



the others have done right. South Africa has grown by three percent, and is behaving like a mature economy. The growth of the others seems more dramatic because they started from a lower base and had further to go in a shorter time. South Africa has a role to play in helping other sub-Saharan countries to develop. Many countries take inspiration from what South Africa has achieved politically and financially.

There is a great deal of positive rhetoric about Africa as the emerging powerhouse. What are the biggest challenges facing companies investing in Africa?

People need to realise they are coming to a continent where things will be done differently from the way they are used to. They will have to learn to adapt, to be fluid in their thinking. The success of Coca Cola is down to having adapted in two typically African ways. Firstly, they learned that they must partner with smaller distributors and secondly, whereas before they could sell in greater bulk since people get their pay packets weekly, adjustments had to be made to sell in smaller units in a more widespread fashion.

So what would be your best piece of advice?

You are welcome to come to Africa, but don't come expecting to do business in the way you already do. At the same time do not sacrifice your global vision. American business schools tell you to 'think global, act local': whereas with Africa you need to 'think local, but act global'. By that I mean truly understand the local headspace and only then maintain global standards of delivery.

How much reciprocal business is happening on the global stage? Companies are creating global brands informed by the African condition but that meet global standards. You have SAB Millers, Investecs and Old Mutuals operating all over the world. Another example is M-pesa. Kenya exported M-pesa to the world and it's now used as the Vodafone standard for mobile banking.

Some are wary of the new wave of investment in Africa and see it as recolonisation, is this a fair assessment?

China is in every African country except for Swaziland. Is it colonisation?

Late Malawian president Mutharika said in *Time* magazine that when China comes to your country, they don't dictate the terms, they just give you the aid and you do what you want with it. Colonisation in my mind is about imposition of values. Now it is a two-way interaction; Africans are actively participating in what happens in Africa.

Is enough of the investment filtering down to grassroots members of these societies?

More and more populations take an active political role in governing their countries. In Ghana they have taken the aid they received and used it to create the fastest growing economy on the continent and one of the top five in the world

International companies looking to invest are at times dismayed by seemingly arbitrary rulings such as the demand that every Zimbabwe company be 51 percent 'indigenous' owned. How should they respond? In concept and in practice indigenisation can do some good. The concept guards against companies coming to Africa, doing business and simply taking profits out of the country. In South Africa it's known as 'Black Economic Empowerment' and comes in the form of guidelines, rather than being forced. So to do business with government you need to have some degree of indigenisation. It was created to limit exploitation without development.

Thebe Ikalafeng at South African Business Club, 2 May at Deloitte, 2 New Street Square, London, EC4A 3BZ, 18h15 – 21h30. Details: www.sabusinessclub.com



