

**Keynote address by the Premier of Gauteng province, honourable David Makhura at the 6<sup>th</sup> all Africa business leaders awards finale**

**11 November 2016**

His Royal Highness, Kgosi Nyalala Pilane;

Mr Rakash Wahj, the Founder and Vice Chairperson of the ABN Group and Mrs Saloni Wahj;

Ms Roberta Naicker, Managing Director of the ABN Group;

Honourable Leaders of Government here present;

Distinguished Leaders of Business from all over our continent and the world;

Ambassadors, High Commissioners and other Members of the Diplomatic Core;

Professors from the University of Lancaster in Ghana and U.K.;

The finalists and previous winners of this year's AABLA Awards;

GGDA and IDC CEOs;

Sponsors and partners;

Members of the media;

Ladies and gentlemen;

Fellow Africans and Friends from Abroad:

On behalf of the government and people of Gauteng, I welcome you all to the Gauteng City Region and the legendary City of Johannesburg, the economic and industrial hub of Sub-Saharan Africa.

I would like to thank the ABN Group and CNBC Africa for hosting the prestigious All Africa Business Leaders Awards in Gauteng province. There is no better place to host these prestigious awards than in Gauteng. Gauteng is the home of the World Heritage Site that tells the story of the origin of humankind.

Ladies and gentlemen, the world has come to accept, based on incontrovertible archeological evidence, that Africa is the place of origin of humanity. It is the cradle of human civilization and fountain of human culture. Africa has bequeathed to the world science, mathematics, astronomy, architecture and the diverse religions – all of which shaped the evolution of humanity.

What Africa must bequeath to the world today is the spirit of Ubuntu (*Zulu meaning for humanity*) and Harambe (*Swahili meaning for pulling together*) in politics and economics. The world has suddenly realized that without inclusive citizenship and shared prosperity, no political and economic system is sustainable. Umuntu ngumuntu ngabantu. Motho ke motho ka batho. I am, because you are! As a Nigerian saying goes, no single tree can make a forest.

The ruthless pursuit of profits above every other ethical consideration must be declared un-African and consequently inhuman. As African entrepreneurs and businesspeople, you have a duty to humanise business and bring back compassion and ethics in the way business is conducted in the world. Greed and corruption has led to the collapse of some of America's banking and technology corporate giants.

In this regard, I have decided that the focus of my keynote address tonight is: "The role of African Entrepreneurs and Business Leaders in Africa's Economic Transformation, Modernisation and Industrialisation".

There is no doubt that Africa has made tremendous progress over the past ten years. The "Africa Rising" narrative tries to capture this progress often in very simplistic terms. Although we should welcome the optimism and evidential positive story about the progress we are making as a continent, my argument is that Africa's progress is more nuanced and more complex than what the discourse on Africa Rising is able to comprehend. We still face many challenges pertaining to low levels of investment in our people, lack of adequate infrastructure, absence of supportive innovation ecosystems and the kind of economic growth path that leaves out many citizens of our continent. We have to address all these challenges if Africa is to rise in a sustainable and inclusive way.

In order to address Africa's challenges, we need to push ahead with interventions in areas such as building a vibrant democratic culture; entrusting the African polity in the hands of ethical leaders who prioritise citizens and building enduring institutions that outlive specific leadership personalities and withstand leadership transitions; building infrastructure; promoting economic integration, driving industrialisation and building innovation ecosystems; greater levels of intra-Africa trade and ensuring that growth is inclusive and shared among all citizens of the continent.

Our businesspeople and entrepreneurs must be driven by the same passion, vision and dream of an AFRICA that was articulated by Pixley ka Isaka Seme, in 1906 when he said:

*“The brighter day is rising upon Africa. Already I seem to see her chains dissolved her desert plains red with harvest, her Abyssinia and her Zululand the seats of science and religion, reflecting the glory of the rising sun from the spires of their churches and universities. Her Congo and her Gambia whitened with commerce, her crowded cities sending forth the hum of business, and all her sons employed in advancing the victories of peace greater and more abiding than the spoils of war. Yes, the regeneration of Africa belongs to this new and powerful period!”*

The African entrepreneur must contribute to the kind of Africa whose chains are dissolved; whose desert plains are red with harvest; whose Congo and Gambia are whitened with commerce; whose crowded cities send forth the hum of business – an Africa where all her sons and daughters are employed in advancing the victories of peace, that are greater and more abiding than the spoils of war.

The 2013 Report published by the Economic Commission on Africa and the African Union Commission has the following to say on the potential for industrialisation on our continent; *“Africa’s industrialization potential lies mainly in exploiting its commodity base by adding value instead of relying on exports of commodities in their raw form”*.

The Report further argues that these commodities serve as a launching pad for long-term economic diversification. You must harness our natural resource endowments to propel Africa's industrialisation and support industries and firms to compete in regional and global value and supply chains. Through industrialisation and local manufacturing as well as high value services, you will help our economies to create more decent jobs that offer our citizens a better quality of life so that they are not left out.

African entrepreneurs and businesses need to manufacture goods and provide quality services that will meet the needs of the more than 1 billion people on our continent. We can't just be consumers of goods and services produced in other economies – Asia, Europe and the Americas. We can't just be importers and salesperson of goods manufactured in other economies outside our continent. We need to innovate and integrate our economies and promote intra-Africa trade.

The work being done by African governments to promote and expand intra-Africa trade under the leadership of the African Union is necessary to grow our economies in a more sustainable and inclusive way. In this regard, we refer to the work done by the AU Commission and the NEPAD Agency on implementing Agenda 2063 and in the immediate

the Tripartite Free Trade Agreement; an agreement between the Heads of State of 26 African countries to establish a free trade area aimed at bringing together three of Africa's major regional economic communities – the Southern Africa Development Community, the East African Community and the Common Market for Eastern and Southern Africa.

We urge African businesspeople and entrepreneurs to take advantage of these initiatives and ensure that entrepreneurs, SMMEs have access to economic opportunities beyond borders. This includes integrating the informal sector and what we call the township economies into the mainstream of our national and regional economies.

It is African businesspeople and entrepreneurs who must assist our continent to fully exploit its vast natural resources – both minerals and agricultural produce – to build a vibrant manufacturing base.

One of the issues that I have been putting forward in various academic and public platforms is the role of African cities and regional or provincial governments in Africa's industrialization efforts. We in sub-national governments need to play a more serious role in giving economic leadership at a local and regional level. At the heart of Africa's inclusive growth path lies the proactive participation of local and provincial governments that are well governed. Cities and regions are becoming key drivers of the global economy. Africa's rapid urbanisation and the exponential growth of urban youthful populations must be harnessed as a trigger for industrialisation, innovation, inclusive growth and shared prosperity.

Now more than ever before Africa is the center of gravity in terms of future prospects of the global economy. Hers is a story of hope amidst global despair and hopelessness.

To quote from a recent article in The Economist magazine: *“Africa’s 1.2 billion people hold plenty of promise. They are young: South of the Sahara, their median age is below 25...They are better educated than ever before: literacy rates among the young now exceed 70% everywhere except in the band of desert countries across the Sahara. They are richer: In sub Saharan Africa, the proportion of people living on less than 1.90 US Dollars a day fell from 56% in 1990 to 35% in 2015, according to the World Bank. And diseases that have ravaged life expectancy and productivity are being defeated.”*

With regards to the African economies, indications are that in 2015, Africa remained the second fastest growing economy in the world. This was despite a weak global economy, lower commodity prices and adverse weather conditions in some parts of the continent. Real GDP on the Continent grew at an average of 3.6%, higher than the global average of 3.1% and more than double that of the Euro area.

Africa is the centre of gravity in terms of the future prospects of the global economy. It is richly-endowed with mineral resources. Collectively African countries have a GDP of \$ 1.8 trillion, expected to exceed \$ 2.6 trillion by 2020. Our continent has 1 billion strong youthful, increasingly urbanised people and a growing middle class all of which translate into booming consumer and labour markets that will drive economic growth for many years to come. By 2040 Africa will have the largest workforce on the planet!

All of these developments not only point to the dramatically shifting narrative about our continent, but they also speak to what former President Thabo Mbeki referred to as the “African Century”. Africa is a zone of opportunity. Part of this African opportunity derives from the rate and pace of urbanisation which is driven by a youthful, better educated and a more entrepreneurial population.

Ladies and gentlemen, we live in a time in which African cities are also trying to assert their role in shaping the destiny of our continent. From Cape Town to Cairo; Accra to Addis Ababa; Lagos to Luanda; Durban to Dar eSalaam; Nairobi to Johannesburg; Kigali to Windhoek; the streets of our cities are buzzing with hope, innovation, ambition, diversity and entrepreneurship. Our cities are beaming with hope, innovation, ambition, diversity and entrepreneurship.

Over the last decade, African cities have experienced average annual economic growth rates of about 5%. Economic growth and a rapidly growing population of about 1 billion people, mean more urbanization in Africa than in any other continent, with major African cities currently contributing about USD 700 billion to the continent’s GDP. This figure is set to grow to USD 1.7 trillion by 2030.

African cities are becoming headquarters of major global and pan-African businesses owned and run by bold, ambitious and fearless entrepreneurs who are shaping the economic destiny of our continent.

This evening we are honouring such business leaders, who embody excellence in African business leadership. This evening belongs to those visionaries behind today's successful African businesses; large and small, rural and urban. We are honoring the best among us in business – the pride of our continent.

It is a matter of great pride that through the All Africa Business Leaders Awards, a brainchild of Rakesh Wahi, we are able to showcase innovation and talent among African business leaders and social entrepreneurs from every corner of our beautiful continent.

As the Gauteng Provincial Government we feel honoured that our province is hosting the AABLA on behalf of Africa. This is a moment to recognize excellence in African business leadership. We are of the view that one of the single most important factors that will continue to determine Africa's trajectory is the quality of its leadership and governance at all levels – a more compassionate and ethical approach to business.

I would like to take this opportunity to congratulate Mr Rakesh Wahi for being able to launch his Book of Memoirs today. Congratulations for being able to pause in order to reflect and record the trials and tribulations on the road to being one of the most successful entrepreneurs of our time. This book tells a story of a compassionate, ethical and visionary leader who has led from the front in approaching business in the spirit of both Ubuntu and Harambe.

In his book Rakesh emphasises the need to build strong institutions and developing people which are a key resources for an organization to succeed.

Allow me to quote him in this regard; "...the intuitive aspect of knowing whom to trust comes with experience, and in most cases through bitter lessons" he further makes another important observation which in my view is based on an important leadership quality which is building on the positives that a team member brings to the overall achievement and realization of the vision of an organization. "When I look at all of these people, I see common qualities. These include an exceptional work ethic; loyalty and commitment to the organization; a can-do attitude where nothing is deemed to be impossible; an ability to take on responsibilities and see them through consistently; the strength to understand their own weaknesses and overcome them by bringing complementary skills to their teams; and, finally, ability to look after people in the organization, to mentor them, reprimand them, encourage them and fight for them where necessary"

I agree with you entirely Mr Wahi. We all know too well the consequences of bad leadership and decision making. They include rampant corruption and maladministration, loss of respect and the erosion of the authority of the state and government, as well as public and private institutions. The African Union estimates that Africa as a whole loses about USD 148 billion annually to corruption alone, amounting to about a quarter of Africa's GDP.

Ladies and Gentlemen; with your permission I wish to quote the words of one of the leading business minds in my country South Africa and indeed on the African continent; Dr Reuel Khoza who had the following to say on Africa's Leadership Challenge;

*"To clearly conceptualize Africa's contemporary leadership challenge, it behoves us to acknowledge that Africa has a date with destiny. Unequivocally we must rise to the challenge. Stemming from that we have to develop and sharpen our own personal sense of destiny and leadership craft, and articulate a compelling vision. We have to reinvent ourselves with an action plan as a matter of urgency.*

*The Africa I dream of is one that seeks and employs the advice, skills, technology and resources of others for our own ends seeking a chosen destination, not serving the agenda of others whose intents and designs may be inimical to Africa's wellbeing.*

*The defining features of the leadership I envisage are probity, integrity, compassion and humanness. It is a leadership that stands for truth and affirmation of the good and whose primary pursuit is noble causes and the common good. Africa's leadership must perforce demonstrate competence, tenacity and a sense of efficacy.*

*I yearn for African leadership that practices introspection and self-renewal and lives by the tenants of consultation, persuasion, accommodation and co-existence; shunning cohesion and domination. Through moral authority such leadership will generate trust, goodwill and confidence, and will be politically and personally as gracious, honourable and magnanimous in defeat as in success.*

*It will appreciate that the success of others does not diminish its own but adds to the commonwealth. Such leadership will strive to bridge schisms and cleavages wrought about by religious, tribal, social, ideological, economic and political diversity which characterizes so much of contemporary Africa.*

*This leadership will believe that the locus of control for Africa's future is within Africa herself. This leadership will be as visionary as it is compassionate."*

Fellow Africans, I hope you will be the kind of businesspeople and entrepreneurs who appreciate that the success of others does not diminish their own success but adds to their commonwealth. You must understand that your success will not be sustainable if you leave others out and if you don't help to build a critical mass of other African entrepreneurs and create employment for citizens.

This what Ubuntu means. This is what Harambe requires. This is the contribution you can make to changing the way business is done. There can be no forest made out of one tree.

Congratulations to those who will be awarded prizes this evening and well done to all those who participated in the award process. You are all winners. You are our inspiration.

The future of Africa is in our hands.

God Bless Africa.

Asante sana. Ngiyabonga. Obrigado. Merci buku. Thank you.