined traveller and explorer. His earlier years included extensive travel and by the time he was 10 he had lived in Zimbabwe, Germany, Yemen, Kenya, South Africa and Britain. He has spent five years in the United States and in the past three years has traveled to Sydney, Shanghai, Dubai, Prague, Budapest, Lagos as well as European and American cities.

His area of expertise is in the field of business strategy formulation and his academic and consulting work, although predominantly in South Africa, includes work in the United States, Europe and Australia.



Amadou Mahtar Ba,
CEO – African Media Initiative

The African Media Initiative (AMI), is an unprecedented pan-African effort aimed at providing the continent's media owners and practitioners with the tools they need to play an effective role in their societies. AMI aims to strengthen the media sector in Africa to ensure the accountability

of governments and other institutions and to promote social development and economic growth.

Mr Ba is also a co-founder and chairman of AllAfrica Global Media, Inc, owner and operator of <http://allafrica.com> – an international multi-media content service provider, systems technology developer and the largest distributor of African news and information worldwide. Prior to starting AllAfrica, Mr Ba served from 1996 to 2000 as director of communications and marketing for BICIS Bank, a subsidiary of the French banking group BNP Paribas. From 1993 to 1996, Mr Ba helped lead the successful restructuring and privatisation of the Panafrican News Agency (PANA).

Mr Ba is a member of the World Economic Forum's Global Council for the Future of Journalism, advisory board member of the Reporting Developing Network Africa, a member of the Advisory Committee of the Knight International Journalism Fellowship administered by the International Centre for Journalists (ICFJ), as well as a member of the Africa Policy Advisory Board of ONE. Mr Ba was educated in Senegal, France and Spain and is fluent in French, English, Spanish, Fulani and Wolof. He holds a Masters degree from the Ecole Française des Professionnels de la Communication in Paris and from the Paris 7 University (Jussieu).



Geoff Rothschild,
CA (SA), Chartered Marketer
(SA)
Director: Government &
International Affairs, JSE

An immediate past chairman of the JSE and a member of the board from 1991–2008, Geoff currently holds the position of director: Government and International Affairs promoting the JSE. After qualifying as a chartered accountant he spent 30 years in the stockbroking industry with Sasfin Frankel Pollak Securities. Initially he was in charge of administration, followed by the positions of financial director, joint managing director and finally marketing director.

Geoff focuses on African Stock Exchanges, has chaired the Committee of SADC (Southern African Developing Countries) Stock Exchanges (CoSSE) since 2004 and is deputy president of the African Stock Exchange Association (ASEA). He is a director of the NEPAD Business Foundation and is on their Operating & Audit Committees. He is a council member of the National Advisory Council for Innovation (NACI), which advises the Minister of Science and Technology, and an honorary fellow of the Da Vinci Institute of Technology. He also assists with various charitable organisations: NOAH (Nurturing Orphans of Aids for Humanity), CHOC (Childhood Cancer Foundation), Education Africa, the Nelson Mandela Children's Hospital, and the Football Foundation of SA.

Agenda

08:00 - 08:30 Accreditation

08:30 - 08:45 *Opening Address:*
Anitha Soni, Chairman of Brand South Africa

Governance & Sustainability

08:45 - 09:15 **Keynote: The Role of the Nation Brand in Economic Development**
Dr. Arthur Mutambara, Deputy Prime Minister: Republic of Zimbabwe

09:15- 10:45 *Panel chair: Dr. Jackie Chimhanzi, Consulting – Africa Leader, Deloitte*

- Sylvia Mwachuli, Communications and Public Affairs Director, AGRA (Kenya)
- Shakeel Meer, Divisional Executive: Corporate Strategy, IDC (South Africa)
- Dr. Joseph S. Annan, Deputy Minister of Trade & Industry (Ghana)
- Prof. Keith Dinnie, author "Nation Branding" (Japan)
- Miller Matola, CEO Brand South Africa (South Africa)
- Prof. Richard Mkandawire, Head of Resource Mobilisation, Partnerships and Communications: NEPAD Agency (Malawi)

10:45 - 11:00 Refreshment Break

Business

11:00 – 11:30 **Keynote: How the West Was Lost: Lessons for Africa**
Dr. Dambisa Moyo, Author: "Dead Aid" & "How the West Was Lost"

11:30 - 13:00 *Panel chair: Prof. Nick Binedell, Founding Director - GIBS*

- Dr. Dambisa Moyo (UK)
- Dr. Simo Lushaba, Chairman, Sanibona Communications (Pty) Ltd (South Africa)
- Gary Alfonso, Managing Director, CNBC Africa (South Africa)
- David Haigh, Founder & CEO - Brand Finance (UK)
- Tawanda Nyambirai, Chairman – Econet and TN Group (Zimbabwe)
- Amadou Mahtar Ba, CEO - Africa Media Initiative (Kenya)
- Nigel Hollis, author "The Global Brand" (UK)

13:00 - 14:00 Lunch Break

Youth Vision for Africa

14:00 – 14:15 **Keynote: Africa 2.0: Kenya Report**
Malik Fal, Managing Director - Endeavour

14:15 – 15:30 *Panel chair: Cedric Ntumba, Deal Executive, Capitalworks Investment Partners*

- Gertrude Kitongo (Kenya)– Brightest Young Minds
- Ralph Baumgarten (South Africa) – Brightest Young Minds
- Zamatungwa Khumalo (South Africa) - One Young World
- Erik de Ridder (South Africa) - One Young World
- Francis Ekii (Uganda) -African Leadership Academy
- Linda Rebeiz (Senegal) -African Leadership Academy

BRICS

15:30 – 16:00 **Keynote: Africa Rising**
Dr. Vijay Mahajan, Author, "Africa Rising"

16:00 – 17:30 *Panel chair: Abdullah Verachia, Director – Frontier Advisory*

- Ajai Chowdhry, Chairman - HCL (India)
- Dr. Vijay Mahajan, Author, "Africa Rising" (India)
- Dr. MG Vaidyan, Regional Head (Africa) & CEO - State Bank of India, (South Africa)
- James Mwangi, Global Managing Partner – Dalberg (Zimbabwe)
- Christine Jiang, Director – SEA Region Business Development Department - Huawei Technologies Co. Ltd (China)
- Simon Freemantle, Senior Analyst – African Political Economy Unit, Standard Bank Research (South Africa)



Celebrating Africa

The Brand Africa FORUM 2011 has been an incredible opportunity to tap into the insights of dynamic and powerful African and global thought leaders, decision makers, politicians, business leaders and future leaders. After auspicious beginnings in 2010, Brand Africa is making progress in creating a platform for Africans to debate and shape Africa's voice and place in a rapidly changing world. In 2011, the FORUM brought together the most diverse array of global and Africa decision makers, thought leaders and influencers who share the common vision of taking this continent forward.

One of the key drivers of the excellence and success of Africa will be a vibrant private sector – businesses and brands geared towards serving the needs of the 900 million African and global consumers, and contribute to Africa's self-sustainability. It has been proven that the countries with the leading brands are also the countries with the top GDPs. Thus brands are a key driver of the wealth of nations. It was therefore opportune and timeous to launch the inaugural Brand Africa 100 – the most valued brands in Africa at the 2011 FORUM. These brands are a barometer of the successes of Africa and its 54 nations in creating wealth and positively influencing the image of the continent and its various sovereign nations.

In her opening remarks to the 2011 FORUM Anitha Soni, Chairman of Brand South Africa, laid down a challenge for Africa: "What is our 2011 call to action? What do we hope to achieve or have consensus on when we leave?" she asked. "I challenge you to use this FORUM to further develop our co-operation and information sharing with African countries. Let us see an increase in nation branding initiatives which are supported by government, business and citizens of each of the proud nations that make up this continent."

Anitha's call that "there can be no successful nations if we don't bring all stakeholders together" is a challenge for Africans to partner to drive Africa's agenda. Last year we explored the impact of the 2010 Fifa World Cup in South Africa, delved into the role of business and the media and asked serious questions of nation branding. This year posed as many questions but also looked to other emerging markets – the likes of BRICS nations Brazil, India and China – for inspiration, highlighted the importance of inter-regional African trade, and drilled down into issues of corporate governance and sustainability in Africa. But perhaps the most important panel was the dynamic youth panel with African youth ranging in age from 17 to 25. Youth are not only the majority of the continent but the future of the continent. By all accounts, if we listen to them, we will be able to make the right discission to create a better Africa

Africa will thrive as Dr Vijan Majahan, the author of *Africa Rising*, reminded us at the FORUM. Africa is rich with potential and opportunity, and the future of this continent and the world rests paying intimate attention to the various voices and seeing beyond the surface.

It is exciting to be apart of the journey to create our future together. Thank you to our partners and participants for their valuable contribution and support for making the second Brand Africa FORUM a success.



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"I challenge you to use today to further develop our co-operation and information sharing with African countries. Let us see an increase in nation branding initiatives which are supported by government, business and citizens of each of the proud nations that make up this continent."



Anitha Soni

Welcome to the Brand Africa FORUM 2011

Opening the 2nd Brand Africa FORUM, Anitha Soni, Chairman of Brand South Africa, host of the Brand Africa FORUM in 2010 and 2011, was fulsome in her praise for the potential of the initiative and excited about the discussion which would follow. Noting the high-level array of speakers and panellists, she was eager to invite a frank and open discussion about Africa's successes, challenges and possibilities.

Brand Africa is an initiative aimed at bringing together champions of the continent's brand development and to share in best practises in order to unlock Africa's potential to progress the continent's growth and competitiveness, said Soni, who pointed to the strategic association with Brand Leadership as key to the on-going success of the project.

Southern Africa is a case in point," she said. "Countries like South Africa and Kenya have initiated internal national pride and active citizen programmes. This approach recognises that it is not only the role of government to drive a nation's brand reputation but also the responsibility of the private sector and citizens at large."

"South Africa's membership to the BRICS is an opportunity to raise Africa's voice and a catalyst to acquire the minimum 7% growth for Africa."

Touching on the recent changes within Brand South Africa, Soni stressed how the body's strategic and operational accountability has been relocated to no less than the Presidency of the country. "This speaks to the need for nation brands to be located at the nexus of a country's planning, policy, strategy and, I dare say, monitoring and evaluation as well."

"So what is our 2011 call to action and what do we hope to achieve or have consensus on when we leave today?" asked Soni. "I challenge you today to further develop our co-operation and information sharing with African countries. Let us see an increase in nation branding initiatives which are supported by government, business and citizens of each of the proud nations that make up this continent."



"Last year's Brand Africa Forum addressed the following issues: The legacy and impact of the Fifa 2010 World Cup in South Africa and the cost of Africa's negative brand on its global competitiveness," recalled Soni. "The role of the media and business in nation building was also dealt with, as well as the limits imposed on the continent by virtue of its reliance on aid and the fact that there can be no successful nation branding if we don't bring together all stakeholders."

The programme in 2010 covered the challenges facing Africa's leadership, infrastructure and governance. "It further recognised that to compete effectively the continent needs to, among other actions, ensure governments and leaders get on board, invest in and drive the rebranding of the continent," she stressed. Clearly, branding can and must be a key part of the planning, policy and strategy of a country.

Twelve months is a long time in this fast-paced global world and Africa is no different. Within a year of the debut FORUM, Soni pointed to strides which have been made by governments to collaborate and co-operate. "The recent signing of the Free Trade Agreement between the economic communities of the East, West and



“Branding a country is improving the reputation of a country through policies, through leaders, through vision, through strategy, through execution. Not through slogans and marketing campaigns.”



Dr. Arthur Mutambara

Putting the brand vision into action

“Why is national branding important? What is country competitiveness? What is the link between the two? And what has to be done differently in Africa? It cannot be business as usual if we are going to be building economies that are competitive and if Africa is going to be successful.” This was the challenge laid down by Zimbabwe’s Deputy Prime Minister, Prof Arthur Mutambara, during a rousing keynote address at the Brand Africa FORUM 2011.

While Mutambara's passion and enthusiasm for Africa's potential shone through, he was able to translate his experience on the ground in Zimbabwe's power-sharing government with his academic side, after all he was a former NASA researcher. The combination of practical and theoretical set the tone for a fascinating day's insights into Africa's potential and future prospects.

Mutambara's approach to branding a nation was pragmatic. “A good brand is not a nice to have, it is about money!” he said, stressing the importance of Africa having first a vision then, critically, planning and implementing that vision into a brand. “We are very good at planning and talking but not at executing.”

Squashing the marketing idea that branding is, somehow, a 21st century phenomenon, Mutambara pointed to the historical importance of country reputations or the “country of origin effect”. Think about the tag-lines Made in Japan or Made in the UK, “they spoke volumes about the quality of the product... But it is not about slogans or marketing, it is about what you are doing. And it's not what you think about yourself that matters, but what ‘they’ think about you. Even if ‘they’ are wrong, fix that perception, because perception becomes reality.”

Every citizen must be a brand ambassador, said Mutambara. “Only then can you create events which change the world perception of your nation. So the politicians must be brand ambassadors, but the brand must be independent of the current leader, the current president.” This approach of multiple stakeholder buy-in extends to the media too, he said. After all, “If we do not brand ourselves, the media will do it for us”.

That said, branding and reputation management cannot happen in a vacuum. We must measure things, if we can't measure things we can't manage them, said Mutambara. While some researchers, politicians and nations shy away the many global indices that are published, they do provide an opportunity to measure successes and improvements. “We must listen to what those numbers are saying and get a sense of how you are doing in terms of competitiveness,” he said pointing to the recently released 2011-2012 Global Competitiveness Rankings. “Switzerland is number 1, Singapore 2, Sweden 3, and Finland 4. America has gone down from 4 to 5. The UK was below 10, it's now in the top 10. (In terms of) the BRICS - Brazil has gone from 58 to 53, Russia down from 63 to 66. South Africa has gone up from 54 to 50. That's out of 142 countries. Zimbabwe is 132 out of 142, last year we were 136 out of 139, so we've gone up! But we've got work to do.”

Regional Integration

In spite of looking at the individual numbers and country rankings, Mutambara stressed that the future of Brand Africa lay in a regional approach which would allow Africa to leverage off its economic possibilities and growing collective population. “We will not make it as Zimbabwe, we will make it as SADC (Southern African Development Community),” he said. “South Africa will not make it as South Africa, South Africa will make it as part of SADC or COMESA (Common Market for Eastern and Southern States) - you are not members, you must join! Your BRICS status will not work if you go in as South Africa. Go into the BRICS and

say I'm representing 450 million people in SADC. Say I'm representing the FTA (Free Trade Agreement) - 600 million people with a potential GDP of \$1 trillion. Then you make sense. The future of Africa is regional integration.”

This collective approach must, however, be tempered with the realisation that Africa is a collection of different cultures, religions, and societal norms. “Let us be sensitive, Africa is not one country,” said Mutambara. “So your ability to move in and out of different business cultures, different political cultures and produce a premium result is a sign of cultural intelligence. SABMiller is a good example, offering different beer for different markets.”

“You cannot have a national brand without a national vision, a vision shared across the political divide. And spend some time on execution, on doing. (A national brand) is the game plan that takes you from where you are to the ‘Promised Land’. The vision must work together with the brand.”

This thread of Ubuntu needs to run through the way we do business, he said, stressing the need for sustainably in approach rather than simply leveraging off the resources boom. “Africa's growth is more than a resource boom, more than half our GDP comes from ICT, retail and banking,” he said. But that wealth, that investment allure or potential means nothing if Africa does not “address poverty, the community, the environment. This is the triple bottom line. It's all about sustainability. What needs to be done differently in Africa is this notion of shared value.”

Get what Mutambara called the “hexagon of branding” right and investment would follow. In other words look at tourism, exports, people, governance, culture and investment as a connected whole. “You must be known well in those six areas of branding, and they must interact and feed into one another. Yes, the key issue is investment, but that investment is a function of the rest of the issues.”

But, ultimately, Mutambara said Africa needed to move beyond being a brand. Countries and people need to invest in Africa, not because it makes financial sense but because they LOVE Africa.

Governance & Sustainability

Sometimes when you're discussing issues as serious and significant as governance and sustainability, policy and economics it pays to add a touch of humour to proceedings. Dr Jackie Chimhanzi did just that as facilitator of an in-depth discussion with an acclaimed five-person panel. Introducing herself she quipped: "I'm the Deloitte leader for Africa; I run Africa!" Jokes aside, she was soon down to business:



"I think Africa finds itself in a very unique and special juncture in its history," said Chimhanzi. "According to The Economist seven of the 10 fastest-growing economies in the world will be from Africa, between 2011 and 2015. But despite this boom questions still remain: Will Africa's growth really benefit Africans?"

The notion of sustainability seems to hold the key, but what – exactly – does this mean?

Ghana's Deputy Minister of Trade and Minister, Dr Joseph Annan, was up to the challenge of defining this concept, which he stressed was hinged in long-term thinking. "Many times in Africa, certainly in Ghana, we are always in a hurry. The Chinese have a proverb: If you want to think a year ahead, grow rice. If you want to think 10 years ahead, plant a tree. If you want to think 100 years or more ahead, train somebody. I think our sustainability depends on thinking out the box on what we do about skills development, training and, indeed, future generations."

Certainly, from an outsider's perspective, Prof Keith Dinnie, founder and director of the Centre for Nation Branding and the author of "Nation Branding: Concepts, Issues and Practice", believed sustainability – measurable in such indexes as the Environmental Sustainability Index – was a future, branding treasure trove, touching as it does on aspects of government, corporations and civil society. With South Africa hosting the 2011 COP 17 gathering, issues around the green economy were pertinent too.

Prof Richard Mkandawire, Head of Resource Mobilisation, Partnerships and Communications at the Nepad Planning and Coordination Agency, stressed that "as an African COP we cannot ignore climate change, it is absolutely fundamental that Africans lend their voice to speaking to how climate change impacts negatively on other sectors". While quick to point out that those responsible for greenhouse emissions should be made to pay for their sins, he did admit that many African governments currently have no policies in place around climate change.

Beyond policies, however, Mkandawire said that "unless there is a real push, from the grassroots to the decision makers, then governments are not likely to take these issues seriously".

Addressing food security

Another area impacted by climate change is agriculture, which featured strongly in the Brand Africa FORUM discussion. Sylvia Mwichuli, Director of Communications and Public Affairs for the Alliance for a Green

Revolution in Africa (AGRA), challenged African governments to face up to the issue of food security and investment into agriculture. "Some 80% of Africans depend on agriculture yet the continent invests less than 4% in this sector," she said. "In order to achieve sustainability our continent must look at investing in agriculture. This is a game changer. Governments have made commitments but the truth of the matter is that the implementation of programmes is very poor."

"Where Africa has failed in the past is around defining its own development agenda and homegrown solutions. This is fundamental. We need to look towards regional integration and mobilizing our own resources from within Africa."

Prof Richard Mkandawire, Nepad

Recently news headlines around the world have been dominated by images of emaciated and dying people in the Horn of Africa, said Mwichuli. "Until people start to realise that we need to take care of our land and ensure that all Africans have food to eat, then we cannot even begin to discuss having a strong development agenda. This is critical. Our brand, as Africa, is largely dependent on how we deal with this issue of food security," she said.

Attracting the right investment

The Industrial Development Corporation of South Africa (IDC's) Strategy Executive, Shakeel Meer, was well-placed to discuss the broader issues of governance and sustainability from the perspective of investment. "If we are to attract the



Miller Matola,
CEO: Brand South Africa

right investment to have a sustainable impact we need to ensure we have proper governance within ourselves and also we need to encourage proper governance in the companies that come here," he said. "At the moment the investment into our continent is driven by other countries and investor's needs, often to extract resources. How do we make sure those investments are to our benefit? They must have a sustainable impact on job creation, the environment and developing local businesses."

Beefing up beneficiation

An area where local business could be boosted lies in beneficiation, a touchy issue which is being held back, said Meer, because Africa does not run its own agenda.



Prof. Richard Mkandawire,
Head of Resource Mobilisation,
Partnerships and Communications:
NEPAD Agency

"Every country around the world wants to create jobs at home and it's the easiest to come into Africa, take our resources, take them back home and create the jobs there, adding real value to those countries," he explained.

Only Africans can change that reality and, said Ghana's Annan only a longer-term horizon to profits will impact how country's react to the marketplace and the demands and needs of international markets.

Turning talk into action

Finally, Brand South Africa's CEO, Miller



Shakeel Meer,
Divisional Executive: Corporate Strategy, IDC

Matola, stressed a theme recurrent throughout the discussion: Action. "It's critical that we move beyond strategizing to implementation," he said. "For example, when it comes to the Free Trade Area (FTA) African countries are moving in the right direction." And, critically, they are moving together as a region; an issue which Matola said was key to South Africa's BRICS membership.

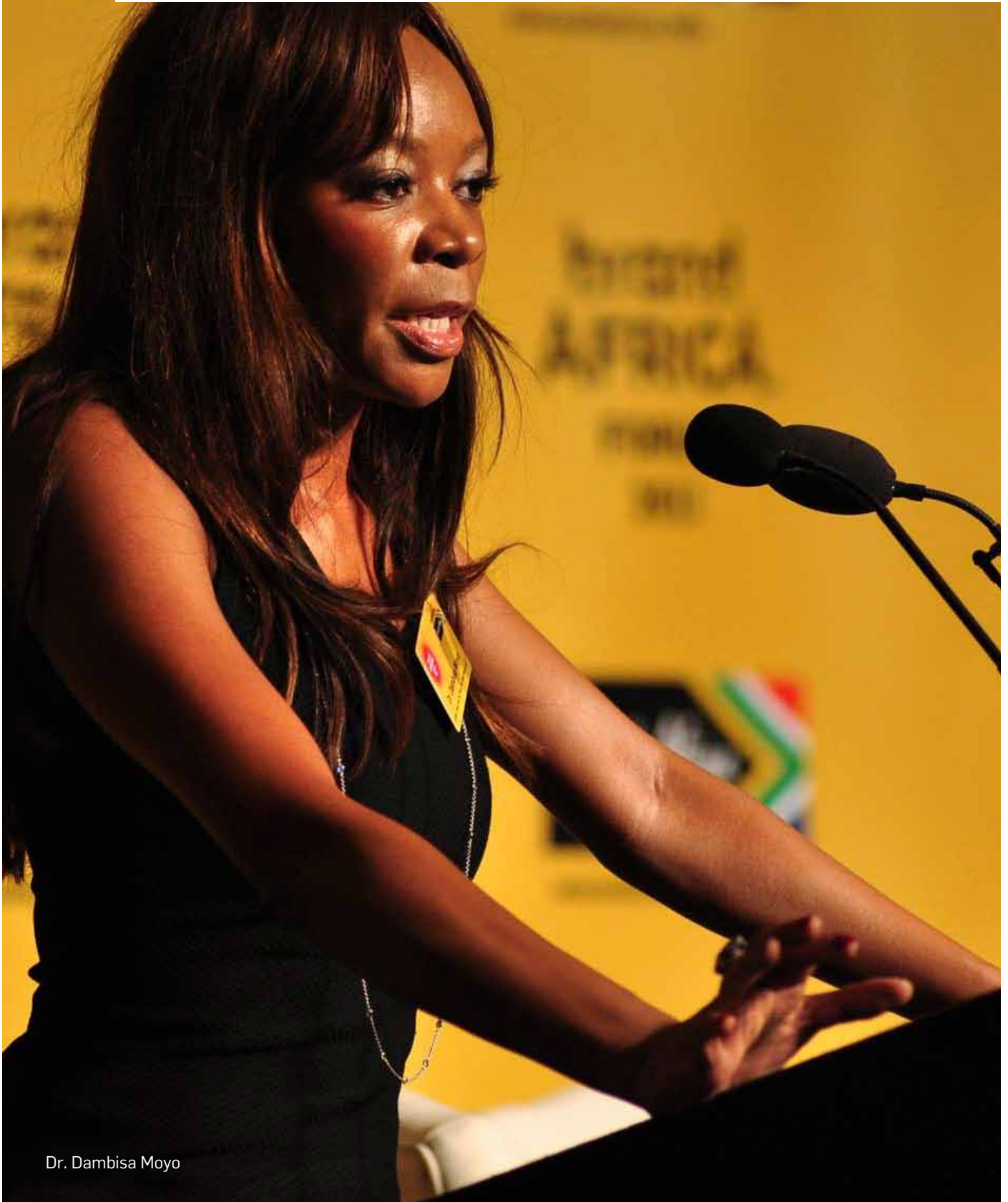


Sylvia Mwichuli,
Communications and Public Affairs
Director, AGRA

"We see the 'S' in BRICS as standing not only for South Africa but for SADC and beyond that for the rest of the continent. We know from a market size point of view – 50 million or so – we may not come across as huge but if we see ourselves as part of SADC we are bringing in a market of over 200 million. As the FTA we move to beyond 500 million. If you look at the continent there are about 1 billion consumers. And that is the positioning we are taking."

"We always operate from the perspective that our destiny and our prosperity as a country are inextricably linked to the rest of the continent. That's quintessentially African, we call it Ubuntu."
Miller Matola, Brand South Africa

"The winners in the decades to come will be people who look at Africa as a business opportunity and a place for partnerships and not a place that is a drag on the global economy."



Dr. Dambisa Moyo

Africa in an uncertain New World

“I have bad news and then I have worst news, and then I thought I’d speak about some of the glimmers of hope with respect to the global economy and, more importantly, where Africa can be.” This was internationally-renowned economist Dr Dambisa Moyo’s opening salvo during a powerful address to delegates at the Brand Africa FORUM 2011.

The New York Times bestselling author of *Dead Aid* and *How the West Was Lost* pulled no punches in her assessment of the continent and the current world economic order. “The bad news is that the economies across Western Europe and the US – which have been the key leaders in terms of economic growth over the past several centuries – are now in dire constraints. If you look at their debts and deficits they are facing serious economic problems.”

Moyo explained that there are three things that drive economies: Capital (money), labour (workforce) and productivity (how efficiently economies use their money and labour force). “These are the three things, which as economists, we focus on. If you look at a snapshot of the Western economies right now, with regard to capital, labour and productivity, it’s a very scary story.”

To illustrate the extent of the capital problem Moyo offered some alarming figures:

- Portugal, Ireland and Greece are in debt to the tune of \$500 billion.
- Spain’s debt stands at \$1 trillion.
- Italy has a mammoth \$2 trillion debt figure.

Together Portugal, Ireland, Greece, Spain and Italy have a combined debt of \$2.5 trillion. “Why have I given you these numbers,” challenged Moyo, “because in 2001 and 2002, when Argentina defaulted, and the world came to a standstill because it was such a big deal. Argentina’s default and the amount of debt she had outstanding was about \$82 billion, nothing compared to the trillion dollar debt burdens we are talking about in Europe today. So we are facing a very serious problem.”

“The labour picture, I’d argue, is even worse”, said Moyo. Both the US and the UK have both seen significant drops in the quality of education. Ten years ago England and the US were ranked No 1 and No 2 in the world for maths and science. Today they have dropped to 17 and 25 respectively. “These issues that go to the core of the education system,” said Moyo. “In the US today 74% of American males between the ages of 17 and 25 are not eligible to be hired by the US Army because of poor education and obesity. Having been raised in the African context, where we are told education is so important; I find it shocking that these economies have slipped so dramatically on a relative and absolute basis.”

Turning to productivity, Moyo said both the US and Europe were not using their money and labour wisely. “In the past several years China has moved quickly to become the most productive economy in the world, we all know the story, but we’ve also been able to see that the US and Europe have not used their capital and labour

wisely. The US borrowed a lot of money from China – China now is the biggest lender to the US – and instead of using that money to invest in productive things like infrastructure or building companies, they used it for consumption. We know what the end of that story was: the financial crisis.”

Moyo’s worse news was that, historically, when huge global economies find themselves in a financial chaos - especially to the scale we’re seeing now - the world sinks into a global recession that can last up to 10 years. Quoting research from Carmen M Reinhart and Kenneth Rogoff’s *This Time is Different: Eight Centuries of Financial Folly*, Moyo predicted that we have “about 10 years of low, sub-trend economic growth to look forward to”.

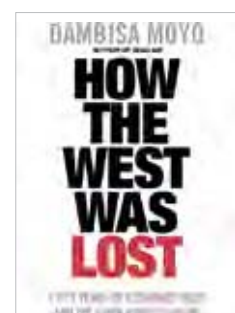
“Many countries in Western Europe, and also the US, are suffering from big deficits and massive debt levels; we are talking about over 100% debt to GDP ratios.”

Where to for Africa?

The world is changing, stressed Moyo, and the time is ripe for Africa to stand up and realise its potential. In 40 years there will be 9 billion people on planet Earth and in 20 years some 2 billion of them will be in the middle class: “Many coming from the emerging world. Africa, Russia, Brazil, China. They will want better living standards but there are simply not enough resources going around.”

This population explosion will place additional strain on resources and commodities – pressure which is already being felt in a world where already 1 billion people go hungry a day, many on the African continent. “Africa has the demand, it has the supply, and we’ve got the untilled, arable land. Africa has an important role to play,” said Moyo. But before we can get to that point, we do need to deal with Brand Africa, because until we get our heads around our important role in where the world is going then all of this is a wonderful conversation but it’s actually not going to help us in the long term.

The time for ‘band-aid’ solutions to Africa’s problems is over. We need to fix structural problems. We need to embrace innovation and start now to deal with Africa as a brand and as a solution.



Business

Discussing the role of business in Africa is, as this Brand Africa FORUM 2011 panel soon discovered, a topic which far outstrips the business arena alone. With numerous issues up for discussion the business debate was lively and, at times, controversial. Steering a tight and well-humoured discussion was facilitator Prof Nick Binedell, Director of the Gordon Institute of Business Science.



Spescom Chairman Dr Simo Lushaba provided the perfect launch pad for the business debate, throwing down the gauntlet for African business to “grow up” and tackle the issues facing the continent with solid leadership. “As Africans we have not yet taken ownership of our destination,” he said. “We have to create an environment as business where leadership exists. Just look at the fact that we are one of the fastest-growing wireless communication markets, but we have to wait for the rest of the world to perfect 4G and other technologies in order to apply it. If Africa is going to pursue its potential we need confidence and we need the mind-set of winners.”

Lacklustre leadership

The concerns around leadership on the continent – issues which were roundly debated in the inaugural FORUM in 2010 – still pervaded the business discussion. For keynote speaker Dr Dambisa Moyo the failure of leadership on the continent even filters down into how NGOs represent global poverty: with the image of an African.

“I’ve had the good fortune in attending a number of international meetings, World Bank and so on, and I find nothing more demeaning when African leaders come there to beg,” said Moyo. “That’s not to say there are not urgent needs on this continent which require international support but there is a dignity which has been lost.”

A united front

A key moment in the discussion involved a debate between David

“It is us who have allowed the world to create this brand of Africa. So it is us, Africans themselves, who have to change it. Until we take charge of that there is no point in us complaining about what others have done to us.”

Dr Simo Lushaba, Spescom

Haigh, CE of Brand Finance plc, and Moyo in which the branding of Africa as a collective was discussed. Earlier Moyo had made the point that “as much as people say Africa comprises different countries ... the solution has to be one that is unified. I don’t think Kenya can have amazing economic success in the long term if Zambia is in economic destitution, I don’t think Ghana can do really well if Ethiopia has problems.”

But, argued Haigh, “can you actually get one Brand Africa? Can you get consensus about what it means? I would stress that it is hard to have one consistent brand story for a continent like Africa. It includes Egypt, Morocco, Nigeria and South Africa and they are all built quite different. Africa is a place, but is it a brand?”

Moyo fired back: “I would say that the world has been very successful in creating a brand for Africa for the past 50 years. So to say we can’t have a brand for the continent is flawed. There is a brand attached to Africa. What we

find objectionable as Africans is that it’s the wrong brand.”

Changing the narrative

With this in mind the discussion turned to the role of the media in changing the perception of Africa.

Gary Alfonso, Chief Operating Officer of Africa Business News at CNBC Africa, stressed that organisations like CNBC Africa, which cover business news from an African perspective, have changed the

way people see business on the continent. However Alfonso stressed that changing perceptions "starts here, it doesn't start outside of Africa".

Amadou Mahtar Ba, CEO of Africa Media Initiative, agreed about the power which large media houses have to give a voice to local entrepreneurs and governments but his vision went further. "It's great to have a world-class media through which everyone can present their views in the nicest ways possible, but the most important thing is to be able to air the change which is happening. Talk about the real changes ... talk about a country like Rwanda which has emerged as one of the leading business-friendly countries in Africa."



Amadou Mahtar Ba,
CEO: Africa Media Initiative

is that governments also participate in business."

- Flow of capital – "A common feature is exchange controls which are designed to encourage the inflow of investment but restrict its outflow."
- Tax – "Legislation tends to emphasise tax treaties with European countries ... so most tax incentives focus on foreign capital and pay less attention to local investment."
- Human resources – "Across Africa there is a phobia around employing professionals from other African countries ... that phobia expresses itself in immigration laws and controls."

- Costs – "The new reality is that Africa must also compete with cheap goods that come from the East... but the cost of capital to most the African countries is higher because of perceived risk."
- Empowerment – "Empowerment issues are real issues ... but the downside is they can breed corruption."

Despite the challenges, the final –



Nigel Hollis,
Executive Vice President and Chief
Global Analyst: Millward Brown

enthusiastic - word belonged to Nigel Hollis, Executive Vice President and Chief Global analyst at Millward Brown: "Africa is in a great position right now not to follow the mistakes made by Western markets... There are great opportunities for brands to come from Africa and to become effective on the global stage, but one of the first things to do is to become a strong brand within your home country, within Africa."



David Haigh,
Chief Executive: Brand Finance plc

For Mahtar Ba, the dream of an all Africa network must be the end game. "What's really holding this back is the regulatory environment, which is more often than not unfriendly, secondly there is a lack of capital and thirdly fear is holding us back." Critically, the issue of regulations was one which Econet Chairman Tawanda Nyambirai was quick to pounce on in his deliberations about doing business in Africa.

The challenges

Nyambirai highlighted a number of issues which are common across a number of African nations and which impact directly on the ease of doing business. They were:

- Corruption - "A common feature among a number of African countries



Tawanda Nyambirai,
Chairman: Econet and TN Group, Zimbabwe

"I don't believe the media can change the perception of the continent, and yet many politicians and business leaders always ask the media to do that. The image of this continent will change once the reality on the ground has changed. That's the bottom line."

Amadou Mahtar Ba, Africa Media

“Entrepreneurs are really the backbone of transformation on the continent. They are the unsung heroes of the continent, but they also face a lot of obstacles, not just financial.”



Malik Fal

A new manifesto for Africa

Endeavour South Africa's MD, Malik Fal, put his business hat aside during the recent Brand Africa FORUM 2011 to speak about an initiative close to his heart: Africa 2.0. The initiative, is "the collective effort of a number of young African professionals who decided to come together and bring their knowledge and expertise to create a voice, a kind of a legacy of what the new generation of Africans are demanding from their leaders", explained Fal.



The group brings together some 250 young business people, social entrepreneurs and opinion leaders from nearly 40 African countries to devise a strategy to help the continent accelerate its development. It's about Africans standing up for Africa, a point which founder Mamadou Toure reinforced recently when he said: "If you think about it, China has an agenda for Africa. India has an agenda, Europe, America. It's

about time we Africans set an agenda for ourselves."

Ahead of the group's unveiling of its maiden manifesto in October 2011, Fal took the chance to outline the rationale behind the Africa 2.0 philosophy, stating simply that: "We need to change our mind-set and impart, to a new generation, a new vision and a new approach that is driven, that is dedicated and that is deliberate in order to push the continent forward."

Not only are Africa's youth ready for this drive; they are hungry for it. Explained Fal: "Over the past 10 to 15 years there is a sense that Africa has progressed, but not enough to drive the type of transformation we believe the continent needs. Between 2006 to 2008 growth across Africa as a collective – which is a very loaded term because we forget the scale of Africa – was about 6.2%. In 2009 Africa grew at 2.5%, from 2009-2010 Africa grew at 4.5% and between 2010-2011 at 5.4%. These figures are encouraging compared to what we saw in the '80s and '90s but with population growth rates of about 3.5% on average it leads about 3% per capita income growth, which is pretty unnerving when you want to drive the type of transformation that we do. We felt there was room for a much bolder, more aggressive style of leadership for Africa."

"It's not going to be an easy process but as the collective we wanted to leave a legacy that those solutions for Africa exist if you have a leadership that is open to ideas."

Plan of action

Like any good initiative it needs a business plan, and Africa 2.0's manifesto will, essentially, be just that. "The manifesto will look at the economic dimension and also the political level," explained Fal. "If Africa makes one step forward and two steps back then our rate of transformation will be very slow."

Tackling the problems demands a clear plan of action which Africa 2.0 will be focusing on under four sections:

1. Uplifting Africans – Beyond capacity building, health care and housing, all of which demand a united front from the public and private sectors, Fal stressed the need for an on-the-ground improvement in inter-African relations. "We need each other. I come from Senegal. If you are a foreigner in Senegal it is better to be French than Ghanaian. The offenses and prejudices we have against our fellow Africans are offenses and prejudices we have against ourselves. We need to internalise that and confront it and change it. Not deny it."
2. Creating and sharing African Wealth – "Africa is endowed with natural resources, yet some of the countries endowed with those resources have some of the lowest per capita income in the world," said Fal. That is because wealth is not about natural resources, it about the ingenuity to transform natural resources and work together to find solutions. "Governments don't create wealth, firms do. If you take Nigeria's oil income – say \$300 billion or \$400 billion a year and you divide it per head it would give you \$20-\$30 per person. That is not wealth. Wealth is about letting the ingenuity of entrepreneurs, and letting firms prosper."
3. Upgrading Africa's leadership - "We are asking for knowledge-based leadership. The world is a great village now, in every area of leadership will need to value knowledge. We need effective leadership if we are to move forward at the pace that we need to move forward," said Fal.
4. Creating a stable environment for growth - "Before all these initiatives can take fruit we need to secure the environments in which our countries operate," said Fal. "Countries like the Ivory Coast were seen as a pearl of development in West Africa for many years, but we've gone back 50 to 60 years in a matter of a few years of conflict. We need security services to play their role. Rwanda has done very well in that and they are able to secure and protect the development of the country."

Critical to all of the points above is a more selfless form of leadership on the continent which is open to ideas and new solutions. On that point Fal was frank about his continued concerns over many of the African leadership models. "On the political arena we have invented a new type of political leadership, which I like to call presidential monarchies. Here we have presidents who are pushing their children to take over, in Togo, in Gabon, potential in Senegal and other countries," he said.

We need to refocus leadership to service and transform the lives of the people on the continent, said Fal. "The solutions to this continent are not rocket science, but we need strong determined leadership who are open to new ideas."

Youth share their vision of Africa

If there was one panel discussion which sparked keen interest and set the stage for further discussion in 2012, it was an inspiring group of young Africans sharing their thoughts and feelings about the continent's growth and development. Facilitated by Cedric Ntumba, a private equity Deal Executive at Capitalworks Investment Partners, the discussion offered powerful insights into the philosophies and ambitions of Africa's future leaders.



The first topic up for discussion was how to inspire Africa's youth. Ralph Baumgarten, a 23-year-old final year accounting and law student at the University of Stellenbosch - and "not a German, but South African. African" - got the ball rolling by saying: "Yes, the world is overwhelmed by many social problems but I believe what is needed is not only knowledge and analytical skills but really the mind-set and the skill set to be positive change agents in society."

Baumgarten, who serves as the Chief Passion Officer of Brightest Young Minds, a youth driven non-profit organisation, highlighted how such initiatives can make this change happen. "Change agents that really challenge the status quo are forward thinking and sketch positive scenarios about the future in this day and age. We need to get these change agents to unite in a common voice to lead Africa in the future."

Facing up to challenges

Francis Ekii (17), a student at the African Leadership Academy in South Africa, was realistic about the challenges facing the continent, from racial segregation to disease, corruption and poverty. "We treat symptoms as opposed to root causes," he bewailed. For instance, looking at fighting HIV/Aids without talking about values and self-awareness is futile. The secret begins with empowerment and encouraging young people to "take charge of the continent".

Building on this notion, Gertrude Kitonga (24) "a Kenyan-born Ugandan" and a recent graduate from CIDA City Campus in South

Africa, tackled the issue of empowering African women. "The role for women right now is for us to take risks and look at other agendas that can help Africans, especially from a youth point of view ... what Africans should do right now is look at the many women in Africa right now who are suffering. There is disease, there is poverty and there is a lack of education. It is hard work to overcome these disasters and make Africa a winning continent."

"The elders – with all due respect – do not understand that the next generation is not about 'what's in it for me only' because they know they have a responsibility of carrying this continent forward and whatever they do they need to be sustainable. Business won't be business as usual in the future."

Ralph Baumgarten (23)

Encouraging entrepreneurs

Passionate about entrepreneurship, 22-year-old Joburger Zamantungwa Khumalo – who is currently studying towards a degree in international relations, politics and law at Wits University – held the floor on this vital tool for uplifting Africans and growing sustainable businesses.

Right now Africa is in a catch 22 situation, Khumalo said. "Do we develop young people and fear that they leave and go to Europe or America, or do we just let them be so they will stay on this continent? I think a lot of statistics have been thrown around about youth unemployment in Africa - in some countries it is as high as 80% - and that is shocking. It shows how we are not

being invested in. In South Africa the unemployment rate for young people between the ages of 14 and 24 is as high as 60%. We need to be having conversations about how to alleviate youth unemployment." Quite simply, said Khumalo, we must harness the power of entrepreneurship.

"The reality of the education system is we are being trained in degrees that we are not going to need by the time we graduate. That is how rapidly the world is globalising and how rapidly economies and markets are growing. Graduate unemployment is on the increase, not just in Africa but Europe and the UK. We are not guaranteed a job; "I could go up to a PHD level and still might not get a job," said Khumalo.



Linda Rebeiz,
African Leadership Academy

The youth panel drove home the issue of tackling unemployment. Linda Rebeiz (17), a Senegalese student from the African Leadership Academy, stressed how vital it was to give back to the community and



Gertrude Kitongo,
Brightest Young Minds



Francis Ekii,
African Leadership Academy

encourage competent and educated people to go into teaching. This means cutting through the allure of money and prestige and looking rather towards personal and societal fulfilment. "You do not want to be giving your life and at the end of the day realise yes, I have all this money but what do I do with it? What have I done, what impact have I had?"



Erik de Ridder,
One Young World

Development in Africa

University of Cape Town civil engineering and economics student, Erik de Ridder (22), recently attended the One Young World Summit in Zurich and spoke about the issues impacting on developing the continent.

"I think firstly that any development needs to be human centred," he said. "The idea that education is something that can bring people to the point where they can contribute economically is not necessarily viable. I think human beings are naturally enterprising and there needs to be a much broader focus on human development. Human capital development in Africa will bring us much closer to the human goals that we would like to see."



Zamantungwa Khumalo,
One Young World

Ridder also stressed the importance of human rights in the discussion around Africa. "I think that as a young person growing up in South Africa we know that this is a big issue on this continent ... Ubuntu was mentioned this morning, that type of thing has to filter into our narrative and thinking. Otherwise what are we really doing here?"

"Africa is described as the home of challenges and problems, but within those challenges and problems we believe there is an opportunity to create many things, an opportunity to seek to be passionate."

Francis Ekii (17)

"Many countries in Africa have among the most brand-conscious people I have seen in the 70 plus countries I've visited. Branding is the most important thing that African companies can do."



Dr Vijay Mahajan

SA + BRIC = STRATEGIC OPPORTUNITY

Acclaimed researcher and author Dr Vijay Mahajan – the current John P. Harbin Centennial Chair in Business at the McCombs School of Business, University of Texas, USA – is a heavy-weight in the world of business and economics and a fan of both Africa and South Africa's recent elevation into the BRICS fold.

"Congratulations to South Africa being included as part of the BRICS countries, as you know that's a very big deal," Mahajan began his address. But why, was the lingering question. Why does South Africa, Africa and the world regard this move as so strategically important?

Mahajan started across the sea, by outlining the current dominance of the US market in the world economy. "Why branding is so important to us in the US is that the US economy is worth some \$15 trillion, so almost 22% to 25% of the world economy is in the hands of 308 million Americans."

Built around a consumerist model, buying power and branding help drive the US economy. The Americans figured this out a long time ago, but in a changing world economy the allure of the US consumer is rapidly losing its edge over emerging market economies with significantly growing populations. And it's not just middle class consumers worth considering. In his book - *The 86% Solution: How to Succeed in the Biggest Market Opportunity of the Next 50 Years* - Mahajan discussed how China and India started focusing on the poorest markets; those traditionally ignored by marketers.

Look at the dynamics of the BRICS nations, said Mahajan, and the best way to do that is to consider urbanisation levels (Brazil is at 86%, India at 30% and China at less than 50%); household consumption (the US is about 70%, China at 36% and South Africa around 60%); the shadow economy, which doesn't show up in World Bank numbers; and GDP (gross domestic product), the golden number of which is the US's \$10 000/capita figure.

Less than 300 million people on the planet are part of a country with a GDP per capita of more than \$10 000. It took Japan, for example, 27 years after the Second World War to hit that \$10 000 figure but "last year there was a big celebration because Brazil finally joined that 14% club. Russia has also hit that number. That's two of the five BRICS countries."

Looking at the size of the potential consumer markets in the remaining BRICS and you get an idea of just who is knocking on the door for the next \$10 000 celebration. "(In October) there will be 7 billion people on this planet," said Mahajan. "Any smart person sitting in New York, Brussels or Germany simply cannot ignore the major players: China (1.3 billion people), India (1.2 billion) and guess who is next, Africa (about 1 billion). If you have a strategy for these three you're targeting at least 60%-70% of the people in the developing world."

"South Africa needs to go into BRICS meetings with a position of strength. Even if you take out North Africa (the sub-Saharan market alone) still has some 800 million people ... and those people are not a charity case."

With this in mind, Mahajan stressed the importance of South Africa's role in BRICS and the country's obligation to the continent. "In terms of Africa's relative size, South Africa will be representing a China, an Indian and they'll be representing a US too. In my opinion South Africa will play the same role Singapore did 20 years ago in Asia. Back then many multinationals did not want to open offices in India or China. Singapore had the infrastructure, communication, transportation and education system, so many executives from Singapore used to fly to India to do their business. South Africa has an obligation to play the same kind of role."

Already it's happening as multinationals realise they can no longer run their African business from Dubai or Paris. Coca Cola recently opened offices in South Africa after 90 years operating in Africa and companies like Standard Chartered have also set up shop. Be here, said Mahajan, that's how you build a brand in Africa.

MAHAJAN'S AFRICA

1. Africa is richer than we think - "Africa is as big a market opportunity as China and India. Africans are not asking for charity they are asking for service solutions."
2. Watch out for the emergence of the 'Cheetah Generation' - "They are saying 'we can do it', 'we will do it', 'we must do it!'"
3. Organised markets are emerging in Africa - "For example, the movies from Nollywood. They make a movie for \$5000, \$10 000, \$15 000 – I keep on wondering what is wrong with Disney. They go to China and build all those theme parks, they make all those movies in India. Why can't they organise Nollywood?"
4. Don't forget the active African Diaspora - Africans are the fourth biggest immigrant group in US and they are a massive source of income for Africa, said Mahajan, sending some \$40 billion every year back to Africa.
5. *Ubuntu* is the key to doing business in Africa - "One thing that defines Africa is Ubuntu. Only companies that understand the concept of *Ubuntu* in Africa will survive."



The BRICS opportunity

"In December 2010 South Africa was invited to be part of this BRIC (Brazil, Russia, India, China) club. So, how do we position ourselves as the African continent vis-à-vis this BRICS relationship?" asked Frontier Advisory Director Abdullah Verachia in his preamble to this much-anticipated panel discussion. What can Africa learn from these burgeoning emerging market relationships? And how can South Africa leverage this opportunity on behalf of an entire continent?



Global growth is viably shifting from the West to the East, with both India and China are expected to grow between 8% and 10% in 2011. This global power and economic shift has significant implications for Africa and South Africa's role within the power BRICS group, not only as a country but as a strong voice which carries the potential for raising African agenda issues.

It's about numbers

Getting the ball rolling, HCL Chairman Ajai Chowdry said the global foreign exchange reserves today of all the BRICS countries is in the region of \$4.5 trillion, with China's massive wealth sovereign fund making up \$3.2 trillion. "If we talk of the GDP of all of the BRICS we're looking at \$11 trillion as opposed to \$14 trillion in the US. So we are looking at a nice sized market that is available to the world, I think that's really where the BRICS countries will play a role," he said, stressing the allure of domestic markets in these economies.

The population debate

Numbers also comes into another heady BRICS debate: population. "As we stand today we have 1.3 billion Chinese people, 1.2 billion Indian people and 1 billion people live here, on the continent of Africa. So 57% of the world's population is Chinese, Indian or African," said Verachia.

Dr MG Vaidyan, Regional Head (Africa) and CEO of the State Bank

of India cut right to chase, asking if population was a benefit or burden. "India believed for a long time that population was a burden, leading to unemployment and poverty. But over time India has come to realise that population is an asset." Seeing massive population numbers this way makes the issue of human capital and skills vitally important. India, again, holds lessons for Africa. "When we gained freedom in India we had 30 universities, today we have

350 university; we have 1-million schools in India. The USA produces 70 000 engineers, India produces 455 000 engineers. The whole of Europe produces 100 000," said Vaidyan.

Rural development

The State Bank of India chief also posed some difficult questions of African leaders when it came to the issue of rural development. In India, he explained, 40% of loans must go to priority sectors such as agriculture. Furthermore 70% of bank branches are located in rural areas. "So what is Africa doing to lift the rural Africa up?" he asked.

"The vigour and energy which people associate with the way BRICS is transforming the world exists in China, India and Brazil. Russia is a different kind of story. Russia is a natural resource country with an aging population."

James Mwangi, Dalberg

Kenya is already taking the lead in Africa in terms of boasting the "most successful mass-market bank (Equity Bank)", said James Mwangi, Global Managing Partner of Dalberg. But more can and should be done. HCL's Chowdry discussed India's next step: connecting rural villages through 10MB broadband links. "If you do that then the poor won't remain poor; because the reason the poor are poor is because they don't have access to information."

Harnessing Innovation

Technology is also integrally linked to the notion of innovation, which Mwangi said was "creating new possibilities and allowing the African consumer to leapfrog". People are spending money and those businesses that are figuring out how to get to those consumers are able to derive fantastic returns, he said.



Dr. MG Vaidyan,
Regional Head (Africa) & CEO, State Bank of India, South Africa

Corporate cooperation

A recurrent theme in the discussion concerned the new generation of multinationals coming out of the BRICS and – specifically – East and West Africa. While Mwangi believed "South African companies have actually struggled, for the most part, in Africa" due to a lack of market insight, Simon Freemantle, a Senior Analyst at Standard Bank, disagreed. "I would contest South Africa's competitiveness, I think there are many dynamic South African firms operating bravely and ambitiously on the continent and I'm very positive around South Africa's role in that," said Freemantle.

It was, however, recognized that within BRICS there was a need for companies to cooperate – in spite of increasing competition within the bloc partners. "I'd like to see more African companies investing in the BRICS themselves," said Freemantle.

As for competition in Africa, Freemantle



Christine Jiang,
Director, Business Development, Huawei South-Eastern Africa

believed there was a large enough pie to go round. "Look at ICT. Africa has upwards of 400 to 500 billion cell phone subscribers, basically one in three Africans subscribes to one of the continent's cellular providers, but there is still room for growth in that sector. And that's a sector that is relatively saturated."

The China factor

No BRICS discussion would be complete without a discussion of the impact of China in Africa. For Christine Jiang, Director of Business Development: Huawei South-Eastern Africa, the role of China on the continent was clearly beneficial. "In Africa,



Ajai Chowdhry,
Founder: HCL, Chairman: HCL Infosystems

we are serving more than 400 million users. In the past few years we have invested more than \$500 million in cash into the continent. We have six training centres in Africa and three R&D centres in Africa. In sub-Saharan Africa we have about 2500 staff and in the whole of Africa, including North Africa, we have more than 4000 staff." Growth, yes, was key but localization, skills transfer and business sustainability were also high on the agenda, said Jiang.



James Mwangi,
Global Managing Partner, Dalberg

The recurrent theme of growth permeated the discussion which, overall, was upbeat about Africa's prospects. "I'll bet you that five years from now you'll have a session here, at Brand Africa, which will talk about how many (billion dollar) African companies have been created out of this continent," said Dr Vijay Mahajan. But the key, he stressed, was innovation, innovation, innovation.

"It's up to South Africa to gain some sort of consensus around what it can take to BRICS in order to show some sort of African voice. It's not going to be easy, but it's up to South Africa to engineer that."

Simon Freemantle, Standard Bank

Brand Africa 100:



Recognising Business & Brand Excellence in Africa

Brand Africa FORUM 2011 featured the launch of the inaugural annual recognising the continent's foremost business and brands that are catalytic to the development and wealth of Africa.



At the start of the Brand Africa FORUM 2011, the programme facilitator, Tumi Makgabo asked how savvy brands could help other brands on the continent grow and what kind of leadership was needed to push Africa towards the milestone of 7% economic growth. At the end of a packed day's proceedings Makgabo conceded: "One thing that struck me throughout the day ... is that individual brands help to change the way people think about our continent. It's when we have the successes of businesses and individuals that we can actually begin to change the perceptions of the continent."

Makgabo's comments were a perfect summation of the inaugural Brand Africa 100, recognition of the most Valued Brands in Africa which will become a barometer of global and African reach in the years to come, and already the results are revealing. "What is clear today is that 66% of the value of brands in the top 100 are global brands in Africa and 34% of them are African brands," said Ikalafeng. "It's an incredible result because it shows Africans are making progress in driving their own agenda and creating businesses and brands that meet the needs of African consumers."

"What we can conclude as well is that it's not necessary to be present in the market to be valued by the market as McDonald's has demonstrated, that admiration is not necessarily a contributor to value, and finally that presence doesn't necessarily contribute to admiration and /or value."

Critically, Ikalafeng ensured through Brand Africa's partnership with TNS and Brand Finance plc – that the methodology behind the results was scientifically robust and internationally proven.

Most Valued African Brands™

Rank	Brand	Sector	Country
1	MTN	Telecoms services	South Africa
2	Absa	Banks	South Africa
3	NNPC	Oil and gas	Nigeria
4	Eskom	Utilities	South Africa
5	Shoprite	Retail	South Africa
6	Dangote	Consumer, non-cyclical	Nigeria
7	Woolworths	Retail	South Africa
8	Globacom	Telecoms services	Nigeria
9	Pick n Pay	Retail	South Africa
10	Vodacom	Telecoms services	South Africa

As Kim MacIlwane, CEO: Africa Middle East of TNS Research Surveys, told delegates: "We started by focusing on nine countries that we felt represented this region – obviously we had to be selective out of the 54, but ensured that we have a selection of the most dynamic markets that are representative of the 4 sub-sahara Africa - Nigeria and Ghana from the west; Kenya, Tanzania and Uganda from the east; DRC and Zambia from the centre of the continent; and Botswana and South Africa from the south. In terms of demographics, it was individual respondents of 18 years plus and living in the metro areas as defined by those nine countries. We asked: Which are the top five local and global brands you most admire in your country, and in which order." The survey generates the initial top 100 ranked. Brand Finance put a valuation to the brands and the list runs from the most valuable to the least.

Brand Finance plc's David Haigh explained that the valuation process is based on the Brand Finance Royalty Relief Methodology to determine the global forecast revenue of each of the brands derived from the TNS survey. "We set those royalties, applied them to the future revenues and discounted that back using an appropriate discount rate."

The result is the first list of the most valued brands in Africa.



David Haigh, CEO, Brand Finance plc, Kim MacIlwane, CEO Africa Middle East, TNS Research Surveys and Thebe Ikalafeng, Chairman/Founder of Brand Africa presenting the overall Most Valued Brand in Africa to MTN, represented by MTN's Global Brand Team Ryan Gould, Vuyelwa Nyakaza and Nicole Suter.

Most Valued Brands in Africa™

Rank	Brand	Sector	Country
1	MTN	Telecoms services	South Africa
2	Shell	Oil and gas	Netherlands
3	Coca-Cola	Beverages	United States
4	Nike	Apparel	United States
5	Toyota	Auto	Japan
6	Absa	Banks	South Africa
7	NNPC	Oil and gas	Nigeria
8	Vodafone	Telecoms services	Britain
9	Heineken	Beverages	Netherlands
10	Samsung	Electronics	South Korea

Recap: Most Valuable Brands in Africa™



Anitha Soni, Chairman of Brand South Africa, receiving the award for the "Most Valuable Nation Brand" from **David Haigh**, CEO of Brand Finance and **Thebe Ikalafeng**, Chairman of Brand Africa, at the JSE on Africa Day



Christian de Faria, Senior Vice President for Commercial and Innovation MTN Group and **Jen Roberti**, Group Marketing Executive at MTN Group receiving the award for the "Most Valuable Corporate Brand" from **David Haigh**, CEO of Brand Finance and **Thebe Ikalafeng**, Chairman of Brand Africa, at the JSE on Africa

On Africa Day – 25 May 2011 - South Africa and MTN Group were named Africa's 'Most Valuable African Brands' at the announcement of the 4th Brand Finance Global Nation Brands league and the launch of the first Brand Finance African Nation Brand League.

The awards were presented at the JSE by Brand Africa in collaboration with Brand Finance plc (UK), represented by CEO and founder, David Haigh. The audience included market-place analysts, decision makers and members of the media. The launch is the forerunner to the Brand Africa FORUM, Brand Africa EXPO and Brand Africa 100 events, which took place in Johannesburg on 29th September 2011.

Now in its fourth year, the Brand Finance Global Nation Brands league covered a global sample of 138 nation brands, including 36 African nations. The top 10 countries in Africa were South Africa, Egypt, Nigeria, Morocco, Algeria, Angola, Tunisia, Ghana, Kenya and Libya.

The Nation Brands League research investigates the value drivers of a nation, i.e. what a nation is worth, how it generates value and what the year-on-year change is in the value generated. It also provides an opinion on the value of the strongest and most-valuable brands in the world. The league table is critical to fully understanding the value drivers of a country and how these

drivers affect that nation's brand. It also helps with understanding the basis of both tangible and intangible value creation through impacting key stakeholders, which then generates foreign direct investment, exports and tourism.

"The Brand Finance Nation Brands league, launched on Africa Day, is an important milestone for African nations in their quest to build independent and distinct nation brands that recognises that Africa, while speaking in one voice is made up of 54 sovereign countries at various stages of development," says Thebe Ikalafeng, founder and chairman of the Brand Africa Initiative. He contends that the image of Africa does not reflect its growth and entrepreneurial spirit that has seen Africa outpace developed economies and growing at 5% during tough global economic conditions.

MTN, the only African brand that features in the globally respected Brand Finance 500™, was recognized as the Most Valuable African Brand. South Africa dominated the corporate league, with Standard Bank Group and ABSA rounding off the top 3 most valuable brands.

"Key to Africa's growth and future are dynamic African businesses and brands, and an enabling political environment that will be a catalyst for Africa's independent agenda and economic emancipation," concluded Ikalafeng

Africa's Most Valuable Nation Brands

Rank	Brand	Value	Rating
1	South Africa	149.7	A-
2	Egypt	79.2	BBB
3	Nigeria	56.0	B
4	Morocco	39.9	A-
5	Algeria	39.2	BB
6	Angola	23.8	CC
7	Tunisia	19.0	A-
8	Ghana	13.3	A-
9	Kenya	13.2	BBB
10	Libya	13.2	B

Africa's Most Valuable Brands

Rank	Brand	Sector	Country
1	MTN	Telecoms Services	
2	Standard Bank	Banks	
3	Absa	Banks	
4	NNPC	Oil & Gas	
5	First National Bank	Banks	
6	Nedbank Group	Banks	
7	Investec	Diversified Finan Serv	
8	SABMiller	Beverages	
9	Eskom	Utilities	
10	Shoprite	Retail	

The BRAND AFRICA™ Initiative

“China has an agenda in Africa. India has an agenda in Africa. The US has an agenda in Africa. We are naive to think that the people that come into our countries, even the ones who are here to help us, have no agenda. Everyone has an agenda. What is Africa’s agenda?”

**Jay Naidoo, Chairman of the Global Alliance for Improved Nutrition,
Brand Africa FORUM 2010**

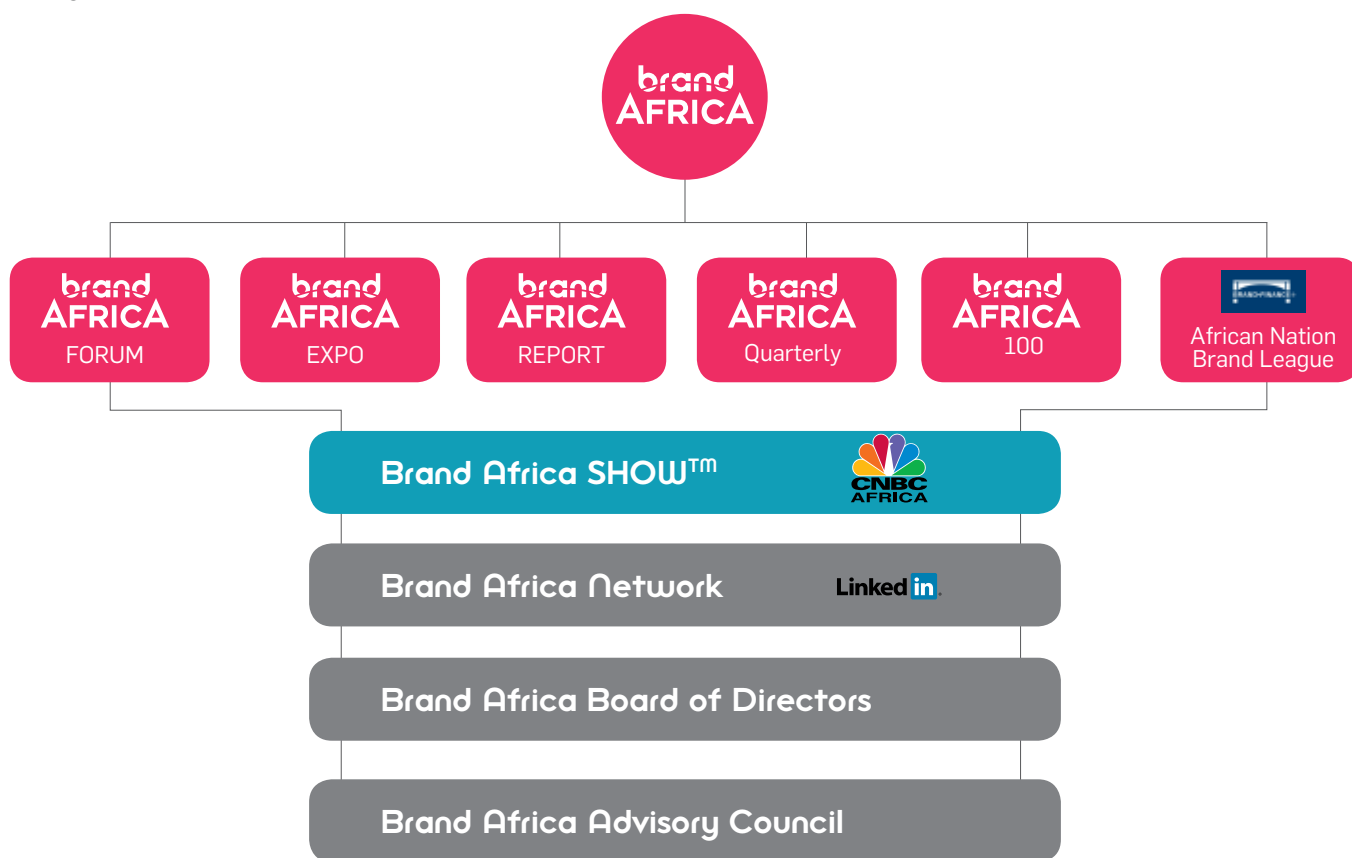
The image of Africa does not reflect the continent’s economic, cultural and political diversity, growth and rising investment.

Brand Africa™ is an independent non-political and non-partisan pan-African initiative for Africa by Africa dedicated to unlocking Africa’s potential and inspiring the continent’s growth, reputation and competitiveness and standing in the world.

Brand Africa™ is a brand-driven approach which recognizes that, in the 21st century, brands are an asset and a key driver of value for nations, institutions and individuals alike. Properly managed and leveraged, a brand-driven approach can be a catalyst for a coherent, distinctive and sustainable image and reputation of Africa collectively and of individual sovereign states.

Brand Africa™ focuses on Africa not as a topic within a broader agenda, but as the agenda. It engages and attracts broad multi-stakeholder participants and audiences of African and global decision-makers, thought leaders and influencers across academia, business, civil society and government and related agencies who come together to collaborate on the agenda and plan of action and to celebrate ideas that move Africa forward.

Brand Africa™ is an African initiative for Africa by Africa and supporters of Africa globally.



Brand Africa™ was conceived by Thebe Ikalafeng initially as a doctoral concept and eventually as an initiative to bring together diverse African stakeholders dedicated to shaping the future of Africa. After the first two years as a project of The Brand Leadership Academy, Brand Africa™ is now being converted to an independent non-profit initiative with an independent Board of Directors and an ad-hoc Brand Africa Advisory Council comprised of a diverse group of African and global thought leaders, influencers and decision makers across the public and private sector, academia, business and civil society who are passionate about improving the stature of Africa in Africa and the world. The Board of Directors and Council are responsible for inspiring exemplary and world-class institutional governance and to shape its vision and values, relevance, sustainability and agenda for creating a better Africa. Brand Africa™ is organised by The Brand Leadership Academy. Brand Africa™ and all its related initiatives are registered and/or protected trademarks.

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IDC – a new path to development

Since 1940, the Industrial Development Corporation, South Africa's largest development finance institution, has helped to build the industrial capacity that fuels the country's economic growth, by funding viable businesses.

As the government's key partner in revitalising the economy, the IDC focuses on priority economic sectors that offer the greatest potential to unlock job opportunities.

Our vision

To be the primary driving force of commercially sustainable industrial development and innovation to the benefit of South Africa and the rest of the African continent.

Our mission

The Industrial Development Corporation is a national development institution whose primary objectives are to contribute to the generation of balanced, sustainable economic growth in Africa and to the economic empowerment of the South African population, thereby promoting the economic prosperity of all citizens. The IDC achieves this by promoting entrepreneurship through the building of competitive industries and enterprises based on sound business principles.

What we do

Through partnership, the IDC provides funding in support of industrial capacity development by:

- Proactively identifying and funding high-impact projects
- Leading the creation of viable new industries
- Using our diverse industry expertise to drive growth in priority sectors
- Taking up higher-risk funding in early-stage and high-impact projects

What we offer you

The IDC assists start-up and existing businesses with a minimum funding requirement of R1 million and a maximum of R1 billion. Funding is offered across its mandated sectors under the following Strategic Business Units:

- Agro-Industries
- Chemicals and Allied Industries
- Forestry and Wood Products
- Green Industries
- Healthcare
- Information and Communication Technology
- Media and Motion Pictures
- Metal, Transport and Machinery Products
- Mining and Minerals Beneficiation
- Strategic High Impact Projects and Logistics
- Textiles and Clothing
- Tourism
- Venture Capital

Special **funding schemes** are available that address transformation and entrepreneurial development (TES); topping up equity contributions from entrepreneurs (TES & RCF); and sector-specific schemes (horticulture, forestry, clothing and textiles, hospitals). The IDC Gro-e-Scheme provides funding for projects from R1 million to R1 billion at prime less 3% for up to five years.

The IDC's business support programme addresses non-financial support to entrepreneurs. Assistance is provided with capacity building to improve project viability.

If you have a project that can contribute to building South Africa's industrial capacity and creating jobs, visit www.idc.co.za to find out how the IDC can help build your opportunity.

For further information, please contact:
Telephone: 086 069 3888
Email: callcentre@idc.co.za
Website: www.idc.co.za

 **IDC**
Industrial Development Corporation

Your partner in development finance



Brand Leadership Academy™ is a centre of excellence in brand-driven, customer-centric leadership development in an information and borderless world. Working collaboratively with distinguished global and local scholars, decision makers and thought leaders in business and society, the Brand Leadership Academy™ aims to inspire emerging and established leaders, companies and institutions by strengthening their marketing and brand building capabilities with cutting-edge, cross-disciplinary, world-class insights to help them realise their potential and build great brands in Africa and the world. Brand Leadership Academy is a division of Brand Leadership Group.



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