

# The Sunday Times Magazine

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Winning images from the  
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## THE LION'S ROAR

Africa's economic boom. By John Arlidge



INNOVATION GAME

Saheed Adepoju,  
the developer of  
the Inye tablet  
computer, known as  
the Afripad, in Lagos

# THE LION KINGS

Saheed Adepoju is one of a new band of entrepreneurs transforming a lost continent into an economic powerhouse. **John Arlidge** reports on the wind of change sweeping Africa

PHOTOGRAPHS BY JEZ COULSON





He flips the lid on the Inye, nicknamed the “Afripad”, which he has jointly developed with a Chinese manufacturer and his small team of software pointy heads based in Abuja, the Nigerian capital. He hopes to sell the computer and its apps — which feature everything from Nigerian music to HIV-prevention advice in dozens of local dialects — to Nigerian consumers through an AfriApp Store. “I think like the African Steve Jobs!” he laughs. He’s only half joking.

Adepoju is one of a new band of African entrepreneurs who are seizing the opportunities created by new technology and globalisation to start businesses in the least business-friendly place on earth. This group, nicknamed the “lion kings”, is creating prosperity and optimism on a scale not seen since the end of colonialism. The World Bank says Africa “could be on the brink of an economic takeoff, much like China was 30 years ago”. Jeffrey Sachs, one of the leading western experts on developing economies, says the continent could become “the surprise winner of the coming decade”. From the Cape to Cairo, the wind of change is blowing.

A woman with short dark hair, wearing a striped button-down shirt and a watch, stands in a store filled with various household products. She is holding a long, vertical strip of OMO detergent packaging, which features the brand's logo and a colorful design. The background is filled with shelves and boxes of various brands, including Bonux, Close-Up, and Irish Spring.

Bob Geldof, the Live Aid founder who in the 1980s urged us to “give your f\*\*\*ing money” to save Africa, agrees. He’s establishing his own fund to make investments of between \$15m and \$80m in agri-businesses, financial services and telecommunications.

If that isn't impressive enough, how about this for an economic indicator? Thanks to debt relief in Africa and the borrowing splurge in Europe, many European countries are now more indebted than African nations. Oil-rich Angola is even lending cash to its old colonial master, Portugal.

What's more, the wealth is trickling down. Africa now has the fastest-growing middle class in the world. Some 313m people, 34% of the continent's population, spend \$2.20 a day, a 100% rise in less than 20 years, according to the African Development Bank (AfDB). By 2060, the number of middle-class Africans will grow to 1.1 billion (42% of the predicted population), the AfDB says. By then, those living below the poverty line will be in the minority — 33%. As economies grow, so do business and

Iroko Partners, dubbed “Netflix for Nollywood”, uses the internet to stream Nigerian movies — the most popular on the continent, and the second-largest film industry by output after India’s Bollywood — to consumers around the world. “We have 2.7m viewers in 178 countries, because the Nigerian diaspora is huge,” Njoku says. He generates cash from advertisers, including Coca-Cola and L’Oréal, who buy space on the site. He started with just one employee ➤➤➤➔

A woman in a blue polo shirt and dark pants is operating a red floor buffer in a grocery store aisle. The aisle is lined with shelves stocked with various products, including canned goods and bottled beverages. The floor is light-colored and polished. The woman is focused on her work, holding the handle of the buffer. The buffer has a large red motor and a black base with a red wheel. The aisle is well-lit, and the shelves are neatly organized.



one year ago. There are now almost 100. Outside, on the driveway, there's a brand new Land Rover and a whizzy VW. Njoku has not only got the money and the cars; he's got the girl. By his side is the 26-year-old Nollywood star Mary Remmy. The media darlings are getting married this summer. Deptford is a distant memory.

**W**hy is Africa suddenly shaking off decades of decline? Traditional assets of mining and agriculture are more valuable and more productive. Africa has about half of the world's gold deposits, 10% of its oil reserves, and a third of its diamonds, copper, platinum and "rare earth" minerals used in smartphones, tablet computers and flat-screen TVs. Prices for these commodities are strong. From 2000 to 2008 around a quarter of Africa's growth came from higher revenues from natural resources. Africa's three largest oil producers, Algeria, Angola and Nigeria, earned more than \$1 trillion from oil exports in the noughties, compared with \$300 billion in the 1990s.

Thanks to oil, Luanda, the capital of Angola, has become the biggest and most expensive boom town in Africa. Flights to and from the city are the most profitable in the world, per well-upholstered bum on well-upholstered seat, overtaking London to New York. Small wonder Angolans call their country "the new Dubai". Valuable reserves of oil and gas are being discovered all the time as on- and off-shore technology and drilling improve. British Gas is developing a gas field off the coast of Tanzania that geologists think might be as large as the assets off the coast of Qatar that have catapulted that nation from a dusty desert outpost to the richest country on earth, with an income per head of \$100,000.

The London-based firm Tullow is turning Ghana into a significant oil producer. Reserves, estimated to be worth \$750m a year to the Ghanaian exchequer, were found offshore in 2007. Tullow's Irish boss, Aidan Heavey, says his firm generated record revenues of \$2.3 billion last year.

Agriculture is on a tear. Rising food prices — up 50% in the last two years — may frustrate consumers all over the world and make life much harder for the urban poor in Africa, but they are encouraging farmers to commercialise. Ethiopia, once a basket case that could not feed its own people let alone export agricultural goods, is becoming something of a bread basket. It sold \$1 billion worth of coffee, sesame, wheat, maize, peas

**IN GLORIOUS  
TECHNICOLOR**  
Iroko Partners streams  
Nollywood movies to  
2.7m viewers worldwide.  
Below: promo girls sell  
the fizzy drink Fayrouz  
in a Lagos mall

## GEORGE SOROS DESCRIBES AFRICA AS 'ONE OF THE FEW BRIGHT SPOTS ON THE GLOOMY GLOBAL ECONOMIC HORIZON'

and beans last year. Pepsico is investing in chickpea cultivation there, to use to make smoothies for US consumers. "There's a huge change that is benefiting millions of people," says Eleni Gabre-Madhin, who runs Ethiopia's Commodity Exchange, where the big agricultural sales are made.

Africa has 60% of the world's uncultivated arable land. The McKinsey Global Institute predicts agricultural output will rise from \$280 billion today to almost \$900 billion by 2030. In Nigeria, Raj Hande, who runs the nation's second-largest agriculture conglomerate, African Agro, says the continent is ripe for a green revolution, similar to that he experienced in his native India. "Africa feels like India 20 years ago," he says.

While new global economic factors buoy Africa, some of the old problems that have held it back are easing. Birth rates are

beginning to decline and the ratio of working-age people to dependants is rising. The number of deaths from disease, notably malaria and HIV, which used to cost the continent tens of billions of dollars a year, is falling.

Although what passes for transport in much of the continent is still diabolical, infrastructure is slowly improving, largely thanks to investment from China. Kenya, Ghana, Nigeria and Mozambique, in particular, are building thousands of miles of new roads and railways, oil and gas pipelines and ports. Overall, private infrastructure investment has tripled since 2000.

There's — slightly — better governance. Nigeria is battling powerful al-Qaeda-backed terrorists in the north of the country who have killed hundreds in recent months but, as a whole, Africa is more peaceful and better run than at any time since the end of

colonialism. The number of major African conflicts has declined from 12 in the mid-1990s to just four today. The number of democracies in sub-Saharan Africa has leapt from only three in 1989 to 23 in 2008. Since 1991, African governments have been ousted at the ballot box 30 times. Between the 1960s and 1991 that only happened once. Corrupt despots, more interested in expropriating land and natural resources and using the proceeds



## 10 FASTEST-GROWING ECONOMIES

### 2001-2010

#### ANNUAL AVERAGE GDP GROWTH (%)

ANGOLA	11.1	KAZAKHSTAN	8.2
CHINA	10.5	CHAD	7.9
MYANMAR	10.3	MOZAMBIQUE	7.9
NIGERIA	8.9	CAMBODIA	7.7
ETHIOPIA	8.4	RWANDA	7.6

### 2011-2015

#### FORECAST ANNUAL GDP GROWTH (%)

CHINA	9.5	VIETNAM	7.2
INDIA	8.2	CONGO	7.0
ETHIOPIA	8.1	GHANA	7.0
MOZAMBIQUE	7.7	ZAMBIA	6.9
TANZANIA	7.2	NIGERIA	6.8

SOURCES: THE ECONOMIST, IMF

Nigeria that has discouraged investment in refining the country's oil and encouraged industrial-scale corruption — are gradually being dismantled, in spite of public opposition.

**L**ooking out from his office over the lagoon that separates Lagos's Victoria Island from the chaos of the mainland, Niyi Yusuf, managing director of the global management consultants Accenture in Nigeria, says that if Africa were a company, like the ones he advises, it would have gone from a business-oriented rating of one out of 10 in 1990 to five out of 10 today. "By 2030, it will be nudging eight out of 10," he grins.

Africa's timing is good, too. As debt-laden western economies face their worst crisis since the 1930s, investors are looking to emerging markets. George Soros, one of the world's savviest investors, describes Africa as "one of the few bright spots on the gloomy global economic horizon". McKinsey says the rate of return on foreign investment in Africa is higher than any other developing region. Small wonder private-equity firms raised \$1.5 billion for projects on the continent last year.

While many macro factors are creating the conditions for growth, it is micro factors that are generating prosperity on the ground, and there is one that is bigger than any other: technology. Until as recently as 2005, Africa really was the lost continent, almost totally cut off. In most countries there were a handful of ancient landline telephones. Nigeria had only 400,000 fixed lines in 2000, for a population of 160m. As recently as 2007, a single fibre-optic cable only partly connected sub-Saharan Africa to the world. The internet was at dial-up speeds, if it existed at all.

Today, thanks to vast new sub-sea fibre-optic cables that run down the east and west coasts of Africa, and millions of mobile phone masts that are sprouting like modern baobab trees, the continent is plugged into the world and Africans are talking like never before. Those 400,000 landlines in Nigeria have now become more than 60m mobile phone subscribers and that number is rising by 1m a year. The continent is the world's fastest-growing mobile-phone market, expanding by 20% for each of the past five years, according to the industry consortium Groupe Spéciale Mobile Association. Africans joke that the continent has more mobile phones than working toilets. Internet speeds have risen 100-fold in the past few years, while connection costs have fallen 40-fold. Internet usage grew by 2,527% between 2000 ➡➡➡➡➡



What Joe Mucheru, a senior manager at Google in Nairobi, hails as the “lightning pace” adoption of new technology, is creating a mini economic boom in itself. An entire district of the Kenyan capital has so many high-tech firms, including Google itself, that it is nicknamed Silicon Savannah.

**B**ut the real effects of the tech boom are felt beyond the high-tech companies themselves. Getting Africa online and on the phone has created the one thing that the continent has sorely lacked: a consumer society. Today, newly wealthy Africans know about new products, as simple as those 30g sachets of washing powder that Sanni Irawo sells in Ojuwoye market, to ones as complex and innovative as Saheed Adepoju's tablet computer. They can find out where to get them and how much they cost.

Nigerian property developers are cashing in on record prices (above). Unilever's Thabo Mabe (below) describes Africa as 'the place to be'

McKinsey predicts African consumer spending will rise from \$860 billion (£550 billion) in 2008 to \$1.4 trillion (£900 billion) in 2020. The huge growth in air travel reflects — and drives — the boom. The International Civil Aviation Organization expects Africans to fly 8.3% more miles this year, making the continent one of the fastest-growing markets for air travel, behind Asia and the Middle East. That's why Lonrho set up Fly540, which flies from bases in Kenya.

demand. Virgin Atlantic now flies from London to Accra, as well as Nairobi, Johannesburg, Cape Town and Lagos. "African flights are so full, they are among our most profitable," says Virgin boss Richard Branson, who has a private game reserve in South Africa and is backing new schemes to encourage the growth of small companies

across the continent. Emirates flies from its Dubai hub to almost every major capital city on the continent, making Dubai International the unofficial airport for Africa.

To meet the needs of the newly mobile Africans, new hotels are rising out of the ruins of shacks: 10 new five-star hotels are being built in Lagos alone, and they can't come soon enough. "We're full almost every night of the week," says John Grieg, a Norwegian who was lured out of retirement to run the new Radisson Blu hotel, where the car park is full of Porsches, Mercedes and even a brand new £400,000 Rolls-Royce Phantom convertible.

NEW homes are sprouting from the scrub too. Prices for apartments in fashionable districts of Lagos would now match those of western cities.

One man who knows better than most the power of the African consumer, and how much consumerism has changed Africa and will change it

further, is Thabo Mabe. He grew up in apartheid South Africa, where he worked for the Anglo-Dutch consumer goods giant Unilever, makers of Lux soap, Lipton tea and Flora margarine. "When I was 26 I made it to operations manager for liquid detergents at a factory in Boksburg and that was about as far as I ever thought I would get," he recalls. Today, 22 years later, he climbs into his brand-new silver Toyota Land Cruiser and visits his factories that make most of the soap and toothpaste for west Africa. "They used to call Africa the hopeless continent. Now it's the place to be," he chuckles.

It's true. But it's way too soon to be popping the corks on the Veuve Clicquot champagne bottles that Hemesh Shenoy sells in Lagos's new Spar supermarket he moved from India to open 18 months ago. While the growth figures are unprecedented, other figures remind us that Africa has a long, »»»»»

# 'AFRICAN FLIGHTS ARE SO FULL, THEY ARE AMONG OUR MOST PROFITABLE,' SAYS RICHARD BRANSON

Ghana and Angola. When the firm's boss, Geoffrey White, established 540's Accra hub, the Ghanaian authorities told him his were the first new aircraft to be registered in Ghana since the 1950s. "I asked them who were the last guys? The Wright Brothers!" he jokes.

Global operators are adding more and more routes into Africa to meet the booming



long way to go before it can claim to be much more than the most emerging of markets. In spite of its explosive growth, Africa still provides only a tiny fraction of world output: 2.7%. Asia accounts for 10 times that figure. The GDP of the entire continent — everything made there — is only \$1.7 trillion, roughly equal to that of Russia. In spite of progress in agriculture, Africa remains a net food importer.



**Life is still tough for many, but thanks to Africa's farming boom there is more food in the markets**

**A**frica is still the poorest continent on earth. Most of its one billion people live on less than \$2 a day and average life expectancy in some countries is as low as 46. Those figures take human form in Lagos, in the tens of thousands of people who live on Victoria Island beach, next to where old Africa hand David Frame, 59, is sinking billions into Eko Atlantic City, the biggest land reclamation project in the world, which will create 9m square metres of land to house all the new business that are springing up in the city. With only a handful of Portaloos, for many beach-dwellers the ocean is their bathroom. You can tell by the smell.

Education may be better by local standards but is woeful by international standards. No African university makes it on to the list of the world's top 100. Drought and famine persist in many parts of the Horn of Africa. Between 50,000 and 100,000 people, more than half of them children under five, died of hunger in Somalia, Ethiopia and Kenya last year.

Deforestation and desertification rates are rising, sparking conflicts over access to land and water. Some fast-growing nations, such as Equatorial Guinea, are kleptocracies, while the UN says Congo is the most "failed" state in the world. South Africa, which used to be a model for the continent, is tainted with corruption and there's talk among the ranks of the ruling ANC party of nationalising land and mines, a long discredited policy.

In spite of all the advances in new technology, only 12% of Africans are regular internet users, compared with a world average of 30%. Corruption, from street officials to the boardroom, remains "very, very

bad across Africa," says Kehinde Lawanson, executive director of First Bank of Nigeria.

All the new infrastructure has merely made things difficult, instead of near-impossible. "Logistics are still a f\*\*\*ing nightmare," frowns Teraco's Parsonson, sipping a weak, gritty espresso in the lobby of the Southern Sun in Lagos on one of those days when the air conditioning is on the fritz and it's so hot your shins feel like they are sweating. It's not just the clogged roads, glacial

## **'WE'RE FED UP WITH BEING THE VICTIMS OF THE WORLD. WE HAVE THE CHANCE TO PUT IT RIGHT. THIS IS OUR MOMENT'**

bureaucracy and over-crowded ports and airports. Basic services, such as power supplies, are woefully inadequate, as anyone who has flown over the continent at night can attest. Only 25% of Africans have access to electricity. McKinsey estimates Africa needs to spend an extra \$46 billion a year on infrastructure to bring it up to scratch.

And, of course, there's the issue of security. All Nigeria's promise could be undone if the radical Islamist group, Boko Haram (the name means "western education is sacrilege"), carries on its murderous attacks on Christian targets in the north of the country, scaring off new investors. Last month, the group killed more than 200 people in coordinated bomb attacks and shootings in the northern city of Kano.

African business has a long way to go before it can claim its place at the top table. A mere 20 African companies have revenues of at least \$3 billion. Remarkably, for such a vast, storied continent, Africa has only one

global mass-market consumer brand — Nando's, the South African chicken chain. In the last 15 years, turbo-charged emerging economies, notably in China and the Gulf, have created global brands from scratch. Airlines, such as Emirates, Qatar Airways and Etihad; the Jumeirah hotel group; the mobile phone network Etisalat and car makers such

as Shanghai Automotive, Chery and Geely are now world players.

Africa's new entrepreneurs know all about the pitfalls. But they say the daily struggles are a small price to pay to try to right the wrongs of the past. For the lion kings building Africa's new lion states, the most exciting thing about Africa's boom is not the chance to make serious money, but rather the opportunity for Africans to take responsibility for their own continent — to begin to build it anew.

Banker Manz Denga likes to end a day of telephone calls to Wall Street and the City of London by sipping ginger ale on the terrace of the Oriental Hotel, built by a Chinese company to house the thousands of Chinese executives in Lagos. High above the dust and din of west Africa's most

populous city, where vultures soar looking to feast on roadkill that sometimes includes hapless pedestrians, he can sense the money flows, the risk analysis, the data streams and feel the optimism. History is rising.

"We Africans only have ourselves to blame for the mess we got ourselves into. We screwed it up," he says, listing the sins of the post-colonial governments. "Lousy collectivist policies. Bad governance. Corruption. Kleptocracy. Genocide. Wars that killed more through famine and hunger than through actual conflict." He sips his ginger ale — with a little brandy now, because, heck, it's gone 9pm — and adds: "But everything's different now. We're fed up with being the victims of the world. We have the chance to put it right. This is our moment. The African century." ■



John Arlidge recounts his experiences in Africa at: [thesundaytimes.co.uk/africaneconomy](http://thesundaytimes.co.uk/africaneconomy)