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BLACK BUSINESS QUARTERLY

Siyabonga Gama

Group Chief Executive of
Transnet has the drive to inspire

SOUTH AFRICA'S PREMIER
BLACK BUSINESS
LEADERSHIP MAGAZINE
THIRD QUARTER 2017

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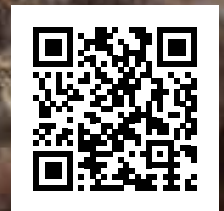
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Editor

Shannon Manuel

Art Director

Brent Meder

Assistant Art Director

Rugshaana Abrahams

Photography

Getty Images, iStockphoto

Cover Portrait

Brent Meder

BBQ Sales Manager

Tahlia Wyngaard

Advertising Executives

Jeffrey Mbali, Albin Ballin, Lonwabo Panca,
Taariq Abrahams, Zanele Huna

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Edward MacDonald

Circulation

Lee-Ann Lawrence

Client Liaison

Linda Tom

Human Resources

Allison van der Sandt (manager),

Accounts Department

Chevonne Ismail (accountant),
Brigitte Eberbach

Debtors Department

Nadeema Abdullah

Printing

FA Print



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Media House, 28 Main Road, Rondebosch 7700

Managing director Robert Arendse

Financial director Andrew Brading

Tel: 021 681 7000 • Fax: 021 685 4448

E-mail: info@capemedia.co.za

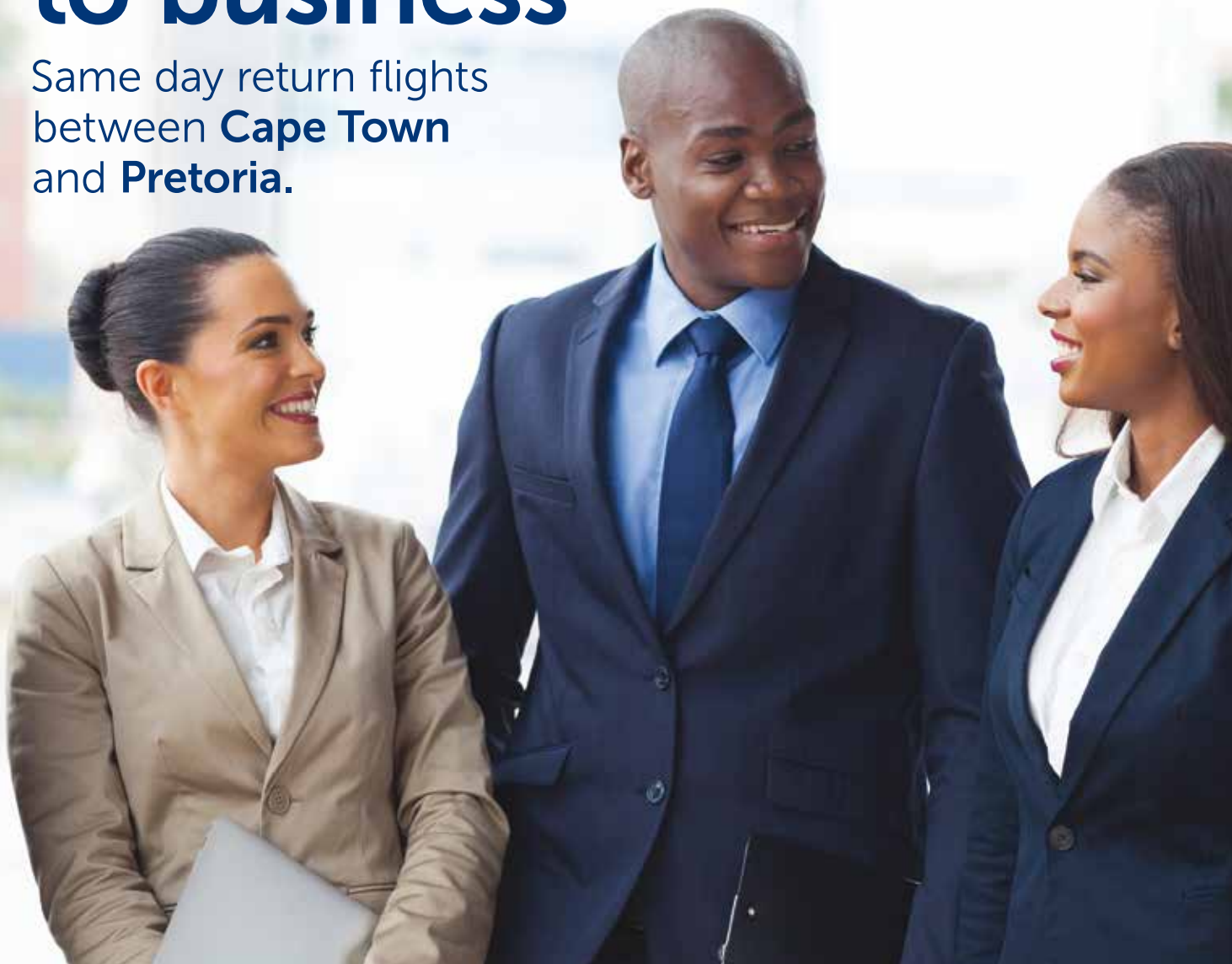
bbq@capemedia.co.za

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Contributors

Nicole Spruijt,
Tamara Toti,
Anesu Machekanyanga,
Shannon Manuel,
Ralph Staniforth,
Andrew Hallet
Akona Makasi
Rachel Mohamed
John Elford

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EDITOR'S NOTE



So many people look at heritage as a thing of the past, or a reminder of those who helped to create our present. Of course, it is that, but the great value of heritage is knowing who we are today and where we are going, as individuals and as a group.

Our South African heritage is broad, troubled, historic, glorious, triumphant and so beautiful. It's beautiful because of the people who comprise our country, who have created and defined South Africa and what it means to be a South African. While heritage by definition looks to the past, for me, what is so important about heritage is looking to the future by carefully contemplating all that we do today, as far as our actions, our decisions and the way we set up our society is concerned. Let us not forget our present by holding onto the glory

or achievements of our heritage, for without living beautifully, gloriously and democratically today, our heritage means nothing.

At the same time, heritage is as invaluable as a tremendous chest filled with pride and offering abundant motivation for the present and the future. It cannot be discounted, overlooked or avoided, as we can also learn so much from our past.

"Heritage is what is preserved from the past, as the living collective memory of a people, not only to inform the present about the past, but also to equip successive generations to fashion their future," says Advocate Sonwabile Mancotywa, CEO of the National Heritage Council, in a great article in this issue.

Another fascinating story in this issue is the feature on National Assembly Speaker, Baleka Mbete, a dynamic woman who has found herself front and centre on the political stage on many occasions over the past few years and has had to struggle through some enormously challenging times. Her insight is certainly worth reading and, for me, one of her most powerful quotes was when she said that "unity, for me, is of high importance—unity not only in the ANC but in the country as a whole."

This sentiment taps into the need for us to forge a new heritage.

As a powerful woman, Mbete has spent four decades dedicated to the ANC and she has suffered numerous obstacles but she has also enjoyed great success alongside her liberation sisters, who we also pay tribute to in this issue. The role of women in South African society—as well as economically and politically—has been vital to South Africa's liberation struggle and the journey to democracy. That heritage alone—highlighted by the Women's March in the 1950s—is a major triumph and a part of our history that we should remember with great pride.

A beautiful part of our democracy and what the ANC has done for South Africa has been the high representation of women in our government, as well as the drive by the government and the corporate sector to open the playing field for women to ensure that women are no longer severely disadvantaged in the business world, from major corporations to SMMEs. I'm so proud of all the successful women we have featured in this issue, although, without question, women still have a far more difficult road to travel than men, both economically and socially, in South Africa.

My great wish is that future generations will look back on our generation and be proud of a heritage that can hopefully provide a landscape for women to enjoy the same opportunities to enjoy success and contribute to our economy and society as their male counterparts.

Although what Tata Madiba and so many others achieved in bringing about democracy was a landmark achievement, I believe the final liberation will come when our women stand shoulder to shoulder with the men of this country as we strive to make South Africa great together.

As the new editor of BBQ magazine, I wish to extend a warm welcome to all, and my sincere gratitude to all those individuals who have assisted and supported me throughout this new venture. **BBQ**

Shannon Manuel

WE ARE GRADUALLY WINNING THE FIGHT AGAINST RHINO POACHING



President Jacob Zuma and Minister of Environmental Affairs, Edna Molewa assist to implant a microchip in the horn of a rhino cow.

During a media briefing held on 24 July 2017, Minister Molewa outlined the South African government's multi-sectoral, multi-disciplinary strategy to combat the threat posed by rhino poaching. The Minister will be joined by Ministers collaborating in the implementation of the Strategic Management approach.

The Integrated Strategic Management Approach involves the Justice, Crime Prevention and Security Cluster Departments and a number of the Departments of Defence, Environmental Affairs, Justice, Constitutional Development and Correctional Services, the South African Police Service (SAPS), Ministry of State Security and its Agency, South African National Parks (SANParks), the South African Revenue Service (SARS), as well as provincial conservation authorities. Below are some of the highlights from the briefing:

POACHING



There has been a slight decrease in the number of rhino poached nationally. A total of 529 rhino have been poached since January 2017, compared to 542 in the same period for 2016, representing a decrease of 13 rhinos. With regards to the Kruger National Park which has traditionally borne the brunt of poaching, a total of 243 rhino carcasses were found between January and the end of June 2017. This is compared to 354 in the same period in 2016. This represents a decrease of 34%.

ARRESTS



In the same reporting period, a total of 359 alleged poachers and traffickers have been arrested nationally. The number of arrests inside the Kruger National Park (KNP) totaled 90 alleged poachers with 112 arrested adjacent to the KNP. There has been a marked increase globally during 2017 in the number of rhino horn detections and seizures at ports of entry and exit. As indicated previously, since the beginning of this year, there have been several detections at OR Tambo International Airport.

INTERNATIONAL AGREEMENTS



South Africa has signed Memoranda of Understanding (MoU's) with Vietnam, China, Laos, Cambodia, Mozambique and Kenya. These MOUs have assisted to improve international and regional collaboration and several are currently under implementation.



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Siyabonga
Gama

Inspiration - the greatest key to leadership

Mr Siyabonga Gama, Group Chief Executive of Transnet discusses the drive to take the company into the digital future, investment in infrastructure and people, and the most inspirational aspects of his role



Bmedw



As one of the earliest modes of transport, the railway system, is without a shadow of a doubt the backbone of development—shuttling supplies to and from the ports and mines, aiding in building a nation.

If there is any State-Owned Company (SOC) for which South Africans can feel pride, it is Transnet SOC Ltd (Transnet). Under the hands-on, watchful eye of seasoned Transnet Group Chief Executive, Siyabonga Gama, their financials read

like a near-perfect story. No longer can the railways be seen as an industry that should be relegated to the history books, Gama is ensuring that Transnet is keeping up with technology and taking rail into the future.

visionary ready to take Transnet to newer heights.

From simple beginnings

The true roots of Transnet go back in time to the mid-1850s, when the development of a railway system was proposed for the harbours of the Cape and Natal. The first railway was launched in the, then, small township of Durban. The journey was approximately 3.2 km, which took a maximum of five minutes. This seems incredulous if one considers the number of railway tracks in operation today. In 1867, following the discovery of diamonds in Kimberly, the need for the expansion of ports and railways became apparent. In 1872, the Cape railway became government property, followed by the Natal railway in 1877, ultimately becoming the starting block for what we know as Transnet today.

In 1910, when Union was achieved, the country's leaders were ever more resolute that the harbours and railways should further unify and develop the land and the economy, and so the South African Railways and Harbours Administration was born. Twenty years later, in 1930, South Africa was using these systems, not only to develop infrastructure but also to move people around. The increase of passenger lines was the yesteryear equivalent of today's digital globalisation.

Thanks to the burgeoning success of the railways, the government of the 1970s, and again in the 1980s deemed that the South African Railways and Harbours Administration should be run along defined business lines. The South African Transport Services arose and encompassed the railway, harbours, road transport, aviation and pipeline operations. On 1 April 1990, following 80 years under the control of the government, the South African Transport Services was given the status of a limited liability company and was renamed Transnet SOC Ltd.

Since 1994, Transnet has not lagged in dealing with an array of challenges present in a young democracy—there have

been some bad times, but Transnet has, through constantly investing in infrastructure and the people of South Africa, kept the country running.

Agile, digital, united and admired

Although not immune to socio-economic and political realities faced by many African organisations over the past few decades, Transnet continues on a steady growth trajectory. As a means of negating the volatility of the market, a strategy needed to be developed through which to achieve success. The new premise is based on the strategic aspirations of agile, digital, united and admired. Gama says, "Looking ahead, we will be driven by our strong desire to achieve greater and sustainable outcomes with higher levels of innovation and agility. New markets are opening up and we can use integrated port, rail and pipeline solutions to take advantage of these new opportunities for increasing our revenue and profitability."

As economic growth in Africa unfolds, the demand for rolling stock and associated maintenance will increase. In response to this, Transnet is undertaking a diversification strategy that will be driven through our recently approved Transnet International Holdings, a special purpose vehicle to execute the company's geographic expansion strategy. Under this strategy, Transnet has a long-term vision to create an integrated freight system in the region. The scope of opportunities under consideration is very broad, ranging from; advisory work through to design, build, operate and transfer concessions in the logistics space. "We are also seeking to improve operational skills on the continent by creating spaces for African students in our various technical schools. Our efforts thus far have seen a significant improvement in cross-border rail volumes and participation in regional ports," elaborates Gama.

The African sun is rising and it's digital

In line with the Africa-focused goals, Gama is passionate when describing the

Whilst brick and mortar retailers might be on the decrease, with online shopping taking over, it is easy to forget that railways and ports are still the bloodlines of development. Gama is not one to sit back and let the world go by, he is a hands-on

utterly important role of political leadership in the acceleration of the continent's industrialisation.

"It is incredibly important to articulate the vision of an Africa that is rising. For many decades, we were perceived as the continent that was most lagging in technology, yet it is through the political leadership that we have seen that seven of the 10 fastest growing economies are from Africa. Through effective political leadership, people are able to seize opportunities, which, in turn, raises employment and standards of living."

In January 2017, Transnet announced its plan to partner with General Electric in order to digitise the transport sector, this partnership will deliver a digital solution that will seamlessly connect shippers and transport operators, making it increasingly easier for a company to understand pricing and capacity on the network, plan a shipment and get their goods to market. Ultimately, this will aid in the strengthening of the supply chain across the continent and, indeed, across the globe, which will, in turn, allow for repeat orders from customers, thereby boosting the African economy. It will connect shippers and transport operators by providing real-time, data-driven insights on the status of shipments. It takes laborious processes, like payment, customs and inspection, from paper to digital, and creates an on-demand solution for transporting freight inspired by consumer on-demand transportation models.

The digital solution will be enabled by Predix, the operating system for GE's Industrial Internet or Internet of Things.

The locomotive acquisition programme

The locomotive acquisition programme is a fundamental part of Transnet's infrastructure investment programme aimed at renewing the locomotive fleet to improve customer service. Transnet awarded a contract for the acquisition of 1 064 diesel and electric locomotives to four Original Equipment manufacturers—China South Rail, China North Rail, Bombardier Transportation and General Electric. CNR

and Bombardier have recently commenced production at Transnet's facilities in Durban. This project is testament to Gama's increased awareness and dedication to transparency. The locomotive acquisition programme is one of the largest in recent years and when asked about the procurement process, Gama says: "The contracts were awarded following an open and public tender process overseen by the Board of Directors through a sub-committee of independent directors. In addition, the evaluation of the bids was monitored by Transnet's internal audit to ensure that the process complied with the highest standards of governance as required by the Public Finance Management Act."

Transnet is committed to continuous improvement in all its processes at management, governance and operational levels. In line with that philosophy, the company has set up a special committee made up of mainly independent non-executive directors to review the company's processes relating to the locomotive acquisition programme. The company has engaged independent attorneys, Werksmans, to oversee the process.

Defences

The recent downgrades from various credit rating areas could have had a major impact on the future financial security of Transnet. Gama explains why it was relatively unscathed, even with the close link to government.

"Transnet raises funding for its capital investment programme on the strength of its financial position, with no government guarantees. The company evaluated the potential impact of the credit ratings downgrade on its financial position, liquidity and solvency and expects no significant negative effect compared to previous estimates, as the probability of a credit ratings downgrade had already been considered," he says.

During the previous financial year, Transnet proactively and successfully renegotiated R29.1-billion of debt to lower and relax the credit rating default triggers

to below sub-investment grade, in view of expected rating agencies' downgrades.

In April 2017, Standard & Poor's reviewed the company's foreign currency rating to BB+ from BBB—and the local currency to BBB—from BBB, both with a negative outlook. This followed a similar action on the sovereign as Transnet is viewed to be closely linked to the Government. S&P, however, maintained Transnet's stand-alone credit profile at 'BBB', reflecting the company's strong financial metrics as the company executes its multi-billion-rand infrastructure investment programme.

The Siya magic

Gama holds numerous degrees and qualifications, achieved from countries across the globe, but more than this, his passion for Transnet is palpable. He is no amateur when it comes to leadership and foresight, so it is, therefore, no surprise that Transnet is doing so well under his leadership.

A common error is the belief that managers are natural leaders—nothing could be further from the truth. Leaders motivate and nurture, whilst managers believe they are untouchable and, therefore, 'tell' the staff what to do and what not to do. Gama is indeed a leader.

"A good leader is able to effectively articulate, with strategic clarity, the goals of the business in such a manner as to take the people on that road to success. An effective leader collaborates, communicates, and motivates, they trust their employees to always do their best, without hovering over their shoulders.

"When the fires are burning, a true leader is not afraid to stand in the firing line but at the same time, knowing when it is important to let the team take the lead. A person who is authentic does what they say they will, that's someone people can trust. Someone who possesses integrity is someone able to lead," he says.

Gama believes that in any leadership role, a time will come when these traits will need to become visible.

"When you are in a leadership position, you are effectively, on a stage. Everyone is looking to you for your



reactions. It is, therefore, fundamental to know yourself, to be authentic, and live by integrity. Sometimes, in the course of any leadership role, there will be times when difficult decisions need to be made, when there is no clear winner in a situation—you need to come from an ethical and moral base from which to make those decisions. It is also important to remember that as a human being, the only thing you really control and own is your reputation,” he explains. Assuming that leaders are proficient in every element of business, is not only

irrational but adds unnecessary pressure on the leadership team. “Understanding your weaknesses, and having a cadre of people who complement your skill set doesn’t mean that you are incapable of management—in fact, it means quite the opposite,” Gama says.

Fundamentally, being surrounded by people from different backgrounds, levels of education and experience allows leaders to view the organisation from a holistic point of view and allows for the creation of solutions to problems, which may not have been possible.

The average person most likely doesn’t think about the railways too much, as goods arrive at the supermarkets, or on building sites, or, indeed, at our very front doors without effort on the part of the consumer. Yet, Transnet is indeed a life source for the nation, employing approximately 60 000 people, developing communities and building a stronger economy through infrastructure and social development.

Gama is no pushover though, he believes in setting challenging goals and objectives is the key to success. Then, providing employees with the tools to achieve those goals creates a sense of self-worth amongst employees and the communities in which Transnet operates.

Gama is passionate about the people within the organisation.

“One of the key things I am excited about in my role as CEO is galvanising human beings. Setting tough challenges that people think they are unable to achieve is motivating, but seeing them achieve those goals is the highlight. Developing them to have self-belief, to know they are able to achieve monumental things is a driving force behind the Transnet philosophy. When they succeed—the entire organisation succeeds,” he says.

“When people attack you, and they will, when they accuse you of things, you know you are incapable of doing, you may even start to believe them if you are not grounded. It is, therefore, important to know who you are, before you start the journey.

Leadership is about knowing that every human has strengths and weaknesses. Being open to different opinions and views allows for leadership to make decisions for the best of the business. Develop the people in the organisation to achieve the best results. Drive change in the communities in which you operate and if you are able to achieve these goals, the business objectives will be met. Leadership isn’t without challenges, it is ultimately how you, as the leader, define success,” he concludes. **BBQ**

Nicole Spruijt



ISIPHO CAPITAL
HOLDINGS

Isipho Capital Holdings

Investing for a new Africa

Established in 2002 as an investment holding entity, the idea behind Isipho Capital Holdings was to set up an entity that would participate in the broad-based transactions as a start and to later become an operational entity. It became operational towards the end of 2013 when CEO, Siphon Mdanda left full-time employment at First National Bank as a Dealmaker to run the operation on a full-time basis.

“Isipho Capital is an investment holdings business with its key focus being on acquiring business in the engineering and manufacturing sectors. The main focus is that of targeting companies, which are part of the value chain of entities within the group,” explains Mdanda.

“In doing this, the company hopes to extract value by driving efficiencies, leveraging the buying power by consolidating spend, centralising certain processes that are common across the group, and increasing the offering to customers (one-stop-shop approach). The business has a limited operation in fuel supply as it has a wholesale license and is a registered SAVRALA member and, thus offers FML, MM and short-term rental solutions,” he explains.

Mdanda holds a BPAED from the University of Zululand, which he graduated from in 1991. He worked as a teacher at Vukuzakhe High School in Umlazi where he taught business economics, economics and accounting from 1992 to 1994. It was during this time that he enrolled with Unisa to do a non-degree course focusing on taking

additional commerce subjects and, today, he holds a BCom Honours and MBL. In 1995, Siphon left the public sector space and joined Sasol in Secunda as the Buyer and was responsible for the procurement of earth-moving and heavy mobile equipment. In 1997, Siphon joined Iscor as the Supply Chain Consultant working alongside McKinsey & Company who, at the time, were assigned to assist Iscor drive cost savings improvements



Siphon Mdanda, CEO

in the Material Management division. He spent three years in Promat—a procurement division of Transnet where he was a Senior Supply Chain Manager responsible for fuel supply and engineering commodities.

“In 2001, I joined Scion, a First Rand Bank division as the Procurement Executive responsible for driving procurement

strategies across the First Rand division. It was during this period when I joined the Leveraged Finance division as the Dealmaker responsible for Management buy-ins/buyouts, balance sheet restructuring transactions, franchise finance and BBBEE finance,” says Mdanda.

“My responsibilities and involvement were handling the deal from beginning to end—sourcing transactions, writing and presenting pre-screen papers, writing and presenting credit papers, deal negotiation, deal execution and payout. I spent seven years in this role with great success and passion and this influenced what we now know as Isipho Capital Holdings. I am grateful for the opportunity that FNB afforded me under the leadership of Sizwe Nxasana,” he says.

Isipho Capital Holdings is run by husband and wife team, Siphon and Fortunate Mdanda, who are at the forefront of South Africa’s new wave of black industrialists. Their vision of Isipho is for it to be the largest family-owned investment holding company in the manufacturing and engineering sector.

In 2014, Siphon focused on consulting and doing capital raising for customers looking to raise funding and for customers looking to sell their businesses. It was during this period that they identified the opportunity to acquire 100% equity in Kholeka Engineering—a company specialising in the design and manufacture of truck bodies and trailers based in Westmead, Pinetown. Post this acquisition, Siphon became the Managing Director of the business. Fortunate Mdanda joined the business on a full-time basis as

the CEO of Smith Capital Equipment in November 2015, post the acquisition of Smith Capital Equipment.

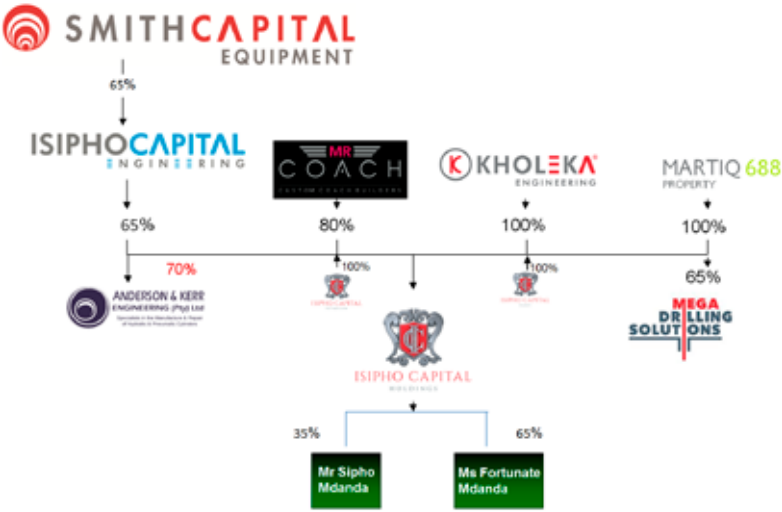
“As CEO, my main responsibilities include managing the portfolio of businesses we have under the Group, corporate financial management, driving business development across and continuously seeking new investment opportunities. We have a relatively simple investment philosophy that is centred around looking for companies in the manufacturing and engineering sectors with the attributes of sustainable, free cash flow, an unencumbered balance sheet, strong management and strong IP and niche products.

“Our optimum choices of target companies are those that are achieving about R25m PAT and unencumbered balance sheets in the manufacturing and engineering sector in particular. We prefer buying into businesses that are owner-managed and run as they present opportunities of extracting value,” he says.

The world of private equity solutions is exciting, dynamic and often turbulent. No two days are the same. It requires insight, a well-considered strategy and above all, a winning attitude.

“At Isipho Capital Holdings, we believe in a partnership model that involves accepting risks and sharing in the upside with all our partners. In everything we do, we bring to the fore extensive banking experience and are always on the lookout for businesses with a unique market position coupled with strong cash generation. This is where we align our interest with those of our partners—creating the incentive for maximising shareholder value,” says Mdanda.

Mdanda explains that the company ensures sustainable returns for investors and minimises risk through specific risk management strategies and systems in place: “We implement a governance model that empowers each business to drive its own operations and we deploy systems that allow for good governance and proper reporting. We allow each business to set targets and work with each in achieving such and, most importantly, we are actively involved in all our operations.”



He says the company’s largest achievement has been able to identify and close six transactions in three years, given the lean team at Isipho Capital Holdings level.

“Being able to inject our philosophy, culture and management principles into the businesses we have acquired and our ability to drive growth, profitability and empowerment on the businesses we have acquired are the major achievements to date. Within the next five years, our growth strategy is to exploit the operating entity synergies whilst assisting them to grow organically. We still have an appetite for acquisitions and, thus continue to identify, negotiate and close deals with entities fitting our investment philosophy and, in particular, to grow the FML, MM and short-term rental business at Isipho Capital Holdings. From a turnover growth perspective, we would like to become a billion-rand turnover business from our current base of R250 million. Additionally, we currently employ in excess of 250 people and would like to be in excess of a 1 000 direct and full-time employment base.

Isipho follows a centralized-led decentralised governance model. It is further entrenched by the fact that the company never changes the trading names of businesses they have acquired, due to the desire to have them retain brand identity.

Mdanda says that the corporate, governance and political landscape have transformed positively over the last decade.

“We are where we are today because of changes in the political landscape of South Africa and, thus pay tribute to the heroes and heroines of all those who shaped and continue to shape it. The government has created the enabling environment for us through various policies like Employment Equity, Preferential Procurement, BBBEE, etc. It is through such policies that we have been afforded an opportunity to learn within various companies and, thus to be ready to make an impact in the private and investment sectors. The establishment of development finance institutions (DFIs) like NEF, IDC and PIC, which have an empowerment and developmental mandate has made it possible for people like us to access funding and mentorship, which would otherwise have been a challenge,” he says.

“Isipho Capital Holdings (Pty) Ltd is a proud Level 3, 65% majority black women-owned company. We manufacture in South Africa, contributing to local employment, skills development and our country’s export market. We are proud to have also set up a trust where management and staff enjoy a share in the company’s success. This is how we assist our country to pursue broad-based empowerment goals,” Mdanda concludes. **BBO**

Baleka Mbete: A woman looking to lead

With a political career with the ANC spanning over forty years, National Assembly Speaker, Baleka Mbete has occupied various roles, the current one as the party's first female National Chairperson, and has been a key player with a far-reaching track record for a role as a public figure in South Africa's political arena

Mbete serves as a Member of Parliament and is a member of the Constitutional Assembly, and previously served as the Deputy President of South Africa, between 2008 and 2009. We take a closer look at one of the leading ladies at the helm of the National Assembly who defines independent strength and determination

Unwavering foundations

Born on the 24 September 1949 in Claremont, Durban, she spent her pre-school years with her grandmother in the Northern Transvaal but completed her primary schooling in Durban. In 1958, her family moved to Fort Hare University where her father had been appointed a librarian, and he subsequently lost his position when the government imposed a series of severe measures to restrict all political activities on campus.

Shortly thereafter, Mbete was sent to boarding school and matriculated from the Inanda Seminary School in 1967. Having completed her studies at Lovedale Teacher Training College in Alice, she went on to teach in Durban where she soon became active in black consciousness-affiliated organisations. Through these, she established contact with the African National

Congress' underground structures.

Mbete went on to teach in Durban. She went into exile on 10 April 1976 and left for Swaziland with the assistance of the ANC underground. The following year, she left for Tanzania where she became the first secretary of the regional women's section of the ANC, which was established as a result of a growing number of women going into exile.

In 1978, she married National Poet Laureate Keorapetse Kgosisile and in 1981, left Tanzania to join him in Kenya where he taught at the University of Nairobi. Following

the attempted coup in Kenya, Baleka fled to Botswana where she resumed her work with the ANC structures. She became the head of the writers and music units of the Medu Gaborone Arts Ensemble until the disruption of their activities by the South African Defence Force raid in 1985.

She then left for Zimbabwe where she joined women's committees but soon left to work for the ANC's women's section in Lusaka until the relaunch of the ANC Women's League in 1990. In June 1990, Baleka returned to South Africa and at the first national conference of the ANC Women's League, she was elected Secretary-General. She was divorced from Kgosisile in the early nineties and recently married Bloemfontein businessman Nape Khomo, on her 67th birthday. The traditional ceremony was held in Mqanduli, Eastern Cape. She currently serves the ANC's national executive committee and is a member of the Congress of South African Writers (COSAW).

A portrait of Baleka Mbete, National Assembly Speaker. She is a Black woman with voluminous, curly dark hair, wearing a light blue textured blazer with gold buttons and pearl earrings. Her hands are clasped in her lap, and she is wearing several rings. The background is a plain, light green wall.

Baleka Mbete,
National Assembly Speaker

Mbete was the recipient of the 2016 Martin Luther King Legacy Award for International Service in Washington DC, in the United States. The award recognises individuals who have demonstrated distinguished leadership and have made contributions that have had a positive impact on the global community.

A woman in politics

"My passion for politics is due to what lies at the centre of it—the people. It is about what is happening in communities, about determining and examining the main issues in different sectors in society that need to be addressed and how best we, as the people that get to come to Parliament, get to represent communities or society," says Baleka. Having worked for the ANC from a young age, she says that it is a continuous challenging journey due, in part, to being a female in a primarily male-dominated sector. "Being a female in politics is not easy. While the landscape has changed in terms of being more inclusive to women, there is still a lot of work to be done within the sector. Politics is never for the faint-hearted, but there seems to be a particularly gendered aspect to the treatment of female politicians. Male confidence and ambition in the public sphere are both appropriate and praiseworthy, while its female equivalent is often less tolerated. Despite the success of a handful of women at the top, female South African politicians still have a long way to go to be treated truly equally," she says.

She continues by explaining that democracy that excludes half the population from leadership positions will ultimately fail, and minimising the divide is an essential part of creating the responsive, responsible and trustworthy leadership required. Additionally, closing the gender divide in the sector of political leadership will accelerate progress on narrowing the social and economic gap.

The call for gender equality and her advocating for women's rights are issues close to Mbete's heart. Previously, the Secretary-General of the ANC Women's League, she was also the Chair of the women's caucus in Parliament. She was considered a militant member of the Women's League when it

returned from exile and she insisted that women should be mobilised to fight for their rights. Mbete has also spoken out emphatically on the abuse of women and children, stating Parliament needed to prioritise legislation that will tackle femicide and gender-based violence.

Celebrating those before us

Mbete is passionate about empowering women and celebrating the history and those who have paved the way for the next generation.

"All glory must be given to the women of older generations. I say that because they had a lot more difficulties to face, and much thicker walls to break down in order for the generations of today to be able to go further than they did. I remember sitting with Ray Alexander—Ray Simons by the time she passed on—and she told me of the experiences of a woman in earlier decades whom she met when she arrived here as a teenager and threw herself into political movements, in particular, the labour movement. In fact, Ray started FAWU, one of the trade unions that still survive to this day—and the stories she told me, I don't know how I would have dealt with them, but it was an experience and it went with its time," says Mbete.

"Yes, we too arrived in an environment where it was not very smooth sailing. We had to fight our own battles and break our own walls that were facing us at that time. For instance, even when we were involved in the Constitutional Talks, we had to fight, nobody welcomed us or brought it to us on a silver platter. We had to fight for our right to be there.

"We were saying that women have been mentors for so long, why would they not be able to be leaders? And thank God for leaders like Oliver Tambo because, from the 1940s, he had always been one of those male leaders who were actually part of the struggle. You could easily call him one of the great women's emancipation activists. Oliver Tambo chaired what we called the 'Emancipation Commission of the ANC' when we first came back from exile and he championed the gender equality struggles.

"The Women's League was existing and it had its own, different rules, and he was consistently there to make us look harder at what's going on in society, to make us look at why and how we had to change, and how it is the African National Congress itself, as a leader in society and in the struggle, that had to be exemplary in showing we were prepared to do those things that didn't come easily to us but had to be done.

"Women's rights are part of human rights and that's something we learnt we had to fight for at the negotiation table at the World Trade Centre because there were traditional leaders, male comrades, who were prepared to sacrifice that which we felt very strongly about. In the interim constitution at that time, dealing with what was called fundamental rights at that point, there was a clause where the men had agreed that in certain areas—areas where there would be traditional leadership—the issue of fundamental rights could be postponed. We had to put up the biggest fight of that moment to say what? Delay our rights? Postpone our rights?" explains Mbete.

She says, "at times we forget, and we pretend as though it was always smooth sailing, but it was not. Women had to fight every inch of the way and so when we are here, we should look back very seriously at those moments and appreciate them. Today's generations must look at their issues and must know that nothing that is now taken for granted came easy. Freedom was not free."

"I look at some young women and I can only admire them for what they're doing and saying and the courage they have. For instance, at universities, I've seen some bright, brilliant, beautiful young girls like Nompandolo Mkatshwa, who was president of the SRC at Wits. I truly admire younger women who are continuing the fight for their rights, and I know that one day they will look back and they will talk about these moments in the same way that I'm talking about the moments that my generation have gone through. Every generation has its issues and it must focus its energies on moving forward to solve them, but it's wise to remember that there are lessons to be found in the past," she adds.

A time for female leadership

Earlier this year, Mbete confirmed she would be available to stand for the ANC's top job and, ultimately, preside over the country when the party chooses President Jacob Zuma's successor at its national elective conference in December.

Mbete states she has overcome various challenges throughout her life, which has prepared her for any tough task. The National Assembly Speaker concedes she will begin her campaign on the back foot, as other contenders have been actively campaigning for some time already. She says it will be up to her supporters to do the legwork of injecting life into her aspirations. Mbete will look to win over the branches on the grounds of seniority, party unity and women's issues.

"Unity, for me, is of high importance—unity not only in the ANC but in the country as a whole," she says.

"We have witnessed horrific and barbaric, violent assaults on women and children in recent times, with little recourse. I am willing to die fighting this cancerous societal ill until the bitter end. It is my desire to see all women, young and old, living in a society that allows them to be whoever they choose to be. I long to see women define themselves on their own terms, as opposed to living according to the dictates of society and patriarchy," she states.

Mbete has also shown an interest in the right to a quality education for everyone, by emphasising that leaders of civil society must lead in the process of the decolonisation of the mind and that universities must develop African tools of analysis, as the politics of language planning in post-apartheid South Africa are an urgent matter in the ongoing discourse of education.

The current frontrunners for the top job are Deputy President, Cyril Ramaphosa and former African Union Commission Chairperson, Nkosazana Dlamini-Zuma. Since female candidates are now showing that they are up to the challenge, Mbete will not only compete against Dlamini-Zuma but also against Human Settlements Minister, Lindiwe Sisulu.




Baleka Mbete, National Assembly Speaker

Asked about whether the ANC had given sufficient space for female leaders to emerge, Mbete has said previously: "I do not think that we can wait for the perfect conditions for women to lead. Women participate; they play roles under very difficult circumstances. They have shown how brave they are. People say women hold the knife at the sharp end, but all they get are compliment. They are not given leadership positions. I think that society has been very dishonest in this regard because you will find that men—even those less competent than many of the women who have played leadership roles—are made leaders. I think we need to just say to ourselves: 'It is time. Let us allow for women to lead. Let us not be talking about conditions not yet being right.' When will they be right?"

A family-orientated poet

Mbete is a mother and grandmother, she enjoys taking time to relax with her family and cites finding a balance between

family and politics as one of her personal challenges. "Politics take you away from family life because you have to give so much of yourself to the whole of society, and you only have so much in terms of energy and human capabilities. So it cuts from that which could invest in your family and, instead, adds more to what you put into what you do for the broader society. So, that's the one regrettable thing about politics," she says. As for interests, one of her greatest, and lesser known, is for arts and culture. "It may not be the most well-known thing about me but I've always been somewhat involved in that kind of work. In fact, if I had another life, it would be the key role I come back to life to play," Mbete says. Amongst Mbete's many accolades, she also published an anthology of poems, 'Essential Things', and has been quoted as saying, "the best compliment you can give me... is to tell me that I am a poet." 

Shannon Manuel



Leading the pact in innovation

Big Time Strategic Group 's CEO Justice Maphosa gives insight into what makes them the best and brightest

Big Time Group is a diversified group of wholly owned Black South African companies with business interests in the ICT sector, aviation, banking, health and pharmaceuticals, transport network, energy and insurance and agriculture. Founded in 2000, the flagship of this group, Computer Ink and Media Solutions was able to grow from a backyard business into a sizable enterprise today, through the vision, innovation, and commitment of its founder, Mr Justice Maphosa. The Group and its Companies has established its reputation as one of the formidable players in the South African ICT Sector, which is the biggest contributor to the group's income. In the Group are the following companies:

Computer Ink And Media solutions, Big time Strategic Consultants, Flame IT Strategy, Flame Consulting, Big Time Agriculture, Big time aviation, Big time transport, Big time insure Big Time Energy, Big Time medicals.

By using various breeds of products and services and the ingenuity and flow of ideas that are turned into solutions and

planted at the core of the group's technological breeding ground in South Africa, the Group is able to reach far and remote areas through the use of our business model of ICT audits, and informed proposals to meet various clients needs and enhance each economic sector, through the use of various enabling ICT services and solutions into order maximise time and speed up the efficiency and functionalities of these sector industries.

Our vision is to be the partner of choice in every home, every industry, and every government that seeks to transform the lives of ordinary citizens and create an all-inclusive economy.

Our mission is to add purpose to life in Africa through ingenuity out of need. Africans, we are products of our past, but we do not have to be prisoners of it, therefore respond to life with thought, precision and ideas

Our core offerings

Our ICT Consulting and professional services companies together with our project roll out and management businesses offers various solutions to the government and private sector clients, ranging from providing strategy, architecture, implementation and integration services to help

plan, build, improve and innovate our client's IT needs and provide better secure and agile business solutions. We provide these services across a range of technologies and delivery models including mobility, cloud, IT outsourcing, network, communications, data centre, end-user computing, security, and sustainability.

Our professionals advise you on optimal ways to use technology and services to transform your ICT environment and achieve higher levels of innovation. We help you develop a strategic roadmap that aligns your IT strategy and investments to your business priorities. We also assist in developing specific strategies for mobility, cloud, and IT-as-a-service to help you unlock the potential of these emerging technologies.

We work with you to design a holistic solution that integrates new technologies with the legacy environment, in line with your IT strategy.

As part of any transformation, we identify the required changes to the ICT infrastructure – from network, communications, and security to the data centre, end-user computing, applications, and service management – to ensure the new service delivers the desired return on investment and business outcomes.

As a full life cycle service provider, we will help you implement, integrate, transition, manage and continually improve the solution—across a industries and sectors of operating model options. We bring a disciplined, systematic approach using time-tested assessments, methodologies, frameworks, and best practices to drive consistency and quality throughout the project engagement.

Challenges overcome

A business started out of the need to fill the consumables space for individuals and office bearers whose appetite for printing and imaging had grown to formidable levels unsatisfied and quenched by the then prevailing markets in South Africa, it soon became clear that ICTs had hit South Africa with a cold that had to be nursed urgently through innovative ideas and astute business agility. The black economic empowerment initiatives helped propel us to the much needed momentum by opening up markets for us in government to sell our products and solutions. As such the second and third, fourth companies were formed to complement each other in this scramble for the supply of goods and services to government and private sector companies. This was the birth of the group. The first decade of the company's history was characterised by various struggles, from sourcing funding with a salary turned into investment to sourcing office space and struggling with collateral issues. Having overcome these, and helped by the strong domestic growth in South Africa at the time, Big time Strategic Group became a true black and wholly owned, home-grown success story in the South African. Big time Strategic Group quickly established a formidable reputation as an upcoming industry leader in the technology business.

Our Success

Until date, we pride ourselves as a true and true black South African company in procurement initiatives, spending patterns, employment opportunities, management crop of leaders we have bred, making it



Big Time Strategic Group 's CEO Justice Maphosa

possible for ordinary black citizens to transcend and ascend the corporate ladder of success. Success is not a result of spontaneous combustion; you must set yourself on fire. This has seen Big time Strategic Group winning a number of awards from the Original equipment manufacturers and industry leaders.

Where we are right now

To Big time Strategic Group, information and communications technology (ICT) represents an enormous opportunity to introduce significant and lasting positive change across the developing world.

The rapid penetration of mobile access in particular has resulted in considerable improvements in the lives of the poor in both rural and urban contexts. All evidence suggests that this trend is going to continue, as the availability expands and the cost of access continues to decline. Big time Strategic Group seeks to collaborate with industry leaders in accelerating that growth, in whatever industry it may be. Big time Strategic Group's breath-taking pace of penetration and uptake of mobile telephony and broadband Internet is supporting many new possibilities in Africa, which were not possible in the years gone

by. Our products and services are providing breakthrough ideas in agriculture, health, education, and access to finance; and helping local and international trade. It also provides new ways of communicating and lobbying, which transcends international borders, as shown by the role of mobile phones and the Internet in the waves of revolution that spread across Northern Africa in 2011. Big time Strategic Group is right there on that pinnacle point of ingenuity, agility and evolution through collaborations with other players in this space.

South Africa's unique ICT sector

In South Africa, Information and Communication Technology (ICT) is at the forefront of the modern economy and its influence cannot be ignored. Computer processing power is increasing exponentially, with technology giving rise to cultural, social and productivity shocks. Communication has been completely transformed. Cellular telephones and other mobile devices connect individuals and businesses in a way that is not only fast, but also accessible. Data are transferred between individuals and businesses seamlessly.

Businesses, countries and people are connected like never before, and communication has been totally reshaped with email systems and online messaging that deliver instant responses. The ICT sector in South Africa is an important component of the national economy. Technology is involved in almost every facet of the economy – from telecommunications to increasing productivity in manufacturing with robots, and more efficient computer hardware and software. Despite the economic importance of the ICT sector in South Africa and the world economy, it is not a clearly defined industry, as classified by the International Standard Industrial Classification of all Economic Activities (ISIC). Instead ICT is a component of multiple industries throughout the economy, including manufacturing, business services, trade and telecommunications. There is a demand for ICTs from government to general business. The South Africans are

sweating out their ICTs quicker and turning them over quicker than others in Africa. This is as a result of the available disposable income per household, and our geographical spread out economy and the top notch infrastructure investment South Africa has when compared to other African countries.

It might be surprising to learn that the ICT sector is larger than the agriculture industry in South Africa, which is not the case of many South African countries. This is one of the findings from Stats SA's latest Information and communication technology satellite account for South Africa report. The document covers ICT's contribution to the gross domestic product (GDP), its role in imports and exports, and its contribution to household spending.

Larger than agriculture, but smaller than tourism

Think of the vast wheat fields of Free State, the wine farms of Western Cape, and the sugarcane fields of KwaZulu-Natal. The South African agriculture industry includes a wide range of activities, from livestock production to horticulture. In 2014, agriculture contributed just over 2,4% to economic production.

ICT's contribution, on the other hand, was slightly higher at 2,7% (or R93 billion); larger than agriculture, but slightly shy of tourism's contribution of 3,1%. In other words, for every R100 that the economy produced in 2014, R2,70 was due to activities related to ICT. Very important to note that breaking it down a little further, just over two-thirds of the R93 billion was a result of activities related to telecommunications services that include, among other things, private broadcasting and cellphone services. The remaining third consisted of computer services (e.g. data processing and software development), manufacturing of ICT equipment (such as electronic components and devices), and activities related to the development of content and media.

ICT imports supersede exports

A country experiences a trade deficit when it imports more than it exports.

South Africa has consistently imported more ICT products than it has exported. The trade deficit for ICT has grown since 2011, from R42 billion in 2011 to R97 billion in 2014.

Almost half of ICT imports—47,5%, in fact—consisted of radio, television and communication equipment, and 30,7% consisted of office and computing machinery. This highlights South Africa's reliance on other countries to provide it with ICT equipment, such as smartphones, tablets, computers and servers.

South Africa's largest ICT export—60,5% of all ICT exports—was broadcasting, telecommunications and information supply services. Think of South Africa's expansion into the African continent with cellphone services and pay television.

Subscriptions and contracts dominate household ICT budgets

South African households spent in the region of R105,7 billion on ICT in 2014, 4,6% of total household expenditure. Just under two-thirds of the R105,7 billion was spent on telecommunication services, which include contracts and subscriptions. Households spent 17,4% of their total ICT budgets on telecommunications equipment.

How has the African ICT sector grown over the years

The ICT sector has been growing in recent years at an unparalleled pace. In some countries, various studies note, the "information economy" is becoming one of the main drivers for economic growth more generally.

In 2009 South Africa's ICT sector generated \$24.2 bn and contributed more than 7 per cent to the country's gross domestic product (GDP), according to a report by Hot Telecom, a consulting firm. That same year Tunisia's ICT sector contributed 10 per cent to the country's GDP. In Tanzania its share reached 20 per cent of GDP.

Everywhere on the continent, the ICT sector is expanding rapidly. Annual ICT

revenues are now estimated at around \$50 bn.

Investments in Africa's mobile phone segment, the continent's dominant ICT category, have grown from \$8.1 bn in 2005 to almost \$70 bn today, reports the UN's International Telecommunication Union (ITU). Mobile phone operators have become major sources of tax revenue for African governments.

They average 7 per cent of tax receipts and in some countries comprise the single largest category of taxpayers, according to the GSM Association, which represents mobile operators worldwide.

Today, it is very common to notice that there is a Call centre in Nairobi, Kenya, which provides services for companies around the world. In many African countries, the information and communications technology sector is not only growing rapidly, but also stimulating other parts of the economy. This growth would be more visible and stronger as the years go by.

Right now, there is the laying of fibre-optic cable off the East African coast: More African countries will soon have faster and cheaper communications links with the rest of the world. Here in South Africa, Liquid (a Strive Masiwa company) is laying cables from Durban to Cairo, making it possible to sell data and achieve mobile telephony.

Opportunities in Africa

Behind this trend lie three major changes over the past decade. The first was Africans' unexpectedly fast adoption of ICT services. In 2000, 11 million people in Africa had mobile phones. Five years later the number had grown to almost 200 million, and now it is fast approaching 400 million.

The pace of mobile phone adoption in Africa has defied all predictions. Cellular phone penetration on the continent is an "ongoing success story,"

There also has been steady growth in Internet access on the continent, from 3 million users in 2000 to more than 100 million in 2010. This upward trend will continue, as Africa literally becomes more

closely wired to the rest of the world with the construction of a series of undersea cables. In the process, Africans became world leaders in "mobile web" technology — Internet access through mobile devices. Also revolutionary is the extent to which ICT now supports other economic sectors. Stock exchanges in Johannesburg, Nairobi, Lagos and Abidjan cannot function without these technologies.

They make banking easier and accessible to more people, allow faster and more efficient medical assistance and are increasingly being used to help advance people's political participation.

Future plans / expanding into Africa

Big time Strategic Group views Africa as a pregnant mother about to give birth to twins. The harvest is huge. South Africa continues to hold its own as the most attractive investment destination in Africa despite a continued reduction of its score we give it due to a slightly weaker business environment and a faltering growth outlook.

The where to Invest in Africa 2018 report released on Monday by Rand Merchant Bank (RMB) showed that South Africa has fallen from first place for the first time since the inception of the report, ceding its place to Egypt which is now Africa's most attractive investment destination.

However, the continents other powerhouse Nigeria moved outside the top 10 investment destinations on the continent for the first time, with RMB attributing this to the country's short-term investment appeal having been eroded by recessionary conditions.

As Big time Strategic Group we view Egypt as an upcoming attractive investment, though three years of political instability that limited its appeal. Its sizeable domestic market, relatively low unit labour costs and rapid uptake of technology have revived interest in one of the world's first nation states.

Morocco joins its North African counterpart Egypt in the top. The integration of value chains and the progress of collaborations between big firms and SMEs in that

country seem to have impressed offshore investors.

Nigeria's outlook is also encouraging. We are encouraged by the peaceful transition of power and continue to believe in the country's long-term economic viability based on the sheer size of its economy and the prospect of a demographic dividend.


Ethiopia's prospect is well deserved given its stable economic environment, strong investment guarantees, natural resource base and programmes to develop skilled labour.

As Big time Strategic Group, we would look at those countries that gives us an opportunity to diversify our investment portfolios. The jury is out on energy, banking, insurance, transportation. We believe this would enhance the image and growth of Africa and satisfy the ever-hungry population. We strive to be the best diversified group of companies that uses ICTs and tech savvy solutions to enhance the productivity of the sectors we operate in and better the lives of ordinary Africans.

Leadership Style

At work as a leader, I am participative and believe in delegating with accountability to me.

In business, I am transactional, allowing an open mind to gather my thoughts as I chaise the deals, a clear conscience to guide me, and an eye that knows when to strike. In the community I live in, I am transformational, allowing that light of hope to shine through, knowing that as we let our own light shine, we unconsciously give other people permission to do the same.

The most important leadership lesson that you learn is to delegate. It is not about you. Do what you can, with what you have, where you are. And my advice to aspiring leaders is that everything you imagine has the potential to become a reality and that perseverance and self-belief is very important. There is no greater agony than bearing an untold story inside you, and it is never too late to be what you might have been. 



BBQ Awards turns sweet, sassy 16!

Like a fine wine, the *Big Time Strategic Group Black Business Quarterly Awards* gets classier and smoother with age, this year celebrating its 16th anniversary with an evening to remember

Hosted at Emperors Palace on Friday, 20th October, the 2017 *BBQ Awards* promises to be one of glitz and glamour. As the saying goes, 'All that glitters is not gold', however, in this case, the twinkle from this crown jewel of the South African event calendar is as real as it gets.

One of the country's most prestigious and longest-running business awards ceremonies, since inception, it has gone from strength to strength, attracting the best of the best of the black business elite within our country.

The *BBQ Awards* recognises and rewards excellence in black business across all industries and enterprises. From distinguished leaders to rising stars, the creatively talented to innovative and impactful entrepreneurs, the *BBQ Awards* applauds their determination, hard work and integrity. Champions of South Africa's business elite, along with numerous foreign dignitaries and senior government officials will be in attendance to celebrate remarkable business achievements.

Luminaries who have previously been honoured by the *BBQ Awards* include Deputy President Cyril Ramaphosa, Thulani Majola, Commander Tsietsi Mokhele, Siyabonga Gama, Daphne Mashile-Nkosi, Phuti Mahanye

and Bheki Kunene. Among the high-profile 2016 winners were South Africa's Minister of Women in the Presidency Susan Shabangu, Nonkululeko Gobodo (Chief Executive of Nkululeko Leadership Consulting), Felleng Yende (FP&M SETA's CEO), Mteto Nyati (MTN South Africa's CEO) and Tebogo Ditshego (CEO of Ditshego Media). This year, the competition is even fiercer as nominees battle it out against the top of their class.

The keynote address of the evening will be delivered by Speaker of the National Assembly, Baleka Mbete, a stalwart in championing for transformation in every sector of our country. The host for the evening will be the popular South African choreographer and radio personality, the ever-fabulous Somizi Mhlongo, whose vibrant attitude and larger-than-life personality is guaranteed to infuse an element of celebration into the evening.

In keeping with its reputation of providing quality entertainment, the *BBQ Awards 2017* welcomes the award-winning R&B performer, Vusi Nova, as the headline act, who will mesmerise the audience with songs like 'Naninina' and 'Ndikuthandle'.

David Tlale, one of South Africa's leading fashion designers will be providing the winners of each category with their outfits and doing what he does best, making them look absolutely fabulous!

The awards will consist of 13 categories open to individuals, black-owned and empowered companies and organisations in South Africa, which include Best Established SMME, Outstanding Woman in Business, the Young Business Achiever Award and Community Builder of the Year Award.

Winning an award that recognises your business offers exceptional marketing and PR opportunities, as well as increasing your credibility and standing in the eyes of your esteemed peers and clients. And of course, along with the trophy comes the bragging rights.

In between the wining and dining, attendees will have the opportunity to network with other game-changers in the black business community. We will salute you on the red carpet, while you sip on welcome drinks, courtesy of Hennessy, and have the opportunity to be photographed by the paparazzi in attendance.

The BBQ Awards will be broadcasted live on CMTV streaming and covered by mainstream media, print, radio and television. So, dust off that suit, shine those shoes, put on that lipstick and join us in shining the spotlight on these amazing candidates, and make all those sleepless nights of hard work worth it. Tables are limited, so book yours now.

This year, we have an amazing group of judges overseeing the selection process.

McLean Sibanda, Chief Executive Officer of The Innovation Hub; Phuti Mahanyele, Executive Chairperson of Sigma Capital and Xolani Qubeka, CEO of the Black Business Council



Xolani Qubeka, an entrepreneur and self-taught businessman, is the past CEO of the Black Business Council, and he is very passionate about entrepreneurship and economic transformation. He has over 20 years of general Management experience and has held senior management positions in several companies, including DENEL, Gijima, Multichoice and MTN.

Prior to joining the Black Business Council he was Managing Owner of Qubelisa Enterprise Empowerment & Training cc., a corporation focusing on entrepreneurial development and training and capacity building for SMME's. Xolani played a pivotal role in the formation of MTN, as well as being part of the project team that successfully tendered for the C3 MTN license in 1992/3 and also played an integral role in the new Telecommunications policy process that culminated in the Telecommunications Act of 1996.



McLean Sibanda is an engineer and patent attorney. He has been Chief Executive Officer of The Innovation Hub since February 2011. He has extensive experience in intellectual property, entrepreneurship, innovation, and in particular, working with startups. He has held senior and executive roles in a number of private and public sector organisations in South Africa.

He has served as an Expert to the African Union, World Intellectual Property Organisation and the Department of Science and Technology. He has served on the boards of the CSIR, and International Association of Science Parks. He currently serves on the boards of Meniko Records Management Services, African Agricultural Technology Foundation and the National Intellectual Property Management Office (NIPMO), which he chairs.



Phuti Mahanyele is the Executive Chairperson of Sigma Capital an investment holding company. Ms Mahanyele is the former CEO of Shanduka Group, an investment holding company she joined in 2004 and left in 2015. Prior to that, she was the Head of the Project Finance South Africa business unit at the Development Bank of Southern Africa. Prior to the DBSA, she was Vice President at Fieldstone, an international firm specialising in the financing of infrastructure assets. She is involved in a number of activities with youth in her personal capacity. She mentors young professionals and supports students. She is involved with the "Dignity Day" programme which is led by Young Global Leaders of the World Economic Forum. She was awarded the Forbes Woman Africa Business Woman of the Year Award as well as the Platinum Award by *Motlekar Holdings BBQ Awards* in 2014.



A word from Robert Arendse, Managing Director of Cape Media Corporation

How has the BBQ Awards evolved over the past 16 years?

Since the creation of the BBQ Awards, it has continued to expand and increase its reach. It has attracted companies and individuals who are dedicated to making a difference and who are excelling in sectors such as entrepreneurship and enterprise development in the public and private sectors.

How is attending the awards/being nominated/winning a valuable "addition" to any company/individual?

There are too many to list! Entering and, subsequently, winning an award makes your company shine and sets it apart from your competition. Attending the awards provides excellent network opportunities and provides a platform for everyone to interact before heading back to their busy schedules.

What is the importance of celebrating black business and transformation in SA?

South Africa desperately needs to address important issues such as education and unemployment, as the associated socio-economic problems directly affect our dream of a prosperous rainbow nation. Promoting and empowering leaders of transformation in business is a key priority as it offers solutions to these socio-economic difficulties. Events like the Big Time Strategic Group BBQ Awards provide a platform to celebrate and honour such individuals and organisations.

What are your future aspirations for the BBQ Awards for the next 16 years?

My hope is that it continues to create this legacy of inspiration for the country's black business elite. Organisations and individuals are recognised for their good corporate governance, leadership and esteemed business achievements at the annual awards ceremony. We want the BBQ Awards to be a milestone for them, an achievement that each and every one of them is working towards.

Describe the atmosphere one can expect at the awards?

It's glamorous, it's fun, it's memorable. And it's inspiring. At the BBQ Awards, you are surrounded by people who are driven and who have persevered, and the best part is that they are all celebrating each other.

What is your favourite part of the awards evening?

Seeing all attendees having a brilliant time, and having these amazing achievers interact with the organisers of the awards, showing their appreciation and interest in the important nature of this event and how its sole role is to celebrate their achievements.

What is your most memorable BBQ Awards moment thus far?

When one of my employees accepted an award on behalf of one of the winners as the individual was approaching the stage. Eventually she reluctantly handed the trophy to the winner. **BBQ**



Solutions to create a positive social impact

With almost 20 years in the industry, Tshikululu is the most experienced company in designing impactful social investment solutions

Tshikululu was established in July 1998. Prior to this the founding team of Tshikululu was part of the Anglo American and De Beers Chairman's Fund, until Anglo American listed in the UK and a decision was made to outsource the management of the groups CSI funds. And this give rise to the birth of Tshikululu.

"Our social investment specialists design and implement solutions for social investors.

We are deliberate in the caliber of individuals we employ, which display a balance of skill, passion and diligence for the kind of work we do," says Tracey Henry, CEO of Tshikululu Investments.

"Social investment is such an necessary factor to any company because business is part of a system, dependent on the communities in which it operates, employees, other industries, government, the environment and civil society. The health of a

business is impacted by the health of the overall system."

Henry is one of the founders of Tshikululu and during her time there, she has designed social investment solutions for blue chip clients as well as systems and processes during the set-up phase of Tshikululu in 1998. She was appointed CEO of Tshikululu in 2008 and has since grown the number of trusts under management from six to 22.

Henry has 23 years' experience in the social investment sector and holds an MA in Social Sciences.

She has presented at local and international conferences, including panel discussions in Washington at the International Finance Corporation Sustainability Conference and UNICEF's business sustainability conference in Kenya.

She has published various articles on sustainability, leadership and ethics, has peer-reviewed an international publication for the International Finance Corporation and has been a member of a number of national working committees.

"Our vision is to achieve deep and sustainable social change for a greater good. We identify emerging social investment opportunities and plan investment strategies from conception to execution and evaluation. We develop strategic social investment solutions that result in long term social impact, supported by monitoring and evaluation and continuous due diligence reviews. Tshikululu creates client strategies that take into account focus areas in development, geographic reach, purpose, and size of each client," explains Henry.

"We offer each client a bespoke solution to their specific social investment needs. We strongly believe in our social investment framework, that employs initiatives that are geared to unearthing the root causes of socio-economic problems with the view of finding systemic long lasting solutions. Therefore, rather than treating the symptoms of inequality, poverty and unemployment, the ultimate goal is to create and measure interventions that impact the whole system. It's a strategic intervention, supported by

strong monitoring and evaluation to influence decision-making.”

As social investment specialists, the management of various types of trusts is key to the work of Tshikululu. These currently include 13 CSI trusts; eight BEE-Ownership trusts; and two private trusts, which are representative of the mining, renewable energy, health, education, finance, logistics, property, insurance, engineering, and science and technology sectors, among others. In addition, we provide advisory services for clients that administer their own trusts but that require specialised social investment solutions such as evaluations, due diligence of programmes, research and strategy design.

“Since our establishment in 1998 we have managed the implementation of 50 000 programmes representing all sectors across the country in rural and urban settings. Our 20 years of social investment experience is unique, it is based on on-the-ground development experience coupled with social investment solutions.

“Tshikululu has worked extensively with renewable energy clients in recent years, in several different capacities, and has deep familiarity with the Renewable Energy Independent Power Producer Procurement Programme (REIPPPP) process, the Department of Energy’s economic development and reporting requirements.

“While doing this work, Tshikululu has developed a proven approach to conducting community assessments and developing community-centred

socio-economic development strategies, which has added real value to our clients—as evidenced by the number who have come back to us time and again, over multiple rounds of bidding,” says Henry.

Business needs are changing in response to progress in technology and renewable energy, a greater emphasis on regulatory reporting. Tshikululu believes that social investment spend needs to be holistically embedded in a corporate donors’ overall business strategy.

Social investment spend has evolved from running parallel to business strategy to a much broader imperative to build societies and to identify new opportunities to address poverty, inequality and unemployment.

Funders are more conscious of the critical role that partnerships play in addressing these needs and leveraging resources and knowledge.

“With clients that represent some of the country’s largest companies, we directly manage programme funding in excess of R500 million, and hold more than R1.5 of funds under advisement. We are agile as a business, and we manage trusts investing funds that range from R700 000 to R218 million per year. Individual grants paid out to beneficiaries can range from R30 000 to R24 million.


“Our biggest accolades are when our clients are recognized for their impact.

It is always humbling to see the industry acknowledgement of our clients for the impactful socio-economic development

strategies we partner on for the greater good,” says Henry.

She explains that Tshikululu is the optimum choice when seeking the services of this type of business as Tshikululu offers an end-to-end social investment solution. “We scope and strategise on what kind of socio-economic transformation is required in a particular sector, and identify credible stakeholders that need to be engaged for programmes to be set into motion.

“Tshikululu and the trusts that it manages adhere to International Financial Reporting Standards, have received 19 years of unqualified audits, and follow stringent governance protocols. Tshikululu aligns its practices with the recommendations of the King Report on Governance for South Africa.”

On whether we, as a country, are on the right path regarding social development, Henry says, “To prosper and grow as a nation we need to acknowledge and reflect on our past failings as well as our successes to ensure continuous improvement and growth. One of our biggest challenges remains unemployment and quality education. There is no quick fix to either; however, significant investments are being made, particularly in terms of education, by social investors working in partnership with other funders, civil society and government. These partnerships along with continuous monitoring and evaluation will ensure that we remain focused on creating opportunities of our youth to thrive and ultimately build a more vibrant and prosperous society,” she concludes. 



Mental liberation, economic salvation

Sihle Tshabalala's ascent from prison to tech pioneer is no quirk of fate

Once he lived the high life, driving an expensive car, wearing expensive designer clothes, and living in a lavish apartment in Cape Town. Then the crimes he committed to finance his lifestyle caught up with him. Eleven years later, Sihle Tshabalala emerged a changed man with a vision, a mission, and an unshakeable belief in himself. Find out the inspirational story of the co-founder and CEO of the not-for-profit company, Quirky Thirty, now Quirky Innovations, as presented at the SMME Opportunity Roadshow, held recently at the Cape Town International Conference Centre.

His day-to-day life is spent working with high school dropouts, teenage mums, unemployed youth, ex-offenders and prisoners. Most of his time is spent teaching them coding, graphic design, Cloud training and entrepreneurship. Once, however, things were very different.

"I was born and raised in a township, which is just fifteen minutes from the Cape Town International Convention Centre," says Tshabalala. "I started school at the age of four and matriculated at age 16. I had nothing to do and no aspirations to go to university, so I started doing business robberies and heist jobs. When I was about to turn 19, I was arrested and sent to prison for 11 years. I've been out of prison for four years. Just last week, I was doing a feature documentary for WesBank, the vehicle financing bank, and it was the first time I'd gone back to the scene where my last robbery took place, which happened to be on Sea Point Main Road, 15 years ago. I was anxious and overwhelmed by the whole experience. Sometimes, you have to come into contact with your worst fears. That is what prison taught me. In prison, you learn a different type of psychology that you won't find in any psychology

textbook. You can go to the best universities in the world—Harvard, Oxford, Cambridge, Stanford—and you'll never find it, because in prison, if I have a problem with you, there's no way that I can take your name and put it on the next transfer list to another prison. It means that I'll still be challenged by you for the next five or 10 years. However, the gift of prison is that it's never about fixing the external, it's about fixing yourself."

Prison taught him a simple but valuable lesson, says Tshabalala: "Imagine you wake up in morning, go to the bathroom and stand in front of the mirror. Who do you see? Yourself. If you see a blemish on your face, do you fix the mirror or do you fix yourself?"

For Tshabalala, prison was the key to change. "I started my entrepreneurial activities in prison," he explains. "It doesn't matter that it was smuggling marijuana: it was a business. I had four prison officials on my payroll. For four years awaiting trial, I never ate prison food in Pollsmoor. I ate KFC and Nando's. I had everything figured out, from production to supply chain and marketing," he says.

Everything changed when he was sentenced and transferred from Pollsmoor to the notorious Brandvlei Maximum Security Prison in Worcester. In Brandvlei, they had a section called Afghanistan. This gave Tshabalala pause to reflect.

"Afghanistan really is a war-zone," he says. "No prison warder wants to work there. No prisoner wants to serve time there. South Africa has 224 prisons. If you are a troublemaker in one of those prisons, they send you to Brandvlei. It's like a dumping ground for troublemakers.

"I left Pollsmoor with a bad reputation, especially as a former high-ranking member of the 26s. I was chased from one section of the prison to another. I had trouble with impiempies, but they never caught me with drugs or money because I was always tipped off before the warders came to search me and hid everything away," he says.

It was this ingenuity in surviving under conditions most charitably described as hellish that proved to be the engine of

Tshabalala's entrepreneurial streak. In fact, prisons are hotbeds of innovation and creativity.

"If you are looking for the best entrepreneurs, go source them in prison," he says.

"Three important qualities of the entrepreneur are possessed by prisoners naturally," he maintains.

"One: if you want to become a successful entrepreneur, you have to know how to hustle and in prisons, we have the best hustlers. Two: you must have the courage to take risks and in prison, we have the best risk-takers. Three: you must know how to network, and in prison, we have the best networkers. It's just that they choose the wrong product, which is crime," he explains.

Criminals are also required to be professional, as Tshabalala points out: "I come from a robbery background. I used to do business robberies and heists. You have fifteen guys who don't know each other, from different townships but they come together for one common goal. They do the heist, split the money and don't see each other again.

"I've never seen people who are so innovative and creative as criminals. Let's assume that you buy a house. You're happy in your new home. I come and break into your house. What do you do? You secure the house. You install burglar bars. But what you don't know is that you are giving me a second task: how to break into your house with burglar bars. Once I figure that out, I come in and expose your weaknesses. So you install an alarm system and motion sensors. For me, that's task number three: how to circumvent your alarm system. Every system you install stimulates me to be even more creative. So, once I have that figured out and break in again, you hire an armed response team. For me, that's task number four. I have to work out how often armed response patrols the vicinity and what their response time is. If they take five minutes, I have four minutes to get the job done," he explains.

Tapping this fecund vein of entrepreneurial spirit is what motivates Tshabalala today.

"Now, the work that I'm doing in prisons is with innovation and creativity. I believe that every one of us has something unique and special to contribute to this world," he says.

Dreaming different dreams

It's not only prisoners who need their mental shackles removed. It's society at large.

Tshabalala maintains that people become trapped in poverty because they are encouraged to believe themselves to be poor.

"There is a widespread attitude that because you come from a disadvantaged background, this is how your life is bound to be.

"We tend to have a fatalistic mindset, especially the younger kids today. I work with them most days. Because of tik, kids start offering sex for money at the age of 12. You can have sex for R30. By the time they reach the age of 14 or 15, they are already teenage mums.

"We have the belief instilled in us that you have to go through school, get a degree and have a beautiful life. However, 33.6% of graduates in South Africa are unemployed. A degree doesn't guarantee you a job. Every township kid now aspires to go to university but they study subjects and acquire skills that are not in demand. So they take those degrees and become cashiers at Spar or work at call centres," Tshabalala explains.

The fact is that there's no silver bullet for the social and economic challenges South Africans face on a daily basis. What can be changed is the way people think about their situation.

"We need to be realistic about how we solve today's problems.

"Even Albert Einstein realised that we cannot change problems with the same mindset that created them. We need to have a different belief system to have new opportunities. The greatest weapon we all have is choice. Our choices determine where we end up in life. It's not fate," he says.

Simple as it may seem, it all comes down to personal choice.

"People ask me, Sihle, what was your turning point? I always reply that I don't know. Why would you care? I just woke up and decided that I no longer wanted to do the sort of work I was doing. Rather change. Prison provided me with that opportunity.

"Prison didn't rehabilitate me. In prisons, we don't have any effective programmes to rehabilitate offenders. That's why South Africa has a recidivism rate of over 80%.

"Other countries have similar problems too. In the US, the reoffending rate is over 50%. In the UK, it's 40%. However, because of our history, because of where we come from, our levels are the highest," he explains.

To stop criminals from reoffending, to stop children from abandoning their dreams and drifting into crime, is going to require a great many people to start making different choices. Teaching children how to "look at life in three dimensions" and "dream different dreams" is part of Tshabalala's realistic approach.

Part of this involves the language people identify with. Tshabalala illustrates: "I don't use the word 'poor'. I'm not poor just because I'm black. Political terminology talks about 'the poorest of the poor', which really undermines one's self-worth and dignity.

"If you tell a group of people every day that they are poor, they succumb to that and begin to identify as poor. The danger is when they start to act that out. If you come to Langa from Thursday until Sunday, the pubs and the taverns are booming. A quart of beer is R14. A loaf of bread is R10. These people are not poor except by comparison," he says.

Liberation of the mind

Teaching is a topic close to Tshabalala's heart. It's not merely a means of imparting useful skills: it's more about igniting the power of the mind and the will to overcome the challenges of survival.

"Steve Biko and Mahatma Gandhi inspire me because they realised that true liberation is not the liberation of wealth: it's liberation of the mind," he enthuses. "That's what I realised in prison. My body

was incarcerated but my revolution was not.

"What I am doing today was inspired by someone in prison. I used to teach mathematics and English in prison for two years. I don't have a teaching qualification. One day, a student of mine asked me a question. 'Sihle, tell me, what is it that I can study now that will be relevant in 10 years when I'm released from prison?' I couldn't give him an answer. Now, if you're a phoney teacher, that's where you get caught.

"However, that student planted a seed. I couldn't do anything about it in prison because I had no access to computers or the Internet. But when I came out, I found that even though I hadn't been in Langa for 11 years, the township hadn't changed. That inspired me to do something innovative, something audacious that hadn't been done before. I wanted to challenge the status quo," he says.

And that's just what he did.

"I decided to teach myself how to code. I'm a self-taught software developer. I learnt three languages in six weeks, using free online material. Today, I receive invitations from UCT and Stellenbosch to mentor computer science students but I don't have a computer science degree," he says modestly.

Tshabalala argues convincingly that living in the township can be just as good as going to university—if you apply your mind.

"We're often told you need mathematics and science to apply for a B.Sc. in Computer Science because they teach you problem-solving. However, life challenges and poverty teach you problem-solving too. If you are faced with such challenges on a daily basis, you develop a different mindset. It's called survival mode. You learn every survival trick outside the book. How do you ensure you go to bed with a full stomach? It's a problem that has to be solved," he declares.

People have the power to redefine their own realities. "Let's be realistic and stop using words that make people feel worthless," Tshabalala urges.

"Let's use words that inspire people. Even the term 'SMME' is problematic: the S means "small", it means you are small. These are important job-creating businesses but they are referred to as small.

"We can invent those words," he continues. "Beyoncé came up with "bootylicious" because of her curves—now you'll find the word in dictionaries. We have the power to create our own words," he says.


Taking off with tech

Coding will enable the township youth to leapfrog the moribund economy and create a vibrant future, Tshabalala maintains. This view is informed by observation and experience:

"Even though I'm an ex-offender under parole—my sentence only expires in April 2022—I get to travel the world. Last year, I was in Singapore. It's a first-world country, even though it has no mineral resources, with an unemployment rate below 5%, 50 years after independence. The biggest contributor to GDP is the finance sector, followed by tech," he says.

"I believe that tech has an important role to play in driving growth, creating jobs and creating a decent income in these communities. We should stop seeing ourselves merely as users of technology but rather creators of technology. The information used to develop many tech products comes from surveys conducted in the township. We need to create our own products. However, first, we need to provide the necessary training," he adds.

South Africans are more than capable of pulling themselves up by their own bootstraps while celebrating their own unique lives and being proud of where they come from. Sihle Tshabalala is living proof of this.


"I have realised that in this country, we are blessed with amazing people, with great intellect. I'm grateful I never attended university or college because today, I can share authentic and original experiences from my own personal journey," he concludes. 

Greg Penfold



The Township Economy

Townships are a complex ecosystem of entrepreneurship opportunities, however there are number of complexities and challenges that hinder the full potential of township entrepreneurship



During this year's State of the Nation address in February, President Jacob Zuma promised that, in line with the radical economic development that the government is embarking on, the State will use its buying power to boost and empower small business enterprises, especially rural and township enterprises.

Gauteng Premier David Makhura followed Zuma's example by giving flesh to the President's figures in his State of the Province address. Makhura highlighted the Gauteng government's focus on the growth and stability of black-owned township enterprises. Besides ensuring that township businesses are given access to wider market opportunities, the provincial government will ensure that the empowerment that the government has always trumpeted is made real by stipulating that "every rand that the government spends on black-owned business development goes to township enterprises".

Makhura went on to give figures that indicated that, in 2014, the government spent only R600 million in the township economy, with the figure increasing tenfold to R6 billion in 2016. As of January this year, up to 2 800 township businesses were benefiting directly from government spend. This focus on the township economy is not limited to Gauteng only—other provinces have also benefited, with the Western Cape, for example, having partnered with established businesses like Neotel to ensure the successful delivery of broadband in the City of Cape Town and in other municipalities in the province. The



City of Cape Town has gone ahead with the establishment of e-centres, which ensure that residents, including those in townships, also receive broadband so that they too can be in the information superhighway of the mainstream economy.

While all these are welcome efforts in ensuring that the township economy grows and truly help in eradicating the unemployment burden, it is of paramount importance that measurable efforts are made to uplift the township economy.

'Township economy' refers to enterprises and markets based in the townships. These are enterprises operated by township entrepreneurs to primarily meet the needs of township communities and, therefore, can be understood as 'township enterprises', as distinguished from those operated by entrepreneurs outside the townships.

The term "township" refers to old, new, formal and informal human settlements that are predominantly African, Coloured and Indian, characterised by high levels of poverty, unemployment and low incomes as well as distance from the main centres of economic activities. Township enterprises have different legal forms—*for-profit* and *not-for-profit* enterprises registered under the Companies Act and *for cooperative* enterprises registered under the Cooperatives Act. However, the majority

of township enterprises have high rates of informality.

Hub of potential

Township enterprises are involved in wide and diverse economic activities, ranging from spaza shops, street vending, hair salons, shebeens and minibus taxis, to mechanical services, manufacturing, burial societies, stokvels and child care services. These are largely micro-enterprises with low capital and a low skills base.

The de-industrialisation of the South African economy and subsequently, tertiarisation, had pushed the entrepreneurs from the township to periphery of the mainstream economy and re-structured the township economy to service orientated economy, with no manufacturing capacity. Township economy had a minimal contribution to the development of productive sectors of the economy. For instance, no township has manufacturing sites for train tracks, a cement plant, bolts plant, tin plant etc. Townships have become debt-driven consumption-based communities instead of vibrant productive centres. And as such, Africans experienced economic exclusion and have relied on labour as the only asset that they can place a price on.

The principal aspect of this path is attributable to the decisions taken by large

firms in various sectors. Large firms drive the demand and supply of inputs (access to inputs) and also set the standards and prices within their value chain. The power lies in the value chain and how that affects existing and prospective entrepreneurs' ability to participate in the sector as well as the distribution of returns from such activities throughout the value chain.

The exclusion from these upstream and downstream linkages means that township enterprises will survive on low margins with no comparative or competitive edge. The failure of the government to channel public spending to township economies through competitive regulation regimes as well as a lack of access to developmental finance has exacerbated the problem. There is lack of recognition of the importance of social organisation, embrace social capital and handholding approach in supporting township enterprises. The one size fits all enterprise development strategies have further alienated entrepreneurial initiatives in the townships.

Furthermore, the entrepreneurs who have thrived in the township before through trading activists in both formal and informal settings have been choked off by the influx of foreign national entrepreneurs in the traditional township economic activities. Foreign national entrepreneurs are better organised and possess a competitive edge over local entrepreneurs through networks, bulk buying and, ultimately, offering goods and services at competitive prices.

What has compounded the stranglehold for local entrepreneurs is the proliferation of shopping malls in the township crowding-out old township general dealers, grocery shops and bazaars as well as informal food and grocery outlets.

The broad set of principles associated with the township economy is cooperation and solidarity on which growth of the township economy depended. Cooperation refers to a process of working together by township enterprises in every way possible to derive the benefits of competitive advantage. Solidarity refers to an ongoing commitment to purchase goods and services within and between townships.

These principles distinguish the township economy from the dominant (mainstream) economy. Instead of cutthroat competition amongst township enterprises (as taxi, or spaza shop owners etc.), there have been varying levels of cooperation and community solidarity. Township enterprises have a distinct and valuable role to play in helping to create a vibrant, socially inclusive economy.

Township enterprises offer goods and services predominantly for the township markets where they seek to address essential community needs. However, township entrepreneurs themselves do not produce most of the products and services traded. A key objective of the government policy is to encourage township entrepreneurs to produce everything that is possible within and around a township space, given the infrastructure, skills and technology at their disposal. Township enterprises can be vibrant and engage in productive activities, especially for value-added products and services to meet the needs of the township market and beyond.

Through sustainable economic activities, township enterprises can draw hundreds of thousands (if not millions) of black people into the mainstream economy, not just as workers but also as owners of wealth. Township enterprises, as community-based or localised enterprises, can participate in sustainable economic activities in ways that ensure the money and benefits from such activities flow directly back into the townships.

Although most township enterprises are established to address a specific local or community need, this does not mean that they are incapable of reaching out and successfully delivering their products to wider markets. The Real Economy Impact is often achieved if township enterprises, based on their principles of cooperation and solidarity, are 'clustered' together to benefit from supply linkages and greater economies of scale. Once the critical mass is achieved, there are opportunities for inter-trading, collective access to public, private and non-governmental procurement contracts, cost sharing of services,

leading to the further growth of township enterprises.

Challenges ahead

In addition to the common challenges facing small enterprises and cooperatives, they are more pronounced for township enterprises. These barriers include, among others:

- a. Lack of entrepreneurial and productive activity;
- b. Poor understanding of the abilities and value of township enterprises;
- c. Little hard evidence to demonstrate the impact and value-add of township enterprises;
- d. Limited account being taken of the particular characteristics and needs of township economy enterprises within an enabling framework; and
- e. Complexity and lack of coherence within the township combined with widely varying skills and knowledge bases.

A number of studies, including the latest study by the World Bank (2014) on the Economics of South African Townships, with special focus on Diepsloot, show that the townships have a low rate of entrepreneurial activities in South Africa compared with other countries of the South (Latin America and Asia) and the rest of Africa. When compared with non-township micro-, small and medium enterprises, the sector distribution of township enterprises is more preponderant with retail than non-township enterprises—indicating a lack of productive activity, particularly in manufacturing activities.

In addition, only 80% of all new businesses in South Africa survive past the first two years—a low rate when compared with other South countries. Factors influencing the lack of entrepreneurial and productive activity are largely historical—the Apartheid state suppression, marginalisation and even criminalisation of township entrepreneurship.

Township enterprises are not properly understood outside the networks of those within the township economy. Limited understanding has meant that: a)

Policy-makers have not considered township enterprises as a potential (but not only) solution to a wide range of social and economic problems affecting township communities; b) Enterprise support providers targeting township enterprises have often not been able to offer appropriate advice; c) Financiers have been unsure of the risk and appropriateness of lending models and insurance to the township enterprises; and d) Mainstream businesses have not seen the potential for new partnerships or supply linkages emanating from township businesses.

At present, there is limited information on the size and growth of the township enterprises, there are only a few and isolated cases of such information. Township enterprises, therefore, are largely 'invisible' and informal. This can make it difficult to plan and provide appropriate government support. One of the reasons for the lack of statistical evidence is that township enterprises create a range of social impacts, beyond their financial return that is hard to measure (even by the township enterprises themselves). Limited information on their social and their financial impact also means that policy-makers, enterprise support providers and finance providers find it difficult to assess the economic and social value of targeting township enterprises or include them in their activities.

The particular characteristics of township enterprises—such as the cooperative and solidarity practices and principles—are not always taken into account by existing financial, legal, and regulatory frameworks and in procurement activities. Addressing the needs of the township economy, which does not fit neatly into mainstream private or public sector models, also poses challenges for the government.

If township enterprises are to be sustainable, entrepreneurs need to possess good management, financial and production expertise. Because addressing needs or 'survival' drives many necessity entrepreneurs, those supporting and training these enterprises need to be aware of both the 'business' and 'social' side. However, township enterprises must regard themselves

as businesses that seek to become more professional and continuously raise their standards of performance and ambitions.

On the right track

Earlier this year, the Gauteng Department of Economic Development hosted the Township Entrepreneur Awards. A first for the province and the country as a whole, the main objective of the awards is to recognise and reward entrepreneurial talent in township settlements whilst building and cementing confidence in township-based businesses. Equally important is the impact that the awards will have in changing negative perceptions about township-based businesses as well as encourage and inspire township entrepreneurs to realise the conceivable economic gains for communities within which they operate. The awards had a reality show component that ran on free-to-air national station e-tv, showing the entrepreneurial journey of participants.

Although the awards are still in the development stage, it has the potential to grow into a driving force behind innovation and growth in the township economy, if they receive the right kind of publicity and management. It has the potential to become a national event that can be spread to all local municipalities, which must then ensure that entries come from every single township in the country.

Youth and township entrepreneurship

Work in township micro-enterprises offers the unemployed youth a point of entry into the labour market. Those engaged in 'make-work jobs' will no doubt abandon informal work for better opportunities and formal employment when available. Whether youth persist in informal work, the township economy provides opportunities to acquire skills, gain on-the-job experience and build social networks. There are good business opportunities for those youth able to apply their knowledge and skills and to mobilise capital.

Youth unemployment in South African has reached alarming levels. The challenge



of bringing youth into the economy is particularly worrisome in the urban township context. In Gauteng, where opportunities for employment are the greatest, youth unemployment still exceeds 30%. Youth access to the formal job market is constrained by the comparatively poor education standards of township primary educational institutions. As a result, the rate of school non-completion is high in absolute terms, whilst those matriculating have reduced opportunities for post-school training. Two other factors negatively affect labour market access. First, the spatial dislocation of the townships from commercial centres makes job seeking costly. Second, pervasive unemployment in combination with family legacies of low-skilled (and low-paid) work means that the youth have relatively weak social networks in formal labour markets, especially in sectors such as trade, finance and services where jobs have been created.

The most promising options for the government lie not in creating entrepreneurs but in improving the framework conditions in which township entrepreneurship will take root. This means that the government should start interventions at the school level. Students should be encouraged and supported to pursue an interest in 'hobbies' (beyond playing sport and singing), because 'serious leisure' does translate into business. Studies should give students exposure

to inspiring enterprises that individuals like them could operate and to markets that they could develop. Without having travelled, most township students would have little appreciation of the retail possibilities beyond their own encounters with street traders and shopping mall retailers. The school curriculum should devote more attention to the subject of technology. Township youth have a limited knowledge and experience of tools (such as artisanal tools, DIY electrical tools and home production machinery) and an inadequate comprehension of the way tools and technologies can enhance productivity. Without an appreciation of tools and technology, young persons will continue to perceive vocational training in narrow terms (as a means to employment), not as a path to entrepreneurship.

South Africa's informal economy is booming. However, the lack of reliable data and realistic policies from the government means millions of people are without security and support on the one hand, while potential opportunities are wasted on the other. A closer look and the introduction and implementation of a number of interventions are needed to support township SMMEs and entrepreneurs in order to help them flourish. It is the hope that these township enterprises will be sources of employment and will help to bring the township economy into the mainstream. **BBQ**

The HRDC



The revised Human Resource Development Strategy towards 2030

Since the Council was established, various new government priorities and plans have been developed and launched including the National Development Plan (NDP), which sets out the government's long-term priorities and plans and frames the government's key medium-term priority areas as outlined in the Medium Term Strategic Framework (MTSF). Global trends and developments have also been taken into account, particularly the impact of the Fourth Industrial Revolution (4IR) on the government, business, individuals and society at large. These changes required a review of the Human Resource Development Strategy of South Africa (HRDSA) 2010 to 2030.

"This Revised HRD Strategy outlines the human resource development imperatives that are needed to meet the national development imperatives in the medium term (as outlined in the MTSF) and in the long term (as indicated in the NDP) within the context of the vision and mission set out for the HRDSA," explains Brenda Ntombela, Head of Secretariat of the Human Resource Development Council.

"The Revised HRD Strategy aims to achieving five key strategic outcome-oriented goals. These are strengthening basic education and foundation programmes in Science, Technology, Engineering, Maths, Languages and Life Orientation/Skills, expanded access to quality post-schooling education and training, improved research and technological innovation outcomes, increasing production of appropriately

skilled people for the economy and achieving a developmental/capable state," she says.

Ntombela explains that the scope and importance of the revised HRD Strategy for SA's development agenda dictates that its success depends on the full contribution and commitment of all social partners. The HRDSA recognises that these social partners are crucial to its success. The Strategy is recognised as one that transcends the boundaries of government endeavours.

Within the labour sector, the Strategy will focus on worker education, including the training of shop stewards and negotiators to improve their understanding of labour law; the implementation of skills audits to identify programmes that will address the needs identified, general education as well as technical skills and training for the unemployed.

"There will be Implementation of the Chief Executive Officer initiative to support a Youth Employment Scheme (YES), which aims to put one million youth into internships, providing additional funding for bursaries as well as other skills priorities.

"The government is committed to ensuring that cross-departmental block-ages can be discussed and there are plans to address these as agreed upon. At the provincial level, the Provincial HRD Councils will support the alignment between the provincial plans and activities and the National HRD Council," says Ntombela.

She explains that the Strategy will actively focus on communities as they act as direct mechanisms for channelling HRD imperatives through participation. Community involvement, through representation on the HRD Council, enables all citizens to

meaningfully influence the decisions that affect their lives, as well provide vital information on community development issues. Communities will be able to make decisions on the economic, social, environmental, political, psychological and other impacts associated with the implementation of the Strategy.

"The key beneficiaries of the revised HRD Strategy towards 2030 are the government as key leaders, social partners (organised labour, business and civil society), women, youth, communities, Vulnerable groups and SMMEs.

"The HRD Council is currently coordinating the following projects; the strengthening of maths and science teacher education, the development and implementation of a funding model for worker education and facilitating partnerships between post-school education and training institutions and industry," she says.

"The importance of the Human Resource Development Strategy is to support various interventions to create employment and also reiterates the need for the involvement of all stakeholders in HRD processes. The HRD Council is strengthening the partnerships between TVET colleges and industries to help reduce the number of youth unemployment in the country by calling on industries to open up doors for workplace experience for the youth.

"The HRD Strategy promotes social and economic development. It supports the government's Medium Term Expenditure Framework and it promotes inclusive growth. This allows open and equal access to human resource development facilities and resources for all South Africans," she concludes. **BBQ**

The falling standard of basic education in South African schools

Education is seen as one of the major footstools to a growing economy. Education is essential in allowing countries to have educated leaders and an educated country. South Africa, in this sense, seems to have been missing the target.

Some of the reasons for this are rooted in Apartheid and the many decisions made regarding basic education thereafter. In the words of the late President Nelson Mandela, "Education is the great engine of personal development. It is through education that the daughter of a peasant can become a doctor, that the son of a mineworker can become the head of the mine, that a child of farm workers can become the president of a great nation. It is what we make out of what we have, not what we are given, that separates one person from another."

South Africa is the highest contributor in the world towards education, spending 6.4% of its GDP—this spending is 2% more than most European countries' with education spending. However, South Africa is still at the bottom of the barrel when it comes to education. This is not to say that

South Africa is a country with children who are unwilling to learn, but there are many disparities that influence the poor standards of education.

The quality of education in the poor areas of South Africa has struggled emphatically over the years; regardless of the investments that the government would have put towards education. With so much being put into education, one might then be tempted to ask where does the plan for education fail?

There are three aspects that play a major role in the current state of basic education and its future; educators, learners and learning institutions. In order to improve and possibly rectify past mishaps that occurred in the basic education sector, these three aspects need to be dealt with individually and as a whole.

Basic education covers Grade 1 to Grade 12. Though the word 'basic' is there in basic

education, this is the foundation stage for all of South Africa. Whatever goes wrong here influences children's likelihoods to go on in life, to attend tertiary institutions and get better jobs—simply put, to have a future. In essence, basic education is what South Africa owes its children in order for them to be able to carry on the legacies that have been built and that are still being built.

In order to understand how these three aspects affect the current standard of education, it is important to know that the School Realities 2016 report found that South Africa has 12 932 565 learners, 418 613 educators and 25 574 schools. This, in comparison to 2014, where 12 655 436 learners, 425 090 educators and 25 741 schools were recorded. The number of learners from 2014 to 2016 showed a steady increase of 2.1% nationally, while the number of educators and schools decreased by 1.5% and 0.6% respectively.



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Educators

Educators have always been of great importance to any growing economy, though in most countries, they are the most unappreciated. In most developing countries, it has been shown that teaching and, equally, nursing are professions that perform poorly. There are very low expectations educationally for someone to become a teacher, which is ironic because these are individuals who are supposed to educate children. This may be one of the reasons that fewer and fewer youths now aspire to be teachers and it has become more of a failsafe.

In 2007, a study showed teachers who were made to take the tests that were designed for the 11- and 12-year-olds they taught in primary schools, failed dismally in the basics of maths and science.

What quality of education are we then offering our children if their educators barely meet the standards? This is not to solely blame the teachers but to understand why education at its most basic level seems to be failing.

South Africa has gone through radical curriculum changes and although they were all meant to better the educational standards, this has not necessarily been the case.

Studies have shown that in most cases, teachers become stressed and confused by the changes, which have then led to the underperformance of learners in some schools.

Joseph Joubert, early-1800s French Moralist and Essayist, noted that to teach is to learn twice. In order for teachers to have a better success rate when teaching, there is the need for them to also learn and understand the curriculum that they are teaching. There is a need for teachers to be offered support and to be involved in the process of creating the curriculum in order for them to be implementing it proficiently.

On the other hand, the number of teachers to students is ridiculously insufficient, with a ratio of 1:31. Assuming that each school has the same balance of students to teachers, this does not afford

teachers enough capability for one-on-one interaction with their students. This brings us to the second aspect of learners.

Learners

The rise in the number of learners in South Africa is a positive, which shows that there are more people who have access to education than before. The problem arises with the quality of education that they are exposed to.

This is taking into consideration the fact that there are too few teachers and of those few teachers, how many are fully qualified to teach students and to improve the education standards?

Research has shown that in the history of South Africa's education systems, there has always been a disparity when it comes to education in poor communities compared to the rich communities.

This has been changed in an effort to ensure that each learner has the same opportunity, regardless of status or class. There is still a lot more work to be done regarding this—in the Eastern Cape, there are still schools that are built from mud and the classes are overfilled. Teachers' inability to have one-on-one time with their students is one of the reasons why 27% of students who have gone to school for six years cannot read.

There is a need to have more support for students, especially in communities where the opportunity to go to school is scarce. This is considering that basic education is a right for every child and mere accessibility is not sufficient if there is no support.

South Africa should not only be looking at the growth in numbers when it comes to learners but the quality of the education that is on offer to these children. We have to look at the learning environment that our children are exposed to and whether it feeds growth and bares good results.

Institutions

The spaces we grow up in either allow us to dream bigger and to want more for ourselves or they box us in and make us believe that what we have is the most we will ever get, the most we will ever

be. Some of the schools that learners have access to barely have the inspiration needed to learn. This is before you consider there are very few schools for the 12 million students in South Africa. The 0.6% drop in schools in 2016 is an astonishing fact, considering the 2.1% increase in learners. Most of the schools are crowded and can't accommodate the student intake. With environments that can't facilitate the needs of these eager young minds, the desire to learn often diminishes. Educational infrastructure is important for the growth and improvement of South Africa's basic education standards.

In this day and age, we shouldn't still be sending our children to learn in mud buildings. The improvement and building of more educational infrastructure—not only classrooms but also sporting infrastructure—will help to create a balanced learning environment.

The improvement of these three aspects'educators, learners and institutions—will help to better the standard of education. There are many other aspects that affect the standard of basic education in South Africa, all of which need to be investigated and improved on.

The education of South African children does not only lie in the hands of the educators, it is also the responsibility of communities and caregivers to instill the importance of education in their children.

Education does not only to help develop an individual, a community and the nation. It strengthens the foundation of our future and empowers the youth to make better choices and chase the dreams they would have never had otherwise.

South Africa owes its learners a solid foundation in basic education, it needs educators who not only have the drive to teach but who still crave to learn more as the times and educational requirements change and institutions that have a healthy learning environment for its learners. **BBQ**

Anesu Machekanyanga



Youth unemployment crisis

With unemployment sitting at an eight-year high of 26.6%, few can argue that something is going drastically wrong

Among young South Africans aged between 15 and 24, a total of 37.5% or 3.2-million are neither employed nor enrolled in education or training, revealed Statistics SA's Quarterly Labour Force Survey in June. Young people, and women, in particular, are the most vulnerable, resulting in a global youth unemployment rate that is almost three times higher than the rest of the global population

If not addressed as a matter of urgency, the situation is expected to increase levels of frustration and impatience among the youth. In addition to this, the situation will contribute to a cycle of chronic unemployment and poverty: these young people are likely to become the parents of children who will then also grow up in a context of poverty.

Disturbing trends

The difficulty for those between the ages of 15 and 34 struggling to access decent employment opportunities has translated to the social and economic exclusion of this cohort. It has been a central issue for the last decade but despite a plethora of national directed policy options, the problem has remained pervasive and in fact, has worsened during the period. Since 2009, the share of those between the ages of 15 and 34 in the working population has fallen from 42.6% to less than 38% in 2016. Official unemployment rates for the cohort suggest that more than 48% find themselves without work. Recent figures released by the International Labour Organisation suggest that South Africa has the third highest youth unemployment rate across the globe.

It is a situation which poses a major threat to the country's ability for future economic prosperity and which hampers the capability to vest a foundation on which a thriving and productive labour force could be built.

Apart from the struggles in procuring employment, a particularly disturbing trend is that more young people have stopped looking for work. Since 2008, young



discouraged work seekers (those who are not economically active) have increased by 8%. Furthermore, when focusing on those between the ages of 15 and 24 years—those who would be entering their first job or continuing their studies—approximately a third are currently not in employment, education or training.

Not only does the group represent those who are more susceptible to chronic unemployment, but the lack of investment in their productivity brings with it an erosion of skills and consequently, lower future probabilities of securing a job. The significance in the lack of providing opportunities for the youth attributes consequences to both the individual and their societies.

Evidence suggests that facing long-term spells of unemployment early in an individual's career imposes the youth's future probability of finding work, which increases the intergenerational nature of poverty. For society, the exclusion of young and inexperienced work seekers has been largely associated with the induced criminal activities, violence and substance abuse that affect the community's quality of life.

When focusing on 15 to 24-year-olds—those who would ideally be finding their first jobs or continuing their studies—just under a third are not in employment, education or training. This group is arguably the most vulnerable to chronic unemployment,

poverty and social exclusion, as they are neither improving their skills through education nor gaining the work experience needed to progress in the labour market.

Racial and gender inequalities continue to play a significant role in the youth unemployment landscape in South Africa. African and coloured youth are far more vulnerable to unemployment than their white or Indian counterparts; young women are more likely to be unemployed than their male counterparts.

A complex challenge

Evidence suggests that youth unemployment in South Africa is a multi-layered problem that needs a multi-directional approach. The biggest factors are the evolving nature of the labour market and mismatches between the skills needed in the labour market and those provided through the educational system. Research indicates that a key difficulty facing young work seekers, in particular, is the fact that South Africa's labour market favours highly skilled employees and currently, there is a lack of skills. We often equate unemployment with a lack of available jobs but one of the key issues at the heart of unemployment in South Africa is an inadequately educated workforce. Statistics South Africa recently revealed that 27.7% of the South African population is unemployed with

54.3% of that constituting the youth. Skills shortages have been identified as one of the main factors in unemployment rates and there is a general consensus that South Africa needs to increase the overall skill level of our entire population.

In addition, South African employers, in their apparent distrust of the quality of education received by young people, have raised the bar for entry into low-level jobs ever higher. But by escalating the educational requirements for entry-level jobs, employers are effectively shutting out a large pool of potentially good young employees.

The uneven quality of South Africa's public schooling system further entrenches inequality in terms of finding employment. Many of the poorer children at schools, who are often under-resourced and ill-managed, very quickly fall behind in their learning, later on, they drop out of school and then become part of the excluded groups.

To achieve the right skill level, a multi-level skills strategy is required, this being

that more individuals should have qualifications at higher levels. However, at each level of the workforce, new skill sets are required for technological advancement and moving the economy as a whole to higher levels of development. What is equally important is whether learnerships and apprenticeships are developing these skill sets and capabilities.

Geographic location also acts as a barrier to employment. Young people living outside the major metropolitan areas have to spend more time and money on looking for work. Other barriers include limited social capital and limited access to information.

A recent national study of participants in a youth employability programme reported that the average transport and other work-seeking costs for young people were around R560 per month. This stands against the average per capita household income for the same group of youth, which is R527 per month.

Poverty at the household and community level further complicates the situation.

More than half of young people aged 15-24 live in households with a per-capita monthly income of less than R779 (the "upper bound poverty line" as defined by Statistics South Africa). Many lack access to information as they are unable to afford the high costs of data so they can't use mobile phones or Internet cafés to search for job opportunities or for post-secondary education opportunities.

And, unlike their middle-class peers, poorer young people lack "productive social capital"—social networks that can be used for information about and access to the labour market. These are important for navigating entry into the labour market.

Short-term interventions

It's clear that the challenge of youth unemployment is a structural issue requiring massive policy investments, political will and time. But it's equally important to concentrate on what can be done in the interim.

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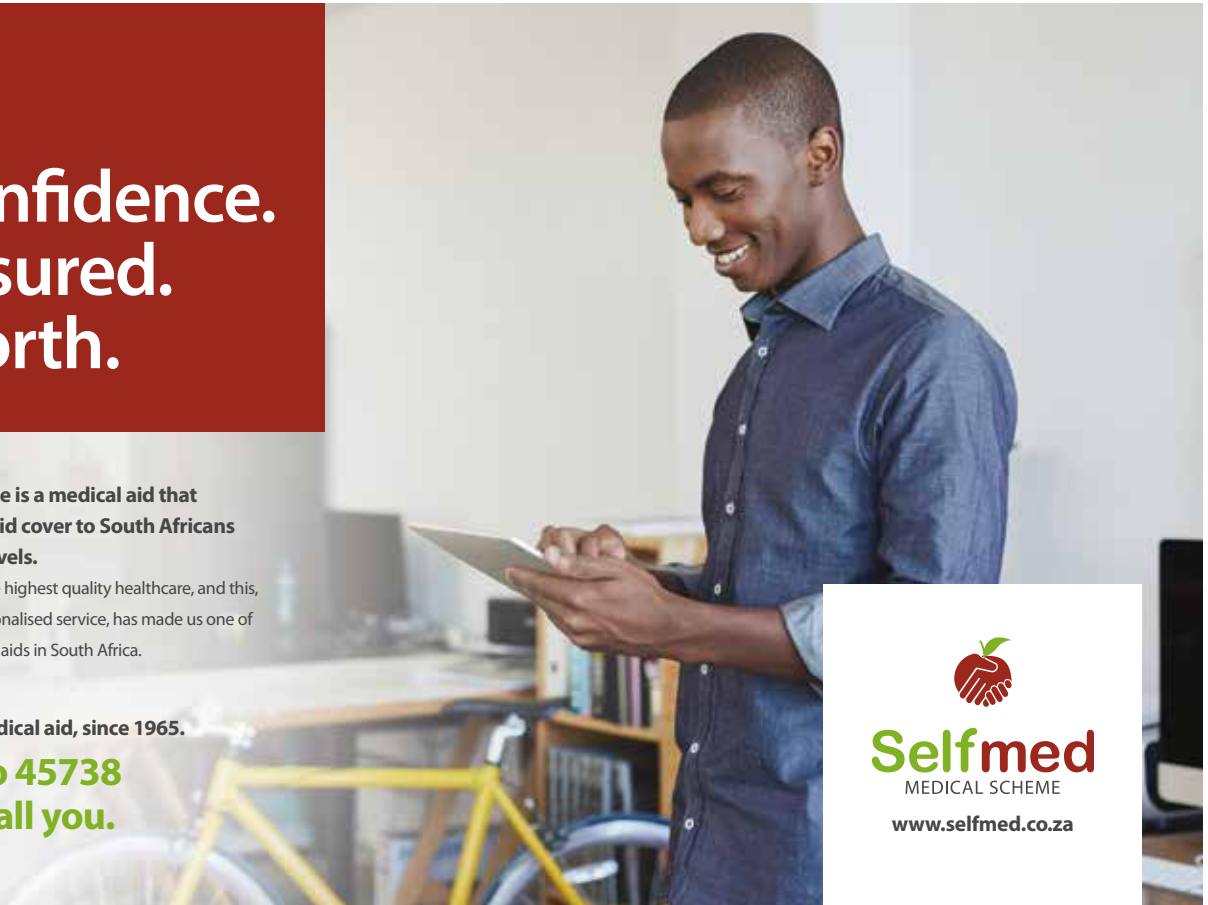
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Ways must be found to shift the labour market to be more youth-friendly. One option is “impact sourcing”. This involves employers being encouraged to review their recruitment criteria to reach candidates who might not normally be seen as employable. Another solution could be a national transport subsidy for job seekers.

Local-level youth employability programmes, often run through non-governmental organisations, are another possible intervention. They can help young people access information about jobs and support them to be more effective in looking and applying for jobs. But many operate on a small scale and are expensive to run. Evaluating their impact and finding ways to take the most efficient ones to scale could make a difference.

South Africa faces the risk of seeing the challenge as being insurmountable and doing nothing in the short term. The evidence suggests that, while there are major structural challenges, there are also some promising options to pursue.

There are some fundamental discrepancies in our education systems that bring about this situation of unemployment and also the lack of decent employment among the youth. It is often argued that our schools fail to prepare the youth for the dynamic market outside. The lack of marketable skills amongst the youth makes it more difficult for them to find decent employment.

Increased encouragement

As skilled individuals come out of universities, the job market is already highly saturated that there is no to create new jobs. Even the private sector is running at full capacity. As more FDIs flow in and the new ventures come about, this is mitigated to a certain extent, but the rate of skilled labour being made available far exceeds the rate of creation of jobs for them. There are more workers and fewer jobs.

The challenge lies in the fact that many young people are hesitant to move to start-ups of their own. This is often as a result of misconceptions regarding the risks involved. Yes, there are significant risks, but with the government’s backing, youth should change their mindset and take calculated risks.

The rise of young entrepreneurs such as Mark Zuckerberg has put the spotlight on the youth and has posed the question of the readiness of South African youth to be high-quality entrepreneurs. Although prizes such as Anzisha Prize (a prestigious prize, which platforms the top youth entrepreneurs across Africa) have showcased a number of South African youths producing exemplary products and services, there remains a large number of youths in our country who are highly challenged.

The challenge to produce young entrepreneurs is caused partly by the South African economic landscape and the lack

of skills in South Africa. The BBBEE codes of good practice place an emphasis on growing black-owned SMEs. However, many of these entrepreneurs, mostly from poor backgrounds, have very little context for what high-quality entrepreneurship truly entails. There are a number of success stories but in order to create growth in the economy and employment, a groundswell of successful businesses must be created. Many of the entrepreneurs run enterprises, which are still at the survival stage.

Many entrepreneurs from poor landscapes do not have role models for excellent entrepreneurship and thus, can’t replicate and add to a healthy entrepreneurial ecosystem. Furthermore, the lack of a support system produces a lack of confidence in their skills.

The best resource a country has is its youth. We cannot afford to lose them and we cannot afford to let them leave for career prospects abroad because of the inadequacy of opportunities here. Brain drain has made developing countries suffer for so many years and we cannot even begin to understand the loss it has caused to our national development.

It is a country’s duty to look after its youth. If a government cannot afford to find jobs for each young person out there, it is still bound by the duty to help them to create their own. **BBQ**

Desiree Ellis: scoring for women's football

For too many years, women's football, or rather, women's sport, in general, has been overlooked but in recent years, we have seen substantial growth across the board. This growth has mainly come about due to the exposure it has received via broadcasting.

Globally, South Africa has often found itself behind the eight ball but things are changing, and they are changing fast. Currently, we have a national netball league, a women's cricket team that performed admirably during this year's World Cup and many athletes coming through the ranks behind our stars, Caster Semenya and Sunette Viljoen.

However, football is the most watched sport in South Africa. Our men's league, the Premier Soccer League (PSL) is one of the richest leagues, if not the richest, on the African continent.

However, our men's team have not performed at a decent level since qualifying for the 2002 World Cup.

Banyana Banyana, as we fondly call our women's football side, has performed well during this time. Competing internationally with Germany, USA and other

major nations will always be a tough task, considering financial backing these teams have, but Banyana Banyana has performed above what some might have expected by qualifying for last two Olympic Games tournaments.

In order to get some insight into the state of women's football, we sat down with the current interim coach and former Banyana Banyana captain, Desiree Ellis, to see how she made it through the ranks to become what she is today.

The early 90s was a different time for women in sport. Not much, if any, money was put into women's sport—at the very least, it was nowhere near where it is today in terms of financial support.

But the love for the game was never diminished among our youth, even in the dark days. With no female football teams in the area during her youth, Ellis simply played with the boys—on the fields or in the

street—where she says “the real competitive matches took place”.

Jokingly, Ellis tells us how she used to jump the fence at school to go play with the boys and, although this got her into trouble, she was fortunate enough to miss detention because she played netball for the school too.

After eventually finding a girls team (at the age of 15), Ellis joined and in 1993, she was selected for Banyana Banyana. She also claimed the vice-captaincy role. Her debut was a day to savour as she scored a hat-trick in a “14-0 drubbing Swaziland”, which, to this day, remains Banyana Banyana's biggest winning margin.

Ellis' rise through the ranks was fast in the early years. A year after her debut—1994—she was promoted to take up the captaincy role. The early years were tough, as they were for most sports. Coming out of Apartheid, the early- to mid-90s was a



rebuilding phase. As captain, Ellis was required to guide her team through this, in general, despite being inexperienced herself on the international stage, but she did an admirable job.

It was only in her later years, the COSAFA Cup in 2002, that Ellis and her team claimed their first trophy by beating Zimbabwe in the final. It was a great achievement for the group and for women's football in general.

Post this feat, a new era bloomed for the national team and Ellis' career as an international player came to an end with the appointment of a new coach. It was an era that promised much—Ellis and her ladies had steered the team through possibly its toughest decade and came out with a trophy at the end—the time arrived for some youth to drive them through the next few years.

But as competitive as she was on the field, she was off it, and Ellis quit the game. She continued playing club-level football for another three years before calling it quits on her career as a player.

"During this time, I was also involved in football as a coordinator for a community-based project, Stars in their Eyes, who educated coaches through the KNVB, Laureus and Special Olympics ambassadors," Ellis says.

Furthermore, Ellis also took up roles as an ambassador for the 2010 FIFA World Cup and appeared for SABC Sport as a football analyst.

Football played a massive part in Ellis' life; however, she was a sports lover from a young age. Football wasn't her only love; she also played netball, cricket, hockey and participated in athletics.

Eventually, she dropped all sports, bar football and cricket. It was only upon Nelson Mandela's release that "I got the opportunity to try out for the national team, which meant football year-round", which meant cricket also took a back seat.

Now, with her playing career behind her and a coaching life to look forward to, Ellis started in the right places. She coached age

group teams while still playing and proceeded to do her coaching badges—she currently has a CAF A licence.

Last year, she was appointed as the interim coach of the national side, after a stint as assistant coach.

Having had some involvement, whether as a player, coach or ambassador, in South African football since readmission into international sport, Ellis' insight into the game and the future is a rather unique one. She can see it from almost all perspectives and understands the different roles, having been in those positions herself at some point in time.

This is the kind of experience that needs to be tapped into in order to further improve our women's football team and as coach, albeit interim, she sits in the perfect position.

Most people who pursue a career in coaching, regardless of sporting code, have a dream to one day oversee their international team. Ellis already finds herself in Banyana Banyana's dugout and says that she will be "ready, should it become a permanent position".

Recent performances tell us that the future is bright for the national team, however, things can always be better. We need to look no further than what is happening on the international stage to see where we need to improve.

According to Ellis, "South Africa has 9 Sasol Provincial Leagues around the country and then there is the National Championship, where the 9 winners of the league play each other."

This in itself is not ideal. Players for the national team have to be picked from these 9 leagues, which requires a lot of travelling for coaches, selectors and others involved. A professional league is required "where the best play the best on a weekly basis" in order to find and develop the best players.

Games can be televised—much like the Netball league—which will give the players a lot more exposure and bring more funding into the game from outside sources, such as

sponsors. This is no doubt being discussed at SAFA but time is what is required to set it up in the best possible way.

In May this year, SAFA also announced the new collaboration deal with La Liga, which will benefit football in this country in terms of coaching, administration and exposure. Another target defined in this agreement is the development of schools, women and youth football and considering that La Liga has a professional women's football league, SAFA will not have a shortage of information.

In order to constantly improve, one has to play strength vs. strength on a weekly basis. This is only possible once we have a national league but this, along with La Liga's involvement, will also open up the exposure our players get, which could lead to them moving to play in some of the biggest leagues—like many of our male players have done in the present and past.


Current captain of the national team, Janine van Wyk, plays for Houston Dash in the USA and according to Ellis, two more players from our U/20 team play in Iceland but there are not many other exports.

Although the job is permanent, Ellis says her focus is not on that at the moment, but rather on "improving individual performance, team performance and of course, goal scoring".

Ellis has the credentials to do the job, and time will tell if the top job becomes permanent but more than her that, she has a clear passion for football in this country and an ambition that has no limits.

"We all have a responsibility to profile and lift the game that has given us so much and to continue to improve players and, in turn, that will create opportunities for players," she says.

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Ralph Staniforth



Breaking through barriers

Saluting women who dare to dream



Over the past two decades, we have seen an incredible rise in women entering male-dominated spaces, bringing in new, fresh approaches and revolutionising what was once deemed the norm. Women are excelling, breaking moulds and becoming formidable forces within the entrepreneurial space, driving women's empowerment beyond what it initially was thought to be.

In 2015, the Small Enterprise Development Agency (SEDA) reported an increase in women-owned businesses—72% of these were micro-enterprises and the 40% small enterprises. We celebrate the ordinary woman making those small changes within their community, being a pillar of hope, inspiration and strength to young women within their respective spaces.

Leading women in history

South African history is a rich tapestry of storytelling that speaks of unity and sacrifice that led to the realisation of one common goal. A number of women have played a huge role in getting the country to where it is today. Three names that emerge from the history books and tell the story of our country are those of well-known and loved Winnie Madikizela-Mandela, Albertina Sisulu and Lilian Ngoyi.

Little did they know that their decision to go into politics would be one of the most remembered and revered actions in history. Their life stories have been well-documented through various history books, and are among many that paved the way for the democratic South Africa that we live in

today. These three women are role models to many young women. All played a pivotal role in the removal of pass laws, they sacrificed for the country, were detained and had to face being harassed by police during the Apartheid era. They could have lost their lives at any given moment, but this didn't stop them from taking on the challenge and speaking up and out for women who couldn't at the time. The beauty of the relationship of these three women lies in the unity and passion they had for their struggle. They used their skills for the good of all.

21st Century heroes

After being rejected, being told 'No!', and losing her dream of being a flight attendant, Sibongile Sambo decided to start her own business. It was the scariest challenge she was going to undertake but today, she can definitely say that it was the best decision she has made for herself. Starting out with no prior experience or a license of any sorts, she is now the proud owner of

SRS Aviation, the first 100% female-owned aviation company. Her company has grown from taking female pilots to the sky and now also includes helicopter services and global tourist and luxury flights. Breaking into a male-dominated industry was a challenge but this didn't deter her from making SRS a reality. Her story simply shows how far your passion and sheer determination can take you.

Construction has always been seen as the biggest male-dominated industry. Most sites are filled to the brim with men, even in 2017, and dare a woman decide to take on a job in construction, she needs to make sure that she is as hard as can be. Over the years, the look of the construction landscape has changed slightly, with some women joining the men on site and in the





There's a saying that speaks to women's unselfishness: By teaching one woman in the community to read, you empower her and build a whole community because she will not keep that skill to herself but would share it. The world we live in today sees women working against this notion and they are disempowering each other. The key to changing this attitude is to have companies create women-led spaces; socio-economic empowerment needs to take on another shape and form that doesn't benefit one community but all communities in the same way. Like our struggle stalwarts,

boardroom as decision-makers. In 1997, when Dr Thandi Ndlovu birthed Motheo Construction, it was almost taboo for her to be in this industry.

Her company has, to date, completed housing projects that are worth billions of rands. Over the years, this has seen Ndlovu become one of the leading social housing developers in the country. She entered the industry having completed her medical studies and returning from exile, armed only with the heart to see that real change was needed, she took on the challenge and started from scratch with a willingness to learn. Whenever she is asked about her success, she says that without the partnerships she had at the foundation phase of her business, she would not be where she is today. These are the lessons that she imparts to the young women who want to enter the industry.

Traditionally, technology is also a male-dominated industry with some reports of sexism and misogyny. This has, however, not deterred women from venturing into the tech sector and the industry has seen the number of women in industry rise considerably. The growth has been exciting with life-changing innovations. Named one of the top five women in technology in 2017 and the founder of Niche Integrated Solutions—an ICT solutions company that provides software solutions, ICT managed services and training—Nisha Maharaj has collected 20 years of experience within some of South Africa's well-known listed companies. Breaking into the industry



was certainly not easy for Maharaj and when asked, she mentions that it was a continued struggle. "I am still rising, it has been a tough journey but we have to be persistent," she says.

These are just three stories from South African women of colour who have managed to make it in predominantly male-dominated industries. These stories convey a message of perseverance and a go-getter attitude; obstacles will always be present, it all depends on how much you want your dream.

What the future looks like

Women doing it for themselves should be a universal language that speaks to an unselfish empowerment. We live in a world where women are always in competition with each other as though space was limited. Popular to contrary belief, there is ample space for all businesses.



women of the 21st Century need to come together, unite, give their passion and find that common goal that needs to be broken down to build a new South Africa in which all genders can flourish. **BBQ**

Tamara Toti

Investing in women

African opportunities by breaking barriers



In recent years, Africa has been an area of focus for investment in infrastructure development, trade, and financial inclusion (partly through Fintech and the financing of SMEs). However, environmental and 'gender lens' investing (which targets women-led businesses and initiatives) are gaining traction, particularly in the development finance community.

Recently, I attended a gathering of investors, service providers and African financial services companies at the African Financial Services Investment Conference (AFSIC) held in London. Despite an increase in social development investments in Africa, more is needed to improve the lives of women and girls on the continent. According to Oxfam South Africa, a third of all women will experience violence at some point in their lives and marginalised women are the most vulnerable. A key takeaway from the

conference was that investment that can improve the lives of women and girls is of paramount importance to the future well-being of the African continent. Women have the power to change lives, and all they need is an opportunity to change their own.

European development finance institutions were particularly vocal regarding the importance of investing in Africa, noting that women and the environment were important themes in their future investment strategies. There is much evidence to support the rationale for 'gender lens' investing. The World Bank states that labour productivity can be increased by as much as 25% in Africa by simply eliminating the barriers that keep women from working in various sectors. In addition, the African Development Bank notes that women are more active as economic agents in Africa than anywhere else in the world, and in some countries

make up 70% of employees, in addition to being integral to the household economy and welfare of their families.

Investing in African women

Whilst the need to invest in the economic empowerment of women in Africa was seen as a key to social upliftment; environmental, infrastructure, trade and financial inclusion investing also remain high on the agenda. The continent finds itself at a crossroad with regards to investment. Sovereign risks, financing

constraints, regulatory roadblocks and limited tools for risk assessment are still challenges to investment in Africa.

However, the benefits of investing in Africa are starting to outweigh the challenges. The expected strong growth in GDP and increased intra-regional trade make Africa an increasingly viable option for prospective investors. Africa is making great strides in improving its investor-friendliness.

The list of international companies currently operating in Africa is growing, supported by regulator-supported financial market development. Africa's banking sector is still relatively underdeveloped, but it is gaining traction, and non-banking financial institutions are pushing the financial inclusion agenda. Infrastructure development is a critical component to unlock the true potential Africa has to offer. There are still massive infrastructure needs on the continent, all requiring substantial capital investment. Infrastructure development (especially transport corridors and power generation) significantly boosts intra-regional trade and attracts international companies to open operations. **BBQ**

Omega Collocott, Sector Head for Financial Institution Ratings at Global Credit Ratings (GCR)

HEINEKEN SOUTH AFRICA

BBQ caught up with Zodwa Velleman to chat to her about some of the challenges she encounters working in the corporate environment

Velleman started her career at the SA Human Rights Commission as an intern and moved to the Parliament of South Africa as a Committee Secretary for the Portfolio Committee on Justice. She is an admitted Attorney of the High Court of South Africa with over 15 years' experience. Before HEINEKEN she served as a Legal and Corporate Security Director for the Brandhouse JV, a role she also occupied initially at HEINEKEN before moving to her current Corporate Affairs Director role.



Zodwa Velleman Corporate Affairs Director at HEINEKEN South Africa.

Velleman is a board member of the company and serves in other governance structures as well. HEINEKEN South Africa, together with its Joint Venture partner Namibia Breweries, is an important player in the beer and cider business in Southern Africa. "Our brand portfolio consists of several great brands such as Heineken®, Amstel, Windhoek, Sol, Miller Genuine Draft, Strongbow Cider and Tafel. We continue to increase our portfolio with new variants and beers to keep providing our consumers with a variety of choice. HEINEKEN currently employs around 900 direct employees and some 600 indirect employment opportunities through our third party service providers, explains Velleman.

High-profile title aside, she is a family woman. She's one of eight children and has been married to her husband, Sango that has always been supportive of my dreams, for over 17 years. They have two children, Mhlahli (17) and Luthando (15). "We always have strategic plans for organisations, and KPI's but it's something that we seldom do for ourselves. Very earlier on I had an idea of the milestones I wished to achieve. With

luck, some readiness and God saying yes—I have been blessed with a good career. At the same time, I knew that I wished to have a family. It was important to me that the person I get married to was supportive of my career and personal ambitions and would play a role other than that of a traditional husband.

"I have been fortunate in my career to have other than a supportive family that allowed me to grow, line managers who believed in me, in fact, far more than I did in my own capabilities. When my previous Boss hired me (at 36) and within a week of us meeting, I was put forward to take on a Director position of a joint-venture of multinationals – I genuinely thought I was being set up to fail, yet it was the push I needed to start believing in my own abilities. Being young, first female Executive of the organization had its challenges but the support of my Boss who was my coach, mentor, fan, and that of my other colleagues, made all the difference.

Women face many challenges climbing the corporate ladder in South Africa. One

of the biggest challenges is assumption. There's always the assumption that if you're a woman and you want a career, you can't also be interested in having a family. There's also the assumption that women don't aspire to get to the top of the organization. That is just not true. Women are as ambitious and as driven as any man could potentially be, if not more," she shares.

Velleman adds that fear of failure and fear of taking risks are both factors that halt the growth and development of many career women.

Relocating my family from Cape Town to join HEINEKEN in Johannesburg on an opportunity I could not resist—thanks to my Boss Ruud van den Eijnden (MD) was the biggest risk I am glad I took.

There are never any guarantees but as women, we need to constantly seek to make the working environment better for our girl kids. We need to support each other. We need to create space for other women to join our teams and feel nurtured to even do your role! If I could, so can anyone else. **BBQ**



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More than a fast food chain



BBQ interviews two leading ladies of the McDonald's corporation, Brigitte De Gama and Jo-Ann De Wet about the brand and their passion for what they do

In 1995, McDonald's South Africa opened its first restaurant in the country and today, it operates in over 250 restaurants in nine provinces, an is one of the most successful brand names in the world and in South Africa.

Brigitte Da Gama, Chief People Officer says people are seen as a critical component for running a successful McDonald's business and that the company places a great deal of emphasis on upskilling its employees.

"Over the years, it has created countless jobs and currently employs over 11 500 people in restaurants. The company has a unique training system that allows us to hire unemployed matriculants and provide them with training. Once an employee is in the McDonald's system, there are very specific training and career paths that would allow a diligent employee to advance to a management level," she says.

Having completed her undergraduate degree at the University of Cape Town, majoring in Industrial and Organisational Psychology, she started her career in the Human Resources Department at the University of Cape Town, where she became a Senior Manager in her twenties.

"I eventually ended up serving on the Council at UCT. I then left for the private sector where I worked in other sectors including IT, asset management and banking. In 2009, I graduated from the University of Stellenbosch with an MBA. This was an absolute milestone in improving

my business knowledge. Prior to joining McDonald's, I was employed at Standard Bank as part of their senior management. My portfolio there included working with 16 countries, ranging from Nigeria to Kenya and other SADC countries. Having that multi-cultural exposure was some of the most rewarding experiences that I have ever had," says Da Gama

What excites her the most about her role



Brigitte Da Gama

is that she has a direct impact on people and the ability to improve their lives.

"I have an absolute passion for people development. Over the last few years, McDonald's has created thousands of new jobs by opening new restaurants, sometimes

even in remote markets. We have an exceptionally well-developed training system that is geared towards growing our employees. McDonald's is also a very caring employer. We do engagement surveys twice per year to monitor our employees and we take the feedback exceptionally seriously. It is a company with a great culture and it feels like one is part of one big, global family," she explains.

Regarding the struggles of being a woman in a position of leadership, Da Gama says there certainly are many preconceptions about women, and that groups of people who have been socialised to expect women to take a subservient role are sometimes taken aback when they encounter a confident and capable woman, but she adds that it is important not to paint everyone with the same brush.

"In my personal journey, for instance, early in my career, some of my most committed mentors were men. They saw my potential and supported me. I have a friend who is a professor at the University of Cape Town and she always says, 'Kill them with excellence'. Once you prove what you are capable of and you make the time and effort to build your credibility, you will find it easier as a woman. After all, it's difficult to argue with results.

"There has been a huge transformation from my mother's generation to our generation and the following generation. It's much more acceptable for a woman to have a career and to be a breadwinner. However, having said that, I still think that we have

a lot of ground to cover. More women are making it into the C-suite and the boardroom, but it is still nearly not enough. We, therefore, have to remain ever-vigilant in encouraging the continuing transformation of society," explains Da Gama.

Her advice to young women who aspire to positions of leadership, particularly in male-dominated industries is to believe in yourself and put in all the hard work necessary.

"If you can't believe that you can do it, how do you expect other people to do so? Never let other people's opinions of your limitations define you, remain persistent and keep chipping away at that glass ceiling until it breaks. Remember that, many times, other women have paved the way for us, so remember to pave the way for the next generation and that every disappointment contains a life lesson. It is the most valuable life lesson that I have learnt. If you are open to learning the lessons then you will only emerge stronger from life's disappointments. Always try to create opportunities for others. Whether it is giving a female entrepreneur a chance or making a phone call to open the door to connect them to people who can help them. It will come back to you many times," she says.

On what defines good leadership, Da Gama says that is when one is able to lead from the front and from the back, providing direction by sharing their vision and goals while supporting a team to execute towards that vision.

"No matter your age, you are never too old to learn something new and one should always be open to learning from your team. At McDonald's one of our culture pillars is 'better together' and one way of interpreting this is to understand that knowledge and insights do not reside in one single individual, but rather in the collective group," she says.

It is a sentiment shared by Jo-Ann De Wet, Chief Operations and Supply Chain Officer, who has been with the company since 1995. "I was introduced to the McDonald's culture very early and two things I learnt early on have continued to stay with me. The first one was that none of us is as good

as all of us, and it truly is the core of the company. McDonald's encourages a unified growth and creates an environment that encourages and strengthens teamwork. The second thing learnt was that if you're green, you're growing and if you're ripe then you rot. In other words, as you learn, you develop and you continuously improve yourself through experience, and there's no room for complacency for people that are not ambitious," she says.

Ambition is an all too familiar concept for De Wet, who is the first local female Director of Operations for McDonald's—a vision she had forecasted for herself shortly after joining the organisation.

"We had quite a significant amount of expatriates in the market and I had set my sight on this role. In 1997, I said to the expat at the time that I have the vision to be the first female local Director of Operations and the first non-white female. If I think back now, I was quite naive in declaring my vision so early in my career, because I had no context of the complexity of having to navigate that path. Achieving the promotion in 2008 was fantastic for me," says De Wet.

"At a professional level, it obviously comes with all the accolades and the celebrations but at a personal level, it really gave me a sense of believing that whatever goals you set for yourself, they are obtainable with the right attitude and plenty of hard work. It sounds simpler than it is but I truly believe that anybody can aspire to great things with perseverance, dedication and self-belief," she says.

De Wet started off as a Trainee Manager and systematically worked her way up the ranks. She explains that the overlapping of the McDonald's business values and culture with her own personal values, and the opportunities such as exposure to additional formal education, travel, business experience and acumen, and different leaders in the organisation, both locally and globally, were the reasons why she has remained loyal to the organisation for over 20 years. As well as the lack of gender bias.

"I can honestly tell you, hand on heart, that in my career journey at McDonald's, I



Jo-Ann De Wet

was never restricted by the organisation to not aspire. I had my goal of working hard and becoming a respected businesswoman and achieving my set ambition of Director of Operations. At no point in time did an individual try to restrict or block me from achieving it. The actual working environment fostered and facilitated me to be able to progress, and I was fortunate not to have the insight of a glass ceiling even existing. I really appreciated that my gender wasn't something that was detrimental to my progress," she explains.

"I was never treated differently from a talent perspective simply because I was a female and I was married.

With the organisation, I had the opportunity to expand my family life as well as my career. My husband Denver and I share four beautiful sons together. It was by no means easy but the inclusive working environment and the culture of the organisation allowed me to really reach my full potential professionally, without negatively affecting me personally. McDonald's has immense energy and enthusiasm for their brand and their people, and I always say that as long as I've got ketchup in my veins, I'll be with McDonald's, and I'll be growing and representing the brand to the utmost of my ability," she concludes. **BBQ**

Success has no gender

Rising above inequality

“As the Chief Executive Officer at KPMG, it has been a rewarding journey to institute progressive inclusion and diversity practices; challenge the norms and observe how the firm continues to capitalise on differentiated talent. KPMG is a proud partner of the Businesswomen’s Association, including the Leadership Census Publication. We recognise the importance of sustainability, being good Corporate Citizens and creating an enabling environment for all our people to succeed. In addition, we are proud of our investments in other projects such as KPMG Network of Women, Women Corporate Directors and Caring4Girls.”

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Nhlamu Dlomu
Chief Executive Officer, KPMG
Southern Africa

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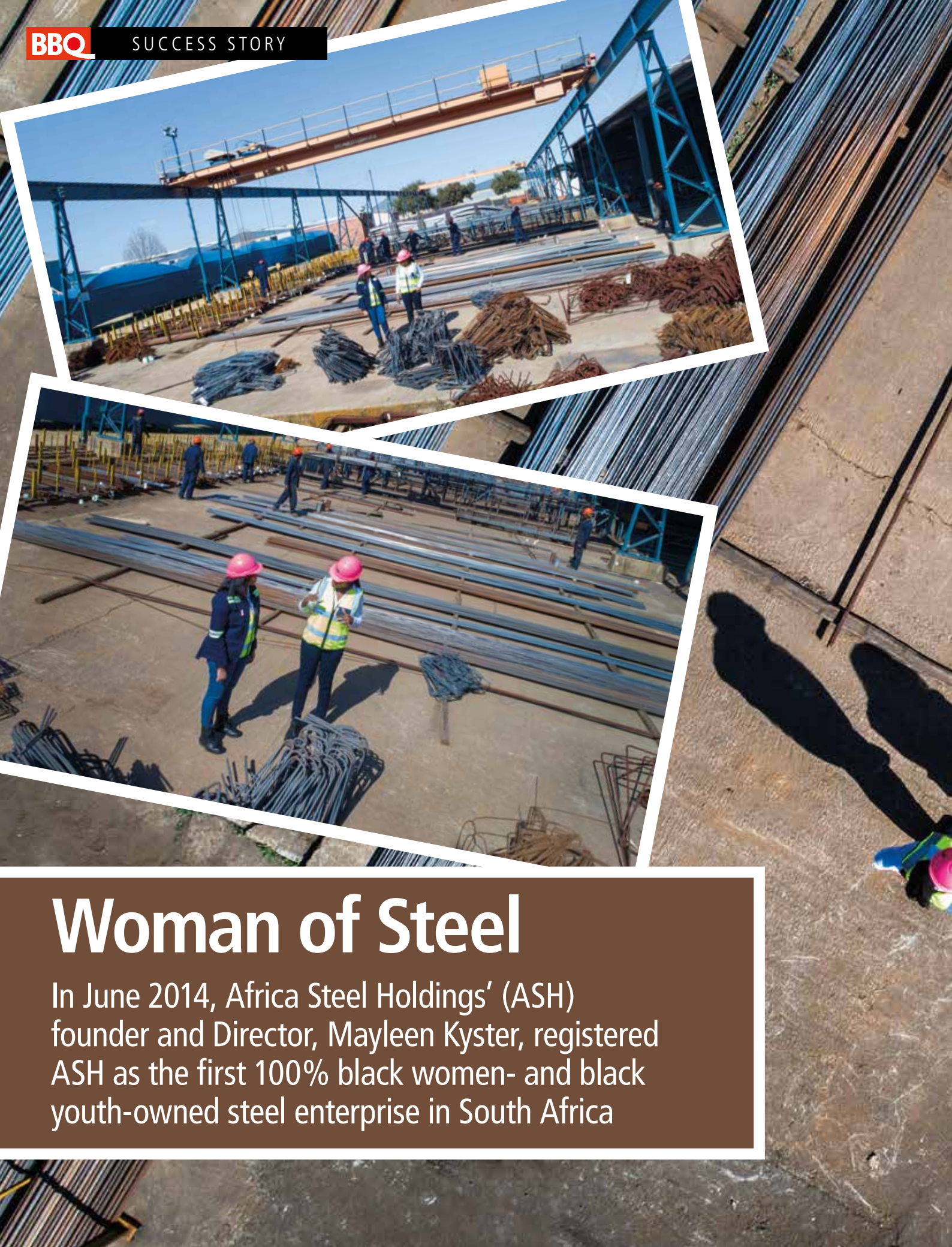
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Woman of Steel

In June 2014, Africa Steel Holdings' (ASH) founder and Director, Mayleen Kyster, registered ASH as the first 100% black women- and black youth-owned steel enterprise in South Africa

A year later, after successfully landing a number of orders and executing two large energy projects, the ambitious entrepreneur joined forces with reinforcing steel multinational Reinforcing Steel Contractors (RSC). It was here that she was introduced to Dorothy Mokgadi and Nkhola Komape. Mokgadi owns a rebar fixing business, while Komape boasts more than 30 years of production experience. The business, called RSC Avelo, has grown into a household name in the rebar fraternity and executes projects across South Africa.

She explains that the motivation behind establishing RSC Avelo is that it is an opportune time in the history of South Africa, where women are being encouraged and given the platform to participate in any industry they choose as business people and not only employees.

“Our motto is: reinforcing the future. It is a play on words, which means we are the future as woman, youth and black people. We represent the transformation in the steel industry just as we, as a nation, recognised the need to transform. We are not only black woman- and youth-owned—black women and black youth also manage the day-to-day operations of our business. We are the true definition of black industrialists,” she says.

Explaining her leadership style, she is a firm believer in entrepreneurship, motivating performance and allowing people to implement their own strategy to achieve their goals. Her personal goal for the future is for RSC Avelo to have a footprint throughout Africa, the local objective being to grow the business to a Level 9 CIDB for steel installations.

RSC Avelo was launched at a time when the steel industry was in a deflating space. Within the first year, RSC Avelo moved from an exempted macro-enterprise—a business with a turnover of R10 million and below—to qualify as a small enterprise, which is an entity with a turnover of less than R50 million.

“A significant reason for RSC Avelo’s growth was the BEE Code and Construction

Charter, which called for participation of small and medium entities, which are black woman-owned. RSC Avelo is SA’s only black woman- and youth-owned reinforcing steel manufacturer and it means a great deal to me. It is a great achievement to be transformative and it is even better that we have the relevant skills and experience to be able to tell a story of success. I believe transformation contributes to the bottom line. Transformation facilitates growth and I have firsthand experience that it does. It will give stagnant businesses growth opportunities through access to new markets. It also encourages innovative and fresh thinking, which also contributes to productivity,” she says.

In 2015, RSC Avelo was named the most transformed company by the Steel and Engineering Industries Federation of Southern Africa (Seifsa).

Kyster says that the steel industry chose her and that her love for the commodity was sparked during an internship at the steel mill in Vanderbijlpark almost fifteen years ago. “In the third year of my BCom Accounting degree at the University of Witwatersrand, I applied to do my articles at one of the big four auditing firms,” says Kyster.

“At the same time, the steel mill in Vanderbijlpark, ArcelorMittal South Africa (AMSA), was running a graduate programme and, together with about three hundred other applicants, I grudgingly applied as a backup plan.”

AMSA was quick on the uptake and so Kyster, together with only six other successful candidates, began her journey through the business of steel-making, sales and marketing and steel delivery.

“Ten years later, with the employment, business, political and social landscapes lining up and encouraging me to be bold, it seems as though fate once again guided me—this time, to pursue entrepreneurship,” says Kyster.

Kyster named her company Africa Steel Holdings in line with her vision that ASH will become a significant player on the African continent, as well as in the steel (metals and mining) industry.

Her vision includes building ASH into a diversified boutique and value-adding investment holding company that owns and manages industrial plants and assets.

The rebar business currently employs 25 people on a full-time basis, with at least two to three 10-person strong fixing teams busy at various sites fixing steel. ASH is also a partner in a state-of-the-art roof bolt manufacturing facility in Olifantsfontein.

ASH also trades in structural steel and pipe and has successfully delivered steel to a number of major energy, water, transport infrastructure and building projects, with plans to expand supply into the mining sector.

"Our sector currently has a high production capacity due to a low demand and international competition making trading very tough," says Kyster. "As a high-volume, low-margin business, we need to be creative and explore ways in which we can secure more work and business opportunities."

Although BBBEE creates a great opportunity for black woman- and youth-owned entities, the tight margins and expectations to compete with big business on the same level places smaller companies at a disadvantage. "We do not have the economies of scale—such as settlement, volumetric discounts and discounts for cash upfront transactions—that big business, with their large buying power, are afforded," explains Kyster.

ASH's association with Stefanutti Stocks Geotechnical came as a result of the company being one of forty woman-owned companies that were selected by the South African Department of Water and Sanitation as potential candidates for its entrepreneurship incubator programme.

The department selected these forty 100% woman-owned enterprises based on the fact that they had what it takes to deliver on projects but did not have the resources or access to projects to allow them to grow.

"What attracted me to Stefanutti Stocks was that their presentation to the forty companies showed what they had already



achieved, rather than what they said they could do," says Kyster, "I was also drawn to the fact that it is a well-positioned group, but slightly understated."

In terms of ASH's expectations of the enterprise development relationship, Kyster hopes that one day, this will result in joint-venture partnerships where ASH would be on site and responsible for its area of expertise and that the value of work will result in the company growing into a CIDB 9 contractor for steel installations.

Kyster says that an enterprise development partnership, like the one with Stefanutti Stocks Geotechnical, might have come in handy during the foundation stages of ASH.

"When I first started the company, I understood the product and the market, but was not prepared for the strain on my resources, the sweat equity required, as well as the financial insecurity," she says.

She continues, saying that during the establishment stage of the business, a mentorship and development relationship that prepares one for business and capacitates a business in the industry is an incredible help. Now that she has achieved some stability, she is determined to use her experience to fill that mentorship space for others, young woman in particular, at the beginning of their careers.

Mentors from Stefanutti Stocks Geotechnical include Managing Director, Shaun Butler and Commercial Director, Tiaan Erasmus. A needs analysis, that has highlighted the development areas where ASH can benefit from their input and

assistance, has been conducted and the enterprise development will focus mainly on the identified needs, with the objective of assisting ASH to become a sustainable business and a key player in the supply and installation of steel products.

"Right now, what is most important to me is that we have an audience," says Kyster. "We have already been asked by Stefanutti Stocks to quote on a number of projects and I'm looking forward to securing work and reinforcing our capability by delivering quality steel in our customary professional way."

When asked if the steel industry has become more inclusive of women, Kyster says that a change is happening but not at a rate that she can be proud of.

"There is great room for improvement. The sheer number of us, relative to male counterparts, especially in the industrial sector, creates a lack of female mentors. My experience tells me that because there are so few of us in the industry, we try to defend our territory when, in fact, the more of us there are, the more impactful our lobbying efforts become.

"In the next five years, I would love to see more female-run construction projects approved.

"This impacts businesses positively as well as employees of those businesses. I would like to see more focus on woman, youth and disabled people participation within the sector. My advice for anyone wishing to enter this industry? Do it, keep at it and pave the way for those who are behind you," she concludes. **BBQ**

Violations in ownership

B-BBEE Commission clamps down on alleged fronting

On Friday 23 June 2017, a black woman owned entity launched a complaint of BEE fronting against JSE listed Netcare Holdings, which operates the largest private hospital network in South Africa. The complaint has been lodged with the Broad-Based Black Economic Empowerment (B-BBEE) Commission which has been officially launched towards the end of 2016.

On 7 August 2017, the B-BBEE Commission released a press release confirming that it had initiated investigations against specific entities for possible violation of the B-BBEE Act, relating to the B-BBEE ownership structures and non-compliance with the Codes of Good Practice in respect of the verification process.

Mandira Soomeer, Corporate Finance Analyst at Bravura, an independent investment banking firm specialising in corporate finance and structured solutions with specialist expertise in B-BBEE ownership transactions, outlines the significance of this for the South African corporate sector.

Extent of the investigation

Taking shortcuts to receive BEE accreditation in an effort to procure public sector and private sector tenders, can have serious implications on the company and its management. This is observed in particular in recent press releases, where 17 entities are listed as being investigated on grounds of potential fronting practices. Apart from Netcare Limited, the list also includes the names of MTN Group Limited and Nokia



Solutions and Networks South Africa (Pty) Ltd (Nokia).

MTN is being investigated to determine whether the MTN Zakhele and the MTN Zakhele Futhi B-BBEE schemes meet the requirements for black ownership and comply with the B-BBEE Act. In the case of Nokia, the B-BBEE ownership transaction involving the employee trust and Sekunjalo Investment Limited (Pty) Ltd through specific entities (resulting in 26% black ownership), and the subsequent change

in black ownership (resulting in 31.28% black ownership) by Sekunjalo Investment Limited, is being scrutinised.

Two government related entities were featured on the list. Eskom SOC Limited is being investigated to determine whether the entity complied with the requirements of section 10(1) of the B-BBEE Act in the issuing and awarding of the Duvha Power Station tender to a Chinese company, which is alleged to not be B-BBEE compliant.

The complaint against South African Social Security Agency (SASSA) is that the tender for the payment of social grants to Cash Pay Master Services (Pty) Limited (CPS) was awarded to a company (CPS) that is engaging in a fronting practice in violation of the B-BBEE Act.

There also seems to be a specific clamp down on B-BBEE verification agencies. The investigation against National Empowerment Rating Agency (NERA), Empowerlogic (Pty) Ltd, AQRate Verification Agency and Premier Verification (Pty) Ltd is to determine whether the black ownership structure of the verification agency complies with the black ownership requirements and whether in its conduct of verification, it follows the procedures required of a verification agency and the verification professionals in line with the B-BBEE Act. Marissimo BEE Professional Verification and Services and BEE Matrix CC are being scrutinised to determine whether the conduct of each verification agency and the professional in question is in compliance with the B-BBEE Act following numerous letters of advice to these entities.

Severe penalties possible

If found to have violated the B-BBEE Act, the entities may be referred for prosecution and exposed to a fine of up to 10% of the entity's annual turnover and the individuals involved can be fined or imprisoned for up to 10 years. The entities can also be excluded from doing business with government for a period of up to 10 years, and the contracts they have with any state owned entity or government department can be cancelled. The B-BBEE Commission may also approach a court of law to restrain any breach or for any appropriate remedial relief, which may include setting aside a specific transaction or initiative.

Ownership as a Core Objective

The B-BBEE Commission made it clear on its launch roadshow last year that there will be a particular focus on ensuring that the B-BBEE ownership element is being adequately and sustainably addressed. At its core, the objective is to change ownership

patterns within the South African economy, with a targeted minimum of 25.1% ownership – although there are specific sectors and industries where this requirement is higher.

However, the true participation of black people in the South African economy cannot be increased as long as entities are allowed to engage in fronting practices. The Commission correspondingly stressed that it would clamp down on undesirable practices which affect ownership, but also on practices which could impact the other elements of the B-BBEE Scorecard.

What is Fronting?

The definition of Fronting was included in the Amendment Bill to the Broad-Based Black Economic Empowerment Act, 2003, which had been passed by government in November 2012 ("the Amendment Act"). Fronting has been defined as "a transaction, arrangement or other act or conduct that directly or indirectly undermines or frustrates the achievement of the objectives of this Act or the implementation of any of the provisions of this Act, including but not limited to practices in connection with a B-BBEE initiative."

Indicators of fronting (per the BEE Commission) in ownership transactions are set out below:

1. Window-dressing: This includes cases in which black people are appointed or introduced to an enterprise on the basis of tokenism and may be:
 - Discouraged or inhibited from substantially participating in the core activities of an enterprise; and
 - Discouraged or inhibited from substantially participating in the stated areas and/or levels of their participation.
2. Benefit diversion: This includes initiatives implemented where the economic benefits received as a result of the B-BBEE status of an enterprise do not flow to black people in the ratio as specified in the relevant legal documentation.
3. Opportunistic intermediaries: This includes enterprises that have concluded agreements with other enterprises with

a view to leveraging the opportunistic intermediary's favourable B-BBEE status in circumstances where the agreement involves:

- significant limitations or restrictions upon the identity of the opportunistic intermediary's suppliers, service providers, clients or customers;
- the maintenance of their business operations in a context reasonably considered improbable having regard to resources; and
- terms and conditions that are not negotiated at arms-length on a fair and reasonable basis.

In the context of the ownership element, fronting is in essence the misrepresentation of the contributions of the benefits made by the measured entity to a black individual or participants in prohibiting or limiting their right to exercise control over the resources of the company in which they may own shares and have access to voting rights. This could be a hindrance to them enjoying their share in the fruits of investments or participation in the company.

This seems consistent with the grounds of the complaint lodged against Netcare. Milagros Social Development, a company whose shareholders are all black women, laid the complaint against Mother and Child Trust (MCT)—a company registered by Netcare in 2005 as part of its BEE scheme, Health Partners for Life (HPFL).

Milagros was selected as the anchor beneficiary of MCT, one of four BEE trusts registered under the BEE transaction. Milagros alleges that MCT broke the conditions of the transaction by refusing to pay it the three vestings—or the rights that beneficiaries have to the income or assets of a trust - in the months of November in 2014, 2015 and 2016. Milagros said it received the vesting for 2012 and 2013, but not for the next three years, which is why they allege fronting.

Fronting is a criminal offence

The B-BBEE Commission is tasked with receiving and investigating complaints



regarding BEE, including fronting practices, either at its own initiative or in response to complaints received.

In investigating fronting practices, the Commission is empowered to:

- issue summonses, subpoenas and interrogate witnesses and alleged offenders;
- institute court proceedings to restrain any breach of the BEE Act, including a fronting practice or to obtain appropriate remedial relief; and
- if the Commission is of the view that any matter that it has investigated may involve the committing of a criminal offence in terms of the BEE Act or any other law, it must refer the matter to the National Prosecuting Authority or the appropriate division of the South African Police Service.

The Amendment Act provides that any person who knowingly engages in a fronting practice commits an offence. The Amendment Act criminalises fronting and

other misrepresentations regarding the BEE status of an enterprise. Any person convicted of an offence in terms of the BEE Act may be liable to a fine or a maximum prison sentence of 10 years, or in the case of a juristic person, a fine of up to 10% of its annual turnover.

Further, any person convicted of an offence in terms of the BEE Act may not for a period of ten years from the date of conviction, contract or transact any business with any organ of state or public entity and will be registered in a register of tender defaulters with the National Treasury.

The Amendment Act therefore not only criminalised fronting, which was not the position previously, but it created an offence for individuals who do not take proactive steps to ensure that fronting is not taking place in any ventures in which he or she may be involved. In this way the Amendment Act has also helped to ensure that public sector work is awarded to fair and deserving bidders who exhibit clear compliance with BEE ownership requirements.

Conclusion

The main consequences of Fronting are the hindrance to the goal to make black people main participants in the South African economy, and allowing them to participate in the economy and the advancement of the country.

It is important for companies to scrutinise their current B-BBEE structures and address anything that is inconsistent with scorecard requirements, in order to avoid serious potential penalties.

The need to effectively structure and implement transactions that are fully compliant and sustainable that will meet with the approval of the B-BBEE Commission is obvious.

This requires a clear and detailed understanding of the provisions of the relevant codes and policy documentation and a proactive approach to designing and engaging with structures that meet the requirements but also ensure that companies remain able to grow and thrive. **BBQ**

Challenges and breakthroughs in the transformation of the South African financial sector

Akona Mlamleli, Head of Transformation at 27four Investment Managers reflects on the challenges and opportunities in changing the makeup of the South African financial sector

Transformation in the asset management industry is moving at a snail's pace, as was reported in the recently published 2017 BEE.economics survey. An entrenched oligopoly and ineffective policies have left the financial services industry woefully untransformed.

Since 2009, the volume of assets under management (AUM) by black asset managers has grown by 355% from R91.4-billion to R415.5-billion this year, with the number of black-owned asset management companies more than tripling from only 14 to 45 in that time.

However, this was still dwarfed by the overall R4.6-trillion of assets currently being managed by private sector asset managers in South Africa.

According to the latest BEE.economics survey, less than 10% of AUM is managed by majority black-owned fund managers. The value of assets the black investment management industry collectively manage is less than just one of the top 10 biggest asset managers in South Africa.

As of 31 December 2016, the total size of the Collective Investment Schemes (unit trusts) industry was R2 trillion but the value managed by black-owned asset management firms was a mere R87.3-billion or 4.35% of the total.

Only 13 firms have passed the critical R5 billion AUM mark, where they are able to benefit from significant economies of scale and attract bigger pieces of business. Twelve black firms have less than R100 million in AUM.

While it's possible for firms to survive without reaching the R5 billion mark, as four of the black-owned asset managers who are older than 10 years and have yet to pass this level prove, they can never hope to compete with the top firms.

In the broader savings and investment value chain comprising asset managers, stock broking firms, insurance companies,

asset consultants, actuarial firms and administrators, black participation is well below 5%.

This is not just limited to the asset management sector. The overall financial services sector is severely untransformed from both a structural and demographic perspective. The "Big Four" banks control over 90% of the industry and none of these four has been able to reach the targets set out in the 2012 Financial Sector Code.

Contribution over compliance

Nothing is achieved overnight and transformation should not be done for its own sake or for the sake of compliance. Structural imbalance limits the economic opportunity for the majority of South Africans. South Africa started 2017 in a technical recession and in the second quarter, reached its highest level of unemployment, at 27.7%, which is 1.1 percentage points higher than the same period last year. Statistics South Africa reports that the country's real unemployment rate (according to its expanded definition) was actually 36.6%. The unemployment rate for black Africans has remained unchanged since last year at 40.9%, while it has actually dropped for whites from 8.6% last year to 7.9% now. The unemployment rate for coloureds and Indians went up from 28% to 30% and from 16.6% to 19.8% respectively.

Unless the economy is transformed at a fundamental level, any social or enterprise development programmes that are implemented will amount to nothing more than veneer, seeming to benefit a selected few from the historically disadvantaged rather than the majority.

However, it does not follow that transformation efforts should seek to improve the lot of any one of the population groups while taking away from the other. Transformation efforts should seek to create value for all South Africans. Black Africans make up 66.4% of the labour force, so it will naturally

be a bigger challenge to tackle unemployment and associated issues in this segment.

The key is to recognise that the financial sector will be the driving force in meeting this challenge, as it provides the crucial infrastructure for the financing of large and small enterprises in the public and private sector. It is, therefore, vital that the industry is transformed from the inside-out, in its leadership and ownership structures. As one of the most highly regulated sectors, policies need to be adjusted in a way that they fast-track transformation.

Up until now, BBBEE compliance has been voluntary but this has only proved to be partially effective and the market dominance of the major firms has gone unchallenged by new entrants. The government (in consultation with all relevant stakeholders) needs to enact strong legislation that gradually transfers the control of the financial services industry into the hands of a leadership structure that not only reflects the unique demographic of the country but delivers real benefits to all its citizens, and not just a select few. These benefits would be in the form of key positions, access to capital for small business, skills development, and broad-based shareholding and policy formulation.

Risk factors

The risks of a failure to transform are vast and far-reaching, including a continued rise in unemployment and poverty, along with the spread of extremist political doctrine, which becomes more attractive as the citizenry feels increasingly dispossessed. The service delivery protests that have become a regular feature of South Africa's labour climate will only grow in intensity and frequency. Crime levels will increase as the hungry grow more desperate. Access to marketable local skills will drop, forcing firms to import key expertise, further alienating themselves from the public.

While the current political climate is surely discouraging to investors, it is only a part of the story. Should a more palatable regime enter power, business confidence will improve to the extent that investors release excess capital for expansion and

infrastructure development. New jobs will be created but the structural fundamentals that drive rising inequality will not be addressed quickly enough.

Black industrialisation

In May, parliamentary hearings into the transformation of the financial services sector were held to investigate the challenges facing the industry and its failure to transform.

During the debates, several propositions were made. One suggestion by the Department of Trade and Industry was that a compulsory minimum broad-based black economic empowerment (BBBEE) level be a condition for listing on the JSE and other exchanges. Another was that instead of just requiring voluntary compliance through the Codes, penalties should be imposed on companies that do not comply with management and employment equity targets.

However, this would not be enough to deliver scale. To truly transform the sector and create companies that can compete with the largest firms, there needs to be consolidation among smaller black-owned asset managers. Only through a consolidated effort will the economy produce progressive institutions that can achieve significant economies of scale and compete with the larger players, locally and globally. These economies of scale will not only enable companies to create scale but allow them to achieve vertical integration—expansion along the value chain to create new banks, insurance companies and administrators.

Black industrialists must have better access to affordable funding and regulations need to be radically engineered to support new entrants.

Procurement regulations

The Association of Black Securities and Investment Professionals has been working hard through its participation in the financial sector charter council, which played a major role in the redrafting of 2012 financial sector codes in 2016, to enact some of these changes. For instance, a BBBEE scorecard for retirement funds will be included in the next

revision of the Financial Sector Code to monitor the procurement of service providers.

This is vital as it will affect how trustees of retirement funds appoint asset managers. Currently, trustees use the services of asset consultants, who offer recommendations on which asset managers to appoint. Usually, these asset consultants choose from the same concentrated pool of asset managers, largely ignoring the newer, smaller firms.


Twin peaks

President Zuma's recent signing into law of the "Twin Peaks" model of financial sector regulation will provide some robust monitoring of any rules that are developed. Under this new environment, a Financial Sector Conduct Authority (FSCA) will be responsible for the conduct of all financial sector participants and the Prudential Authority under the Reserve Bank will be responsible for financial stability monitoring. This is a shift from the past where the banking sector was regulated by the South African Reserve Bank (SARB), while the savings and investment industry was regulated by the Financial Services Board (FSB). While this is a positive change, it only deals with structural changes in the way the financial sector is regulated and supervised, and not much in terms of meaningful transformation.

Financial Sector Summit

Following the May 2017 Parliamentary hearings, the industry committed to holding a Financial Sector Summit in 2018 to expand the debate on what a more robust legislative regime for transformation will look like.

The challenge is that this regime will need to be developed in a way that delivers sustainable change without alienating potential investors, local and international.

A tough job indeed, but a major overhaul is needed. The current situation is untenable, as incumbents have no real incentive to transform and will just continue in their old ways unless they are gently compelled by law to move in the right direction. 



Kganare & Khumalo Attorneys

Specialist legal expertise led by bright, young attorney Khumisi Kganare against all odds



Khumisi Kganare

From the dusty streets of Itsoseng (North-West), Khumisi refused to take the back seat and let the status quo determine his future professional business endeavours specialising in Commercial Law as well as Competition Law (anti-trust), Information and Communications Technology Law and Intellectual Property Law, areas regarded as cutting-edge in the legal fraternity, Khumisi Kganare is founder and director at Kganare and Khumalo Incorporated (K&K) a commercial law firm with offices in the Gauteng and North West provinces.

Khumisi and his partner founded K&K in 2012 and started operating in 2013. "Primarily, our vision is to offer specialist expertise, personalized service, as well as strategic and creative advice to clients. K&K provides a comprehensive law service founded on legal expertise and built around clients' needs and expectations. We have extensive experience across a range of legal practice areas and are forced to be innovative, creative and different in order that we stay competitive, while facing the many challenges black-owned firms confront."

While at K&K, Khumisi spent three months in Europe at Beauchamps Solicitors working with Partners in the Commercial Law Department, Intellectual Property/Information Technology Department, Renewables Business Department, Litigation & Dispute Resolution Department.

Khumisi underwent the Intergrated Bar Project internship (limited law students placed at top law firms in South Africa); Practical Legal Training in Johannesburg; European Commission Competition Law Summer School at the Downing College, Cambridge University, in the United Kingdom; United States of America Federal Trade Commission Certificate on Identification and Proof of Agreements under the U.S. Anti-Trust Laws; and the Law Society of South Africa's Commercial Law Programme.

In 2015, Khumisi was appointed as a member of the Law Society of South Africa's Digital LEADers Committee. In 2016, he was appointed as an Independent Adjudicator for the Wireless Application Service Providers' Association. In 2017 he was invited by the World Intellectual Property Organization (WIPO) to join WIPO GREEN Experts Database. Khumisi still serves in these capacities.

It has always been a strategy to gather experience in both public and private sectors in order that we are able to advise clients considerate of the technicalities and/or dynamics in both these environments. As a result, Khumisi spent considerable time in both environments prior establishment of K&K.

Being a boutique firm assisted K&K in going back to the fundamentals which are amongst others, finding a niche in which they have value to add and areas in which they are experts, building long term relationships with clients, making reasonable commitments to clients, and following through. "Being a small firm is K&K's greatest strength at the moment as clients can get in touch easily with us. We are flexible and are able to react quickly to changing market conditions. We are faster, agile, and react quickly to avoid or minimize risk for our clients. We believe that small is the new big, sustainable is the new growth and trust is the new competitive advantage." **BBO**

SA Car industry

Radical Economic Transformation plan revealed

South Africa's vehicle manufacturers are to create a transformation fund that would allocate funds to develop black ownership in the supply chain and vehicle dealership network. The industry has also developed a vision and master plan to 2035.

Details of the transformation fund and the master plan were disclosed at a media briefing that was addressed by ANC treasurer-general Zweli Mkhize and several industry executives. The briefing follows following discussions between the parties ahead of the ANC's policy conference.

Mkhize said there was a much better understanding of radical economic transformation in the automotive industry than in other sectors. He said there was much scepticism about radical economic transformation, but the ANC believes there had to be a new way of doing business in South Africa, and "the leadership in this sector have openly embraced that approach".

Mike Whitfield, the president of the National Association of Automobile Manufacturers of South Africa (Naamsa) and the managing director of Nissan South Africa, said the growth of the automotive industry was a tribute to the interaction between the various stakeholders and the stable policy environment.

"It's one industry we cannot afford to ever take a step backward. If you look at Australia, where policy and the industry did not align, it fundamentally does not have an assembly industry anymore," he said.

Andrew Kirby, a Naamsa member and president and the chief executive of Toyota South Africa Motors, said the industry had recognised the need to play a more active role in supporting industrialisation and in solving some of the country's challenges.

Kirby said one critical element they recognised was the need to develop a fund that supported transformation in the industry, and they had developed a vision and a master plan with targets they aimed to achieve by 2035.

He said these targets included increasing total annual manufacturing volumes from 600 000 to 1.4 million vehicles and local content levels in domestically produced vehicles from 38 percent to 60 percent, and doubling employment in the industry and the number of black-owned enterprises.

Tim Abbott, another Naamsa member and the chief executive of BMW Group South Africa and sub-Saharan Africa, said the major original equipment manufacturers (OEMs) in South Africa had come together to work out a long-term plan for the industry.

Abbott said the transformation fund would be held through a black fund manager with a board of management that included OEMs and the government through the Department of Trade and Industry.

He said money would be allocated to develop black ownership in the supply chain and of vehicle dealerships, and black-owned companies would also receive support with management.

The President of NAACAM, Dave Coffey, said the automotive industry has the capability to address the challenges facing the economy.

Coffey said investing in value addition to products, keeping up with technology and supporting the development of key policies of the industry can be a shot in the arm for the industry.

Imports of automotive components have surged to historical levels at R50bn, while local content in vehicles have declined to

below 39%, affecting employment in the sector, said Trade and Industry Minister Rob Davies.

Speaking at the inaugural National Association of Automotive Component and Allied Manufacturers (NAACAM) Show and Localisation Indaba at the Durban International Convention center, Davies said the auto component employment in South Africa has remained a concern, as it has "somewhat stagnated".

"Through the 2035 SA Automotive Masterplan process," Davies said, "government seeks to arrest some of the drawbacks in the sector, while also ensuring industry growth over the long term. This Masterplan process is also making us realise that to ensure the long term sustainability of the automotive assembly and component industry, all the partners which include government, industry and labour have to make sacrifices."

Davies pointed out that transformation of the automotive industry, which can lead to exclusive growth is non-negotiable.

"This industry is vital to South Africa's industrialisation, specifically and most importantly to the manufacturing sector of the economy. The industry's contribution to gross domestic production (GDP) is estimated at 7.5%, with 113 000 people directly employed in the vehicle assembly and components supply industry. Importantly, 82 000 people of this total employment figure are directly employed in the auto component industry," said Minister Davies.

"Transformation will ensure that the automotive industry is representative in line with national demographics profile," Davies said. "Government will therefore make supply side support conditional to industry transformation." **BBQ**

Charter council calls for more black asset managers

A new survey reveals black firms manage just R415.5bn of the R4.6-trillion industry

The Financial Sector Charter Council, which oversees transformation and black economic empowerment in the financial services sector, wants new targets set to encourage retirement funds to appoint black principal officers and service providers such as asset managers.

The industry has a parlous transformation record with a new survey revealing on Tuesday that black firms manage just R415.5bn of the R4.6-trillion industry.

The proposed amendments to the code and the scorecard include up to 20 points for the participation of black people on a retirement fund's board of trustees and executive management, if applicable, and up to 80 points for preferential procurement of services from black service providers.

On Tuesday, 24four Investment Managers unveiled the results of its survey into transformation. It shows that black asset managers manage just 9% of the funds available to private-sector asset managers and excludes restricted assets such as that of the Government Employees Pension Fund, managed by the Public Investment Corporation. The assets that black-controlled firms manage grew just 1.8% from 2016, it shows.

Council member Sibongiseni Mbatha who is also president of the Association for Black Securities and Investment Professionals, indicated disappointment with the findings, saying the sector now needed to move towards collaborating with the government on transforming.

"We need to realise that we no longer have time. For the past 23 years, we have been saying, 'Please transform, please transform'," he told delegates at the launch of the report.

"We are no longer going to do that," Mbatha said.

Trevor Chandler, another member of the council representing the Association for Savings and Investment SA, had not responded to questions by the time of going to print.

Retirement funds account for R1.8-trillion of the assets available for private sector asset managers to invest, the second-largest source after collective investment schemes, such as unit trusts, which account for R1.9-trillion, according to the survey.

Even umbrella funds, which are established by financial services firms to offer retirement benefits to a number of companies, employ trustees who prefer to use household names such as Coronation, Old Mutual and Allan Gray. Asief Mohamed,

chief investment officer at Aeon Investment Management, said that asset consultants, which advise retirement funds, were also not advising their clients to invest with black firms.

"There is no clear reason why," he said. "We believe we have to assume it is racism."

Mohamed said that "excuses" advanced by the consultants included issues relating to "excessive market risk", which just did not apply.

27four MD Fatima Vawda said that while the revised code, which was still at the council and had not yet been approved or gazetted by Trade and Industry Minister Rob Davies, would deal with the transformation of retirement funds, collective or individual investments were left up to the client consumer.

"They [clients] use independent financial advisers," she said. "[For black asset managers], this requires being a lot more inventive, being a lot more out there."

The survey showed more than half of the participants spent less than 1% of their revenue on advertising, branding and marketing, and relied mainly on direct relationships with large retirement funds to distribute their products, failing to tap into the retail market. **BBQ**

Argon Asset Management

An African investment firm with global standards

Argon Asset Management is an authorised financial services provider registered with the Financial Services Board under the FAIS Act of 2002. Founded in April 2005, Argon Asset Management boasts a multi-skilled team of highly experienced investment professionals with impressive qualifications and industry reputations.

“We are a wholly owner-managed investment management firm that provides investment management services to retail and institutional investors. We benchmark our firm and operations against global best practice standards in the investment management industry. We add significant value to our institutional client portfolios by outperforming relevant benchmarks over the medium to long term. Underpinning our investment offering to our clients is a fundamental research-driven investment process and a coherent risk management programme,” says Manas Bapela, Chief Investment Officer and Chief Executive Officer.

Bapela has over 17 years’ experience that includes lecturing, investment analysis and managing portfolios across all asset classes including derivatives. He gained his experience at leading firms such as Standard Corporate & Merchant Bank, where he helped to develop analytical tools to strip real zero curves from CPI-linked bonds, pricing of CPI-linked swaps and CPI-linked annuities and, most recently, at Taquanta Asset Managers. A published contributor to mathematics journals, he

was also a member of the investment committee of the Institute of Retirement Funds until July 2017. Additionally, he is a regular presenter at industry conferences, both locally and abroad.

“As CEO and Executive Director of Argon Asset Management, I am responsible for all day-to-day management decisions and for implementing the firm’s strategy. In conjunction with the Board, I lead the development of the firm’s strategy and ensure that the management committee executes on the strategy. I oversee the investments team, operations, finance, distribution and marketing, and I am the main touch point for all of Argon’s stakeholders,” he says.

Bapela explains that the vision of Argon is to become a premier, world-class African investment management firm and that this goal is underpinned by the values of honesty, integrity, accountability, respect and good ethics.

“Ethics are rules of behaviour that shape our conduct and character. Some people describe character as the collection of our daily habits—the things we do without thinking. But ethics are about making behavioural choices. At Argon, we consider the best course of action in each situation. We ask ourselves, ‘What is the right thing to do?’ We are conscious that the way we make decisions as individuals and collectively as a company, will determine both our clients’ investment success and our success as a business,” he says.

Since the inception of our firm in 2005, we have been guided by our values in every aspect of our business, ensuring that it is our values that drive our decisions. We believe

values build value. Although we celebrate different opinions, we have one set of values that informs every decision and interaction. We believe we can work better together and achieve great outcomes for our clients when we are united in our values, which is why it is critical to us that all our team members share and practise these values,” he says.

Argon Asset Management believes that if you are given the mandate to outperform a certain benchmark, you are obliged to consider the benchmark in the investment process. Start with the benchmark holdings and then take considered active positions against this where you find opportunities to outperform. Not considering the benchmark can lead to extremes of out- and underperformance relative to the benchmark, simply because of the extent to which one stock can influence the index.

International awards:

Global Brands Magazine: Best Asset Management Brand, South Africa 2015 and 2016

Global Business Outlook: Best Asset Management Company, South Africa 2016

World Finance Investment Management Awards: Best Asset Management Company, Africa 2014, 2015 and 2016

The European Global Banking & Finance Review Awards: Best Asset Management Company, Africa 2014, 2016

IAIR Awards: Excellence in Asset Management Corporate Social Investment Africa 2014

IAIR Awards: Best Asset Management Company Africa 2015

Argon constructs its portfolios by always considering the benchmark and this provides their clients with a valuable form of risk control. A multi-product investment house, their philosophy differs slightly across products. A common denominator in the way Argon Asset Management manages all of its products, however, is a firm belief in the power of generating incremental positive returns and exercising disciplined risk control at a portfolio construction level. In this way, reduced investor risk and optimised long-term returns are ensured. Argon would rather opt for unexciting yet steady, positive and incremental returns than expose their clients to unnecessary risk and encourage behavioural biases that undermine clients' wealth.

"Argon's offering is based on a thorough understanding of our clients' needs, a risk controlled investment process, a well-considered and consistent risk management programme, a commitment to global standards and international best practice in our investment process and operations, a team of highly qualified and experienced professionals, and aligned interests—our money is invested alongside yours. The nature of our business and product offering lends itself to long-term relationship management. In the investment space, for clients' to realise the value of their investments, they need to commit to a long-term investment strategy.

"We are committed to building a long-term relationship with you. We will listen and learn about you so that we understand your needs. Specifically, we wish to understand your liability profile, return expectations, time horizon, appetite for risk and your desired asset strategy (in which asset classes such as equities, bonds or cash you wish to invest). We will explain our capabilities and share our investment insights with you because a trusted partnership can only be built on mutual understanding," he says.

Argon has invested a lot of time and resources to develop a stable, efficient, and world-class operational platform. The firm applies a wide range of security measures that include disciplined adherence to local



Dr Manas Bapela, Chief Executive Officer, Argon Asset Management

compliance processes and international best practice to ensure that clients' money, investment and personal information is in safe hands at all times. "We regularly review and adapt our security and data protection measures; the way we deal with confidential client information and our operational platform relative to international benchmarks," says Bapela.

Argon is an African investment management firm that is committed to the continuous development of the communities in which they operate.

"We execute this through our corporate social responsibility (CSI) programme. This programme provides financial and non-financial support to specific community upliftment projects. We focus on education and youth leadership development and ad-hoc community projects.

"Additionally, as an important part of continuously strengthening our capacity to better serve our clients, we are committed to developing new talent through our graduate development programme. This focuses on exposing new high-quality

graduates to the investment management industry. It is from this programme that we source our future personnel and we also aim to do what we can to develop skills, create opportunities and employment in our society," Bapela concludes. **BBQ**

South African Awards:

Imbasa Yegolide Awards: Nominated and shortlisted for "Equities Manager of the Year"; "Bond Manager of the Year"; "Overall Investment/Asset Manager of the Year" for 2015

Imbasa Yegolide Awards: Absolute Returns Manager of the Year 2015

Association of Black Securities and Investment Professionals (ABSIP): Best Company with Global Significance 2015

Association of Black Securities and Investment Professionals (ABSIP): Traditional Equity & Fund Manager of the Year 2015

National Business Awards: Shortlisted for the "Investing in People Award" 2016

Black Management Forum: Progressive Company of the Year 2016



Black industrialists to gain access to finance

There is good news on the horizon, as a leading bank pledges to facilitate the plans of South Africa's leading black industrialists.

A pledge that will improve access to finance for black industrialists has been signed between the Department of Trade and Industry (dti) and First National Bank (FNB).

Signed at a ceremony in Johannesburg in September, the pledge will improve access to finance for black industrialists to fast-track accelerated economic transformation.

"By committing to this agreement, we undertake to collaborate with FNB in marketing our incentives and other related programmes on their website, we will also put measures in place to evaluate applications for financial support that are referred or received through FNB. This partnership will improve access to finance particularly for businesses in manufacturing, thus ensuring government's strategic objective of creating new role-players in the economy," said Trade and Industry Minister Rob Davies.

Speaking at the signing ceremony, Minister Rob Davies said the partnership with FNB will see the two entities share information regarding various products offered by the dti with a focus on facilitating

information-sharing regarding the dti's incentive programmes.

The dti says the concept of black industrialists refers to black people directly involved in the origination, creation, significant ownership, management and operation of industrial enterprises that derive value from the manufacturing of goods and services at a large scale; acting to unlock the productive potential of our country's capital assets for massive employment locally.

The agreement was signed by Minister Davies and FNB Chief Executive Officer (CEO) for Public Sector Banking, Kgosi Ledimo.

CEO Ledimo said the bank has dedicated resources to assist government's focus on growing entrepreneurship and involving a greater number of previously disadvantaged qualifying businesses.

"The Memorandum of Understanding (MoU) to disseminate information through the FNB website is a commitment from FNB, to show how serious we are with working with government in achieving the goals set out in the National Development Plan 2030," said Ledimo.

The department has identified the Black Industrialists Scheme (BIS) as a pilot to initiate the proposal with a view to adding new incentives to previously disadvantaged and/or predominantly black-owned businesses.

"Through this programme, government hopes to contribute towards shifting the demographic composition of South Africa's industrial sector and engage the under-utilised source of jobs, revenue, taxes and innovation, which are black Industrialists."

"Since its establishment last year, the Black Industrialists Programme has approved 52 projects for support, with a projected investment value of R4.5 billion; this has been co-funded with other financial institutions," said Minister Davies.

The long term goal with the dti and FNB is focused on enabling a greater number of South Africans access to the dti's schemes and funding platforms through making this information more accessible through FNB's platforms, starting with the Black Industrialist Scheme.

"As a bank, we model our response to market through our brand mantra – how

can we help you—and in response to the need to drive a much high number of active entrepreneurs in South Africa, we continue to look for innovative ways of playing our part in enabling a better South Africa,” said Ledimo.

Meanwhile, in Ekurhuleni ...

Ekurhuleni Mayor Mzwandile Masina has commended a group of young black industrialists, who established a company and turned it into a multimillion rand establishment within three years.

The Mayor recently hosted the founders of United Industrial Cables (UIC), who include Reginald Tshikota, Fhatuwani Belemu, Malwandla Siweya, Themba Mabunda and Mark Horn.

Based in Alrode in Ekurhuleni, UIC came into existence in 2014. The company founders are a group of young black professionals experienced in cable manufacturing, finance and project management.

These black industrialists are investing more than R100 million in this venture to bring immense localisation, transformation and much-needed employment.

UIC specialises in power cables, signalling cables, bonding wire, aluminium overhead conductors and automotive/locomotive cables and flexible wires with UV and heat resistant insulation and sheathing materials, as well as bare copper conductors/wires.

The company currently provides services to Eskom and power utilities in high voltage transmission lines.

Mayor Masina said the founders of UIC are ordinary young people, who live in the same conditions as most young people. He encouraged others to take inspiration from their achievements and move away from a consumption mentality to a production one.

The Mayor said looking at the meteoric rise of these young people, Ekurhuleni youth—which is the majority of the 3.4 million strong town population—should stand up and grab opportunities.

“Our efforts are narrowed into a 10-point plan to revitalise our economy and our emphasis is on manufacturing. This is expected to create jobs while

developing industrialists, who will contribute immensely to our regional economy,” he said.

UIC began its journey when its founders approached the Industrial Development Corporation (IDC) with a business plan.

Upon review of the business plan, the IDC called on UIC to prove the market by submitting orders, agreements and letters of intent from potential customers.

While this proved to be a challenge, the young professionals worked vigorously to win over a network of distributors through conducting extensive company visits until they met the requirements of the IDC.

This, according to the Mayor, is a story of courage and zeal, whose spirit should inspire the young people of Ekurhuleni and the country.

UIC currently employs 11 Ekurhuleni based employees but has undertaken to employ 221 full-time and 17 part-time employees to contribute to the fight against the scourge of unemployment in Ekurhuleni.

Taking transformation further

Government has lobbied South Africans at large, particularly the private sector, to become more involved in efforts to propel South Africa’s development goals and to realise the vision of radical economic transformation.

“Radical economic transformation requires broader buy-in from all sectors of South African society, who accept democracy and detest apartheid evils. People who love democracy and equality will happily embrace the concept of radical economic transformation as a fair tool to eradicate economical racial inequalities originating from colonial apartheid,” said Public Works Minister Nathi Nhleko.

The Minister was speaking at the 10th year Commemoration Gala Dinner of the Black Business Council in the Built Environment (BBCBE) in Benoni, Gauteng.

He said it cannot be left to government alone to improve people’s lives as this is

a shared responsibility, which requires the assistance of formations such as the BBCBE.

“It is in the interest of everyone to grow the economy that will see South Africa escaping the trap of poverty, inequality and unemployment. Government, through departments such as Public Works and others, has provided legislation that opens a big corridor for cooperation.”

Minister Nhleko used the platform to highlight the work done under the Voluntary Rebuilding Programme (VRP).

The VRP sets company-level targets for transformation, either through the sale of a minimum of 40% of shares to black South Africans or through partnerships with smaller black-owned construction companies, to help increase their turnover to 25% of the listed company turnover, over a seven-year period. Minister Nhleko challenged the BBCBE to come up with implementation ideas and methods, including programmes that will encourage industrialisation and empower youth as well as women.

“Government needs partners who understand it is in the implementation phase. Our hope is that the plumbers, bricklayers, carpenters, construction and other black potential employment seekers in the street corners of our towns will be absorbed and trained to be professional builders and contractors to provide support in massive infrastructure rollout,” said the Minister. The President of the Black Business Council (BBC), Dr Danisa Baloyi, said that government has sounded the bell on radical economic transformation.

“What remains for us is to take the lead, grab, opportunities and fight for our rightful place in this economy. Our resolve is unwavering, unapologetic and undeterred by the noise in our country to distract us,” said Baloyi, pledging the BBC’s commitment to work with government.

She called on the financial services sector to be inclusive in supporting black business. “The future growth of our economy depends on participation of black business,” Baloyi said. **BBO**

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Innovative Service Delivery Through Technology

The state of our nation

Is our economy in despair?

It is a time of unprecedented economic uncertainty, yet business decisions must still be made. What form will future growth take? What is the state of the energy sector, second only to water as an essential service for business to function? What does the volatile rand have in store? Why is retail suffering? What are the opportunities for SMMEs, the backbone of the economy? These questions are unpacked below.

Growth must be urban-led and private sector-driven

Economic growth is not SA's priority, despite all the grandiloquence on the issue, said Ann Bernstein, the Executive director of the Centre for Development and Enterprise (CDE), an independent policy research and advocacy organisation.

"Growth is not SA's priority despite the rhetoric. We hear about growth but this is not really at the heart of our national priorities," said Bernstein.

She was speaking this week during a round table discussion on SA's growth agenda, which was convened by UCT Graduate School of Business (GSB) Director, Millis Soko.

South Africa has recorded dismal economic growth in recent times and officially entered into a technical recession earlier this year after the economy declined 0.7% in the first quarter of 2017.

Bernstein said the country was in "deep trouble". "Less than 1% growth per annum and if we are lucky, 1.3% this year. Since 2009, every growth projection

by the government has had to be revised downwards. We are nowhere near the NDP [National Development Plan] growth figure," she said.

Part of the problem, Bernstein argued, was that the government had too many competing plans for improving growth.

The three key government policies for driving economic growth are: the NDP, the New Growth Path and the Industrial Policy Action Plan.

"If you read these plans, you will see that they contradict each other. It is impossible to implement these three plans simultaneously. They have different views on the state, the markets, the way growth will take place, where jobs will come from and a whole range of issues," Bernstein said.

She added: "The government says it wants growth but the trouble is it wants other things as well. So, we want to have state-led development but one has to look at what is happening at Eskom and SAA today, and you question our capacity of state-led development. This state is in decline in very many areas and its failure to deliver leads to increased costs for many people and the economy."

The CDE recently produced a detailed report to identify national priorities for faster economic and employment growth, that paints a bleak picture of SA's future, should the country fail to change its current trajectory.

"South Africa is on a low road of stagnating growth, policy confusion and gridlock, rising social tension and uncertainty about the future," the report states.

"In the absence of growth, SA's social contract, its constitution and even its democratic order might unravel. Initially, this would be a result of deteriorating economic conditions; as the country becomes poorer, policymakers would come to believe that their options have narrowed and would likely succumb to the temptation to impose ever-more extreme populist policies."

Bernstein said SA needs accelerated growth that is urban-led, private sector-driven, enabled by a smart state, and targeted at mass employment.

"SA cannot be pro-growth and anti-business at the same time. Negative attitudes to business lead to more and more regulation, not growth," she said.

The first step towards accelerating growth and employment, said Bernstein, is for the government to place this goal at the top of its policy agenda.

Fellow panellist, Professor Vusi Gumedede, previously a Chief Policy Analyst in former President Thabo Mbeki's administration, and current Director of the Thabo Mbeki African Leadership Institute at the University of South Africa, said at the moment, there was no consensus regarding the fundamental challenges SA needs to tackle.

"Some say apartheid and colonialism, some say the economy; that if we get it [the economy] right then we can address other problems," he said.

Gumedede contended that while economic growth was "obviously important", development is more important. Social policy is important [and] needs to work with economic policy, he said, adding that the lack



of trust between the government and the private sector compromised both social development and economic growth.

Neil Cole, who has previously worked for the National Treasury and was also on the GSB panel, was of the view that the government had, in recent times, taken decisions, which hindered economic growth and only benefitted the elite.

He pointed to the plan by the state to sell its 39% stake in Telkom to bail out unprofitable South African Airways (SAA). The government's stake in Telkom is worth about R14 billion.

"We are selling our shares in performing entities and putting that money into failing entities. We should be investing that money in education and healthcare," said Cole.

(Source: Rothko)

Energy disruption

While renewable energy independent power producers (IPPs) take stock following the news that Eskom will be required to conclude another round of IPP power purchase agreements by the end of October,

question marks remain over what the future holds for SA's power utility.

Following months of uncertainty over SA's Renewable Energy Independent Power Producer Procurement Programme, Energy Minister, Mmamoloko Kubayi announced in September that Eskom would sign the agreements by the end of the following month.

To the chagrin of the IPPs, Kubayi also announced that Eskom would be allowed to renegotiate the tariffs to no more than 77c per kilowatt hour (KWh). The Minister said the current prices were unaffordable for Eskom, even though solar and wind energy are now cheaper than Eskom's average cost of supply.

Frustrations with Eskom's status as the official buyer of power from IPPs, steep Eskom electricity prices and cheaper alternatives have created a significant increase in investments in embedded generations as well as energy efficiency.

Some observers have noted that an energy market of multiple generators, buyers and sellers is the antithesis of SA's

historical monopoly model in the energy sector. Although such a shift can be viewed as a threat to monopoly energy utilities like Eskom, international trends suggest that it presents an opportunity for Eskom to transform its archaic business model.

Professor Anton Eberhard, who runs the Managing Power Sector Reform and Regulation Executive Education short course at the University of Cape Town Graduate School of Business (UCT GSB), notes that the past three decades have seen fundamental reform and restructuring of electricity sectors in countries all over the world. The old model, of a vertically integrated, state-owned monopoly, has been challenged and new institutional models have been explored and adopted that involve different levels of integration/unbundling, competition and public or private ownership, he said.

Traditionally, power systems have been vertically integrated: Power generation, transmission and distribution functions have been combined into one company. However, with generation potentially

open to competition, many countries have decided to separate generation from the natural monopoly wire components.

The challenge of the current system, according to Eberhard, where Eskom controls power purchases from IPPs, as well as access to transmission, but also builds and operates its own power stations—is that it can discourage investment in IPPs, make interconnection with the grid difficult or expensive, and can constrain dispatch.

In common with countries around the world, he said that South Africa has entered a “disruptive moment” in the power sector where prices for renewable energy are falling rapidly and their share of electricity production is growing, both on and off-grid.

“There are huge implications for utilities, in complementing these variable energy resources with more flexible options such as gas power, storage and demand-side management. Utilities are also facing declining sales as distributed and off-grid electricity investments increase,” said Eberhard.

“US and European utilities are responding to these challenges and there is a huge potential for utilities in developing countries to build on international power reform experience and to design future power markets and operating systems to respond to these new opportunities,” he added.

Preparing stakeholders for the energy sector revolution has been a key driver for Eberhard over the course of his career and much of this experience is distilled in the Managing Power Sector Reform and Regulation Africa short course, which will run at the GSB this October. This year, he said the focus of the programme will be on the opportunities for effective reform of utilities, especially those in emerging markets, and will feature expert input from guest lecturer, Professor Ignacio Perez-Arriaga who will present on MIT’s trailblazing Utility of the Future project.

“The challenge for managers and leaders working in the power sector is to contribute to the industry’s reform and deliver sustainable, affordable services to everyone, while still accelerating economic growth,” said Eberhard. “There is much that we can gain

from observing and understanding how this has played out in other economies and countries.”

(Source: Rothko)

Where is the rand going?

South Africans are all asking where the rand is going? A valid question, given that investors wish to preserve and grow their investments in rand and dollar terms.

“Questions about rand direction are normally framed for short-term currency moves, namely days, weeks or months. This is a notoriously difficult, if not impossible exercise and is of little relevance to long-term investment outcomes,” said William Fraser of Foord Asset Management, who advises that the rand is a particularly liquid-emerging market currency and displays significant short-term volatility.

“In the short term, fickle global investment sentiment drives currency flows and the direction and magnitude of those currency flows determines the rate of exchange against other currencies.

“The unexpected rand strength experienced in the second quarter of 2017 is a perfect example of this phenomenon,” said Fraser. “Despite a deteriorating political climate, economic recession, foreign currency sovereign rating downgrades and record-high unemployment in South Africa, the rand has advanced against hard currencies on the tailwinds of broader emerging market sentiment.”

“Unlike short-term currency speculation, long-term currency forecasts are an important component of Foord’s investment strategy. In the longer term (five years plus), fundamental economic realities like inflation and interest rate differentials are the primary drivers of the exchange rate between currencies. Yet, investors rarely ask our long-term currency views, which is a much more predictable and worthwhile exercise.”

(Source: Foord Asset Management)

“Broadly speaking, a country’s terms of trade, financial transfers and levels of fixed capital investment largely explain currency flows that affect exchange rates

in the short to medium term. The terms of trade refers to the ratio of a country’s exports to its imports,” explained Fraser. “Commodities dominate South Africa’s exports and, therefore, its terms of trade. Improving global commodity demand leads to higher commodity prices and improved terms of trade, usually ushering in periods of rand strength.”

Fraser goes on to say that a stronger rand is a boon to importers and South African consumers and relieves inflationary pressures. But periods of prolonged currency strength can erode a country’s manufacturing competitiveness as companies rely on cheaply-imported components rather than investing in local capacity, while all exports become relatively more expensive.

“South Africa’s financial markets are liquid and easily accessed by foreigners. Demand for SA’s financial assets, notably government bonds, surged after the Global Financial Crisis as foreign investors borrowed money in low-interest markets to invest in higher yielding SA assets. Alive to foreign demand for its bonds, the government borrowed heavily. Foreigners also bought copious quantities of JSE-listed shares,” he said.

According to Fraser, these financial inflows had a positive effect on the exchange rate. The consequence, however, has been that SA companies and the SA government must now pay ever-higher amounts of interest and dividends to foreign owners of their securities. These financial outflows now well exceed the net proceeds SA enjoys on its trade account. The resultant current account deficit puts downward pressure on the exchange rate.

“Fixed capital investments by foreigners are longer-term focused than trade and financial flows. The government policy uncertainty has deterred fixed investment into South Africa while simultaneously spurring South African businesses to diversify offshore. These factors work to weaken the exchange rate,” he said.

“In the long term, the exchange rate must balance the relative inflationary pressures between SA and the US (in this instance). This implies further depreciation, especially

of its relatively strong current levels. In the short to medium term, however, sentiment, trust, confidence and rather fickle global currency flows will lead to more random outcomes," concludes Fraser.

Retail feels the pinch

South African retailers across the board continue to experience a tough local trading environment, affected by both a low growth macroeconomic environment and low consumer confidence. The challenging trading environment has led to a more intense fight to win market share, while keeping costs under control and the reality of this challenging environment is reflected in the recent decision made by one of South Africa's oldest retailers, Stuttafords, to close its doors.

In this operating context, Pick n Pay recently concluded a Voluntary Severance Programme, with 10% of the staff taking up the option, however, Retail Analyst for Old Mutual Investors Fund at Old Mutual Investment Group, Kayaletu Nodada, does not believe this is the start of a trend in the food retail sector. From the most recent reporting season, food retail companies reported modest turnover growth, with very low to negative volume growth from the same stores they had in the previous reporting period, reflecting one of the toughest consumer environments experienced over the past few years.

"We know that times have been tough for the consumer, this is starting to show in the numbers reported by the retailers", said Nodada. "Part of what is driving the tough consumer environment is low consumer confidence, coupled with a slowdown in the growth of social grants; unsecured lending growth; and real wage growth. These factors were key in driving growth in consumer spending in the previous cycle following the Global Financial Crisis"

Meryl Pick, another Old Mutual Investors Fund Retail Analyst says that the tightening of credit regulations experienced in South Africa over recent years has had a specific impact on the clothing retail sector. "The tightening of credit regulations has resulted in a decreased turnover in credit sales, as

policies around store cards have become stricter.

"As spending on clothing is largely discretionary, a key driver of clothing sales is consumer confidence, which is close to levels we've not seen since the eighties," continued Pick.

This downturn, however, is fundamentally different to the previous slump in consumer confidence experienced by the retail sector in 2009, said Pick. "During the last downturn, unsecured lending, personal loans, short-term loans and social grants were still very much on the rise, which effectively served to offset the lower confidence levels and lagging GDP that the country was battling.

"In contrast, the current downturn has seen a tighter credit environment, partly due to regulation and it is becoming increasingly difficult for consumers to access credit or utilise credit extensions, meaning there is nothing offsetting the cyclical slump this time around," she explained.

Nodada added that an additional factor that added pressure on the food retailers is the increase in input costs, driven by higher soft commodity prices as a result of the El Niño weather pattern over the past three years and to a lesser extent, the impact of a weaker rand. This led to higher food inflation, which peaked in the 4th quarter of 2016.

He pointed out that Shoprite has done well in driving its Lowest Price strategy in a market where consumers are looking for good deals at low prices. Shoprite has seen some benefit from the consumer trading down as a reflection of the tough economic times. "But, we are starting to see the pressure in the normally resilient higher LSM consumer, a trend that is more explicit in the clothing retail space than it is in the food retail space," said Nodada.

Looking forward, the outlook is for food inflation to continue declining into the end of 2017, according to Nodada. He said this will be a welcome relief for consumers already in a very fragile position. "The decreasing probability of an El Niño reoccurring this year is also positive for food inflation. Further, the recent 25 basis points

cut in interest rates by the South African Reserve Bank is a positive sign for the consumer, but will not be enough to revive consumer confidence in the short term," he added.

(Source: Old Mutual)

Opportunities for SMEs


Following two consecutive declines in GDP, sending the South African economy into a technical recession in early-June 2017, current sentiment about economic growth prospects remains strained. Despite this negative sentiment, there are sectors of the economy that present a number of opportunities for small and medium enterprises—and could contribute to the economic growth that the country is desperately seeking.

This is according to Siphethu Dumeko, Chief Financial Officer at Business Partners Limited, who said that the past few months have proven difficult for many small and medium enterprise (SME) owners. "We have seen evidence of this reflecting in the increase in net credit losses in our financial results for the year ended 31 March 2017," he said.

SMEs play a crucial role, not only in job creation but also in enabling diversification through the creation of new sectors and markets that play a key role in driving growth.

Dumeko said that, irrespective of the prolonged period of subdued economic growth, it is imperative that South African entrepreneurs remain optimistic about and take advantage of opportunities that exist to bolster entrepreneurship and growth.

Dumeko highlights that for its financial year that ended March 2017, Business Partners Limited approved R1. 146 million worth of investments for SMEs across a variety of sectors.

He added that not all sectors are affected in the same way within a distressed economy, and it is here that zealous entrepreneurs should pay the most attention—to make sure they take advantage of the sectors proposing the best future success rates. 

Are South Africa's mines in trouble?

The new mining charter, announced by mining minister Mosebenzi Zwane, has resulted in backlash from stakeholders, including unions and investors



While global mining companies have seen an upswing in their market capitalisation and bottom lines on the back of a recovery in commodity prices, their South African counterparts are struggling to keep their heads above water amid regulatory uncertainty and an economy in decline.

South Africa's mining industry once contributed close to a fifth to GDP but this

figure has declined over the last five years from 7.7% in 2012 to 7.3% in 2016. Over the last five years, mining's contribution to GDP has declined by 0.2% per year, while domestic input costs continue to rise due to higher energy prices and labour costs.

Industry profits before tax over the five-year period declined by 48% and dividends paid to investors plunged by 52%.

Chamber of Mines CEO, Roger Baxter, wrote in the Chamber's most recent

quarterly update that several parts of the mining industry are continuing to struggle with the effects of weak commodity prices on revenues and profits. "By way of example, some 60% of the platinum sector remains loss-making with the attendant danger that unprofitable and labour-intensive mines might face closure," he said.

These statistics show an industry in decline but the situation is expected to

deteriorate even further since Mines Minister, Mosebenzi Zwane's gazetting of the third revision of the Mining Charter and an intention to halt all future mining rights transfers and the granting of new prospecting rights and mining rights.

The South African mining sector is now being called "uninvestable". According to Business Day, Investec, in a note to its clients, said the charter made "South African miners uninvestable to a large segment of the market and it will be very tough to attract fresh capital to an already unloved sector".

Nicola Jackson from Fasken Martineau has stated that "It is highly arguable that this new top-up provision is constitutional as it attempts to impose retrospective obligations on already existing mining right holders."

JP Morgan Cazenove reportedly said: "We believe a protracted and antagonistic timeline is likely, which we expect will be negative to SA risk premia and

corporate and institutional investment in SA's mining sector."

According to reports, the Chamber of Mines is going to court in an attempt to stop the charter from being implemented. It reportedly reacted with "fury" to the charter, saying none of its submissions were included in the document. The chamber reportedly wants to interdict the implementation of the charter until a judicial review of the document is launched.

The chamber is prepared to take the matter to the Constitutional Court, its President, Mxolisi Mgojo, said.

The National Union of Mineworkers broadly welcomed the charter but lamented that it did not increase economic benefits for mineworkers and communities. "We do, nonetheless, appreciate the increase from the initial 26% to the 30% minimum BEE shareholding in the industry," NUM said. NUM said it was, however, disappointed that the Mineral Resources Minister, Mosebenzi Zwane,

had not increased economic benefits for mineworkers and mining communities to 10%.

The ANC has requested an urgent meeting with Zwane. ANC spokesperson, Zizi Kodwa reportedly said: "We wanted the Minister to report back on these and clarify the points raised.

The ANC is very concerned about the impact legislation could have in terms of employment, given that the mining sector lost 60 000 jobs over the last five years. So, if there's 30% black ownership, it mustn't lead to a jobs bloodbath."

Policy uncertainty in the South African mining industry has long been the default culprit for increasingly dwindling foreign capital investment into the sector and remains a popular panel topic at many a mining summit.

Consensus has, however, yet to be reached among the commodity players as to how to tackle a legislative environment over which they hold little, if any, sway.

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If one agrees with straight-talking Eunomix Managing Director, Claude Baissac, little can, in reality, be done by mining companies to push the government to entrench stable and sound mining ownership and operational policy.

Miners are looking for a technical solution to a political problem, he told the Hogan Lovells Africa Stand Up Conference in Johannesburg on 20 September.

"It's all very polite conversation but technical solutions aren't going to solve a political problem. I don't know how we fix this. Everyone is terrified of taking on the crooks and gangsters who run us.

"The government knows what to do, it's just not what is politically convenient to do," he told a panel discussion on whether the SA mining sector had become "uninvestable".

Indicative of the existing level of animosity between the industry at large and the Mosebenzi Zwane-led Department of Mineral Resources (DMR), the Chamber of Mines is readying to argue in court on 13 December as to why the new Mining Charter should be reviewed.

The chamber has been vocally critical of the charter, saying that, in its current form, it would "jeopardise the viability of an industry that is already under significant economic pressure", Fin24 reported on 13 September.

The charter has a number of new clauses. One was the need for all mining companies to have 30% black empowerment shareholding within 12 months, irrespective of whether they previously had black empowerment partners who had sold their stakes. The charter ignores the legal action that the Chamber of Mines took, and put on hold, to protect the "once empowered, always empowered" or "continuing consequences" principle of receiving credit for past deals.

Other new requirements are that new mining rights holders must pay 1% of turnover to their black shareholders, on top of any dividends enjoyed by all shareholders and that 8% of these black empowerment shares must be held on

behalf of communities in a new agency called the Mining Transformation and Development Agency.

This agency will also receive 2% of mining companies' payroll as part of the 5% of payroll that must be allocated for skills development.

There is little clarity on the governance of this new agency so it is feared it is intended to be another source of largesse for crony enrichment.

The new charter requires 70% of all mining companies' spending to be on locally manufactured goods, of which 21% has to be from black-owned companies. Foreign-owned companies must pay 1% of their turnover to the new agency.

Zwane has, however, defended the charter, saying that it was the government's prerogative to create laws.

But Paul Miller, a Mining Banker at Nedbank Corporate and Investment Banking, warned that through unstable policy and rising input costs, SA had pushed the costs of developing mining projects beyond acceptable pay limits.

"What we sometimes forget is that policy uncertainty is a cost and gets priced into a potential project. There is occasionally a project that's rich enough to develop despite this risk, and the DMR will put out a statement saying, 'Look, we can still attract investment,' but these projects are rare," he commented.

As SA had insufficient capital reserves to develop domestic mining projects, attracting foreign funding was critical and a "highly competitive international sport", as other mining destinations were also vying for capital.

"In this competition for global capital, we couldn't be playing a worse game. It's almost as though our policymakers don't know we're even in the game," Miller said.

Noting that "soaring" discount rates were currently being applied to domestic mining projects, Ria Sanz, AngloGold Ashanti Executive Vice President of Group Legal, Commercial and Governance, reminded listeners that ownership

ambiguity when it came to an asset was the antagonist of any potential investor.

"Policy ambiguity strikes at the heart of the mining investment; at the sanctity of ownership. If there is no sanctity of ownership it makes investment impossible," she held.

Business Leadership South Africa CEO, Bonang Mohale, added: "If you buy a house, wouldn't you want to know that in 10 years' time, 100% of that house will still be yours? All investors want is policy uncertainty. Even if it's a dictatorship, at least they'd know what they are getting. They just don't want a lot of change."

Sanz, meanwhile, advocated for the scrapping of the new Mining Charter and the start of good-faith consultations between all relevant parties to create an innovative document and resultant policy that would create investment certainty and include the interests of labour and communities.

However, this would require a shift in corporate SA's mindset, the adoption of an attitude of "economic patriotism" and a firm rejection of any form of collusion or corruption, said Baissac.

"We have to say no to corruption because we are making selfish, short-term decisions for our pocket. The role of business is to consider itself corporate citizens. The Constitution belongs to us, and we need to defend it," he commented.

Minister Zwana has claimed that the charter was the product of extensive consultations. Yet both the Chamber of Mines and Trade Union Solidarity, which represents 9% of mine employees, boycotted the last-minute meeting called by the minister where he intended to present the charter to them, on the grounds that they were not properly consulted.

With unanimous support from its members, the chamber has rejected the unilateral imposition of a charter, says its CEO, Roger Baxter. It is applying for an interdict to suspend its implementation and will also seek a court date for a declaratory order on the principle of "once empowered, always empowered". **BBQ**

Diversity contributing to positive growth

Transformation begins at the top

There is no doubt that diversity, if seen as a powerful tool and harnessed properly to serve the business purpose, can be an asset contributing to positive business growth, motivation and customer satisfaction. Diversity should not only have a pigmentation perspective but should also look at diversity in terms of aspects such as skills, background, experience, age, orientation and qualifications. Companies should aim for a broad spectrum with varying backgrounds lending to appropriate expertise. Leadership, particularly at board level, is most certainly important and the driver of change.

That transformation starts at the top, there is no doubt. Creating awareness internally, making the policies turn into reality and become a living part of the business fibre, are essential for success. It is necessary for all to be sensitive to the ultimate goal of gender parity and fairness. Getting the right people in the business is driven through the talent management strategy and led visibly by the actions and 'speak' of the executive leadership team. In turn, communication to the next business level drives understanding, shared meaning and the extension of the process through the business echelons.

The talent acquisition process must be geared to finding the right skills, attitude and competencies within the desired demographic framework. Don't forget about people with disabilities, who need to make up quite a sizeable part of the work force. The acceptance that transformation is a long term goal—not long term so as to delay implementation—but rather to achieve a structure that will live on and is not geared solely to satisfy the next B-BBEE rating, is essential.

Coaching, guidance and motivation are all part of the essential investment in moving a business forward to the next level. The frustration, so often heard, that 'as soon as I have trained them, I lose them', must be avoided through succession management and retention, which are key to business sustainability.

My advice is to move away from money as the primary retention driver. A collegial and conducive work environment, stretch assignments, on the job training and work-life balance, remain important goals for many and should be facilitated in our pressured working environments. A key learning has been the promotion of fun in the workplace—laughter is always the best medicine!

Women in particular need special consideration and flexibility, to nurture their commitment to the business and to retain them. Flexibility in working arrangements can go a long way to deal with life cycle stages such as pregnancy and motherhood. Special needs can be satisfied by allowing work from home or flexibility in working hours, especially for new mothers and this type of consideration is appreciated by the recipient, while not detracting from business performance.

But ultimately it is the business results that count and this is where diversity can play such a significant role.

A diverse business structure aligns with a diverse customer base—it is not about a scorecard at the end of the day.

It is ultimately business success and sustainability by which the investment in transformation and diversity can be measured. You will be proud if you can say that the demographics of your company align, not just to create a scorecard, but align to reflect the business as a whole and also resonate with customer needs. **BBQ**

Basadi Letsoalo, transformation leader and board executive of Adcock Ingram

Construction Industry Congress Lays Foundations for Co-creating South Africa's Future

The 112th annual Master Builders South Africa (MBSA) Congress got underway on 11 September 2017 at the Century City Conference Centre in Cape Town

The 112th annual Master Builders South Africa (MBSA) Congress got underway on 11 September 2017 at the Century City Conference Centre in Cape Town. The Annual Congress of Master Builders South Africa brings together the Master Builders Association members and other related industry entities from around Southern Africa in order to encourage greater levels of interactivity between members, decision-makers and industry experts and to facilitate the discussion of issues facing the construction world.

The first day of the Congress featured robust engagement, challenging debates, thought-provoking discussions and the sharing of knowledge, information and ideas – all linked to this year's theme of Building South Africa Together.

Opening the event, MBSA President, Bonke Simelane, stated: "At this year's Congress we seek to co-create the future, come up with solutions and put forward resolutions that enable us to contribute

meaningfully and make a positive impact as a sector in the face of the country's triple challenges of poverty, unemployment and inequality."

Representatives from local and national government, building industry leaders, economists and other relevant stakeholders shared their perspectives on issues and opportunities within the South African building and construction industry.

Among them was Ian Neilson, Executive Deputy Mayor of the City of Cape Town, who, in his Welcoming Address, spoke about the severe drought currently affecting the Western Cape. "Water is a vitally important resource, not only to our health and ecosystems, but to economic production processes and infrastructure development. Reducing consumption is vital and, for this reason, the City has offered the construction industry the option of using treated effluent water to reduce their use of municipal drinking water. I would like to urge the construction sector to take action to ensure the long-term sustainability of the industry

and the economy on which it relies. Like it or not, we live in interesting times. However, times of disruption and uncertainty also offer unique opportunities. In order to seize these opportunities, we need to change how we do things."

Delivering the Congress' Keynote Address, Minister of Economic Development, Ebrahim Patel shared: "A week ago, the economy emerged from the recession, powered mainly by the exceptionally strong performance of the agriculture sector. Nevertheless, there were some dark linings to this silver cloud - two sectors that, in the past eight years had driven economic growth and employment in an otherwise sluggish environment, experienced negative outputs in this past quarter. One of those was the construction industry, a major employer providing work for 1.4 million South Africans and a significant contributor to the country's GDP." He listed some of the challenges that the construction industry is facing such as reduced infrastructure spending by a number of state-owned



Bonke Simelane, Master Builders South Africa President. Image by Andrew Brown

enterprises, collusion, corruption, project delays, cost overruns and a lack of transformation. Patel revealed some of the work that his department was doing to help bolster the sector and, in turn, the economy. This included consulting with National Treasury on the possibility of a multi-year budget system to mirror the build cycle of mega infrastructure projects to provide a level of certainty in the market. He also said that, despite the softening of spending, government is still outlaying approximately R280 billion per year on infrastructure and that this will be boosted further with the Minister of Finance adding increasing emphasis on infrastructure spending over the next two budgets. In addition, Patel reminded attendees of the opportunities presented for infrastructure development by urbanisation and growth within other parts of the continent.

Transformation took centre stage in the panel discussion on The State of the Construction Industry in South Africa, with the debate on whether the new Construction Sector Codes adequately address transformation gaps in the sector

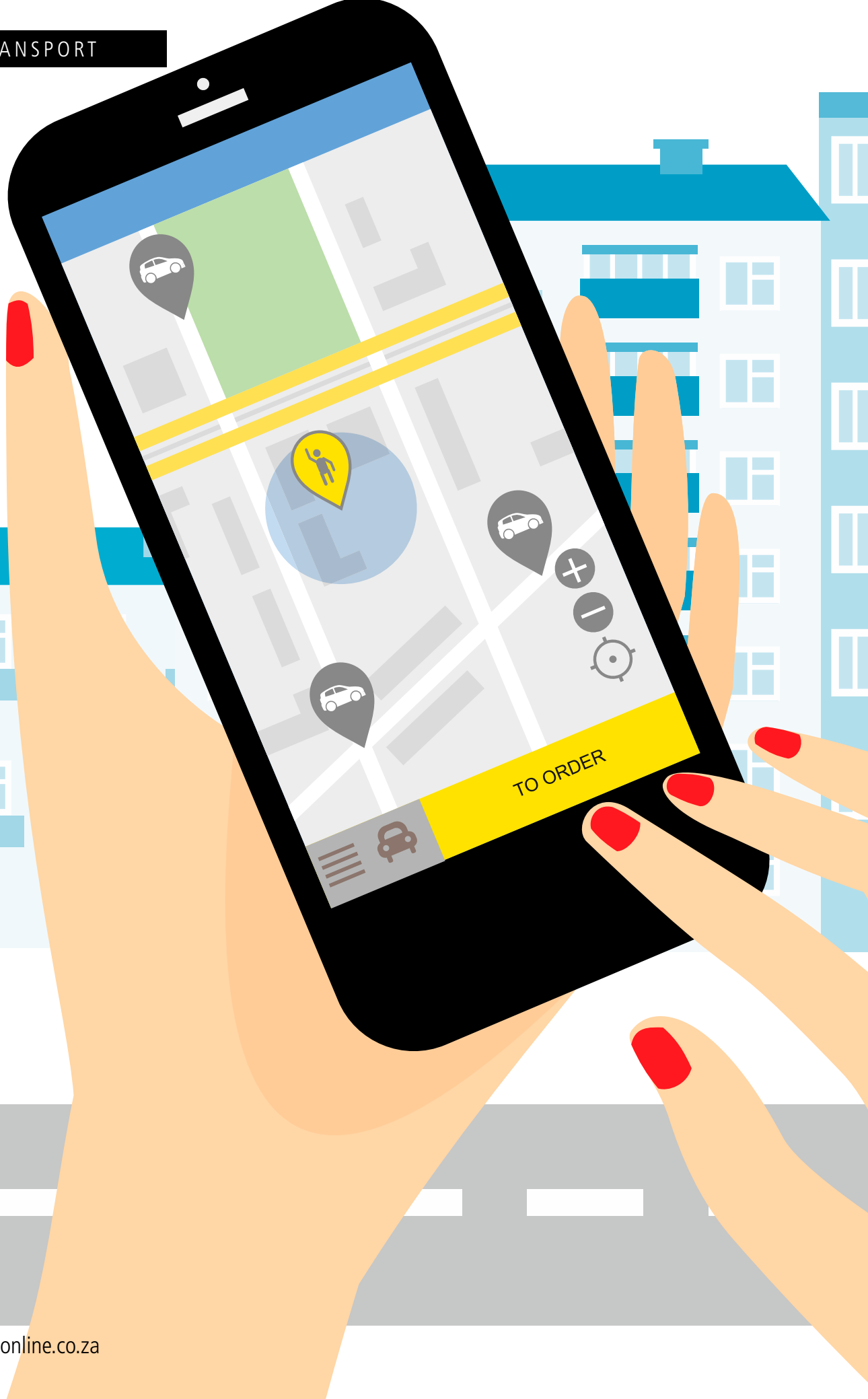
being a key focus. Thabo Masombuka, CEO of the Construction Sector Charter Council, said: "The Codes are only a blueprint through which the industry seeks to facilitate meaningful integration of historically disadvantaged communities in the mainstream economy. They are a minimum framework and should serve as encouragement for the industry to do more." Gregory Mofokeng, General Secretary of the Black Business Council in the Built Environment, added: "Doing more includes being serious about ensuring that the ownership of the industry rests in black hands. In black-owned companies, all aspects of the Construction Codes are met and even surpassed. In contrast, the majority of companies that are white-owned merely comply with the minimum targets." In terms of how the panellists believed transformation needs to advance, Mike Wylie, Chairman of WBHO Construction, stated: "Transformation must become part of daily life."

Following the panel discussion, Craig Lemboe, Senior Economist at the Bureau

for Economic Research at the University of Stellenbosch, unpacked South Africa's Economic Outlook. He shared that although the economy enjoyed significant growth in the first half of the year, it is unlikely to be sustained as the year progresses. Additionally, he noted that the construction sector faced two periods of decline, meaning that it is technically still in a recession and will experience more pain for the remainder of the year. Looking to the future, Lemboe predicts that GDP growth will remain flat, but that more meaningful growth is on the horizon in 2018, if risks are managed appropriately.

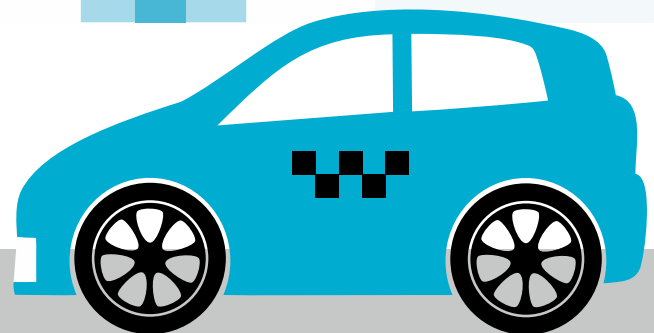
The first day of Congress concluded with enlightening technical breakaway sessions on the issues of Construction Occupational Health and Safety, Skills Development and Regulatory, Contractual and Legal Matters in the Construction Industry.

More discussions aimed at presenting effective routes towards Building South Africa Together will take place on the second and final day. **BBQ**



South African Transport Month 2017

In 2005, the South African Government officially declared October as Transport Month. This includes all modes of transport (motorised and non-motorised). The initial purpose of Transport Month was to raise awareness and improve engagement on the role of transport in the South African Society, economically and otherwise.



During the launch of Transport Month at the Mmorogong Village in the North West last year, the former Minister of Transport, Dipuo Peters said, "A resilient and fast-growing economy is at the heart of our radical economic transformation agenda and our National Development Plan (NDP) and transport remains at the heart of our development, because transport is the heartbeat of the economy. The government is investing in the transport sector as part of the country's Nine-Point Plan to stimulate development and create jobs."

The transport industry has grown extensively throughout the years; one can observe this progress and development from when people solely depended on walking as a mode of transport, to when animals and boats/ships were used to transport humans and goods. It is when the wheel was invented around 3500BC that the transport industry started changing.

Today, we have a variation in modes of transportation such as aviation, maritime, railway, taxis, buses, trucks etc.

Trains, buses, minibus taxis and the newly introduced e-hailing taxi system are seemingly the most popular land transport systems used by the majority of South African commuters. It comes as no surprise that South African public transport across the board in our country has been struggling to keep its users/passengers satisfied with good, quality service for a very long time now.

According to Arrive Alive, there are approximately 3.9-million public transport users. The 2.5-million taxi commuters account for over 63% of public transport work trips, bus services account for another 22% of public transport commuters and the balance are carried to work by train. In addition to the 2.5-million commuters who use minibus taxis as the main mode of travel, there are another 325 000 commuters who use taxis as a feeder mode to other public transport services.

Transport user's major concern with regards to transport problems revolved around taxi drivers who drove recklessly

on our roads (7.4%) and people in other provinces of Gauteng, Western Cape and Mpumalanga shared the same sentiments (28.4%). Safety and quality of the taxi service have proven to be the major concern among taxi commuters.

In 2003, the Department of Transport introduced the Taxi Recapitalisation Programme (TRP), which was set to remove all taxis that are not up to standard and compromise the safety of the passengers off the road. The TRP is also meant to ensure the accessibility and comfort of passengers by monitoring the size and number of seats in a taxi as well as colour coding vehicles to differentiate and identify legal and illegal taxis on the road. In 2015, the government announced that more than 60 000 taxis had been removed from the roads.

The South African National Taxi Council (SANTACO) reports that there are 200 000 minibus taxis in South Africa. These taxis generate more than R90 billion every year without government funding (unregulated statistics). This is proof that the minibus taxi industry is a major roleplayer in the South African economy.

Metered taxis

Without considering previous occurrences of taxi violence in 2017 alone, the taxi industry has found itself in a brawl with the state and their newly-found competitors—the e-hailing taxi system (Uber, Taxify and the likes), which has seen instances of private Uber cabs being torched in Johannesburg, allegedly by taxi operators. Subsidy and permit allocations were amongst the concerns raised by the taxi drivers and their association.

Transport systems that receive subsidies from the government are buses, railway and the Bus Rapid Transit system.

The most efficient, convenient and most used transport system by the poor majority is the minibus taxi system. Most poor households spend more than 10% of their income on public transport. This subsequently means that other modes of public transportation are a major threat to the minibus taxis.

With the growing demand of the e-hailing transport system, the minibus taxi industry is in jeopardy, especially in the more urban/suburban areas. With simpler methods in play, customers can avoid long queues for transportation and can rather summon a driver to their location and further direct them to the destination by a simple click of a button. While this is far more costly than the use of a minibus taxi, for some, it has become a viable alternative, on occasion.

This form of innovation within the taxi business is wildly appreciated by the public, and now seemingly the government as well.

Speaking in Parliament, Transport Minister, Joe Maswanganyi said, "Parliament considering including e-hailing services in the amendment, proves a willingness to accommodate innovation."

This comes after minibus taxi drivers and the South African meter taxi drivers complained about the inconsistency within the public transport sector rules.

"As the government, we note the frustration that the taxi industry is experiencing with regards to accessing finance," said Minister Maswanganyi.

Transport and the economy

The transport sector is said to make a contribution of 9.3% in the South African Gross Domestic Product (GDP). This means that transport is one of the major roleplayers in the country's economy, often referred to as the heart of every developing country.

Clement Manyungwana, a Department of Transport official said, "We need to use public transport to play a role in creating an economy that is efficient and effective, reduces poverty and addresses environmental challenges." This was during the 35th Annual Southern African Transport Conference in Pretoria.

The second most popular mode of public transport is buses, followed by the Metro systems. It is important to note that the transport industry in South Africa has so much variety, but it still needs a lot of work. It is not acceptable that the most-used sector does not reflect this within their standards. The quality of most of our public transport systems is not up to scratch, to

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the extent that the safety of passengers is at stake.

The transport sector needs a platform where service providers, the government and the passengers engage on issues that are prevalent in the public transportation sector. This would assist the industry as a collective in identifying the underlying issues whilst continuing to build a healthy and progressive economy.

As a leader in the black business within South Africa, minibus taxis need to maintain a certain level of responsibility regarding the maintenance of the transport system and the business side thereof.

Uber

In 2013, Uber took the South African transport industry by storm when it introduced a state-of-the-art mobile application. This app uses a type of dial-a-ride system of ordering a driver to your doorstep at a price that is more affordable than that of metered taxis. It gave citizens peace of mind, not to fear for their safety and well-being as the users can view details of the driver and vehicle while making a booking.

For many South Africans, this changed the transportation landscape. At last, there was an answer to the constant disappointment public transport systems provided.

With the rise in unemployment, job opportunities are always welcome, and Uber has provided an answer for many. Those who own cars can now transform their cars into an Uber (if they and their car qualify) and whether it is full time or part time, it is a way to bring income into

the household. Alon Lits, Uber's General Manager for Sub-Saharan Africa says, "Our real competition is car ownership. We've created a public transport option that previously didn't exist."

With the most recent attacks targeted at Uber cars where their vehicles were torched in the Gauteng province, the Department of Transport has lashed out at those who commit acts of violence.

Transport Minister Joe Maswanganyi says, "As much as they have issues with those who operate on this platform called Uber, we can't allow anybody to burn or intimidate others."

This comes after problems arose from the metered taxi operators, who aired their dissatisfaction over Uber vehicles who do not have the relevant operating licenses. However, Uber drivers/cars are required to get these permits and these attacks allegedly revolve around the simple fact that metered taxis are losing a lot of business because of the convenience and price Uber offer.

Maswanganyi confirmed this when he said, "And those, which are not licensed have to be taken off the roads. So no one will operate [this] mode of transport without a license."

Taxify

In 2015, Taxify, a cab-hailing service started its operation in South Africa where it was willing to team up with local taxi operators. After receiving an unfavourable outcome from the taxi industry, they came to a decision to

change their business plan and compete with Uber. Taxify, while not as well-known as Uber, currently operates in some of our major metros.

While in competition with Uber, Taxify offers a service that is slightly different. Much like Uber, you can order it via the app and pay via credit/debit card or cash but Taxify also offers the client an alternative way for those who do not have smartphones—they can call a call centre and order one, much like one can do with a cab.

South Africa's public transport system has come a long way but there's more that needs to be done in order to make the system work for all parties. The e-hailing transport system is not always accessible to the poor majority, meaning that the minibus taxi industry still has a major advantage.

There is no doubt that the minibus taxi business is the biggest and most successfully-run black-owned and controlled business in South Africa, however, success within a business requires an extensive amount of risk taking and communication between customers and service providers. This seems to be where the taxi drivers are failing, the violence and the violent nature they use to communicate grievances, whether to their competitors, unions or amongst themselves, is clearly not logical and progressive. **BBQ**

Akhona Makasi and Rachel Mohamed



Buna Projects & Consulting is a multi-disciplinary company offering engineering design and consulting services

Established in 2012, Buna Projects & Consulting is a multi-disciplinary company that offers Engineering Design and Consulting Services to the Mining, Process Plant and Infrastructure Development industries. The 100% black woman owned consultancy specialises in Electrical, Mechanical and Process Engineering and within these disciplines, can offer Turnkey and EPCM solutions.

Buna – which means to harvest in Selobedu – prides itself in:

- Providing high quality, cost-effective solutions for its clients
- Creating and maintaining strategic long-term relationships that are mutually beneficial;
- Providing a challenging, rewarding and safe work environment for employees; and
- Focusing on the continuous improvement of its technology and products

Every project is approached from a quality and client satisfaction viewpoint to provide cost effective engineering. It is our policy that each design meets our high standard of quality to support our motto which is: "Adding value is our pride"

Buna aspires to:

- Become a leader in customised Engineering Design, Procurement and Consultancy solutions
- Establish a reputation on the African continent; and
- Assist engineering students (particularly from rural areas) take advantage of opportunities in the market. (The founders are already supporting a student from Limpopo with his university fees)

We cater to:

- The Mining, Process Plant and Infrastructure Development industries

We specialise in:

- Electrical Engineering
- Mechanical Engineering
- Process Engineering

Why choose us:

- We have industry experience
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- We create and maintain strategic long-term relationships that are mutually beneficial
- We comply with industry regulations
- Founders are professionally registered with ECSA

Tel: 011 568 4243
Cell: 072 054 4822
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FOR KAYA FM IT'S BEEN AN HONOUR TO PROVIDE LISTENERS WITH NEWS AND RELEVANT INSIGHT TO HELP SHAPE A PROSPEROUS SOUTH AFRICA OVER THE PAST 20 YEARS.





It has been a truly remarkable journey for all of us at Kaya FM. For the past 20 years we've been able to keep our finger on the pulse of events unfolding in the country in order to spark meaningful dialogue among South Africans," says Kaya FM Managing Director Greg Maloka.

It's been important for Kaya FM to stay true to the essence of Afropolitanism. Their listeners are the people who live in Africa, who invest in Africa, and who see Africa as their and their children's future.

"We must remember that an Afropolitan is neither black nor white, they have a deep connection with Africa, irrespective of the colour of their skin. As with any country, there is strata, our layers are what make us such a beautiful and interesting nation. Unfortunately, we can't ignore the history of our country and how it still affects our behaviour. It's human nature, our present and future behaviour is greatly influenced by our experiences. That's why it's so important for us to help shape the future behaviour of South Africans," says Maloka.

As with our young democracy, Kaya FM needed time to mature to truly understand where it fits in and how it can take the country forward. In the past Kaya FM had the privilege of hosting giants of the South African music industry, such as Sibongile Khumalo and Hugh Masekela, who shared their thoughts on this fascinating and beautiful country we call home.

Kaya FM also had the honour of hosting notable South African radio personalities like Georgie and Nicky B, who contributed greatly to the development of the station's brand and helped shape the mindset of listeners to help nurture a truly united South Africa.

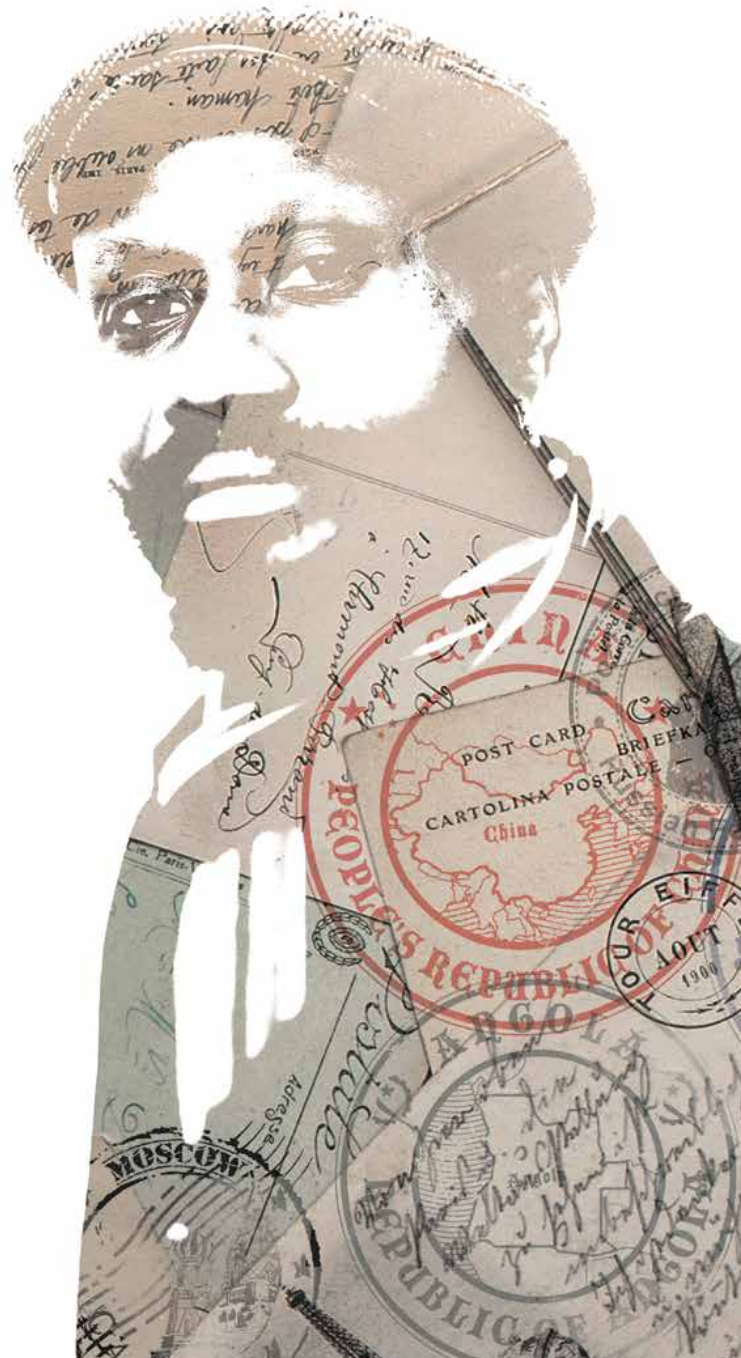
"Kaya FM is moving into a new era where we need to provide our listeners with further meaningful conversation while our country experiences great economic and political uncertainty. For this reason, it was necessary for us to change our line-up to keep up with this fast-paced world," explains Maloka.

To take listeners into the next part of their journey, Kaya FM is proud to introduce new friends David O'Sullivan, Bridget Masinga, Gugulethu Cele and Jenny Crwys-Williams to the airwaves.

"Our new line-up will guarantee our listeners stay up to date with valuable introspection and analysis of what's really happening in South Africa. This will also provide us with a canvas for integration. To be a true Afropolitan you need as much as possible pertinent information in order to make sound positive decisions in your life," concludes Maloka.

For more information, visit www.kayafm.co.za. Alternatively, connect with them on Facebook, Twitter or Instagram.

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Ocean economy or ocean exploitation

There is no doubt that our oceans possess huge economic potential, however, is the search for financial gain to the detriment of this natural resource. Can a balance be reached between economic investment and achieving a sustainable ocean economy?

For many, the ocean is the new economic frontier. It holds the promise of immense resource wealth and great potential for boosting economic growth, employment and innovation. And it is increasingly recognised as indispensable for addressing many of the global challenges facing the planet in the decades to come, from world food security and climate change to the provision of energy, natural resources and improved medical care. While the potential of the ocean to help meet these challenges is huge, it is already under stress from over-exploitation, pollution, declining biodiversity and climate change. Realising the full potential of the ocean will, therefore, demand responsible, sustainable approaches to its economic development.



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Economic activity in the ocean is expanding rapidly, driven primarily by developments in global population, economic growth, trade and rising income levels, climate and environment and technology. However, an important constraint on the development of the ocean economy is the current deterioration of its health. As anthropogenic carbon emissions have risen over time, the ocean has absorbed much of the carbon, leading to ocean acidification. Also, sea temperatures and sea levels are rising and ocean currents are shifting, resulting in biodiversity and habitat loss, changes in fish stock composition and migration patterns and a higher frequency of severe ocean weather events. The prospects for future ocean development are further aggravated by land-based pollution, in particular, agricultural run-off, chemicals, and macro- and micro-plastic pollutants that feed into the ocean from rivers, as well as by overfishing and depleted fish stocks in many parts of the world.

South Africa's rich and productive coastal waters support thousands of jobs and contribute millions of rand to the national economy each year, with coastal goods and services estimated to contribute 35% to South Africa's gross domestic product (GDP). The ocean projects has the potential to contribute up to R177 billion to the GDP and create just over one million jobs by 2033, according to Zuma's launch of Operation Phakisa speech in 2014.

"Since its launch by President [Jacob] Zuma in July 2014, Operation Phakisa in the oceans economy has unlocked R7.323-billion in both public and private sector investments and a total of 6 952 jobs have been created," Minister Jeff Radebe said earlier this year. This seems to be almost on target for the predictions made in 2014. At the time, Zuma said that the SA government would implement ocean economy projects, which were expected to contribute more than R20 billion to the GDP by 2019.

According to WWF South Africa's latest 'Oceans Facts and Futures' report, in order to unlock further value from our

oceans, a fundamental first step must be to improve the management of our existing resources.

The report, which collates the findings of relevant research from across multiple sectors, offers a snapshot of the state of South Africa's oceans in 2016. It highlights both the socioeconomic value of the goods and services provided by the ocean and some of the key ecological trends and indicators.

The report's ocean scorecard highlights that many of South Africa's marine resources are currently overexploited, which results in a loss of potential food protein, livelihoods and income, as well the loss of the traditional fishing culture associated with South Africa's coastal communities.

Illegal, unreported and unregulated (IUU) fishing, in particular, has decimated many of the once abundant inshore fish stocks. High-value abalone and West Coast rock lobster fisheries present some of the most severe challenges—and existing controls cannot balance the powerful social, political and economic factors fuelling high levels of illegal fishing. Consequently, both species are at or near commercial extinction.

Offshore, new threats such as bulk sediment mining of the seabed and the unchecked expansion of fossil fuel exploration pose significant and poorly understood risks to entire ecosystems and associated industries.

Another major issue is the effect of climate change on our oceans including changes in sea temperature, shifts in the distribution of important commercial fish stocks and increased coastal erosion due to the increased frequency and severity of storms.

In the coming decades, scientific and technological advances are expected to play a crucial role, both in addressing many of the ocean-related environmental challenges mentioned above and in the further development of ocean-based economic activities. Innovations in advanced materials, subsea engineering and technology, sensors and imaging, satellite



technologies, computerisation and big data analytics, autonomous systems, biotechnology and nanotechnology—every sector of the ocean economy—stands to be affected by these technological advances. In a context of such rapid change, regulation and governance will struggle to keep up.

The world is increasingly multi-polar and has been experiencing growing difficulty in forging an international consensus on global and regional issues key to the ocean environment and ocean industries. At least for the foreseeable future, regulation of ocean activities is expected to continue to be largely sector-driven, with efforts focusing on the integration of emerging ocean industries into existing and fragmented regulatory frameworks.

On the positive side, the report also showcases some of the best-practice solutions that WWF and others are implementing—such as the Southern African Sustainable Seafood Initiative (WWF SASSI) campaign to encourage consumption of sustainably sourced seafood.

As a result of consumer pressure, many of South Africa's major retailers and seafood restaurant chains have set ambitious sustainability targets and, according to the report, are well on their way to meeting them.

"All retailers have a connection to our oceans," says Andre Nel, General Manager Sustainability for Pick n Pay, the first retailer in Africa to commit to sustainable sourcing. "Issues such as food security and job creation connect us all to the oceans and this report highlights our responsibility to work together in sustaining our largest and most shared resource."

The report includes a chapter, which describes four potential future scenarios depending on the choices we make today. WWF SA is calling for a number of strategic interventions including:

- A more integrated approach to ocean management, which includes effective marine spatial planning and the prioritisation of identifying and

protecting at least 10% of our oceans in marine protected areas.

- The safeguarding of seabeds, which are currently under threat from marine mining without a full understanding of the ecological impact.
- Enabling participatory co-management of marine resources through the implementation of an ecosystem approach to fisheries management.
- Empowering consumers and incentivising fisheries improvement through market-based initiatives such as WWF SASSI.
- Encouraging cooperation between the government, industry and civil society stakeholders through organisations such as the Responsible Fisheries Alliance and the MPA Forum.
- Supporting community-based stewardship approaches to address the environmental and social challenges facing our coastal communities.

John Duncan, Senior Manager: Marine Programme, WWF South Africa, comments: "Marine ecosystems underpin human survival and development, from the air we breathe to the food we eat. What the future looks like will very much depend on whether we are able to acknowledge and manage humankind's fundamental dependence on healthy natural systems. We still have much to learn but one thing we have learnt is that knowing the facts alone will not create the change that is needed. If we are to build a resilient and prosperous future, urgent action is needed and we need to harness our energy by working with partners across multiple sectors to secure the ocean's productive capacity and a sustainable future for all."

Ocean industries are not developing in isolation, nor from one another or from the ocean environment of which they are a part of. On the contrary, they interrelate and interact with other activities and their ocean surrounds in a myriad of different ways. But as long as maritime industries and the exploitation of marine resources are perceived as individual and separate activities, approaches to

their development and their sustainable management risk remain piecemeal and limited in their effectiveness.

The future growth of ocean-based industries highlights the prospect of growing pressures on ocean resources and ocean space already under considerable stress, not least in economic exclusion zones (EEZs), where most of the activity takes place.

So far, the inability to deal with these pressures in an effective, timely way is attributed in large part to what is historically a sector-by-sector management of marine activities. As a response to growing pressures, recent years have seen a significant increase in the number of countries and regions putting in place strategic policy frameworks for better ocean management within their EEZs. However, many obstacles stand in the way of more effective integrated ocean management, which will need to be addressed in the near future.

An important area in the economic development of the ocean is the future evolution of established and emerging ocean-based industries and activities. Broadly speaking, established ocean activities encompass shipping, shipbuilding and marine equipment, capture fisheries and fish processing, maritime and coastal tourism, conventional offshore oil and gas exploration and production, dredging and port facilities and handling. Emerging ocean-based industries and activities are characterised by the key role played by cutting-edge science and technology in their operations. They include: offshore wind, tidal and wave energy; the offshore extraction of oil and gas in deep-sea and other extreme locations; seabed mining for metals and minerals; marine aquaculture; marine biotechnology; ocean monitoring, control and surveillance.

Looking further to the future, there are fledgling or, as yet, "unborn" industries, which could potentially join this category. Examples are carbon capture and storage (CCS) and the management of ocean-scale protected areas. There is no hard

OPERATION PHAKISA | OCEANS ECONOMY



What is Operation Phakisa?

Operation Phakisa (meaning hurry up in Sesotho) was launched by President Jacob Zuma in July 2014, deriving the concept from Malaysia's Big Fast Results Methodology. It is a results-driven approach to development, involving various sectors such as business, labour, academia, civil society and government. Operation Phakisa involves setting clear plans and targets, on-going monitoring of progress and making these results public. The methodology consists of eight sequential steps. It focusses on bringing key stakeholders from the public and private sectors, academia as well as civil society organisations together to collaborate in: detailed problem analysis; priority setting; intervention planning; and delivery.

Why the Oceans Economy matters:

South Africa has a coastline of **3 900 km** including the sub-antarctic islands. We also have an Exclusive Economic Zone (EEZ) of **1.5 million** square km, which is more than double South Africa's landmass of **1.2 million** square km. Our EEZ has also doubled following the extended continental shelf claim.

The Oceans Economy has the potential to contribute up to **R177 billion** to South Africa's **GDP by 2033** and create over one million jobs.

Over **30 000** vessels pass through South Africa's coast on an annual basis with **13 000** vessels docking in our ports, providing opportunities for job creation.

Around **80** oil rigs are estimated to be in the range of Western Cape, offering significant potential for repairs in our ports, as well as land based operational support.

South Africa has potential resources of approximately **9 billion** barrels of oil which is equivalent to 40 years of oil consumption. We also have **60 trillion** cubic feet of gas which is equivalent to 375 years of gas consumption.

The Aquaculture sector has the potential to grow sector revenue to **R3 billion**, and produce **15 000** jobs by **2019**. These are real opportunities for local and rural economic development.

The implementation of Marine Spatial Planning legislation will greatly enhance the orderly and coordinated use of the ocean space to the benefit of all.

Operation Phakisa: Oceans Economy initiative undertakes to protect at least **5%** of our ocean space by creating a network of Marine Protected Areas.

300 million tonnes of cargo and **1.2 million** tonnes of liquid fuel are transported along South Africa's coast, providing economic opportunities around our ports.

Coastal and Marine Tourism has the potential to further enhance economic activities and create jobs along the coast.

A coordinated Oceans Economy skills development and capacity building plan will equip potential entrants into the priority sectors of Marine Transport and Manufacturing, Aquaculture, Offshore Oil and Gas and Marine Protection and Governance.

Together moving South Africa's Oceans Economy Forward

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and fast distinction between established and emerging industries. Indeed, some degree of overlap does exist, not least where segments of established ocean industries manifest clear indications of rapid growth and quite dramatic rates of innovation. For example, shipping and port activities are moving increasingly to highly sophisticated levels of automation; coastal aquaculture is well-established in some countries but on an industrial scale, it is becoming a high science- and technology-intensive activity and is looking to expand further offshore; ocean monitoring and surveillance are benefiting from massive advances in satellite technology, tracking and imaging; and the cruise industry is turning its attention to new destinations such as the Arctic and Antarctica. Nonetheless, the division into established and emerging industries offers a pragmatic and manageable approach to the project.

Investment opportunities

The environment for ocean investments is changing. In an effort to manage the growing competition and the impact this will have on ocean ecosystems, governments will develop and deepen the laws, regulations, institutions and planning tools to govern their EEZs in an integrated manner. If done properly, this should provide a level playing field for investors, while greater certainty, transparency and stability should encourage new investment. At the same time, a wider recognition of the declining health of the ocean and the related risks for business is changing the way in which leading companies are managing their ocean investments.

One dimension of this is how established ocean industries are transitioning to more environmentally responsible practices. Investment opportunities are arising from the application of new technologies to harness the ocean's potential as a resource base. The ocean economy is diversifying, with new forms of economic activity emerging. Investments in the ocean have traditionally comprised those whose returns are linked to the ocean's living 'renewable'

resources (such as fisheries), as well as those who exploit the ocean's non-living, 'non-renewable', resources (including extractive industries, such as dredging and offshore oil and gas).

Large industries such as tourism, coastal development, shipping and port infrastructure and services are also reliant on the seas and the coasts as a setting for economic activities. Significant opportunities are now emerging from the application of new technologies to harness the ocean's potential as a nexus of resources. Three emerging industries are indicative of new opportunities arising from the ocean to invest in food, mineral and energy resources.

Advances in sustainable aquaculture will make it an important means of meeting the growing global demand for protein; better-managed fisheries will help too.

Marine aquaculture represented around 37% of aquaculture production as of 2012, according to the UN's Food and Agriculture Organisation (FAO). By 2030, the World Bank anticipates that total aquaculture will provide around two-thirds of global fish consumption (93 billion tonnes), 6 up from 53 billion tonnes in 2008 and that it will be a significant part of the response to a growing global appetite.

Improved productivity in wild capture fisheries from ongoing management reform efforts offers a viable, if smaller, opportunity to meet the anticipated demand. Investments around improved fisheries remain the prerogative of the development banks, niche investors and innovative financiers—the challenge is to bring the opportunity to scale.

The Blue Economy

During the past few years, the term 'Blue Economy' has surged into common policy usage all over the world in discussions about the economic oceanic value. For some, the Blue Economy means the use of the sea and its resources for sustainable economic development. For others, it simply refers to any economic activity in

the maritime sector, whether sustainable or not.

The emerging concepts of the Blue Economy and Blue Growth are important public policy aspirations but little more as yet.

With sustainable growth and the new focus of the global policy discourse, countries seeking to develop their ocean economies have, to varying degrees, acknowledged the need for policies that better align future economic growth in their seas with maintaining or even restoring the ocean's health. The terms Blue Economy and Blue Growth, used liberally in national ocean plans, imply just this—a measure of the greening of the ocean economy. As welcome as this development is, these emerging concepts—and counterparts such as "sustainable ocean economy"—remain ill-defined and open to wide, and often different, interpretations.

In some cases, the Blue Economy typically prioritises growth over sustainability. The idea that the Blue Economy is, in the minds of most policymakers, a relatively conventional "ocean economy" seems to be born from a more careful reading of national ocean development plans.

The European Commission's Blue Growth strategy, for example, is designed "to steer the EU out of its current economic crisis" as a source of jobs, competitiveness and a greater resource opportunity that can be tapped while "safeguarding" the health of European seas.

China's idea of a Blue Economy, though evolving of late to include a new focus on "sustainable development and conservation", prioritises bringing coastal and ocean resources into a broader integrated plan for national economic development and encouraging the marine industry to play a greater role in the economy.

While the concept of the Blue Economy links economic growth with the conservation of ocean ecosystems, it can be argued that neither the conservation nor sustainability component is the primary or even the ultimate goal. 

Risky business

In the risky business of deep-sea fishing, few companies make a success of a small quota, but with its recent purchase of a second trawler, Basani Fishing has demonstrated it is the exception to the rule



Arthur Shipalana

In a 2015 thesis, University of Cape Town economist, Diederick Ferrandi, notes: “Hake trawling is inherently risky, particularly in South Africa... and economic risk is particularly acute for small operators”.

Basani Fishing’s Arthur Shipalana is the first to agree with Ferrandi. Give him half a chance and the affable businessman—who cut his teeth in the motor industry in Port Elizabeth and later ventured into the property business—will tell you with a good-natured chuckle about his false start in fishing, and how the purchase and refurbishment of his company’s first trawler, *Basani*, very nearly cost him his shirt.

Basani Fishing was founded in the late 1990s as a result of a burgeoning friendship between Arthur and Willem Walters, a west coast entrepreneur with

deep roots in the fishing industry. Like other black-owned fishing companies at the time, Basani Fishing took advantage of government policy that favoured black-owned, small and medium enterprises, and managed to secure a quota in the deep-sea trawling industry, South Africa’s most capital intensive industrial fishery. But a toehold in the deep-sea trawl fishery means little without a fishing vessel and so Arthur and Willem bravely purchased one in Spain.

“We secured a loan from the bank and we had enough money to purchase the vessel, but there was a lot of work to be done on it,” he remembers.

It was during the refit and renovation of the *Basani* in Las Palmas that costs began to spiral out of control and Arthur feared he would lose everything. A chance encounter with a business run by an uncle and nephew team from Spain turned this dire situation around and with their intervention, Arthur managed eventually to sail a seaworthy *Basani* to South Africa and put it to work in the hake fishery.

“It came down to trust, nothing else,” he says with a disbelieving shake of his head.

His Spanish backers have since become partners and the relationship has proved beneficial to both parties.

Spain has a healthy appetite for hake and by helping Basani Fishing get on its feet, Arthur’s Spanish partners have secured a reliable supply of premium quality South African hake. Their company, *Cosecha del Mar*, imports the entire annual catch of the *Basani* (about 2 000 metric tons per year)

and supplies the sea-frozen products to fish markets in Italy, Portugal and Spain.

“The fish sells itself,” says Arthur, explaining that the Basani brand has earned an enviable reputation for quality. The eventual success of the *Basani* led to the purchase of a second trawler; earlier this year Basani Fishing launched the R51 million *Zamani 1*. The advantage of having two vessels is that the company is able to spread its risk—early next year the *Basani* will undergo comprehensive maintenance that requires her to be out of service for four months. The *Zamani 1* will fill the breach.

Basani Fishing collaborates with the much larger I&J to optimise the use of its vessels. This kind of arrangement is common in the deep-sea trawling industry where companies tend to work together in “clusters”.

The cluster system helps the industry to efficiently utilise fishing capacity and keep processing factories supplied with raw material. For this reason, says Arthur, there is room for both big and small in the industry.

“Over the years we have received strong support from I&J,” he says, “they have demonstrated their commitment to helping a company such as ours to make it in this fishery.”

There can be little doubt that Basani Fishing is one of the success stories to come out of the transformation of the South African fishing industry, and that the future is bright for this small company that has overcome so many obstacles to survive in the capital intensive and highly competitive business of deep-sea fishing. **BBQ**

Challenges in African Investment

With more and more potential on our continent, why is there a constant delay in achieving African development

The parlous story of African economic and social development since independence best expressed in the failure to achieve the autonomous capacity for self-actuated development and in particular to create conditions of national and continental modern mass production and prosperity is well known and need not be repeated. It is enough to re-state that Africa's development failure was because of the leaderships' choice to retain, maintain and expand the inherited exocentric colonial system of development incapacitation, primary commodity export, import dependency and poverty generation.

The progressive efforts of some African states and leaders to change the system and create self-reliant economies were stymied by the leaderships' ideological inadequacies and dependency, the balance of payment crises of the late 1970s and 1980s and the subsequent economic crises and decline. This provided the avenue for Western multi-lateral imperialist agencies the World Bank and the IMF - to successfully infiltrate into Africa, re-colonize African states and convert them into neo-colonial out-posts of the so-called neo-liberal consensus. This framework embodied in the Structural Adjustment Programmes (SAP) with its destructive conditionalities: currency devaluation, trade liberalization, subsidy removal, deregulation and privatization, re-directed the African states to focus on expanded raw materials production and exports and to abandon industrialization and development capacitation.

The application of these anti-development SAP dogmas in the 1980s and 1990s ushered in two decades of deepening indebtedness, serious economic crises, de-industrialization, socio-economic decline, deepening impoverishment and political repression. On the other hand, the period also saw the upsurge of popular democratisation struggles, civil rights campaigns, the restoration democracy, and the establishment

of electoral democracy and the decline of military interventions in African politics. In the economic sphere, there were innovative dependency-reducing responses. This was because among businesses there was an increased re-orientation toward local sourcing of well-known agricultural and mineral endowments to expand production. This led to the emergence of new economic sectors and especially the expansion of cottage, small and medium scale consumer goods industries which were operationally autonomous due to the increased utilization of local resources for production and self-development.

In addition there was relative political stability and policy and institutional the support for businesses through the creation of enabling environments for attracting investments. It was partly because of these new domestic conditions and the economic self-activation, and the partly because of return of better commodity prices in the first decade of the 21st century that the Western media fabricated and propagated the new view of "Africa Rising". This became a very popular and re-assuring slogan among some African leaders, politicians and intelligentsia.

However, it was an insecure condition because a "Rising Africa" whose upsurge is generated by increased external demand for primary commodities is essentially insecure. It does not represent genuine African development that is based on expansive domestic production and prosperity generation. It merely reinforces African dependency on primary commodity export and its dependence on the importation of manufactured goods. It is evaporating with the speed with which it was proclaimed.

But there was a more consequential development story of this period that ushered in what this author describes as the Affirmative African Narrative phase of development. This is the progressive assumption by African businesses of the leadership role in promoting national and pan-African development. This new trend

of African self-development is captured by the new concept of "Africans Investing in Africa" This is the process by which African industrial, service, and commercial enterprises began to make large-scale investments in many different African countries. The investments involve for example the expansion of Banks, telecommunication companies, trading companies and so on. Examples of these include Nigerians Banks like UBA, Zenith, Access, First Bank; South African banks like Standard Bank and Moroccan Banks; Telecommunication companies such as MTN of South Africa, ECONET of Zimbabwe and GLOBACOM of Nigeria. Others are Shoprite, Coca Cola and South African Breweries. While Africans investing in Africa is becoming common and commendable, it is important to emphasize that not all African investments in Africa are of equal economic importance or strategic development value. For example, African investments like Shoprite and similar companies which merely establish commercial or trading enterprises that do not add value to African economies are no different from traditional non-African FDI companies that are established to create captive markets for products from their home countries and thereby maximally exploit Africa.

On the other hand, African companies that make investments that are decisive and transformational are those that deliberately promote and advance African development capacitation, through local resource exploitation, mass industrialization, large scale industrial, agricultural and mineral production, and beneficiation for internal use.

In terms of investment for development capacitation through local resource utilization and valorization, the vanguard African company is the Dangote Group. In order to ensure that Africa achieves self-sufficiency in the critically important infrastructure development requirement – CEMENT – Dangote embarked on a pan-African investment strategy to establish integrated plants, or grinding plants or cement terminals

in African countries according to their resource endowments. The Group's ultimate objective is become the ascendant cement manufacturing company in Africa. There is no question that the Dangotean strategy of development capacitation through local resource exploitation, mass industrial production and domestic prosperity-generation is what Africa requires to become the self-actuated mover of its own development and to create a secure development upsurge and continental prosperity that does not depend on the vagaries of external demand for primary commodities.

This Dangotean transformational mission and project is now been threatened by what seems like the unwillingness of African countries to respect and maintain carefully crafted legal investment agreements as sacrosanct documents and binding commitments. Within the past year the Group has faced major challenges as a result of the failure of some African states to keep their sides of the bargain or agreements concluded with Dangote Group. This happened

late last year in Tanzania when the government seemed to renege on some elements within the agreements reached with the Dangote Group to give it concessions and incentives for the massive investments of over \$500 million dollars that the Group made in the construction of the monumental cement plant in Mtwara, Tanzania. This Dangote Cement plant with its 3 million metric tonnes per annum capacity is the largest cement plant in Eastern Africa. In addition to the cement plant, other associated Dangote development projects include the construction of a coal power plant and a jetty. While these are primarily beneficial to the Groups business, they also represent important investments and permanent additions to Tanzania's power and sea transport sectors.

Together these projects have generated significant direct employment opportunities and as they mature and attain full production capacity the multiplier effects in various sub-sectors would be expansive and extensive, thereby creating prosperity and income in the community as well as

revenues for the local, regional and national the governments. But due to the problems Dangote had to temporarily shut down the plant; and after negotiations and assurances that restored the original terms, the plant resumed production. This Dangotean Tanzanian experience of government infidelity to the sanctity of agreements can only create profound doubts among business people on the readiness of African states and leaders to move Africa forward.

But the Group's challenges in Africa are not over. Just recently, in Ethiopia, the regional government of Oromo Regional State where Dangote's new over \$400 million dollar, 2.5 million metric tonnes per annum cement plant is located came up with new conditions that are bound to disrupt the operations of the Dangote plant. In what it claimed is an attempt to provide employment for jobless Oromo youth it decided to withdraw all mining licences and agreements already concluded with Dangote and similar other companies with mining concessions.

In its place the regional government claimed that it would create youth owned companies that would now supply the minerals required by the cement and other plants. This action of the Oromo regional government in illegally annulling legally approved mining agreements with the Dangote Group and other companies raise major questions on the genuine preparedness of African states, politicians, and bureaucrats to foster Africa's self-development through Africans investing in Africa. Without question the action of these governments represents major challenges to Africans assumption of responsibility for their development and the emergent Affirmative Africa Narrative. In fact at its core, these anti-investment actions are a repudiation of the long-standing aspirations of Pan-Africanism and its advocates, and the practical commitment of the continental organizations like the former Organization of African Union (OAU) and the current African Union (AU) to promote African-led development through investments, intra-African trade and exchange, as instruments

for creating secure African development and domestic prosperity-generation.

This is a good example of how some African leaderships' represent serious obstacles to African development. Quite clearly any aspiration for Africa's take off through self-actuated development as represented by the transformational efforts of Dangote and similar committed pan-African economic revolutionaries is weakened by such leadership unfaithfulness, irresponsibility and lack of serious commitments to African investors. Despite these set-backs, it is important for African states and the continental and regional economic groups to reaffirm their commitment to African-led transformational industrial development as the basis for Africa's capacitation for self-actuated development. In this light, it is imperative for the AU and its various economic agencies to design Continental Investment

Protection Agreements that would commit African states to respect and uphold already approved agreements and avoid arbitrary nullifications of legally binding instruments. An additional guarantor is for each African state to negotiate investment protection treaties with each other. In fact this is especially indicated for countries such as Nigeria where investors are increasingly embarking on Pan- African development investments.

Finally, pan-African transformational investors like Dangote should remain committed and not be discouraged by these clearly disruptive actions of hapless, backward and anti-African development leaders. The Dangotes' of Africa as continental transformational vanguards should remain firmly committed to their chosen paths of legal profit making and simultaneous contribution to Africa's transformation, economic development, prosperity-generation, psychological liberation, and the restoration of Africans dignity and equality with others in the world. These are worthwhile and enduring ideals, and challenge that transformational revolutionaries and societal game changers are bound to encounter and overcome so as to create new worlds. **BBQ**

Remembering Ronnie Mamoepa

His constant professionalism was one of the distinguishing things about him in both the government and private sector. This made him one of the most unique communication practitioners this country has ever produced. Mamoepa was not just a spokesperson, he was a politician who fought for the liberation of South Africa. He was one of the youngest political prisoners sent to Robben Island at age 18. When he got out of prison he was one of the youngest communicators of Luthuli House prior to the first democratic election in 1994.



A giant tree may have fallen in the field of government communication but the legendary Ronnie Mamoepa's legacy will forever live on in those he mentored and worked with.

This is how the former Chairperson of the African Union Commission, Dr Nkosazana Dlamini-Zuma, paid tribute to Mamoepa at his official memorial service on Thursday.

A long-serving communicator, Mamoepa has worn many different hats in the government, one of those being Home Affairs spokesperson during Dlamini-Zuma's tenure as Minister at the department. Mamoepa is credited with being the man who almost single-handedly changed the face of communication at the department, which had often come under fire for not being adequately public facing.

Dlamini-Zuma was among hundreds of mourners gathered at the Tshwane Events Centre for Mamoepa's Memorial Service.

Mamoepa passed away on Saturday, 22 July at a Pretoria Hospital, leaving a palpable sadness across the nation. At the time of his death, Mamoepa was the spokesperson for Deputy President Cyril Ramaphosa.

His long-spanning career saw him serve in many departments in democratic South Africa, including the office of the late President Nelson Mandela.

Dlamini-Zuma expressed her heartfelt condolences to the Mamoepa family, saying

they ought to be proud of his astounding contribution to the public service.

"He communicated well. He didn't wait to be told what is to be communicated but he ensured that he knew the department and its players, as well as its policies. He was on top of the policies so that he would communicate at all times what he had to.

"He communicated during difficult times and in good times," said Dlamini-Zuma.

Dlamini-Zuma had known Mamoepa before 1994 but she got to know him even better when she worked with him for over a decade at the Department of Foreign Affairs.

She then got deployed to the Department of Home Affairs while it was dubbed the "Department of Horror Affairs" by the public, something Mamoepa was instrumental in turning it around.

"It was a very difficult time and I asked him to come with me. We needed to improve the department. Because of the challenges that were there, Ronnie was able to bring up his creativity and innovation. He worked beyond the normal communications means. He worked with different generations," said Dlamini-Zuma.

She said Mamoepa never failed and if he wanted something, it got done. What made working with Mamoepa pleasurable for Dlamini-Zuma was that he was not only a communicator but a comrade and a revolutionary, with whom she could discuss things.

A man of many talents

Many speakers referred to Mamoepa's intelligence and generosity, which are qualities they undoubtedly believe will keep his legacy alive.

Government Communicator, Nomfanelo Kota remembered Mamoepa as a proud patriot.

"He loved South Africa and its citizens and he wanted us to show that love through our work. Ronnie's work was about serving the people of our country. He loved people. He was generous.

"He expected a lot from us. There were no weekends, there were no holidays, there was no Christmas and it was only work and more work. We took him away from his family. He invested in a lot of government communicators who, today, occupy various positions in the government. We will miss him," said Kota.

Loving father and husband

Most speakers recalled his strong work ethic, sense of humour and generosity but his family, especially the children, spoke of a loving father.

His two sons paid homage to a stern yet humorous teacher, who entrenched in them discipline and the commitment to doing things in an orderly fashion.

His daughter, who could not hold back her tears, said she loved the way her father loved her mother.

"One thing that I want to thank my father for is loving my mom. He showed us what love is and we could even see it through the way he loved her.

"He would come home with two [ice creams] and we would ask him [whose they are] and he would say, '[It's for] me and your mom', and we would ask, 'What about the kids in the house?' The way he loved my mom... I loved him for that.

"He gave us a home. He gave us safety and education," she said.

Former President Kgalema Motlanthe spoke as Mamoepa's mentor and fellow Robben Islander. Mamoepa was the youngest Robben Island prisoner, having started his journey of being an activist and freedom fighter at the age of 15.

"Indeed, it is not often that individuals who make history at a very tender age will rise the way he did. It was almost as if his life was purposed to make a maximum impact in a very short period of time before he transitions to the other dimension," he said.

The Former President said Mamoepa loved to read and was always the last one to sleep in the cell that they shared.

"I ended up assuming the responsibility of waking him up before the morning, as he was a heavy sleeper due to his habit of sleeping after everybody else, always in the wee hours of the morning," he added.

Mr Molapyane Ronald Ephraim 'Ronnie' Mamoepa

Ronnie Mamoepa, the fourth child of Mrs Helen Mamoepa, was born in Atteridgeville, west of Pretoria. From humble beginnings, he was destined to leave an indelible mark on the country's communication environment and on the departments in which he worked over his almost four-decade career as a communicator and activist.

He attended the Matseka Lower Primary School in Atteridgeville, Pretoria from 1966 to 1969 and the Walton Jameson Higher Primary School from 1970 to 1973. Following this, Ronnie attended the Hofmeyr High School from 1974 to 1979.

His education was interrupted by his political activities. Between 1976 and 1979, he was involved in the Atteridgeville-Saulsville student movement and was detained on many occasions under the country's terrorism laws.

His political activism saw him being arrested at the age of nineteen on the charge of conspiracy to overthrow the state. He began serving his five-year sentence on Robben Island at the age of twenty, making him one of the youngest political prisoners on the Island.

It was on Robben Island that he obtained his matric certificate in 1983, whereafter he registered with UNISA to pursue a B Juris degree.

Following his release from Robben Island, Ronnie returned to his home in Atteridgeville, Pretoria and continued with his political activities. During this

time, he was also an Executive Member of the Atteridgeville - Saulsville Detainees Support Committee and the Pretoria Youth Congress.

He was responsible for mobilising young people behind the banner of the ANC – UDF, organising political lessons for the youth in the township as well as for the media and publicity. He also ensured that the work of the Civic Organisation (ASRO) and Detainees Support Committee was profiled.

At the same time, from 1986 to 1990, he worked as a Journalist for SASPU National. Through his writing, he aimed to promote and project the aims and objectives of the broad democratic movement.

From 1989 to 1991, Ronnie served as a Provincial Executive Committee Member of UDF, Southern Transvaal. He was also the spokesperson for the UDF in the region and was tasked with the development of a media and communication strategy. During this time—1990 to 1991—he was also an Executive Committee member of the ANC Atteridgeville - Saulsville branch.

In 1990, Ronnie served on the media team of the National Reception Committee. Working under the leadership of Zwelakhe Sisulu, he developed and implemented the communication strategy to support the release of political prisoners, including Nelson Mandela, from prison. It was also an opportunity to profile the ANC and its contribution to a South Africa on the verge of attaining its freedom.

From 1991 to 1992, Ronnie served as the ANC Gauteng Provincial spokesperson. Amongst others, he produced the ANC provincial newsletter, *Amandla* and all other publicity material.

From 1992 to 1994, Ronnie joined the ANC's Department of Information and Publicity where he worked as a Media Liaison Officer.

In May 1994, following the first democratic elections, Ronnie was elected as a member of the Gauteng Provincial Legislature. He served as a member of the Housing as well as the Safety and Security Portfolio Committees. During this time, he

also volunteered his services to help set up the communications unit in the Office of the Premier.

From 1996 to 1998, Ronnie was the Director of the Information and Publicity unit of the ANC. During this time, he, amongst others, managed the daily affairs of the department on behalf of the NEC sub-committee on Media and also served as the National Spokesperson for the ANC.

In August 1998, Ronnie was appointed as Chief Director: Communication in the Office of Deputy President Thabo Mbeki. While managing the content development and media engagement portfolios, Ronnie also worked closely with the newly formed Government Communication and Information Systems (GCIS).

When Thabo Mbeki became President of the Republic in June 1999, Ronnie assumed the position of Presidential Spokesperson. He held this post for a few months before being transferred to the Department of Foreign Affairs.

In February 2000, Ronnie was appointed to head the Public Diplomacy Unit at the then Department of Foreign Affairs. He was also the spokesperson for the then Minister of Foreign Affairs, Dr Nkosazana Dlamini-Zuma.

Ronnie travelled all over the world profiling South Africa's international relations strategy and programme.

In May 2009, Ronnie moved to the Department of Home Affairs to head the communications portfolio following the appointment of Dr Nkosazana Dlamini-Zuma as Minister of Home Affairs.

He managed the internal and external communication activities of the department. He is credited with improving the profile and reputation of the department by contextualising its role in improving the lives of the people.

In June 2014, Ronnie was seconded to the Presidency and appointed as spokesperson to Deputy President Cyril Ramaphosa and Head of the Deputy President's communications team.

Ronnie held this position until his passing on 22 July 2017. 

Proudly South African

When asked to describe heritage in a South African context, many struggle to do so







It is not because they are out of touch with their culture or upbringing in what is a hugely diverse country, but because factors against their control have conspired to corrupt and disenfranchise which has put many out of touch with where they have come from.

Sadly, Apartheid was a major factor in this regard. A nation of oppressed people simply fell out of love with what and who they were. Not only was Apartheid a disgraceful time in South Africa's history on a wider scale, but also individually.

Not being allowed to truly express who and what you are meant that not only did people start to lose touch with their culture but that less and less was achieved in terms of saving and preserving what it meant to be a South African.

So what happened to the cultures of the time? Well, they quickly turned to bloodshed and fear. Instead of being able to express oneself as a creative individual with a proud history, the masses were restricted to living out a life of fear, without even thinking twice about who and what they should be.

Artist and poet, Dikobe WaMogale Martins explained to SA History's website: "Our culture under Apartheid is a contested culture. A culture afflicted by oppression and exploitation. A culture of people dying daily of malnutrition and starvation in reserves, now called resettlement camps and at times homelands. A culture of black children being shot by policemen and of adults dying of unknown "natural causes" in detention."

The legacy of Apartheid in terms of South Africa's heritage and cultural diversity is finally starting to lose its power over the people.

When South Africa finally broke free from the shackles of Apartheid in 1994, freedom of expression and an ability to be proud of who you are as a South African started to rise up from the ashes.

It was never going to be an easy task. Nobody believed that for one second but the hope that a chance to finally move on from the atrocities of the past meant

that what was once off limits was now a chance at an exciting future.

Apartheid as a system did very little to promote South Africa in its diverse state, but rather what was important to those at the helm. This is where many lost their way but thanks to institutions like the Heritage Association of South Africa and The South African Heritage Resources Agency (SAHRA), protection of what it means to be a South African and the country's cultural assets is now no longer a pipe dream but rather a chance to start again. It is a reality with a promising ending, rather than a dark tunnel with no end in sight.

This chance to start again is governed by the Constitution—the laws of South Africa—and the country's Heritage Legislation. While it may be taking longer than expected for everyone to be brought up to speed in terms of what is available to them to allow for our diversity to flourish, the ice has been broken. There is a lot to be thankful for in that regard.

But what does one do now to bring such a diverse country together? How does one try to ensure that every culture is accepted on the same level?

Well, that is far from easy, especially when you consider that a lot of what culture is supposed to be about was lost during the days of oppression. Very few people will admit that, in current times, they have lost touch with what their culture used to be about, but that is the reality.

There are eleven official languages in South Africa. With each language comes a culture and within each culture comes its own diversity. While we would all wish for a time where every culture is accepted on the same level, that challenge is incredibly difficult to overcome.

One example of these challenges is demonstrated in the workplace. Because South Africa is built on diversity, trying to ensure that all cultures work in the same way under one umbrella in an office environment is very difficult to achieve. While one culture is required in the workplace, a mix of various individual cultures means that having a smooth-running ship is difficult.

Monica du Toit, Coordinator for the Centre of Inclusivity at Stellenbosch University, explained to the University of Stellenbosch Business School's website: "We have a very diverse work corps, but a culture that only rewards certain practices or ways of doing things and that finds only these valuable, and that expects the work culture to assimilate into an existing culture.

"Inclusivity specifically refers to an institutional consideration and appreciation for the perspectives and contributions of all individuals. Therefore, it requires that the workplace gives attention to how consultation, decision-making and power sharing are enforced upon and experienced by employees. An inclusive culture is not a politically correct environment where no cultural practices are allowed. It is an environment in which the types of consultation make staff members feel welcome,

appreciated, empowered and included," she says.

Dr Babita Mathur-Helm, from the University of Stellenbosch Business School's Centre for Leadership Studies, believes that in time, the more that cultures are allowed to come together as one, the greater a business will benefit.

"Research has shown that racial diversity has, in many instances, enhanced the exchange of information and improved the quality of decisions. Moreover, work teams with diverse educational backgrounds were found to be highly creative and innovative if they exploited their points of diversity. Hence, if properly managed, a diverse workforce can be of immense value to the organisation," Dr Mathur-Helm says.

While heritage on a humanistic level is vital, what about the heritage in terms of the country itself?





There is no doubting that we live in a beautiful country. We are extremely lucky to now live in a place, which contains some of the most stunning sights the world as a whole has to offer.

That luck is translated into the fact that we have eight World Heritage Sites in South Africa. The United Nations Educational and Scientific Organisation has declared 981 World Heritage Sites around the world and we have eight. That is an impressive number.

They are:

- Mapungubwe Cultural Landscape in Limpopo
- Robben Island in the Western Cape
- The Cradle of Humankind in Gauteng
- The Cape Floral Region in both the Western and Eastern Cape
- The Vredefort Dome in the Free State
- uKhahlamba Drakensberg Park
- iSimangaliso Wetland Park in KwaZulu-Natal
- Richtersveld Cultural and Botanical Landscape in the Northern Cape

While many will argue that there are far more places in South Africa that should be

on that list, what the list does do is prove that the country is one of rich history, which provides a heritage to be proud of, even if other aspects of our past have conspired to make us feel ashamed.

In local terms, there are also 24 national heritage sites and a plethora of provincial heritage sites. While they may not all be recognised by the United Nations, the likes of the Charlotte Maxeke Grave, Makapans Valley and Limeworks at Makapansgat, Swartkrans Palaeontological Site and Union Buildings are just a few more examples of why we should be extremely proud of the country we live in.

So, now that we know we live in a culturally diverse country with some of the world's most protected and loved heritage sites, what does the future hold and how does the new generation of South African people plan to ensure the future provides more than we ever dreamed of?

Well, a lot depends on how creativity is allowed to grow and flourish.

We all know that music, art, and various other cultural activities are vitally important to a functioning society but how is that achievable in our own country?

In 2016, the Minister of Arts and Culture, Nathi Mthethwa promised that there was a lot of work going on behind the scenes in terms of the promotion of South African arts and the talent that falls under that umbrella.

At the time, he said: "A major focus of the year under review has been promoting local content across a variety of disciplines.

"The department has continued to work with partners in the music sector to implement joint programmes in support of the music industry.

The Moshito Music Conference and Exhibition continues to provide opportunities for the music industry to network, discuss issues impacting on the sector and trade opportunities. We are seized with the transformation of the film sector and the need to develop new exhibition spaces for the viewing of local films as well as protecting local film industries.

"We have supported recommendations proposing wide ranging amendments to the current copyright regime including increasing local content quotas as they will benefit the creative industries and artists in

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particular, and we are working with DTI in this regard," he says.

While there has been some movement in the right direction, more is required. More is required to ensure that talent does not go to waste so that future generations can look back and be inspired to forge their own paths in the local world of arts and culture.

One person who has mixed culture and the arts is Laduma Ngxokolo. His goal was to take the Xhosa culture to the world through his fashion and that is a dream which has been realised.

"The initial aim of my project was to find design solutions for Xhosa initiatives," Laduma told the BBC.

"I decided to develop a Xhosa-inspired collection of knitwear using traditional Xhosa beadwork, colours and motifs.

"I decided to call the name of my brand MaXhosa by Laduma because I wanted to showcase the astonishing beauty of the Xhosa people and translate it in a modern way that actually appeals to the current youth, which is influenced by international trends," he said.

This is more of the thinking we need in South Africa. Laduma's goal was to take the heritage of this country to the next level and the opportunity for his inspiring work to go global is what many fought for during the struggle—the chance for every South African to have an opportunity to make a name for themselves.

While promoting the heritage of the country through the arts is vital, telling stories of the past is just as important. Using an art form like music to spread the word of the past can have a very positive effect, which is something musician Nomfusi knows all too well.

Nomfusi is particularly proud of her song 'Nontsokolo', as it does more than just enrich the soul, it stirs up a passion for the country, which is often not addressed in the mainstream environment.

When asked which song in her stable she most connects with, she told Cape Town Magazine: "From the old album, I would probably say 'Nontsokolo', because the song was telling a story to

so many South Africans. Most black South Africans know poverty, and that is the meaning of the song.

Every time I sing this song, I get people raising their fists because they know what I am talking about, because they know poverty.

"I didn't approach this song in a way of lacking basic needs, but I was approaching it in a sense of the poverty of the mind.

I feel that the most dangerous poverty is being poor in your mind, and that kind of have-not can kill you more completely than a poverty that has to do with lacking food, clothing or shelter. With this song, I was bringing awareness and, at the same time, I was connecting with so many people," she said.

So, with September being Heritage Month in South Africa, what is important to remember and what more can we do as a country?

Firstly, we should be drawing inspiration from the likes of Laduma and Nomfusi. They are both shining lights in the country who want to do more than just entertain—they want to encourage and showcase.

The more we are able to use our talents to show off what this country has to offer, the better off the country will be. The more the youth is exposed to what it means to be Zulu, Xhosa, Sotho or any of the other cultural pillars of this country, the more the country stands to gain. Secondly, while the past is painful and difficult to understand, the sooner we try to remember who we are and why we are part of the greater picture, the better the country as a whole will become. We need to draw inspiration from the past and use it to ensure that the future is never plagued by such atrocities again. We need to ensure that who we are as a nation is better and more focused.

An old Irish proverb sums up what we need to strive for in this country best: "A people without the knowledge of their past, origin, and culture is like a tree with no roots." Let's all strive to ensure that the future generations can look back and be proud, and create something special with what we have at our disposal. We live in a beautiful country, so let's make it something special right now, this Heritage Month. **BBQ**

Andrew Hallett





Grundfos

Sustainable intelligence for the people



*Dr Rishaad Ebrahim,
Director of Engineering at
Grundfos South Africa.*

Global leader in advanced pump solutions and a trendsetter in water technology, Grundfos contributes to global sustainability by pioneering technologies that improve quality of life for people and care for the planet.

"We thrive on what we call 'sustainable intelligence' - doing things more intelligently and in line with sustainability standards that are in line with our Corporate Social Responsibility projects. Every decision we make we have to ask ourselves if it is in line with our values," Says Dr Rishaad Ebrahim, Director of Engineering at Grundfos South Africa.

Grundfos strives to be among the industry leaders when it comes to finding ways of using new technologies to move and treat water and wastewater, doing business in an environmentally sustainable way and create sustainable solutions from cradle to grave. The company is committed to making a significant contribution towards reducing

the impact on the environment by limiting both their own and their customers' CO2 emission levels.

"We aim to create cleaner technologies and solutions, which limit water consumption, improve efficiency, enable consumers to reduce their water and energy consumption and increase the reuse of resources," says Dr Ebrahim.

"This is very important because we are not selling luxury items - we are moving water to people, and also treating it, these are bare necessities. Every day we open up our taps and we have fresh water coming out of it, but we seldom sit back and think about those who don't have this luxury of having this and as we struggle through Africa it's a real eye-opener to those communities and those people that actually need our help in order to make water available for them.

He explains, "the other aspect is municipalities are providing water to people at somewhat challenging rates because of the way they are providing water and the products they are using, which generally adds an added burden on the consumers. Therefore, part of our sustainability is to burn less energy, be more efficient and at the end of the day the consumers are happier because also we have products that will detect leakages immediately, decreasing water wastage."

One of the largest focus areas of Grundfos is renewable energy, with a large range of products tailored to it, solar in particular.

"We invent solutions the world has never seen before. We expand our business with the addition of new categories and areas by using our technologies in new and creative ways, based on the

requirements of our customers. We focus on people in a growing world, and ensure that there is always a balance between human, social and environmental concerns in our solutions. We want to enable people to look after themselves and provide people with a more comfortable life without it being at the expense of the environment and the planet's natural resources," says Dr Ebrahim.

He explains that all of the work done in communities and the company's work ethics has been a key component for their global success. "As a leading organisation, there has to be a strict moral code that goes beyond financial gain.

We need to be role models to other companies out there as well as to our customers, and be able to show them that we don't only improve on efficiency of product throughout the environment but we also act in a sustainable manner. We are open and trustworthy with our people and with our customers so they know exactly where we're going.

"We definitely focus on people and people development. In addition to taking care of the communities we work within, we take on students and assist them with getting learnerships and give them training so it makes it easier for them to go out there and find jobs in the industry. To ensure our present and future existence. We need an innovative, enthusiastic and skilled workforce to safeguard our business success in the long run. We believe that creating a great place to work and providing opportunities for professional and personal development can achieve this," Dr Ebrahim concludes. **BBQ**

Reaching beyond our heritage

Black Business Quarterly had the opportunity to talk with Advocate Sonwabile Mancotywa, CEO of the National Heritage Council (NHC) about the importance of heritage and culture in creating a unified South Africa



Sonwabile Mancotywa, CEO of the National Heritage Council

The NHC was formed in 2004 by Adv. Mancotywa in a continued effort to unify South Africa through sharing of heritage and culture. The NHC defines heritage as:

"Heritage is what is preserved from the past, as the living collective memory of a people, not only to inform the present about the past, but also to equip successive generations to fashion their future. It is

what creates a sense of identity and assures rootedness and continuity, so that what is brought out by dynamism of culture is not changed for its own sake, but it is a result of people's conscious choice to create a better life."

As part of his responsibilities, Adv. Mancotywa ensures that the board meets every quarter, and that the vision of the council is always the driving force behind it. Adv. Mancotywa firmly believes that only through acknowledgement of heritage and culture will South Africans fully understand each other, and this will lead to the nation Nelson Mandela envisioned.

As with any great leader, Adv. Mancotywa translates his passion for heritage in his everyday life. "Running the NHC is by no means an 8:00 – 16:30 job, it occupies my life. It is something that has influenced not only his family, but his community. There is stronger need now more than ever, for South Africans to step away from their mother tongue and learn another of our 11 languages. Our indigenous languages are dying, and it is up to us to ensure this doesn't happen."

Culture, as defined by the NHC, is: "the sum total of what is produced collectively by a people's creative genius. It is dynamic and it is always in motion. It is, therefore, always developing as a result of human action and interaction. Every society has a culture and at times a heterogeneous society like ours has several cultures. Some of these cultures are exploitive while others are liberating. All cultures have a material

base and values which are reflective of a people's creativity and uniqueness. They include tangible and the intangible".

Culture cuts across all languages, racial backgrounds, and religions, it is the only instrument that will unite the people of South Africa. Creating a socially cohesive co-existence is fundamental to ensure the past atrocities are never repeated. Adv. Mancotywa quoted the father of the nation, Mr. Nelson Mandela: "The time for the healing of the wounds has come. The moment to bridge the chasms that divide us has come. Never, Never and never again shall it be that this beautiful land will again experience the oppression of one by another..." The NHC is, through various programmes, spearheading the fight against misinformation and stereotypes amongst the various population groups and cultures.

Key Projects

Funding

The NHC has, since its inception, invested over R46 million in community heritage initiatives. These include statues, road name changes to name a few. Adv. Mancotywa said: "When changing road names, it is very easy for people to say that we are wasting funds. One needs to ask the question though: What is the cost of not attending to cultural needs of all groups?"

Resistance Liberation Heritage Route

Identifying and developing precincts on the site either heritage based, or historical importance recognizes the bravery and sacrifice many South Africans made on the road to freedom.

Golden Shield Heritage Awards

Recognising individuals, groups, or organisations who contribute to the protection, preservation, and promotion of South Africa's heritage is one way through which the NHC is able to further spread and encourage cultural acceptance.

Heritage Day

After South Africa's first democratic elections in 1994, a Government of National

Unity (GNU) was formed. Government agreed that prior to the 1994 elections, there were important historical days that the apartheid government did not recognise. These days were "unofficially" commemorated or celebrated but not part of the public holidays' calendar. The Cabinet decided that there should be a day on which South Africans commemorate their heritage, and so Heritage Day was born. The Department of Arts, Culture, Science and Technology (DACST), as the custodian of South Africa's culture at that time, was given the responsibility to plan and manage annual events for Heritage Day at a national level.

The first Heritage Day commemoration took place on 24 September 1995. Its significance rests in recognising aspects of South African culture which are both tangible and difficult to pin down: creative expression, our historical inheritance, language, the food we eat as well as the land in which we live.

Within a broader social and political context, the Heritage Day celebrations are a powerful agent for promulgating a South African identity, fostering reconciliation and promoting the notion that variety is a national asset as opposed to igniting conflict.

This day recognises that although South Africans have diverse cultures, elements of national unity, nation building, reconciliation and national patriotism should be emphasised. The ideal is to preserve, exhibit and promote our diverse but connected cultures. Heritage Day should encourage the youth, in particular, to embrace South Africa's common heritage.

In an address marking Heritage Day in 1996, (former) President Mandela stated:

"When our first democratically-elected government decided to make Heritage Day one of our national days, we did so because we knew that our rich and varied cultural heritage has a profound power to help build our new nation.


We did so knowing that the struggles against the injustice and inequities of the past are part of our national identity; they are part of our culture. We knew that, if

indeed our nation has to rise like the proverbial phoenix from the ashes of division and conflict, we had to acknowledge those whose selfless efforts and talents were dedicated to this goal of non-racial democracy."

Adv. Mancotywa believes that the common way of referring to this annual celebration as Braai Day is exclusive of certain cultures, heritage is about all South Africans, not one or two ethnic groups.

Heritage as an economic pillar

Incorporating heritage into tourism is an effective way in which to utilize this powerful tool to stimulate the economy. Adv. Mancotywa relates a humorous story on this point: "I received, what at first I perceived as a strange request, but following some thought, I realised this query indicated the international interest in the South African story. A potential tourist requested that upon his arrival at OR Tambo, we arrest him, and take him on Mandela's long walk, complete with time in jail. He was willing to spend two weeks in South Africa to follow in the footsteps of our nation's father." South Africa has, since the first democratic elections, become a beacon of hope, a country successfully albeit it slowly, unifying a nation built on hatred. The move from hatred to acceptance is only possibly through education and appreciation of the cultures and sub-cultures of our society.

In closing, it is only through identifying common values across the different cultures, will lead to the opportunity of celebrating our differences instead of using them to create a further chasm. Once South Africans truly value their heritage as well as the others in our nation, will we be able to celebrate and unity will become inevitable. 



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The turbulent 1950s—Women as defiant activists

The year 2016 was a landmark year in which we celebrated the massive Women's March to the Union Buildings in Pretoria 60 years ago. Women throughout the country had put their names to petitions and thus indicated anger and frustration at having their freedom of movement restricted by the hated official passes. The bravery of these women (who risked official reprisals including arrest, detention and even bannings) is applauded here. So too are their organizational skills and their community-consciousness—they were tired of staying at home, powerless to make significant changes to a way of life that discriminated against them primarily because of their race, but also because of their class and their gender.



In the 1950s the government's increasingly repressive policies began to pose a direct threat to all people of colour, and there was a surge of mass political action by blacks in defiant response. The 1950s certainly proved to be a turbulent decade.

Women and the anti-pass campaign 1950-1953

The apartheid regime's influx control measures and pass laws were what women feared the most and reacted to most vehemently. Their fears were not unfounded. In 1952 the Native Laws Amendment Act tightened influx control, making it an offence for any African (including women) to be in any urban area for more than 72 hours unless in possession of the necessary documentation. The only women who could live legally in the townships were the wives and unmarried daughters of the African men who were eligible for permanent residence.

In the same year the Abolition of Passes and Coordination of Documents Act was passed. In terms of this act the many different documents African men had been required to carry were replaced by a single one - the reference book - which gave details of the holder's identity, employment, place of legal residence, payment of taxes, and, if applicable, permission to be in the urban areas. The act further stipulated that African women, at an unspecified date in the near future, would for the first time be required to carry reference books. Women were enraged by this direct threat to their freedom of movement and their anti-pass campaign, and was one of the most vociferous and effective protest campaigns of any at the time.

Protests started as early as 1950 when rumours of the new legislation were leaked in the press. Meetings and demonstrations were held in a number of centres including Langa, Uitenhage, East London, Cape Town and Pietermaritzburg. In the Durban protests in March 1950, Bertha Mkize of the ANCWL was a leading figure, while in Port Elizabeth Florence Matomela (the provincial president of the ANCWL) led a demonstration in which passes were burnt.

By 1953 there were still sporadic demonstrations taking place and these accelerated when local officials began to enforce the new pass regulations. Reaction was swift and hostile. On 4 January 1953, hundreds of African men and women assembled in the Langa township outside Cape Town to protest against the new laws. Delivering a fiery speech to the crowd Dora Tamana, a member of the ANC Women's League and later a founding member of the Federation of South African Women, declared:

We women will never carry these passes. This is something that touches my heart. I appeal to you young Africans to come forward and fight. These passes make the road even narrower for us. We have seen unemployment, lack of accommodation and families broken because of passes. We have seen it with our men. Who will look after our children when we go to jail for a small technical offence - not having a pass?

The Defiance Campaign is launched and women step forward

In June 1952 the ANC and SAIC initiated a cooperative initiative known as the Defiance Campaign. Volunteers from the ANC and SAIC (the CPSA had disbanded in 1950) began to publicly defy discriminatory laws and invite arrest, filling the jails and over-extending the judicial system.

Women were prominent in many of these defiant incidents. Florence Matomela was among 35 activists arrested in Port Elizabeth and Bibi Dawood recruited 800 volunteers in Worcester. Women's involvement in the Defiance Campaign certainly proved to be an important stimulus in their political development across the board. It not only strengthened the ANCWL but also motivated women to establish the FSAW.

The Federation of South African Women (FSAW or FEDSAW)

Three important female activists were in Port Elizabeth in April 1953 at the time when the Defiance Campaign was underway and there was widespread political unrest in the region. The three women were Florence Matomela (Eastern Cape president of the ANCWL), Frances



Baard, who was a leading local figure in the Food and Canning Worker's Union (FCWU) and Ray Alexander, the general secretary of the FCWU, who was in Port Elizabeth to attend a trade union conference. The three decided among themselves that the time was right to call women to a meeting to discuss the formation of a national women's organization. No record was kept of the informal meeting held that same evening, but Ray Alexander later said that it had been attended by about 40 women. Other than Alexander, a Mrs Pillay, a Miss Damons and Gus Coe, most of the women were Africans. Although from various different organizations all the women were committed to the Congress Alliance and the Defiance Campaign that had been initiated the previous year. Ray Alexander pointed out the advantages of an umbrella body that would devise a national strategy to fight against the issues of importance to women: every-day matters such as rising food and transport costs, passes and influx control. The women were enthusiastic in their response and Ray Alexander was asked to pursue the matter further.

Ray Alexander was based in Cape Town so the planning for the initial conference was done there. Hilda Watts (Bernstein), also a communist and an experienced political campaigner, was asked to handle the Johannesburg wing of the committee. Subsequently Johannesburg and Cape Town were to become the main FSAW centres. An energetic, skilled organizer who had been a tireless campaigner for women's rights since the 1930s, Ray Alexander was the ideal woman for the job. She co-opted a number of influential women country-wide to help her but her individual contribution was enormous. All the major organizations were represented in her 'women's committee' including the ANC Women's Leaguers, trade unionists, members of the SAIC, of the Transvaal All-Women's Union and of the Congress of Democrats(COD).

The Federation of South African Women (FEDSAW or FSAW) was launched on 17 April 1954 in the Trades Hall in Johannesburg, and was the first attempt to

establish a national, broad-based women's organisation. One hundred and forty-six delegates, representing 230,000 women from all parts of South Africa, attended the founding conference and pledged their support for the broadly-based objectives of the Congress Alliance. The specific aims of FSAW were to bring the women of South Africa together to secure full equality of opportunity for all women, regardless of race, colour or creed, as well as to remove their social, legal and economic disabilities.

The administrative groundwork of the newly-established FSAW evolved over the months that followed, but a national executive committee was formed at the inaugural conference in April 1954. The women were unanimous in their opinion that the inaugural conference had been an unqualified success.

By the time the FSAW had been established in 1954 the Defiance Campaign had fizzled out. This is not to say that it had failed, despite its shortcomings. But the government had weathered the defiance and was introducing yet more of its apartheid measures with persistent vigour. It became clear that the national liberation movement needed to adopt a new initiative. The Congress Alliance began to organise the Congress of the People; once again women were destined to play an important role. This despite the fact that many of the leading women activists in the ANCWL and FSAW including Ray Alexander, were banned and had to cut their ties with the organisation.

In August 1954 the Congress Alliance asked the FSAW to assist in organising the Congress of the People and the women agreed with enthusiasm. They were to help organise local bodies and recruit new grassroots support for the Alliance by holding house meetings and local conferences. This they did with great success in the opening months of 1955.

The women's 1955 anti-pass campaign

In September 1955 the issue of passes burst into the public eye again when the government announced that it would start

issuing reference books to black women from January 1956. Women, now politicised and well-organised into a powerful resistance movement, immediately rose to the challenge. No longer were they merely regarded as mothers, bound to the home; they were independent and assertive adult South Africans. Passes threatened their basic rights of freedom and family life and they were going to resist them with everything they had. They were unequivocal in their message to the government: We shall not rest until ALL pass laws and all forms of permits restricting our freedoms have been abolished. We shall not rest until we have won for our children their fundamental rights of freedom, justice and security.

The Federation of South African Women (FSAW) that had been formed the previous year was beginning to assert itself by 1955. It was by now an accepted organisation within the ambit of the Congress Alliance, regional branches had been set up and mass membership was growing throughout the country. Furthermore it had links with other major women's organisations including the powerful ANC Women's League (ANCWL). A march to Pretoria to present women's grievances had been mooted in August 1955, and when the pass issue came to the fore in September the scale and urgency of the demonstration increased dramatically.

The demonstration took place on 27 October 1955, and was a great success. This was despite organisational difficulties—including police intimidation, and the banning of Josie Palmer, one of the main organisers, a week before the date of the gathering. Furthermore, in addition to police action, the government had been as obstructionist as it could. The then Minister of Native Affairs, HF Verwoerd, under whose jurisdiction the pass laws fell, pointedly refused to receive any multiracial delegation. Pretoria City Council refused the women permission to hold the meeting and saw to it that public transport was stalled to make it difficult for the women to get to the Pretoria venue. Private transport had to be arranged and evasive tactics adopted for a multitude of

other obstructionist measures launched by the authorities. In the circumstances it was surprising, and very gratifying to the organisers that a crowd of between 1 000 and 2 000 women gathered in the grounds of the Union Buildings in Pretoria. Although the majority were African women, White, Coloured and Indian women also attended. The crowd, most of whom came from the Rand towns, was orderly and dignified throughout the proceedings. They handed their bundles of signed petitions to Lilian Ngoyi, Helen Joseph, Rahima Moosa and Sophie Williams, the main organisers, who deposited them at the ministers' office doors. In the aftermath of the demonstration the government tried to downplay its influence by alleging (erroneously) that the meeting had only been successful because the organisation had been in the hands of white women. That black women of the FSAW and ANCWL had in fact played a central role was evident when a few months later Lilian Ngoyi became the first woman to be elected to the national executive of the ANC (Walker 1991).

Preparations for the 1956 Women's March

The success of the October 1955 gathering was highly motivating and buoyed up the women to capitalise on their success. From

1955 onwards the pass issue became the single most important focus of their militancy. The FSAW immediately set about working on a plan of meetings, demonstrations, and local initiatives. Meetings held across the country on the anti-pass ticket proved to be remarkably successful, and were attended by huge crowds. Meetings in Free State towns in late 1955 and in Port Elizabeth in January 1956, Johannesburg in March 1956 and those in Durban, East London Cape Town and Germiston all went off well.

In reply the government threatened reprisals, but when it finally began issuing reference books it did so unobtrusively, starting in white agricultural areas and smaller towns, choosing Winburg in the Free State, where FSAW presence was minimal and the women were not well-informed.

Here, on 22 March 1956, they issued 1 429 black women with reference books and met with little reaction. Senior ANC officials were thereupon designated to go to Winburg immediately and Lilian Ngoyi and several men arrived in the town the next week and addressed the women. Inspired by the presence of Ngoyi, who was an excellent orator, the local women defiantly marched into town and publicly burnt their new reference books outside the magistrate's

office. The authorities reacted swiftly; the offenders were arrested and charged. Subsequently it was reported that their monthly pensions would not be paid to them unless they could produce their reference books.

Again there was a wave of protest from all parts of the country, and anti-pass demonstrations were held in 38 different venues.

The authorities continued to send out their units to issue the hated reference books.

It was unwelcome news to the FSAW organisers that the government was persevering and that by September 1956 it had visited 37 small centres and succeeded in issuing 23 000 books.

Although none of the major ANC strongholds had been visited and women throughout the country were in militant mood, it was clear that drastic action would have to be taken; and fast.

It decided to organise another massive march to Pretoria. This time women would come from all parts of the country, not just the Rand.

They vowed that the prime minister, JG Strijdom, would be left in no doubt about how the women felt about having to carry passes

The organization of this event was to culminate in the 1956 Women's March.



1956 - The Women's March: Pretoria, 9 August

'Strijdom, you have tampered with the women, You have struck a rock.' So runs the song composed to mark this historic occasion'

By the middle of 1956 plans had been laid for the Pretoria march and the FSAW had written to request that JG Strijdom, the current prime minister, meet with their leaders so they could present their point of view. The request was refused.

The ANC then sent Helen Joseph and Bertha Mashaba on a tour of the main urban areas, accompanied by Robert Resha of the ANC and Norman Levy of the Congress of Democrats (COD). The plan was to consult with local leaders who would then make arrangements to send delegates to the mass gathering in August.

The Women's March was a spectacular success. Women from all parts of the country arrived in Pretoria, some from as far afield as Cape Town and Port Elizabeth. They then flocked to the Union Buildings in a determined yet orderly manner. Estimates of the number of women delegates ranged from 10 000 to 20 000, with FSAW claiming that it was the biggest demonstration yet held. They filled the entire amphitheatre in the bow of the graceful Herbert Baker building. Walker describes the impressive scene:

Many of the African women wore traditional dress, others wore the Congress colours, green, black and gold; Indian women were clothed in white saris. Many women had babies on their backs and some domestic workers brought their white employers' children along with them. Throughout the demonstration the huge crowd displayed a discipline and dignity that was deeply impressive (Walker 1991:195).

Neither the prime minister or any of his senior staff was there to see the women, so as they had done the previous year, the leaders left the huge bundles of signed petitions outside JG Strijdom's office door. It later transpired that they were removed before he bothered to look at them. Then at Lilian Ngoyi's suggestion, a masterful



tactic, the huge crowd stood in absolute silence for a full half hour. Before leaving (again in exemplary fashion) the women sang 'Nkosi sikeleli Afrika'. Without exception, those who participated in the event described it as a moving and emotional experience. The FSAW declared that it was a 'monumental achievement'.

The significance of the Women's March must be analysed. Women had once again shown that the stereotype of women as politically inept and immature, tied to the home, was outdated and inaccurate. And as they had done the previous year, the Afrikaans press

tried to give the impression that it was whites who had 'run the show'. This was blatantly untrue. The FSAW and the Congress Alliance gained great prestige from the obvious success of the venture. The FSAW had come of age politically and could no longer be underrated as a recognised organisation – a remarkable achievement for a body that was barely 2 years old.

The Alliance decided that 9 August would henceforth be celebrated as Women's Day, and it is now, in the new South Africa, commemorated each year as a national holiday. **BBQ**

Feeding a nation, one slice at a time

From its start in 1970 as a joint venture between Tiger Oats and National Milling, Albany Bakeries has always prided itself on delivering high-quality products to South African homes, cementing its reputation for award-winning bread through constant innovation and a deep understanding of its customers' needs.

Albania has always been at the forefront of innovation. We were the first to transition the market away from the highly-regulated government loaves, produced in the 70s, to superior loaves that were sliced and branded. We were also the first to use mass advertising, using innovations to extend the range of products available in our portfolio. Albany is a brand that is well known across the country for its exceptional quality. We operate in the premium sector and have won numerous awards throughout the years," says Albany managing director Matshela Seshibe.

"I think the Albany brand has been very successfully encapsulated in our latest campaign—'Love Delivered Daily'. Albany bread is more than just a staple food. It brings families together, demonstrates the true meaning of community and provides the foundation of the typical South African family."

Earlier this year Albany launched its new bakery in Bellville. The R350 million investment in the project included the building

of a new plant as well as upgrades to the interior of the existing facility.

In line with its mission to become the best-baked goods company in South Africa, Albany's significant investment into the new bakery included a number of high-tech, environmentally friendly features to ensure it better serves communities in the Western Cape, all while creating a safer, greener and more efficient environment for its employees.

"Our new bakery will see us serving previously underserved areas in the Western Cape. The new plant is capable of significantly increasing our weekly output. It is state-of-the-art in terms of mixing, moulding and cooling, and this cutting-edge technology combined with our formulation and processes that are already in place, falls in line with consumer expectations for high-quality bread that stays fresher for longer," he says.

"Our total input will increase from 6 000 to 12 000 loaves per hour. And with the bakery operating 24-hours a day, seven days a week, that's close to two million loaves per week—our trucks deliver to outlets and distributors from 3am to 6am daily."

Albany's Bellville operation previously serviced 5 000 outlets, mainly in the Cape

Metro area, and the company hopes to see this figure double over the next five years, significantly contributing to small enterprises locally.

"The new bakery will also enable us to make a positive contribution to the economy in the Western Cape. An increase in supply in underserved areas creates opportunities for entrepreneurs, be it opening new outlets or increasing the number of local distributors, where these distributors are local partners who distribute the bread for us. Secondly, the expansion of distribution from will also see an increase in sales reps, trucks drivers and van assistant etc. So, there will be an increase in employment in the area," Seshibe says.

The new bakery has also enabled Albany to expand its learning and distribution programmes, with 20 learnerships placed in the production area and a further 21 employees participating in a baking excellence course to further improve their skills.

An award-winning brand in the bread category in South Africa, Albany has several accolades under its belt, including the 2016/2017 TGI SA's Kasi Star Brands; 2017/2018 Icon Brand Awards and the Sunday Times Top Brands Awards.

Serving the middle- to upper-income market segment, Albany offers a vast variety of breads that serve both the general market and those consumers with more specific dietary requirements.

“One of our key focus areas is staying close to our customers. Our strategy has always been to lead through innovation, and where we see gaps in the market, we work hard to be the first to fill them. We constantly benchmark ourselves against leading bakeries all over the world, making use of world-leading experts in baking products to ensure we’re always one step ahead. Albany is responsible for many firsts in the market, including our Best of Both bread and the Low GI range. We offer bread especially created for different types of consumers, and this range is based on trusted consumer insights. With these insights in mind, we see a healthy future for bread for many years to come,” he says.

Passionate about serving South African communities in any way it can, Albany has partnered with a number of local initiatives to alleviate hunger in impoverished communities. Based in the Western Cape, Love To Give provides Albany bread to 200 adults and 2 000 children every morning to ensure that they have a nutritious and filling meal before they go to school.

“We are also involved in feeding schemes in collaboration with Shoprite Soup kitchen, giving disadvantaged school kids bread and soup daily. We contribute 3 000 loaves every day to this initiative, and that equates to 30 000 sandwiches a day. During the tragedy of the Knysna fires, we donated 1 000 loaves a day for 10 days to feed firefighters and affected community members.”

With 24 years’ experience in the FMCG industry, Seshibe joined Albany bakeries last year. He started his career in 1992 as a management trainee at Unilever, quickly working his way up the ranks to become the business group management accountant for Africa, the Middle East and Turkey.

He has also served in senior positions at SAB Miller, Edcon and Coca-Cola Kwanza in Tanzania. Before his appointment at Albany



Matshela Seshibe, Managing Director

Bakery, he was the Managing Director for Coca-Cola Shanduka Beverages, where the company won numerous accolades under his leadership.

For him, a fundamental aspect of the business is to serve customers, and he places a great deal of his own focus on understanding who his customer is and how best he can serve them.

“When it comes to my leadership philosophy, I’ve come up with what I like to call the 10 Cs - essentially my own unique way of simplifying my leadership style,” he explains. The 10 Cs include customers, and how best to serve them; communicating the company’s vision successfully; capability and investing in employees, commitment to providing an excellent service and taking accountability; confidence with a ‘can do’ mentality; courage to face challenges ahead; collaboration and team work; competition and playing

to win; consistency when it comes to services and products; and celebration, where victories must be recognised and awarded.

“My vision for Albany is to see it grow into an even bigger and better brand in the baked goods industry. I want to see a brand that shows and benefits from accelerated growth in the market. I intend to encourage even more innovation, while still producing excellent products for different markets.

“Our company has become renowned for its excellent service, we are a well-respected partner in the retail space and a clear leader with both our consumers and customers, many of whom regard us as the number one supplier in terms of the service and quality we provide. Within the upgrade and increased focus, Albany Bakeries is poised for greatness,” says Seshibe. **BBO**



A new generation of leadership

The South African Deep-Sea Trawling Industry Association is one of the most influential organisations in the fishing industry. Its chairperson, Terence Brown, talks about a fundamental change in the Association's leadership, and the issues that concern the deep-sea trawling industry right now.

SADSTIA is a representative industrial body. It is an association of trawler owners and operators who participate in a sustainable and well managed fishery, produce hake and other seafood products for domestic and international markets, and employ at least 7 050 people. According to a study conducted by Empowerdex in 2016, SADSTIA members are collectively more than 62% black-owned.

"SADSTIA has elected a younger, more representative Executive Committee. The previous SADSTIA leadership recognised that it was time for a new generation of managers to lead the Association into the fishing rights allocation process (FRAP) we are looking ahead to in 202 – and beyond. All of the new committee members have decades of experience in the fishing industry—it was time for us to step up and take on leadership roles. As a result of the change in leadership, the SADSTIA Executive Committee is now more reflective of the industry it represents," says Brown.

He explains that the right leadership of SADSTIA is important because the

deep-sea trawling industry accounts for more than half of the value of the production of South Africa's commercial fisheries: SADSTIA's members deliver hake to fish & chips shops in every corner of South Africa; process and package fish fingers and other popular hake products for local supermarkets; and also supply a demanding international market with a range of value-added hake products. "The industry is sustainable and internationally competitive. It provides jobs and opportunities in coastal areas where these are often few and far between. This is a vitally important fishery and, in partnership with the government regulator – the Department of Agriculture, Forestry & Fisheries (DAFF) – SADSTIA plays an important role in its management," explains Brown.

"The new committee members represent the next generation of leaders of our industry. We have been waiting in the wings, we have been prepared for this leadership role. I would argue that the racial make up of the committee is much less relevant than the competencies of the new members of the Committee. Each of

us has years of experience in fleet management, factory management, marine science, quality management, stakeholder relations and many other areas. "

The members of the committee include Terence Brown, Operations Director at Sea Harvest; Innocent Dwayi, Group Employee Relations Manager and Human Resources Manager at I&J; Trevor Wilson, a shareholder in and manager of the Viking Fishing Group of companies; Madoda Khumalo, Strategic Services Executive at Sea Harvest; and Arthur Shipalana, a Director of ZWM Fishing, Visko See Produkte and Basani Fishing.

"There are a number of burning issues facing the deep sea trawling industry," says Brown. "As an industry, we are acutely aware that our rights will expire in 2020 and we expect and hope that FRAP 2020 will kick off as early as next year. Therefore, communication and cooperation with the DAFF is the burning issue of the moment. We want to establish a relationship of trust and cooperation with the DAFF because we need to engage with the Department around allocation policies, the scoring of applicants



Terence Brown, Operations Director at Sea Harvest

and ensuring a smooth transition from the fishing season of 2019 to 2020. The goal is to keep our vessels at sea and our industry competitive throughout the allocation process. There is a lot of work to be done in preparation for FRAP2020 and as the industry's representative body, we are committed to working constructively with the Department towards this goal."

"Another issue that is very important for the industry is maintaining the certification of the Marine Stewardship Council (MSC), the world's leading certification and eco-labelling programme for sustainable, wild-caught seafood. The South African trawl fishery for hake has been certified as sustainable and well-managed by the MSC since 2004. Working effectively with the DAFF is key to our maintaining this certification which is not only good for the industry – it's effectively a seal of approval that really matters in the markets in which we operate – but it also holds the promise of perpetual sustainability. Our fishery is sustainable and we want to keep it that way, not because of the markets, but because a sustainable fishery is good for the industry and good for South Africa. It means we can continue providing good jobs and benefits – opportunities, taxes, levies – in perpetuity."

He explains that the vision of the association is to be recognised as an association that is representative of the industry it serves, but also recognised internationally as an industry that is a frontrunner in the sustainable fishing of a whitefish resource.

"South Africa and Namibia together catch only about two percent of the global whitefish catch, but our industry is recognised internationally. You know, when we go to international conferences, people always say "you're doing a good job down there in South Africa" and we are proud of that and of course we want to maintain that. It's a matter of continuing SADSTIA's proud track record," concludes Brown. **BBQ**

Topwatch South Africa

Timeless luxury and authenticity

Specialising in new and pre-loved watches, and with a remarkable reputation built over more than a decade, Topwatch boasts more than 30 000 listed clients and has established itself as one of the most trusted and respected watch brands.

“Our CEO, Johan Dreyer, serial entrepreneur and business genius, started his business (then called Top End) as a spin-off following his love and passion for watches. As an avid watch collector, he used to sell some of his own pieces to friends and colleagues. It became apparent that there is great interest in and keenness for purchasing used luxury timepieces. The result? Topwatch was born,” explains Cenél van Achterbergh, Chief Operations Officer.

“Now, with over a decade of used luxury watch trading experience and expertise, the company has been rebranded and Topwatch was born as a brand in 2013. I joined as the first employee in January 2014, initially heading up sales, then marketing management and, today, filling the role as COO, which I am very proud of. Assisting in keeping all the ‘gears’ of our business together is what makes me ‘tick’!”

Van Achterbergh grew up in an environment where business-related conversations often dominated the dinner table. “My dad is a remarkable businessman who always shared his experiences, decisions and



*Cenél van Achterbergh,
Chief Operations Officer*

successes with the family. We were always exposed to the most interesting business-related conversations and Dad challenging us to think ‘outside of the box’ in his creative way of doing things. This motivated me to become a business and marketing professional,” she says.

As a top-of-the-class marketing student, she gained some extremely valuable experience while working under her father’s guidance and leadership, whilst being a student and also after graduating from

the IMM GSM. Her love for high-ticket luxury goods and the art of marketing these goods saw her working for one of SA’s most prestigious diamond and jewellery dealers, prior to joining Topwatch.

“Little did I know how much this experience would benefit our success at Topwatch. I still vividly remember how excited I was after meeting with Johan to join Topwatch. The newly rebranded company was a couple of months old and, while listening to all the plans and the vision Johan had for the business, I desperately wanted to be part of this,” explains van Achterbergh.

“I knew that it would be a great success and I did not want to miss out on where this amazing company would be going. I also recognised Johan’s talent, business savvy, experience and know-how. And I knew I wanted to know everything that he knows about business. Today, Johan and I form the core team of Topwatch and I have never looked back. My growth with and in this business is what I am most proud of today,” she adds.

Topwatch provides clients with the opportunity to engage in the extremely luxurious side of style: the watch. Not only is the watch a timeless piece but a lifetime investment and at Topwatch, clients can purchase this luxury item at a fraction of the original price. In only four years, the brand has over 200 watches in stock at any given moment, more than 150 on the website and ready to be

T P WATCH

shipped to their new owners. With 65 000 Facebook followers, 50 000 newsletter subscribers and a favourable following on all relevant platforms, Topwatch enjoys significant recognition and participation from their followers. "I would say that this counts for impressive growth in terms of our client base and support. Topwatch almost has a cult-like following in the market.

"Our market and following consist of those who aspire to indulge in the world of health, luxury, success, comfort and wellness. High-end watches portray a lot more than any other item of status. No one displays their car keys anymore. This is especially true for eastern worlds, which in turn, own the largest luxury watch market share," she explains.

Rolex has been number one since Topwatch's existence. Other brands include Audemars Piguet, Breitling, Cartier, Chopard, Hublot, IWC, JLC, Omega, Panerai, TAG Heuer and Richard Mille. Every single Topwatch timepiece undergoes a stringent process of verification and quality checks before being delivered to their clients in like-new condition. Just like that impressive watch with its own in-house movement, Topwatch now has a state-of-the-art exclusive in-house service centre. The newest leg of the business, the Topwatch exclusive workshop, opened in 2016. Topwatch watches are serviced by South Africa's best. Clients can expect competitive prices, better turnaround times, prompt feedback and overall satisfaction. With a combined 75 years of watchmaking experience, the results speak volumes. They are also now open to the public for watch-related repairs, services and refurbishments.

"Quality guarantee and authenticity is our top priority. The Topwatch workshop

inspects, analyses and restores each item to factory standards. This empowers us to confidently offer a comprehensive 12-month warranty and even buy-back options. We ensure our own peace of mind when buying and restoring these magnificent pieces so that our clients can have theirs.

"We use all our resources and relationships with manufacturers to make entirely sure that everything we sell is completely authentic. Replica watches are damaging to the industry and fund criminal activity across the globe. Topwatch resents any form of involvement in such practices. Wherever possible, we only buy complete sets, with box and papers, unless we know the client to be in good standing. Wherever we come across replica pieces, with the owner's permission, we shall do our utmost to take it out of circulation," says van Achterbergh. She explains that as a prospective buyer, seller or trader, clients can be assured of a few things: that all Topwatch watches are selectively and securely purchased from legitimate sources, authenticity is verified through the company's expert watchmakers, and that watches are all tested, regulated and pressure sealed to ensure the 12-month warranty provides you with that additional peace of mind.

"Knowing that we are seen by over a million eyes annually, we always strive to offer the best prices when selling; yet paying the highest possible prices when buying. We love to know that we place you in the best position, whether buying or selling your watch. It would seem ludicrous to even consider buying elsewhere," she says. When it comes to successes of the company, she states that their world-class website, being featured

in numerous popular magazines, selling over 3 000 watches annually and recently breaking records in terms of turnover, are definitely highlights.

However, their largest success story is simply who and what they are today. "In what seems like no time, we have risen to be the very best in the business. When looking at Topwatch and realising what we have achieved and how we have grown in these short years, you realise that that in itself is the largest success story.

"We believed in Topwatch and its potential to be who we are today (and also where we are heading). This presented us with challenges in terms of investing everything we have and taking that risk. We bit the proverbial bullet and refused to let any small setback get us down. We overcame all the challenges that presented themselves as a result of our vision and growth and never backed down or allowed doubt to discourage us.

"This all happened with a tiny start-up budget. However, the lessons learnt and savvy gained was well worth these experiences. In summary, the success of our organisation can be ascribed to unmatched entrepreneurial skill, hands-on leadership, a motivated and skilled team, streamlined logistics and a genius business model that is understood and enthusiastically executed by everyone involved. We appreciate the concept of change and adaptability and we make sure we are always one step ahead.

"With characteristics like this, Topwatch cannot but keep looking forward to an even brighter future and a legacy that stands the test of time," concludes van Achterbergh. **BBQ**





BMW 530d xDrive

sheer driving pleasure



Approaching the new BMW 530d xDrive, the stunning good looks of the vehicle are immediately apparent, from the Adaptive LED Headlights with selective beam and high-beam assistant—which automatically switches from high to low beam—to the L-shaped tail lights and everything in between.

The aerodynamic body styling draws you to the car and accentuates the BMW evolution protocol, common with all BMWs. Even the door handles light up at night for ease of operation, whilst the quadrilateral exhaust pipes promise a driving experience not often encountered. The 2.2inch colour LCD keypad provides a whole array of information.

Open the driver's door and slip into the luxurious leather interior, with climate controlled air conditioning for the front and rear passengers. The Finesse Ridge Wood interior finish with Pearl Chrome highlighter extends into the door,

giving a rich feeling to the overall luxury of the car.

Electronically adjustable seating ensures the driver and front seat passenger can adjust their seats perfectly for their comfort and safety, whilst the steering can be adjusted to suit the driver.

The dashboard is clean and concise with all of the instruments and dials being easily accessible. A dial next to the gear selector allows easily dialled-in information for the radio or on-road information. This is all instantly available on the heads-up display directly in front of the driver. The heads-up display is an innovative feature that allows the driver to watch the road but at the same time, keep his eye on the speed and other critical information. Radio channels and fuel consumption, distance to empty and other vital signs are available without taking your eyes off the road. When engaging cruise control, all the vital information is also displayed here.

The electronic dashboard also changes depending on the mode set. In economy mode, the rev counter makes way for eco-friendly dials that instantly measure the amount of fuel being used and helps to control the amount of throttle used to save fuel. In sport mode, the dials light up and show that you now mean business. The normal mode, which is where most people will operate the vehicle, has more than enough power. The centre console also features GPS navigation as well as the radio/media controls and visuals. Bluetooth phone connections also feature in the console.

Touch the starter button on the dashboard and the 3-litre V6 twin turbo engine springs to life. The exhaust note is not too high, but it is just enough to show this vehicle means business. On tap is 195Kw of power at 4 000rpm and a dazzling 620Nm of torque at between 2 000 and 2 500 Rpm. Pulling away can be a gentle affair—luxuriously smooth

in normal or eco mode or electrifying in sport mode.

Once on the open road—this is where the 530 excels—the suspension also comes to life. The front has an aluminium double track control axle with a separate lower track arm. A small steering roll radius with transverse force compensation ensures perfect control at all times whilst the 5-link aluminium lightweight construction air suspension ensures a smooth comfortable ride on all surfaces and road conditions. Vented disc brakes all round ensure smooth stopping at all times.

From a driving dynamics point of view, all the standard systems are installed for safety and comfort: Anti-Lock Braking System (ABS) and Dynamic Traction Control (DTC), Cornering Brake Control (CBC) as well as Dynamic Brake Control (DBC) to mention but a few. Safety features include a full range of airbags including head airbags for the front and rear occupants. A belt latch tensioner and a belt force limiter in the front, as well as crash-active front head restraints, crash sensors and tyre pressure monitor, are all standard fitments.

The 8-speed Steptronic transmission effortlessly changes gears, depending on the road conditions. If required, the automatic can be changed to manual and the driver can change gears, depending on his needs. The different driving modes can change on the go, depending on driver needs. By touching the sport mode, the gears immediately reset themselves and feed more power through the transmission. At the same time, if the driver would like to change to eco mode on the drive, all that is needed is a touch of the button next to the gear shift and the car immediately switches to eco mode.

With all of the features that abound in the 530, “sheer driving pleasure”, although a cliché, perfectly explains the 530d. Powerful, economical, comfortable and safe, the superlatives go on forever.

Marketed as a luxury executive sedan, the BMW 530d has all the hallmarks of a product perfectly designed and manufactured to the highest standards. **BBQ**



Glass elevator gives Mpumalanga a lift

Tourism is one of the largest industries globally and a driver of economic growth

Back in 2012, G20 heads of state recognised tourism as a catalyst for growth and development and according to the Department of Tourism, the sector directly supported more than 700 000 jobs in 2016. Also last year, over 10 million foreign visitors came to South Africa, surpassing the global growth average.

It is little wonder that the construction so visibly unfolding at the Graskop Gorge in Mpumalanga is drawing much attention. Motorists on the R533 towards Hazyview have been watching the constant activity on the side of the gorge opposite to the Big Swing for months.

A private entity, the Graskop Gorge Lift Co, is developing the site at a cost of R40 million. When completed, the adventure centre will include a glass elevator that will transport visitors 51 metres to the bottom of the gorge, where they will explore the diverse forest below via a series of elevated walkways and suspension bridges. Back top-side, they will be able to enjoy a meal at the restaurant or drink at the bar—both of which will boast breathtaking views. There will be shops for some retail therapy, viewing decks and a children's play area.

While all this spells excitement and anticipation for those people eager to experience this new offering on the Panorama Route, others cannot wait for the opening in December 2017 because of the impact the development will have on the community.

Tourism equals job creation. In addition, a development of this magnitude, which is expected to draw domestic and international visitors, has spin-off benefits for

the region, including the preservation of cultural heritage, improved infrastructure and more visitors to surrounding tourism establishments.

Mpumalanga's scenic beauty, wildlife, sunny climate, outdoor activities, foodie options and relatively close proximity to Johannesburg and Pretoria make it a prime tourist destination. In the first quarter of 2016, Africa's only rail toboggan opened at Misty Mountain amid much fanfare. It was something new and exciting for a tourism sector keen to attract more visitors to the Kruger Lowveld, South Africa's inland tourist destination, but aware of the 'been-there-done-that' challenge.

Heartfelt investment

The Graskop Glass Lift Co has generated much attention from international quarters after being introduced at Indaba and World Travel Market 2017. Local tour operators will also be glad to have another attraction to add to their books, alongside old favourites like the Skyway Aerial Trail, especially when one considers that tourism today is all about the experience. Once tourists find what they want to do, they then book accommodation.

James Sheard, Campbell Scott and Oupa Pilane—three local businessmen with vast experience in the tourism sector—own the Graskop Gorge Lift Co. They have a long-term lease with the Thaba Chweu municipality, which owns the land, and obtained funding through the National Empowerment Fund (NEF), which is a 26.1% shareholder in the project. The rest of the shares are privately held.

"The project is providing much-needed innovation in the majestic Panorama route," says Xolisile Ntanzu, a Senior Investment Associate within the Strategic Projects Fund of the NEF. She adds that the NEF was attracted by the uniqueness of the product, the calibre of the entrepreneurs and the support from Thaba Chweu municipality through its local economic development agency, Thaleda.

"The business case is strong, with good profit generation potential backed by a strong indication of a booming market," she says.

"Our investment shows the level of confidence we have in the area," affirms Pilane. "The Lowveld is a place of immense natural beauty that has always been a popular destination," she adds.

He says that while it has made sense to invest in the region thus far, his involvement and that of Sheard and Scott go beyond business and underpins the "special attachment we have for the province". "We want to see the region thrive," he adds.

Already, 120 temporary jobs have been created, while it is expected that 44 people will eventually secure full-time employment. BEE opportunities have been structured into the procurement of services and where possible, procurement is done locally.

"One of the requirements we insisted on is that every company we appoint as suppliers or contractors must have a minimum BEE Level 4 rating," says Pilane.

Locals are being trained to assist with the less technical construction jobs and are consequently gaining skills that they can use in future to earn an income.



Sindiswa Mathebula, Thaba Chweu Local Municipality's newly appointed Director: Local Economic Development and Planning (seated, in yellow jacket) with Traders Chrissie Mann, Grace Mashego, Christina Maila and Allen Mashigo. The Traders are among 14 who will benefit from the lift development.

Local crafters benefit

Mpumalanga has a rich cultural heritage, as evidenced by the many curio items on sale in all tourist spots, including at the Graskop Gorge. The developers' plan to incorporate the 14 veteran Graskop Gorge traders into the new venture has seen them refurbishing the existing trading area and registering the group as a co-operative.

"We will help them with skills and product diversification," says Pilane.

Trader Allen Mashigo says he is relieved that they will be better protected from the elements and safeguarded against criminals. Mainly, he says, they are excited that they will reach more people.

Sindiswa Mathebula, Thaba Chweu Local Municipality's Director: Local Economic Development and Planning, says that registering the traders as a co-operative was the first step towards meeting the criteria for government funding, a process that the traders are being assisted with.

Another project that will empower crafters from across South Africa is the establishment of a shop on site that will

cut out the middleman and sell crafters' handiwork directly to the public.

Art Aid Africa, which specialises in the facilitation and development of visual art in local communities, is collaborating in this project.

"It is going to be 100% South Africa," says Art Aid's John Anthony Boerma.

He and Art Aid partner, Jan Bhuda believe the shop will create a great platform for South Africa's top crafters. Art Aid holds workshops around the country for crafters and Boerma says they hope to identify a crafter in each area who can be guided to develop items specifically for the shop.

Infrastructure boost

Another tangible benefit of the lift project is the commitment by the municipality to address infrastructure challenges in and around Graskop. "A world-class facility needs proper supporting infrastructure," says Pilane.

"Already, the municipality has budgeted money to fix the town's water pumps and assessments are being done on existing

infrastructure to determine priority areas," expands Pilane.

Mathebula says the local authority is glad that what was previously an unused piece of land is now going to be a catalyst for growth and development.

She explains that in 2013, they did a hotel development feasibility study but found that the occupancy rate at hotels and lodges in the area was only 46%. "We realised we needed activity-based developments first, to increase the number of visitors," she said.

She confirms that infrastructure upgrades will be needed to support the development of this tourism node, most specifically the state of the access road.

Apart from the rates and taxes payable to the local council by the Graskop Gorge Lift Co, she says SMME opportunities have already been created and the expected influx of people will have a great social impact on the area.

"I hope the lift development spurs the rejuvenation of other tourism sites, like Pilgrim's Rest," she says.

Earlier in the year, Mpumalanga MEC of Finance, Economic Development and Tourism, Eric Kholwane said his department would be focusing on tourism infrastructure and tourist attractions.

Going forward

Pilane explains that once the loan is repaid to the NEF, the Graskop Gorge Lift Co would be given first right to buy back NEF's shares. "Our thought is that we should create a community trust that is able to participate in the buyback. It is our thinking that this would create a long-term legacy for the project," he explains.

The second phase of the project will include a 40-bed boutique hotel. **BBO**

For further information, Developers James Sheard can be contacted on 083 708 6106, Oupa Pilane on 082 371 8413 or Campbell Scott on 082 330 9997.

Visit the Facebook site - @ GraskopGorgeLiftCompany



Insights from Africa Travel Indaba 2017

During the official opening of Indaba, President Jacob Zuma praised tourism as being a key part of the journey to transform South Africa and Africa with the media, stakeholders, and Indaba delegates.

We welcome you at a time when tourism globally is riding the crest of the wave," said President Zuma, quoting the United Nations World Tourism Organisation, which recently announced that the global travel industry had shown sustainable growth for the seventh consecutive years.

"Indaba is a wonderful way to celebrate Africa Month and to showcase the beauty of our country and our continent. This week, we bring Africa and the world together at this homegrown trade show where Africa markets itself to the world."

The continent saw an increase of 8% of international tourists over the past year, with its arrivals growing at twice the average global rate. "It is encouraging to see more travellers discovering our

continent. However, if we work together, then we can open our beautiful continent to further growth in tourism," he said.

"We are ready to work in partnership with our sister countries to make Africa a destination of choice for the world. We will grow African tourism together. Already, a lot is being done by regional economic blocs on the continent to promote integrated co-operation and develop infrastructure to provide tourists with a seamless experience across Africa. We want Africa to be special."

He said it is the government's aim to make South Africa one of the top 20 destinations in the world. South African Tourism's new "5 in 5" tourism growth strategy – to attract five million more international and domestic tourists in the next five years—will help achieve this aim.

He said the tourism sector is one with many employment opportunities. "Not only does it create job opportunities, but it also creates entrepreneurship opportunities, given the low barriers for new entrants, particularly for women and the youth.

Transformation of the sector is key. To this end, South African Tourism is strengthening its marketing efforts in its existing source markets and is developing and investing into new markets such as the Middle East and Asia, he said. "Black entrepreneurs will be targeted to be leaders in growing these new markets."

Added to this, the industry will aim for 30% black ownership. "We are seeing transformation already and the Indaba is playing host to 90 black-owned tourism businesses."



The talk was broadcast live on Power FM, with four influential panellists sharing their insights: Thabi Leoka, Economic Strategist at Argon Asset Management; Mmatšatši Ramawela, CEO of the Tourism Business Council of SA; Alan Mukoki, CEO of the South African Chamber of Commerce and Industry; and the South African Tourism CEO, Sisa Ntshona.

Khumalo opened the talk by addressing the 'elephant in the room' – South Africa's recent credit downgrade to 'junk' status, and what that means for tourism. According to Leoka, the Rand has not weakened in the same way that currency in other downgraded countries have because fortunately, it took place during a time of global uncertainty in developed countries like the USA and United Kingdom. This in turn attracted investors looking for high returns in high risk regions. Where we do see the impact of the downgrade, however, is in South African society: a rise in protests, inflation, and political uncertainty – and this is what poses a real risk to both tourism and international investment.

Despite this, things are looking positive for tourism. Leoka stressed the importance of identifying industries that support the tourism sector and investing in these businesses, which will in turn, feed into tourism growth. "We need to be creative and take advantage of this status," she said, adding that South Africa can avoid a recession if we identify these opportunities that can assist the local economy.

Alan Mukoki then explained the focus of the chamber on the 'Four Ps': People, Purpose, Politics and Policy. It is no longer just about big business and government assisting small enterprises into the market, but rather about understanding their role in the economy and how they contribute to it. There must be "a very strong symbiotic relationship between big and small business," he said.

Ramawela went even further by saying that it should not be about small and big business because this brings us back to the question of market share and competition. "Why should it be about taking someone else's cake?" she asked. Rather,

we should be asking how we're truly innovating because a business that takes another's market share is not being innovative at all. "Do we really take time to go and discover new things in our country? And are we educating people about the sector and its opportunities?" SA Tourism CEO Ntshona echoed her words, saying that South Africa is known for the 'Three Bs'—Beach, Berg and Bush—but it is so much more than that. He added that SA Tourism wants "to promote people travelling in their own country" who will eventually become tourism ambassadors in SA and beyond. Ramawela then went on to say that 'coopetition' (collaboration and competition) is the way forward for businesses.

An interesting point Leoka touched on was South Africa's image of itself. She used her own travel experiences, saying that she rarely travelled to dangerous countries or areas knowingly and often only found out about security risks on the ground. This is because South Africa 'exports' its crime. "We should change the way we see ourselves and change the way we speak about ourselves," she said.

When it comes to achieving inclusive growth, much still needs to be done. Regional cooperation and development is needed. "We need to build the permanent infrastructure needed for tourism," said Mukoki. For instance, all of SA and Africa need to be on the electric grid, water and sanitation infrastructure is needed across the continent, and fibre connections need to be built.

"We need to wire the entire continent, and tourism is always going to be the beneficiary thereof," he said.

The Media Conversation closed with Leoka urging tourism businesses and stakeholders to write proposals and submit them for review and discussion at the National Conference in December – or the discussions at the event would not focus on current tourism needs but rather on the fact that SA is not yet taking the tourism economy seriously, and what they can then do about it. "Let's do tourism – it's good for you," Ntshona concluded. **BBO**

The development of local tourism initiatives such as township, rural and agri-tourism, as well as homestays, will offer tourists a diverse South African experience, the president said, with marine and coastal tourism also showing strong tourism potential.

The Minister of Tourism, Tokozile Xasa, echoed the importance of tourism in helping to boost the national economy. "Tourism [directly and indirectly] contributes 9% to GDP nationally, and creates around 700 000 direct jobs," she said.

Andile Khumalo, presenter of Power Business, explored the opportunities and risks for South Africa and the continent's tourism industry in a meaty conversation with the media, stakeholders, and Indaba delegates.



Inclusivity in tourism

Are we on the right track to a sustainable tourism sector?

2017, the year of Oliver Reginald Tambo, asks us to profoundly evaluate how we are using our efforts to achieve unity and eradicate inequality in our society. His commitment to this vision for his country is aptly tied to our journey as one of the key players in the tourism sector. We understand that the realisation of his vision in our space demands of us to set the economic inclusivity and transformation agenda in all our efforts and engagements.

The drive to eradicate unemployment and inequality in all industries lies in our ability as South Africans, the public and private sectors at large, to realise that there is an urgent need for creating jobs at a faster rate. But, there is no creation of jobs without the actual growing of the economy. Unemployment is currently sitting at 27.1% of the population, meaning that there are approximately five hundred thousand potential entrepreneurs who should be brought into the economic fold. Transformation and economic inclusivity require the absorption and the enablement of new these players into the field.

South Africa's tourism industry has proven itself as an excellent vehicle for growing the economy and creating jobs. Advancements in this important sector have been through the commitment to excellence in the products that players in the tourism industry have developed and the services they offer. This has continued to grow South Africa's reputation as a world-class tourist destination.

Tourism has been identified as a major economic driver in South Africa and other countries across the world. In 2015, South Africa's travel and tourism industry directly supported 703 000 jobs, which translated to 4.5% of the total employment rate.

The President in his State of the Nation Address earlier this year mentioned that tourism is one of the focus areas in the Nine-Point Plan to reignite growth so that our economy can create much-needed jobs. This focus is deserved, acknowledging that tourist arrival numbers for the period of January to December 2016 increased to nine million, an increase of just over one

million arrivals from 2015, representing a 13% growth in tourist arrivals.

With all its successes, South Africa's industry still needs to diversify in order to bring something new to the industry and promote the industry's growth. South Africa has to strive to have black industrialists within the tourism industry, making them a part of the value chain feeding into tourism. The tourism industry needs to be a real economic sector that contributes to the growth of SMMEs in the industry. By growing small businesses in tourism and partnering with them, they can pay tax, which allows for an all-inclusive growth of the tourism industry. Working together, there is more that can be achieved. Diversifying the tourism sector can appeal to other business partners to do the same. In this way, growth is not only seen in business but also in the country as a whole.

The crux of our transformation agenda at South African Tourism rests on: How do we get more black people to participate in the tourism sector, both through their businesses and by travelling around the country; and what are the existing systematic barriers in the sector needing to be flattened? Both these require deliberate interventions. And these interventions require a concerted and collaborative effort from all players: associations, the established businesses, private and public partners as well as aspirant new players.

Transformation in the industry can only be accelerated if there is a willingness in the private sector to participate and assist new entrants. As much as the government and its agencies can play crucial facilitative roles, the success of new entrants can be hindered by poor access to markets and conservative consumer behaviour. Existing large roleplayers in the industry can also contribute to transformation by playing a positive role in its procurement policies, enterprise development, staff development and CSI programmes. Ownership being a key indicator in the transformation efforts of the government, it is essential to remember that the tourism industry's greater beneficiaries are in the extended value chain, from the vegetable farmer to the tour operator. This stops the industry from growing and

it also works as a dictator for consumers. Most of the sectors in the tourism industry are closed up and it is very difficult for newcomers to penetrate the industry.

While the tourism sector is on the path of increased inclusivity, new initiatives have to meet the criteria of resulting in economic and social improvement of those communities and individuals participating. One such initiative has been township tourism, which has been evaluated from both sides of the coin.

The case of township tourism

Over the last few years, township tourism has been an emerging trend that has created a number of opportunities for black communities and entrepreneurs.

Township tourism in South Africa is booming with an unprecedented number of visitors flocking to the country's townships. Many tourists come to visit South African townships as part of their holiday itinerary. A forbidden zone in the period of Apartheid, townships like Langa and Gugulethu, are now capitalising on this burgeoning market and offering visitors a unique African experience. It's a beat that has been reverberating around Cape Town since the advent of democracy but never before has it rung out so loud, as the explosion of township tourism comes to the fore.

For years, township tours have proven very popular with visitors but a general increase in tourism numbers into the city has led to a flourishing township tourism trade as visitors converge on some of Cape Town poorest townships. The experience is meant to lift the veil of past Apartheid laws and the historical injustices thereof, and to give a sometimes sobering view of the hardships of township life.

Because cultural tourists are motivated by local cultures in choosing to visit a particular attraction, they have been identified as both a blessing and blight, as communities living in townships are affected both positively and negatively by township tourism. The socio-cultural impacts of township tourism in South Africa, however, are

not well documented. Having emerged after the fall of the Apartheid regime in 1994, township tours claim to offer an authentic South African experience, with critics saying they promote tired stereotypes.

There have been those that question whether it is the type of tourism that represents transformation in the sector and whether it is more voyeuristic by nature than tangibly beneficial for the locals? Some have questioned whether it is not a form of poverty tourism instead. In South Africa, with many township tours and a large part of the population living below the breadline, similar questions have been raised regarding the pros and cons of this kind of tourism. Slum tourism, also known as 'poverty porn', has had interesting effects on poor communities who suddenly find themselves subject to an influx of tourists into their neighbourhoods.

Opponents argue that the tours are exploitative to the people living in the townships and that the people are put on display, in a sort of living zoo, for tourists who gawk at them. And they point out that it may be difficult to know for sure if the tour operator is actually putting any money back into the economy.

However, others say they empower the poor and bring lasting change. While slum tourism is not a completely new phenomenon, organised slum tours have become steadily more common and popular since the 1990s. Currently, there are an estimated 40 to 50 township tour operators in Cape Town alone and it is estimated that at least 25% of international overseas tourists to South Africa take a township tour.

While a viable debate, the appeal for many tourists of this type of tourism lies in the cultural aspects. Heritage- and cultural-based tourism is the fastest-emerging competitive niche within domestic and international tourism markets. This category accounts for 40% of international tourism. There has been a significant integration of heritage and cultural resources with mainstream tourism. South Africa's diversity is reflected in its cultural tourism with many



destinations commemorating the past. These range from the ancient nomadic San culture to European settlement, Apartheid rule and the struggle for political freedom. Many cultural villages have been established throughout South Africa to reflect the different cultures and traditions of the country's people.

Additionally, there has been a focus on rural tourism; the creation of community-driven bed-and-breakfast operations, catering for international and domestic tourists, in supporting the geographic spread of tourism and in particular,



tourism growth in rural areas, and enhancing the supply of rural tourism products. Culture and heritage products are the fastest emerging competitive niche offerings in the domestic and international markets. Sustainable development will be achieved if the people, whose land, culture and natural resources are used for tourism, benefit from such use in a meaningful way.

Opportunity-laden sector

Tourism is a major contributor to South Africa's GDP. With the competition from

other regions and countries on a high, there is need to increase the rate in which we form partnerships, align collective efforts and become innovative in how we make use of our limited state resources in facilitating tourism growth and development.

The efforts cannot only be in the government but both internally and externally—the realising of tangible return on investments for our country. We too are mindful that South Africa's tourism sector, in order to surpass this, needs to adopt a developmental and capacity-building

approach to thrive, and this has to come from the industry as a whole, not just the government. The government can work with the tourism industry and with our communities, finding practical ways to find investments reviving our rural communities and townships to attract more tourists.

Transformation should not have to come at the cost of growth and can be achieved in a non-exploitive way. There is great untapped potential to groom new entrants and make this a diverse, vibrant and multi-faceted tourism economy. **BBQ**



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Contact Us

Email: tmali@unisa.ac.za
 Tel: 012 337 6171/6077/6013
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