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Companies

Jaw-jaw is better than war-war

Minister Zwane happy to talk to mining houses

Reuters

MINES Minister Mosebenzi Zwane said on Friday that he was open to talks with companies over a new industry charter, but he rebuked the mining firms for planning to take the new rules to court, saying they were "negotiating in bad faith."

Unveiled last week, the revisions to the charter raised the threshold for black ownership in the mining industry to 30 percent from 26 percent and brought in other regulations the sector said it cannot afford.

The Chamber of Mines has said it was not properly consulted and would challenge the charter in court.

Peaceful man

"Our doors are open to engagement with them. We will meet them," Zwane said in an interview with Reuters when asked if he would negotiate with the chamber. "We do not want to go to court. We are a peaceful people," he said.

Zwane also said he disappointed of the chamber's court move saying "using the courts as a negotiating tool is negotiating in bad faith."

The Chamber of Mines hit

back at Zwane's comments, noting the minister's offer to meet the industry but questioned the timing.

"The Chamber is perplexed that this offer has arisen now, more than a week after the publication of a charter that was based on a bad faith process. We cannot see that the minister's comments form the basis for a mutually acceptable resolution of this matter," it said in a statement.

The industry body said its intended court action is a consequence of the absence of good faith negotiations on the part of the minister and department.

The mines minister was speaking to Reuters at an event in the coal mining town of Middelburg where he was supposed to engage communities about the charter in a public forum.

But it was disrupted by a group of demonstrators who said they were angry that no provincial officials were there and it was hastily called off.

The new charter also stipulates that mining firms must pay 1 percent of their annual turnover to the Mining Transformation and Development Agency, which helps black communities.



Mosebenzi Zwane, Minister of Mineral Resources, has accused the Chamber of Mines of negotiating "in bad faith".

PHOTO: REUTERS

Under the new rules, prospecting rights must be 50 percent black owned and mining rights should be 30 percent black-owned. Mining firms are required to procure 70 per-

cent of goods and 80 percent of services from black-owned companies.

Zwane would not be drawn on what parts of the charter might be changed, if any.

"I cannot say the charter will change," he said.

Zwane also said exploration permits for shale gas would likely be issued before the end of this year and fracking could

begin in two years.

South Africa's recoverable gas reserves from onshore shale and offshore gas fields was estimated in 2015 at about 19.5 trillion cubic feet (TCF).

Khalid Abdulla: a humble leader who is awarded South Africa's Future Maker: 'Driver for Change'

Wesley Diphoko

SOUTH Africa's top empowered chief executive, Khalid Abdulla, is one of a select few business leaders totally dedicated to making the National Development Plan (NDP) a reality.

His drive to help eliminate poverty, empowering others and reduce inequality by 2030, has earned him and his company, numerous awards in the process, including the recent Future Makers - Driver for Change Award, which was bestowed upon him at the inaugural Vision 2030 awards last week.

Khalid Abdulla is the group chief executive of the diversified JSE-listed African Equity Empowerment Investments (AEEI), South Africa's largest black economic empowerment group.

The Vision 2030 awards followed the country's first Vision 2030 summit, which drew together a host of top business and government leaders, to expedite the realisation of the NDP as a South African priority, not only a government plan. The ground-breaking awards recognise the achievements and success stories of organisations and individuals that are demonstrating exceptional growth and achievements in line with the NDP. They are a reminder of where we have come from and what still needs to be done, to ensure South Africa attains its desire of a strong and inclusive economic freedom.

Contribution

Business Report spent some time with Abdulla, to get to know the man who is making a contribution towards realising a better South Africa.

He is currently the leader of one of the most transformed companies in South Africa, AEEI. AEEI has interests in various sectors. Its operational investments include food & fishing, technology, health, events and tourism as well as an research and development (R&D) division.

It also holds strategic investments in blue chip companies such as British Telecommunications, Sygnia South Africa, Saab Grintek Defence and Pioneer Foods. All of these sectors employ or impact significant numbers of South Africans,

and are critical towards achieving the 2030 vision.

The NDP stresses the need for the economy to be transformed and Abdulla has been a quiet advocate of economic transformation within AEEI, with a strong focus on governance and a number of initiatives, including enabling women and youth empowerment, within the company.

His efforts in this regard were recognised through an Oliver Empowerment Award for the top most empowered business leader of the year 2017, adding to an already impressive array of individual awards, as well as recognition for the company under his expert helm-manship.

Abdulla believes that business leaders should not just talk about transformation, but they should implement it. Clearly this is the case at AEEI.

100 Jobs likely to be created by vision of largest aquaculture farm in Africa

At the awards ceremony, Abdulla was highly acknowledged for not only talking about nation building, but actually implementing plans throughout the country to ensure that he and AEEI are not just talking about nation building, but in fact, are implementing their plans to effect a more positive nation in South Africa.

This is aligned with the NDP and is running concurrently with it, although AEEI operates at its own pace.

Beyond his people-centric approach to business, Abdulla is a strong advocate for "greener, better business". An example among others of this would be his endorsement of the solar powered energy. This drives one of the continent's largest aquaculture farms, based in Gansbaai, in the Cape Overberg region. It is a project that will increase the farm capacity from 100 tons to more than 300 tons and which will create more than 100 new jobs over the next 2 years.

Not only is this plant environmentally friendly, but under Abdulla's watchful eyes,

its contribution to local societal needs ensures that nature, business and people work in harmony for mutual benefit. This particular organisation within AEEI's food and fishing sector is also a large-scale exporter, a key element of the NDP. Interesting time!

But what of the man himself? Abdulla grew up in Harfield Village, in the Western Cape, during what he calls "an interesting time in our country's history". Before the family's forced removal to Athlone, his entrepreneurial spirit and business principles were kindled by his father, who in an attempt to provide positive mentorship and a safe haven for the youth of the area had a café and opened a cinema and music store at their home.

Instead of succumbing to the narrative of the times and his location, Abdulla chose the positive route, channelling his youthful energy into sport and football in particular. His prowess on the pitch was even good enough to try it out for a professional UK side, but he chose to study accounting part-time instead, working two jobs, completing his accounting clerkship during the week and working at a hardware group over the weekends and holidays.

He graduated with multi qualifications, which include among others a BCompt (Hons), CTA from Unisa, as well as an MBA and project management from UCT. It was football's loss but South Africa's business sector gain.

Lessons learned

He says he now employs the skills and lessons learned from his youth, the sports field and academics in his day-to-day and long-term planning at AEEI. "Business is all about teamwork - working together to achieve a common goal... and so it should be for the country too, that of long-term prosperity in which everyone can share... it is not about scoring home goals."

Abdulla believes strongly in being a globally responsible leader and is mentoring and leading his team toward empowering themselves with knowledge and experience. He is a great leader in that he mentors his team, trusts its members to get on with the job and



Khalid Abdulla was ranked one of the best chief executives in the country.

has an open door policy should they require guidance or a bit of motivation from him.

Of the latest acknowledgement, Abdulla said he is truly humbled as well as appreciative of the recognition.

"I am delighted to receive this award as it is a signal to my team, our stakeholders and I, that we are indeed on the right track to driving positive change in South Africa, especially during these challenging times."

Abdulla has over the years received many accolades, but has already set his sights on achieving more for the good of the group, the communities in which AEEI operates, as well as South Africa and Africa as a whole.

Earlier in the year, he was awarded with being South Africa's top business leader of the year for 2017 by the 16th Oliver empowerment awards. Besides all the other awards he also holds the title of South Africa's Future Makers - "Driver for Change Vision 2030".

Financial Mail has also ranked Abdulla among the ten best executives (2015), and as

one of the best chief executives in the country.

In July 2016, the Financial Mail announced AEEI as the Top Performer on the JSE, after AEEI had demonstrated continued and consistent financial growth over the past three years.

Amended codes

This was followed by recognition from Empowerdex on October 6, 2016, in its annual benchmark of JSE-listed companies, as the most empowered company under the amended codes, as well as the most empowered management control.

From its inception, the AEEI group has undertaken to focus on growing the business while also being mindful of the effects it has on society and the South African landscape as a whole as seen in its food business.

One of AEEI's key shareholders commented on the award, saying: "Khalid Abdulla is a great driver for change and this is clear in the manner in which he leads the AEEI group holistically, with his commit-

ment to building the organisation, communities, as well as boosting the South African economy."

Throughout our interview, the conversation was dominated by two words: "hope" and "positivity".

He believes strongly that during this difficult economic period, it is important for business leaders to maintain a positive attitude within their businesses, at the dinner table and in every facet of their daily interactions.

He believes that by reinforcing the messaging at every opportunity, belief becomes reality.

Abdulla concluded by saying: "Despite all the negative news in the country at the moment, including the recent ratings downgrade, there is still much to be positive about in South Africa."

"As business and governmental leaders, we need to keep hope alive for our country's citizens, so that we can all work together to build the nation on a sustainable basis towards 2030 and beyond."

IN BRIEF

CONSTRUCTION

Five directors to tender resignations

CONSTRUCTION and engineering giant Group Five said on Friday that five directors will resign next month, including chairwoman Philisiwe Mthethwa, ahead of the extraordinary general meeting called by one of its major shareholders. This comes after fund manager Allan Gray, whose clients hold 25 percent of the construction company, said last month that it had lost faith in Group Five's board.

Allan Gray further called for an extraordinary general meeting to reconstitute the board, saying the company needed "a fresh start" following an exodus of numerous executives and directors. The meeting will be held at Group Five's offices in Johannesburg on July 24. Group Five has seven members on its board. Group Five said that as a result of the proposed reconstitution of the board, Mthethwa and independent non-executive directors Kalaa Mpinga, Justin Chinyanta, Willem Louw and Vincent Rague, will resign on that day. Mthethwa is the chief executive of the National Empowerment Fund and wife of Arts and Culture Minister Nathi Mthethwa. She is also the sister of Deputy Finance Minister Sifiso Buthelezi. Group Five said the record date for determining which shareholders were entitled to participate in and vote at the extraordinary general meeting was July 14. - ANA

Group Five



WBHO acquires stake in the British market

Roy Cokayne

WBHO, the JSE-listed construction and engineering group, has expanded its operations into the UK market through the acquisition of a 40 percent interest in Byrne Group for £12 million (R196.66m).

The company said on Friday that it had been prompted to seek access to new geographies and explore a possible entry into developed markets in Europe and the UK because of limited growth prospects within its local sectors and the potential to build for existing clients in Europe and the UK.

"After due consideration, the UK market was identified as offering the most potential at acceptable levels of risk," it said.

WBHO said the Byrne Group, established in 1969, was one of the leading frame contractors within the Greater London area as well as a smaller main contractor.

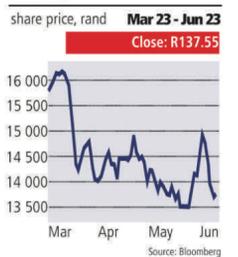
It said there was a strong strategic and cultural fit between the two companies that would benefit the growth prospects of both groups.

The expansion in the UK market coincided with WBHO reporting a 10.7 percent growth in its total order book to R44.4 billion at end-April from R40.1bn at end-December.

However, the group's building and civil engineering order book declined in this period by 14.2 percent to R6.95bn from R8.1bn.

WBHO said local building markets were showing signs of tapering, particularly within

WBHO



the retail and commercial office sectors.

Together with a lower order intake, this was reflected in the 14 percent decrease in the overall building and civil engineering order book at end-April, it said. The group's roads and earthworks order book grew by 17.7 percent to R6.87bn at end-April from R5.84bn at end-December while its Australian order book increased by 16.8 percent to R30.6bn from R26.2bn.

WBHO said the roads and earthworks division had performed well to date and attributed the almost 18 percent increase in the order book to a marked improvement in the value of secured work across a wide range of sectors, with activity levels in West Africa improving and new mining projects secured in Guinea, Burkina Faso and Ghana.

Shares in WBHO rose 0.45 percent on Friday to close at R137.55.

Indluplace enters KZN market in R43m deal

Given Majola

INDLUPLACE Properties, the listed focused residential property company, has entered the KwaZulu-Natal market with the acquisition of two buildings for R43 million.

Carel de Wit, the chief executive of the company, said the two buildings were at Durban's South Beach and Greysville.

"The acquisition in KZN means that we will have properties in four provinces. This is part of our strategy to build a diverse residential portfolio with a national footprint."

"We have looked at some properties in KZN before, but were unable to conclude transactions that satisfied all our criteria. We have seen that the rental market in the larger central region is strong and offers good long-term opportunities," he said.

De Wit said they intended to continue their aggressive growth of the last few years into the future in South Africa

with KZN being part of their plans.

Indluplace last week concluded an agreement with well-known private equity and investment consortium Buffet Group, to acquire 2 914 residential units with 3 400m² of associated retail space for about R1.4 billion. The portfolio comprises 51 properties mostly spread across Gauteng.

The majority of the properties comprise suburban blocks and town house complexes. About half of the portfolio to be acquired consists of two-bedroomed apartments with the balance spread between one- and three-bedroomed units, bachelor units as well as rooms.

The average rental across the residential units is about R4 300 a month. "The Buffet Group has substantial investments in the property sector across the country and we believe this transaction provides a good platform for further transactions with the group," De Wit said.