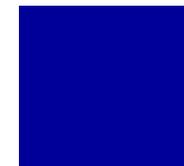


2012



# GIBS - the Business School for Business

## Prof. Nick Binedell



# GIBS Main Campus



**GIBS is a leading South African general management business school based in Johannesburg the economic hub of one of Africa's most dynamic markets.**



# Introduction

GIBS offers:

- Academic Programmes
- Open Executive Education Programmes
- Company Specific Programmes
- Centre for Leadership and Dialogue
- Centre for Dynamic Markets
- Centre for Business Analysis & Research

**This is Africa...**



**And this**



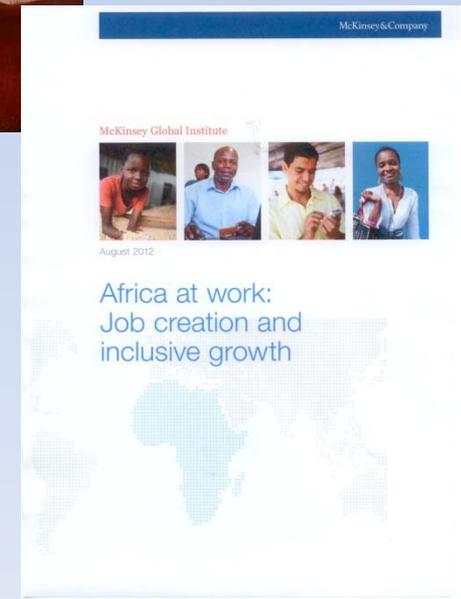
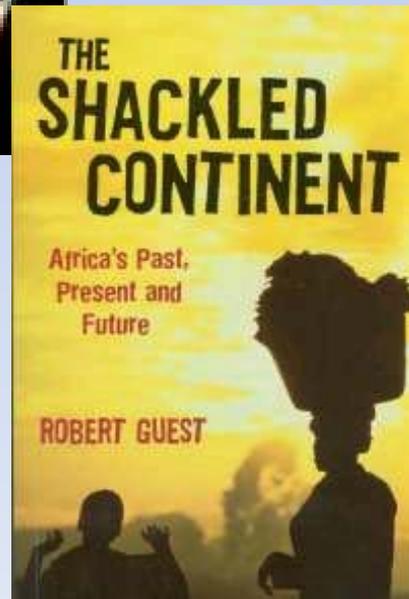
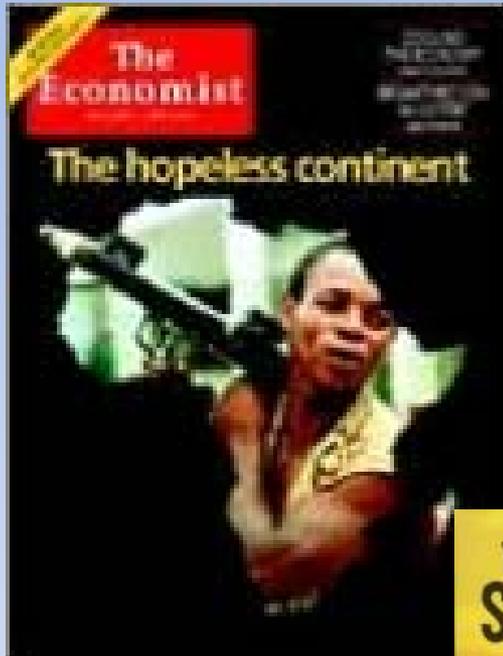
**And this!**

*African Excellence*

**HOST OF THE 2010 FIFA SOCCER WORLD CUP**



# The Story has changed



# African Prospects: *The macro picture*

- Population: 1 billion (15%+ of global population)
  - 60% under 30 yrs
  - Nearly half of this population now live in cities
- \$1.8 trillion economy (+- Brazil)
- Double by 2025
- Eco Growth:
  - 2% above global average since 2000
  - 2011: 5.5%
  - 2012: 6%
- Convergence of democratic ideology and overall stability
  - 8/54 conflicts today VS 30 in 1990

*The African continent has enjoyed its best growth decade on record.*

*Africa today is one of the world's fastest growing regions.*

*6 of the 10 fastest growing economies over the past decade were African...a similar trend to follow to 2015*

*Growth is beyond just oil rich Africa.*



# African Prospects: *Investments & Markets*

- Investment increased 7-fold since 2000
- FDI \$70 bill in 2010...\$150 bill in 2015
- Africa boasts the highest returns on investment of any region in the world.
- Non-traditional sectors like retail, manufacturing, financial services, telecoms, real estate & tourism, are accounting for increasing levels of growth in Africa.
- Resources remain important.
  - 10% of known oil reserves ,
  - 40% of gold,
  - 90% of chromium/platinum group,
  - 60% of the worlds uncultivated arable land,

*Only a fifth of Africa's natural resource potential has been explored!*

**BUT, Most under-explored, geologically rich countries are also among the least politically stable (Eg. DRC)**



# Reality checks



- In Spite of growth trends, Africa still attracts less than 5% of global FDI projects  
*(Competing for capital...where does it fall short?)*
- Emerging players are growing quickly in Africa BUT traditional players still have the largest share of investment in Africa....
- 6 of the 10 largest investors are still the old *'traditional investors'*
- SA is a 'top' investor in 10 of the 15 'most attractive' African economies
- Many of the same 'African' problems prevail:
  - **Political instability**
  - **Corruption**
  - **Poor infrastructure**
- Collectively Africa is significant...  
Integration is key to sustained growth and success

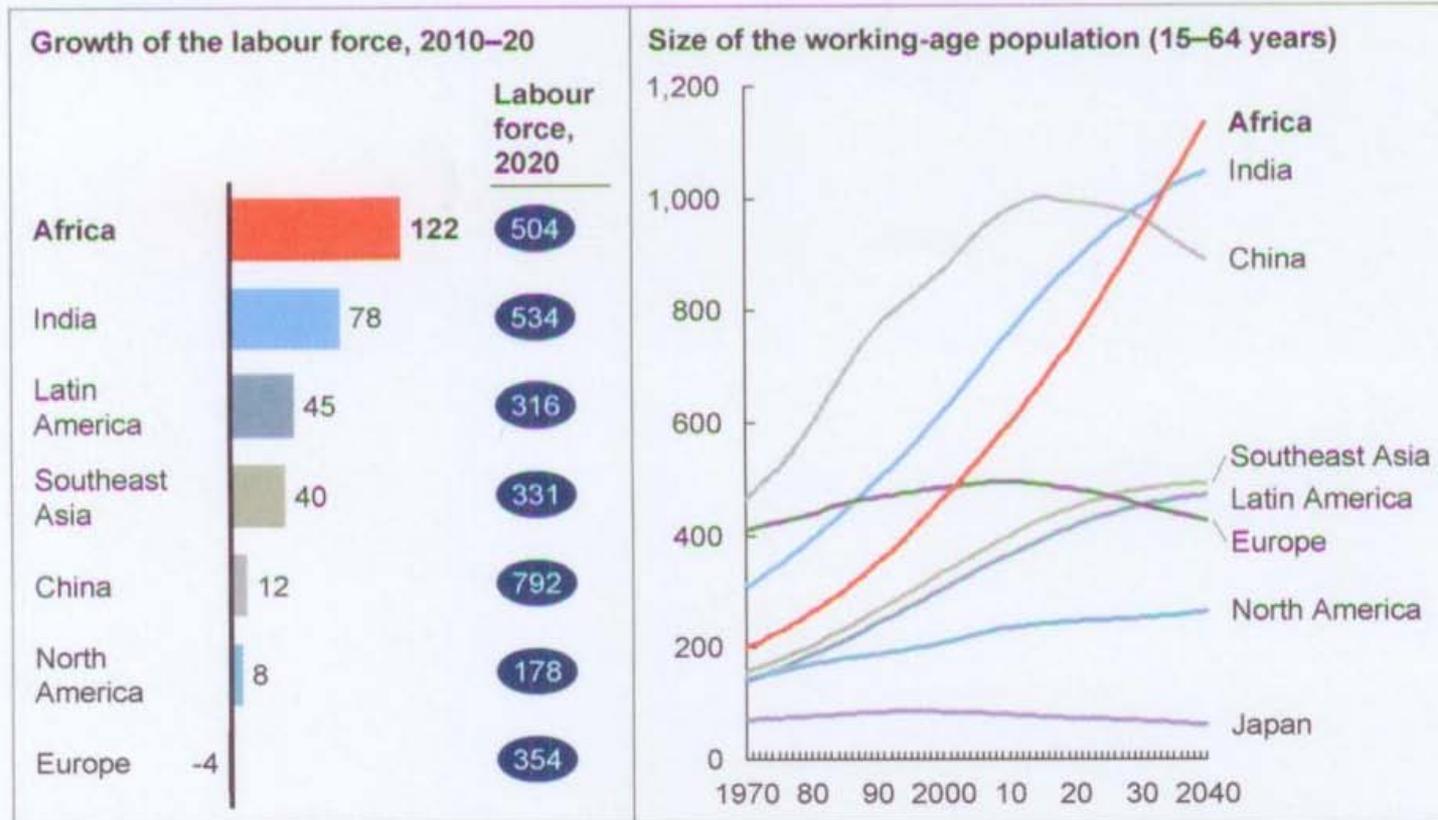
# Key Challenges & Opportunities

1. Population growth and urbanisation
2. Growing middle class and consumer/labour market
3. Rapidly changing business environment
4. Economies of scale through integration
5. Resource extraction
6. Infrastructure
7. Energy
8. Political and policy stability
9. Agriculture and food security
10. Managing new and old capital

## Exhibit 2

**Africa's labour force will grow by 122 million during this decade, and will be the largest in the world by 2035**

Million people



SOURCE: International Labour Organization; United Nations World Population Prospects; McKinsey Global Institute analysis

## Exhibit E1

### Africa's economic growth accelerated after 2000, making it the world's second-fastest-growing region



SOURCE: Global Insight; McKinsey Global Institute analysis

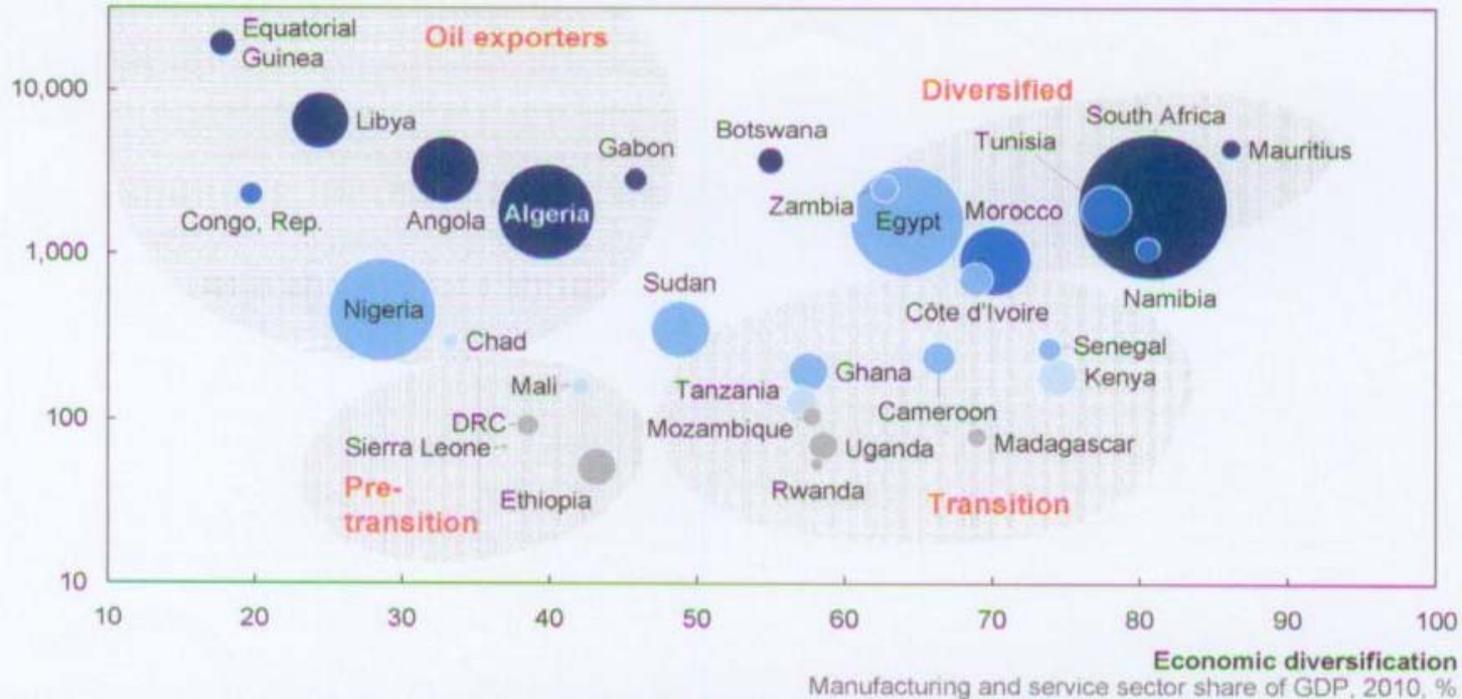
## Exhibit 4

### African nations fall into four categories based on their stage of development

Exports per capita, 2010  
\$

○ Size of bubble proportional to GDP

Per capita GDP



NOTE: We include countries whose 2010 GDP is approximately \$10 billion or greater, or whose real GDP growth rate exceeds 7 percent in 2000–08. We exclude 22 countries that account for 4 percent of African GDP in 2010.

SOURCE: Organisation for Economic Co-operation and Development; World Development Indicators, World Bank; McKinsey Global Institute analysis

# Academic Programmes

## DBA

- Doctor of Business Administration

## MBA

- Master of Business Administration
- Full-time General Management MBA
- Full-time Entrepreneurship MBA

## PDBA

- Postgraduate Diploma in Business Administration



## Company Specific Programmes

- 111 programmes for 56 organisations across the private, public & NGO sectors in 24 countries
- Over 4 000 executives and managers from a wide range of sectors each year.
- Global Executive Development Programme



**CEO ANGLO AMERICAN**

