

# BBBEE COMMISSION

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**24 March 2017**

**Centre for Economic Development and  
Transformation**

# National Vision for Growth and Development

- Mobilising vision and plan (income doubling plan of Japan, Malaysia Vision 2020. China 13th 5yr plan 2020 Ethiopia Vision 2025 GTP2)
  - Can move from dirt poverty and achieve NIC in one generation
- State capacity to initiate growth and development
- High rates of capital formation (35% to 50%)
- Human capital upgrading (South Korea, Poland)
- Industrial upgrading (agriculture, industry, services)

# National Vision for Growth and Development

- Macro-economic policy (wider range of policy tools than Keynes)
  - **Multiple tools** (exchange rates, state control and influence over finance capital, reserve requirements, capital controls, prescribed assets, credit quotas, differential interest rates)
    - After GFC new bank loans in China doubled to \$1400bn in 2009
  - **Multiple targets and objectives** (inflation, unemployment, growth and the development of targeted sectors through policy loans)
- Inflation targeting (one target, one tool) is primitive
- Close co-ordination of monetary, fiscal and industrial policies
- Implications for independence and mandate of central banks

## Impact of Global Financial Crisis

- Largely rich country affair (-3.5% GDP in 2009)
- No developing country had a banking crisis
- Expansionary monetary and fiscal policies
  - SA GDP down 1.5% in 2009
  - All developing countries (2.4%)
  - East and South Asia (5.1%)
  - Africa (2.3%).
  - More than 40 African countries grew; Ethiopia (9.9%), Nigeria (7.0%) Mozambique (6.4%)
  - China (9%) India (6.7%) Indonesia (4.5%) Egypt (4.7%)

## Impact of Global Financial Crisis

- SARB increased rates by 250 basis points before GFC in June 2007
- SARB increased rates by 250 basis points AFTER the start of GFC
- SA downturn preceded GFC.
- GDP (-1.5%) and one million jobs lost
- Increased rates by 200 basis points since Jan 2014 despite massive increase in unemployed people
- SARB implicated in causing the last three recessions and current downturn
- **Low growth of 1.6% for eight years (2009 – 2016)**

## GDP GROWTH (2010 – 2015)

	2010	2011	2012	2013	2014	2015	AVE
Emerging and Developing Asia	9.6	7.8	6.9	6.8	6.8	6.6	7.4
Sub-Saharan Africa	6.6	5.0	4.3	5.2	5.1	3.4	4.9
Middle East, N Africa, Afghanistan Pakistan	4.9	4.5	5.0	2.3	2.8	2.5	3.7
L. America & Caribbean	6.1	4.9	3.2	3.0	1.3	-0.1	3.1
South Africa	3.0	3.3	2.2	2.3	1.6	1.3	2.3

## SOUTH AFRICA GDP GROWTH (2010 – 2016)

	2009	2010	2011	2012	2013	2014	2015	2016
Household Consumption	(2.6)	3.9	5.1	3.7	2.0	0.7	1.7	0.2
Government Consumption	4.6	3.0	2.8	3.5	3.8	1.8	0.2	1.0
GFCF	(6.7)	3.7	5.6	3.2	2.8	0.5	1.7	(1.3)
GDE	(1.4)	3.7	5.6	3.2	2.8	0.5	1.7	(0.7)
Exports	(17.0)	7.7	3.5	0.8	3.63	3.3	4.1	4.5
Imports	(17.7)	10.8	11.9	4.2	5.0	(0.5)	5.3	1.2
GDP	(1.5)	3.0	3.3	2,2	2.3	1.6	1.3	0.2

## UNEMPLOYMENT 2008 - 2016

	Unemployed (000)	Unemployment Rate
Dec 2008	5 945	28.7
Dec 2009	7 058	33.6
Dec 2010	7 559	35.2
Dec 2011	7 638	34.8
Dec 2012	7 886	35.1
Dec 2013	7 807	34.0
Dec 2014	8 096	34.6
March 2016	8 916	36.3
June 2016	8 880	36.4
Sept 2016	9 016	36.3
Dec2016	8 900	35.6



## BLACK AFRICAN UNEMPLOYMENT 2008 - 2015

	Unemployed (000)	Unemployment Rate
Dec 2008	5 364	33.8
Dec 2009	6 322	39.2
Dec 2010	6 796	41.0
Dec 2011	6 812	40.0
Dec 2012	7 014	40.1
Dec 2013	6 930	38.5
Dec 2014	7 319	38.2
June 2016	7 971	40.9

# SOUTH AFRICA ECONOMY CRISIS

- **Crisis of collapsing GDP growth and rising unemployment**
  - Unemployment increased by 3m since Dec 2008
  - 8.9m unemployed – 41% for black Africans
- **Despite fear mongering by rating agencies, SA does not have a debt problem it has a GDP growth problem.**
  - Rating agencies don't say we have debt problem. They saw we will have one if we don't increase GDP growth rate
  - 50% debt ratio one of lowest in OECD
  - South Africa is not broke
- **Structural reforms. No link ever established with GDP growth in short or medium term. Look at Greece**

# EMERGENCY SHORT-TERM INTERVENTIONS

- **Monetary and Fiscal stimulus**

- Escape clause for SARB (while we work on changing its mandate to include growth and employment and the composition of MPC)
  - Reserve Bank must cut interest rates
- Fiscal stimulus of 3% of GDP – R400bn over three years
  - SARB People's QE (purchase government debt)
  - Liquidate PIC assets + purchases of government debt. Level of funding in PIC is obscene (majority of OECD countries have unfunded or partially funded public sector pension schemes)
  - Increase government debt (private sector)
  - Redirect consumption spending

# SME MINISTRY AND IPAP (Black Industrialists)

## SMEs

- SMEs expected to create 9.9m jobs (90% of 11m jobs) in NDP
- MTEF allocation R4.3bn (R1.4bn a year)
- Benefit 8 000 SMEs and cooperatives
- SEDA R2.2bn (51%) BBSDP R772m (18%)
- Informal Business R300m (7%) Co-operatives R237m (5.5%)

## IPAP (Black Industrialists)

- In 2014, IDC funding and DTI incentives for manufacturing R8.3bn or 0.2% of GDP
- In manufacturing most sub-sectors dominated by large companies
  - Chemicals (22.7%) 95% by large companies (Sasol)
  - Food and Beverages (22.15) 91% by large companies (SAB Miller, Tiger, Unilever)
  - Metals and Machinery (20.3%) 76% large companies (Arcelor, Highveld, Scaw)
  - Wood and Paper (9.1%) Sappi and Mondi

## Top Management in the Private Sector (2009 – 2016)

	2009	2010	2011	2012	2013	2014	2015	2016
<b>RACE</b>								
W	73.7	73.1	76.3	72.5	76.3	69.6	73.7	72.4
FN	3.1	4.8	3.0	4.4	3.3	4.8	3.5	3.6
<b>WFN</b>	<b>76.8</b>	<b>77.9</b>	<b>79.3</b>	<b>76.9</b>	<b>79.6</b>	<b>74.4</b>	<b>77.2</b>	<b>76.0</b>
B	23.2	22.2	20.7	23.1	20.4	25.5	22.8	24.0
A	12.5	11.2	9.6	11.2	8.6	12.6	9.8	10.8
C	4.9	3.9	4.2	4.2	4.4	4.7	4.5	4.5
I	5.9	7.1	6.9	7.7	7.4	8.2	8.5	8.7
<b>GENDER</b>								
W	20.8	15.6	18.3	17.3	18.6	18.7	19.7	20.1
WW	13.8	10.2	12.8	10.8	12.9	11.0	12.8	12.7
FN	0.4	0.5	0.4	0.4	0.4	0.6	0.5	0.5
WFN	14.2	10.7	13.2	11.2	13.3	11.6	13.3	13.2
B	6.6	4.9	5.1	6.1	5.3	7.1	6.4	6.9
% W	66.3	65.4	69.9	62.4	69.3	58.8	65.0	63.2
A	3.8	2.6	2.4	3.1	2.3	3.8	2.9	3.2
C	1.5	1.0	1.3	1.4	1.4	1.5	1.4	1.5
I	1.3	1.3	1.4	1.6	1.6	1.8	2.1	2.2

## Senior Management in the Private Sector (2009 – 2016)

	2009	2010	2011	2012	2013	2014	2015	2016
<b>RACE</b>								
W	67.9	70.3	68.7	66.9	68.2	68.0	65.5	63.9
FN	2.9	3.0	2.5	2.8	2.8	1.8	3.3	3.2
<b>WFN</b>	<b>70.8</b>	<b>73.3</b>	<b>71.2</b>	<b>69.7</b>	<b>71.0</b>	<b>69.8</b>	<b>68.8</b>	<b>67.1</b>
B	29.2	26.5	28.7	30.2	29.2	30.3	31.3	32.9
A	15.0	11.0	12.6	13.4	12.3	13.3	13.9	14.9
C	6.8	6.1	6.8	6.7	7.0	7.5	7.0	7.3
I	7.4	9.4	9.3	10.8	9.9	9.5	10.4	10.7
<b>GENDER</b>								
W	32.9	24.8	28.7	26.1	29.4	26.0	30.5	30.7
WW	22.3	16.9	19.4	16.5	19.6	17.2	19.4	19.0
FN	0.6	0.5	0.5	0.5	0.5	0.5	0.7	0.7
WFN	22.9	17.4	19.9	17.0	20.1	17.7	20.1	19.7
B	10.0	7.4	8.8	9.1	9.3	8.3	10.4	11.0
% W	67.8	75.8	67.6	63.2	66.6	66.2	63.6	61.9
A	5.2	3.0	3.8	4.0	3.7	3.5	4.5	4.8
C	2.6	2.0	2.4	2.3	2.6	2.3	2.6	2.7
I	2.2	2.4	2.6	2.8	3.0	2.5	3.3	3.5

## Middle Management in the Private Sector (2009 – 2016)

	2009	2010	2011	2012	2013	2014	2015	2016
<b>RACE</b>								
W	58.3	58.7	56.4	54.6	59.6	50.8	51.9	50.5
FN	2.1	2.0	2.3	2.0	1.3	2.4	2.9	2.9
WFN	60.4	60.7	58.7	56.6	60.9	53.2	54.8	53.4
B	39.6	39.3	41.3	43.4	39.1	46.8	45.3	46.8
A	21.0	19.1	22.0	22.2	16.7	25.1	24.2	25.4
C	9.0	9.2	9.1	9.8	10.8	10.2	10.1	10.3
I	9.6	11.0	10.2	11.4	11.6	11.5	11.0	11.1
<b>GENDER</b>								
W	35.3	35.2	37.2	36.1	33.4	37.5	38.0	38.1
WW	20.0	20.0	20.7	19.3	19.5	18.0	19.2	18.8
FN	0.6	0.5	0.6	0.5	0.3	0.6	0.7	0.7
WFN	20.6	20.5	21.3	19.8	19.8	18.6	19.9	19.5
B	14.7	14.7	15.9	17.1	13.6	18.9	18.1	18.6
% W	56.7	56.8	55.6	53.4	58.4	48.0	50.5	
A	7.6	6.8	8.1	8.3	5.1	9.8	9.2	9.6
C	3.7	3.8	3.9	4.3	4.3	4.5	4.4	4.5
I	3.4	4.1	3.9	4.5	4.2	4.6	4.5	4.5

# OWNERSHIP

- Very emotional subject after > 300 years of colonialism, apartheid (genocide & theft of land and natural resources)
- Calls for radical economic transformation, nationalisation without compensation. Reparations
- Natural resources are publicly owned. Do not belong to multinationals who mine them
  - Public benefit in addition to tax and BEE (which apply to all sectors). BEE not a public benefit
  - Public ownership
  - Free carry portion for state, communities and workers



# OWNERSHIP

- Very difficult to achieve – must get more attention not less
- Must embrace broad definition of ownership
  - Shares (listed and unlisted)
  - Property
  - Land
  - Household assets
- 
- Wealth accumulated through current income
  - wages and salaries (63%)
  - Rest from property (rent, dividend and interest)

# OWNERSHIP

- Accumulation for all asset classes depends on the level of interest rates and GDP growth
  - Punitive, usurious real interest rates (inflation targeting has impeded capital accumulation)
- For resources and other export sector the exchange rate is crucial. Must have a view on currency
- Ownership should be seen as a macro-economic policy issue. Most important impediments are at macro-level

## OWNERSHIP (KEY ISSUES)

- Macro economic issue (interest rates and GDP growth)
- Public ownership of natural resources (state, communities, workers)
- Public ownership of banks and influence over finance capital
- Poor design of mining charter.
- Financial Sector charter alignment
- Once empowered, always empowered (court case)

# OWNERSHIP

	<b>BEE DEALS (R billion)</b>	<b>Real Interest Rate (%)</b>	<b>Real GDP Growth</b>
1995	12	9.1	3.1
1996	7	12.0	4.3
1997	8	11.5	2.6
1998	21	14.7	0.5
1999	23	13.0	2.4
2000	28	9.2	4.2
2001	25	8.1	2.7
2002	12	6.4	3.7
2003	42	9.3	2.9
2004	49	9.9	4.6
2005	56	7.2	5.3
2006	56	8.0	5.6
2007	96	7.1	5.5
2008	61	5.2	3.7
2009	37	4.6	-1.7
<b>TOTAL</b>	<b>533</b>	<b>9 (Average)</b>	<b>3.29 (Average)</b>

## OWNERSHIP

- More than R600bn of BEE transactions 1995 to 2015
- First phase (April 1996 to April 2003) JSE up 18%
- Second phase (24 April 2003 to 21 May 2008) JSE more than trebled to 32 907 from 7 492
- Dropped 44% to 18 465 by February 2009
- Third phase (Feb 2009 - ) recovered to about 50 000
- Real interest rates of 9% between 1995 and 2009 in economy that was growing at 3%

## Mining Charter - Weaknesses

- Appeared revolutionary but now looks primitive
- Does not address the direct government take
  - Excluding US, Canada and Australia most top 20 mining countries have direct government take system
  - In Africa DRC, Zambia, Ghana, Mali, Burkina Faso, Ethiopia, Guinea, Gabon and Zimbabwe have direct take
- No targets for communities and workers
- Overtaken by advances in the measurement of B-BBEE
- Vagueness of commitments by stakeholders
- Absence of numerical targets for most indicators

## Mining Charter - Weaknesses

- No measurement system and scorecard with clear definitions to reduce possibility of different interpretations by stakeholders
- No system to monitor implementation on an annual basis
- No independent verification of B-BBEE contributions
- Only sector of economy that do not have to produce BEE verification certificates
- Disturbingly low targets for employment equity and black women
- No targets for black people, black women, black disabled people, black-owned companies and black woman-owned companies

## Mining Charter - Weaknesses

- Inability to measure and monitor net value
- Mining companies consider the signing of a transaction as the achievement of the ownership target
- In the rest of the economy – where the BEE Codes apply – ownership is a process not an event.
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- BEE Codes have 8 points for net value and a time-based graduation factor – a formula that allows companies to earn points as BEE companies obtain net value over 10 years.
- In mining, apparent compliance at the time of awarding a mineral right is usually followed by complex funding that dilutes black ownership



## Industry (Chamber) Position

- Have achieved 38% compliance and transferred value of R159bn
- Figures are wrong
  - double counting of empowerment credits and presenting as ownership
  - Counting transactions that did not transfer value to black shareholders (Lonmin)
- There is no continuing obligation after the grant of a mineral right to replenish any diminution in the 26%.
- In other words the “Once empowered, always empowered” principle should apply
- There is no obligation to sell to employees and communities
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## Industry (Chamber of Mines) Position

- The fact that equity prices had fallen – resulting in “under the water” deals - should not be held against mining companies
- There is no obligation to transfer net value
- A perpetual 26% target would destroy investor confidence

## South Africa...the way forward

- National vision for sector
- Delink MPRDA and Mining Charter
  - Align with BEE Codes
  - Target of 25% public ownership
  - 7.5% employees and 7.5% communities (50% free carry)
  - 10% other BEE
- State capacity to lead sector- new agencies for awarding mineral rights and monitoring implementation and supporting junior miners.

## South Africa The way forward

- Listed state mining company (SMC) or Sovereign wealth Fund (SWF) to consolidate R80bn assets in PIC, IDC (15% of SA mining assets)
- Anglo should come home (geographic unbundling)
- 50% of royalties to community funds
- 40% of royalties to capitalise SMC
- 10% of royalties to capitalise new agencies to award mineral rights and monitor implementation

# FINANCIAL SECTOR CHARTER

- August 2002, Nedlac stakeholders (Financial Sector Summit) agreed to develop charter for the industry
- FSC Came into effect in January 2004
- Back to drawing board after release of BEE Codes of Good Practice in 2007
- Five-year stand-off as Cosatu and Financial Sector Campaign Coalition (FSCC) objected to lower targets and “Once Empowered”
  - 10% target for direct ownership
  - Could use indirect ownership to meet 25% target (not allowed in Codes)

# FINANCIAL SECTOR CHARTER

- Banking Association pulled out of talks with civil society and negotiated with National Treasury and ABSIP
- FSC Code gazetted in November 2012. Retained lower targets
- During decade until 2014
  - Financial sector one of fastest growing sectors of economy
  - Most net value (R65bn) created in Big Six
    - Firststrand (R23bn) – 8% of market cap
    - Standard Bank (R11bn) – 4.7% of market cap
    - Nedbank (R8.7bn) – 7% of market cap
    - Absa (R2.3bn) – 2% of market cap
    - Old Mutual (R6.4bn) – 3.8% of market cap
    - Sanlam (R14.4bn) – 9.5% of market c

# FINANCIAL SECTOR CHARTER

- Black ownership at all companies (except Sanlam) dropped significantly since unwinding of transactions
- Draft Amended FSC Code has a “get out of jail” card. Companies can top up shortfalls through provision of commercial risk funding for black industrialists as an equity equivalent.
- Talk of R25bn fund with calculations based on net value shortfalls
  - Accepts once empowered
  - The business of banks is to provide finance. Like rewarding a fish for swimming
  - Will reward banks for lending that would have happened without charter
  - ABSIP was bullied into submission.
- No need for separate charter. Industry was verified according to BEE Codes until 2012

# FINANCIAL SECTOR CHARTER

- Rationale for lower 10% target is that we must reduce systemic risks in financial sector. Must have shareholder of reference who can step in if there is run on bank. Indebted BEE cant be SOR
  - Did not work with African Bank (Coronation)
  - Not a BEE issue. Macro-prudential regulations
- Even if one accepts “treasury view” of 10% it does not follow that banks cant do new round of deals
- Risk capital fund will be available to industry insiders and shut out other people from participating in growth of one of fastest growing sectors. Financial sector is national asset. Must benefit all South Africans.



# FINANCIAL SECTOR CHARTER

- **Empowerment financing indicator R48bn over 5 years.**
  - Insult to intelligence
  - Not worth having target.
  - R10bn a year. 0.2% of industry assets (R4 800bn)

# ONCE EMPOWERED

- Once empowered is one of the most important issues in transformation today
- 
- If private sector (mines and banks) win will be premature end of BEE deals long before we have transformed the economy
- Continuing Consequences Principle must apply in all sectors. Compromise position in the Codes
- Meeting with the President to discuss and address the issue

**JSE TOP 40 COMPANIES MARKET CAPITALISATION AT END-DECEMBER 2016**

	<b>Company</b>	<b>Market Cap (Rbn)</b>	<b>% of Total Market Cap</b>	<b>Cumulative % of Total Market Cap</b>
1	AB Inbev	2 466.7	22.8	22.8
2	BAT	1 578.2	14.6	37.4
3	Naspers	882.7	8.2	45.6
4	Glencore	680.9	6.3	51.9
5	Richemont	473.7	4.4	56.3
6	BHP Billiton	461.9	4.3	60.6
7	Steinhoff	303.2	2.8	63.4
8	Firstrand	298.3	2.8	66.2
9	Anglo American	274.2	2.5	68.7
10	Sasol	259.8	2.4	71.1
11	Standard Bank	245.6	2.3	73.4
12	MTN	237.7	2.2	75.6
13	Vodacom	226.8	2.1	77.7
14	Old Mutual	169.9	1.6	79.3
15	South 32	145.0	1.3	80.6
16	Barclays Africa	143.0	1.3	81.9
17	Sanlam	136.3	1.3	83.2
18	Aspen	129.4	1.2	84.4
19	Nedbank	118.1	1.1	85.5
20	Remgro	118.0	1.1	86.6
21	Mondi plc	102.4	0.9	87.5
22	Shoprite	98.5	0.9	88.4
23	Mediclinic plc	95.8	0.9	89.3
24	RMB Holdings	93.7	0.9	90.2
25	Bidcorp	82.2	0.8	91.0
26	Capitec	80.4	0.7	91.7
27	Tiger Brands	76.4	0.7	92.4
28	Hammerson plc	76.2	0.7	93.1
29	Wooworths	74.4	0.7	93.8
30	Discovery	74.1	0.7	94.5
31	Growthpoint	73.3	0.7	95.2
32	Anglo Platinum	71.3	0.7	95.9
33	Intu Properties plc	63.7	0.6	96.5
34	Anglogold Ashanti	62.3	0.6	97.1
35	Bidvest	60.8	0.6	97.7
36	Investec plc	59.6	0.6	98.3
37	RMIH	59.1	0.5	98.8
38	Redefine	57.2	0.5	99.3
39	Reinet	52.5	0.5	99.8
40	Kumba Iron Ore	51.2	0.5	
	<b>TOTAL</b>	<b>10 814.4</b>		

**JSE TOP 40 COMPANIES BEE MARKET CAPITALISATION AT END-DECEMBER 2016 (LISTED)**

	<b>Company</b>	<b>Market Cap (Rbn)</b>	<b>BEE %</b>	<b>BEE Market Cap (Rbn)</b>	<b>% of BEE Market Cap</b>	<b>Cumulative % of BEE Market Cap</b>
1	Sasol	259.8	10.0	26.0	19.4	19.4
2	Sanlam	136.3	13.5	18.4	13.7	33.1
3	RMB Holdings	93.7	15.0	14.1	10.5	43.6
4	Firstrand	298.3	4.2	12.5	9.3	52.9
5	MTN	237.7	4.0	9.5	7.1	60.0
6	RMIH	59.1	15.0	8.9	6.6	66.6
7	Tiger Brands	76.4	9.9	7.6	5.7	72.3
8	Capitec	80.4	8.7	7.0	5.2	77.5
9	Growthpoint	73.3	8.6	6.3	4.7	82.2
10	Discovery	74.1	7.8	5.8	4.3	86.5
11	Mediclinic plc	95.8	4.8	4.6	3.4	89.9
12	Standard Bank	245.6	1.5	3.7	2.8	92.7
13	Old Mutual	169.9	2.1	3.6	2.7	95.4
14	Aspen	129.4	2.2	2.8	2.1	97.5
15	Anglo Platinum	71.3	2.3	1.6	1.2	98.7
16	Nedbank	118.1	1.3	1.5	1.1	99.8
17	AB Inbev	2 466.7	0.0	0.0		
18	BAT	1 578.2	0.0	0.0		
19	Naspers	882.7	0.0	0.0		
20	Glencore	680.9	0.0	0.0		
21	Richemont	473.7	0.0	0.0		
22	BHP Billiton	461.9	0.0	0.0		
23	Steinhoff	303.2	0.0	0.0		
24	Anglo American	274.2	0.0	0.0		
13	Vodacom	226.8	0.0	0.0		
15	South 32	145.0	0.0	0.0		
16	Barclays Africa	143.0	0.0	0.0		
20	Remgro	118.0	0.0	0.0		
21	Mondi plc	102.4	0.0	0.0		
22	Shoprite	98.5	0.0	0.0		
25	Bidcorp	82.2	0.0	0.0		
28	Hammerson plc	76.2	0.0	0.0		
29	Wooworths	74.4	0.0	0.0		
33	Intu Properties plc	63.7	0.0	0.0		
34	Anglogold Ashanti	62.3	0.0	0.0		
35	Bidvest	60.8	0.0	0.0		
36	Investec plc	59.6	0.0	0.0		
38	Redefine	57.2	0.0	0.0		
39	Reinet	52.5	0.0	0.0		
40	Kumba Iron Ore	51.2	0.0	0.0		
	<b>TOTAL</b>	<b>10 814.4</b>	<b>1.2</b>	<b>133.9</b>		

## **Country stock markets do not reflect country economies**

Even the S&P 500 is no longer just about the US.

CAPE TOWN – There is a statistic that local asset managers have been quoting repeatedly over the last 18 months: over 70% of the revenues of companies in the FTSE/JSE Top 40 are generated outside of South Africa.

It is one of the reasons why the local stock exchange has remained fairly resilient, despite the very weak state of the South African economy.

Companies such as [Naspers](#), [Steinhoff](#), [Richemont](#) and [British American Tobacco](#) have performed extremely well over the last five years because they do the bulk of their business elsewhere.

Moneyweb (18 October 2016)

## JSE TOP 40 COMPANIES WITH NO SOUTH AFRICAN ASSETS

	<b>Company</b>	<b>Market Cap (Rbn)</b>	<b>% SA Assets</b>	<b>Value of SA Assets (Rbn)</b>
1	Richemont	473.7	0.0	0.0
2	BHP Billiton	461.9	0.0	0.0
3	Mondi plc	102.4	0.0	0.0
4	Hammerson plc	76.2	0.0	0.0
5	Intu Properties plc	63.7	0.0	0.0
6	Investec plc	59.6	0.0	0.0
7	Reinet	52.5	0.0	0.0
	<b>TOTAL</b>	1 290.0		

**JSE TOP 40 COMPANIES VALUE OF SA ASSETS AT END-DECEMBER 2016**

<b>Company</b>	<b>Market Cap (Rbn)</b>	<b>% SA Assets</b>	<b>Value of SA Assets (Rbn)</b>	<b>% of SA Assets</b>

**JSE TOP 40 COMPANIES BEE MARKET CAPITALISATION AT END-DECEMBER 2016 (UNLISTED)**

	<b>Company</b>	<b>Value of SA Assets (Rbn)</b>	<b>BEE %</b>	<b>BEE Value (Rbn)</b>	<b>% of BEE Value</b>	<b>Cumulative % of BEE Value</b>
1	Naspers	105.0	20.0	21.0	28.7	28.7
2	AB Inbev	210.0	8.5	17.9	24.5	53.2
3	Vodacom	186.9	6.3	11.7	16.0	69.2
4	Glencore	680.9	NA	7.5	10.3	79.5
5	Kumba Iron Ore	51.2	9.0	6.2	8.5	88.0
6	Anglo American	274.2	NA	5.4	7.4	95.4
7	South 32	23.3	8.0	1.9	2.6	98.0
8	Anglo Platinum	71.3	NA	1.5	2.1	100.1
	TOTAL	10 814.4	0.7	73.1		
		3 020.8	2.4	73.1		



**BLACK OWNERSHIP WITHIN JSE TOP 40 COMPANIES (SUMMARY)**

	<b>Value (Rbn)</b>	<b>Percentage of JSE</b>	<b>Percentage of SA Assets</b>
Black Ownership (Listed)	133.9	1.2	4.4
Black Ownership (Unlisted)	73.1	0.7	2.4
<b>TOTAL</b>	<b>207.1</b>	<b>1.9</b>	<b>6.9</b>

**BLACK OWNERSHIP WITHIN JSE TOP 40 (SUMMARY)**

	<b>Listed (16)</b>	<b>Unlisted (8)</b>	<b>No SA Assets (7)</b>	<b>No Black Ownership (9)</b>
1	Sasol	Naspers	Richemont	BAT
2	Sanlam	AB Inbev	BHP Billiton	Steinhoff
3	RMB Holdings	Vodacom	Mondi plc	Barclays Africa
4	Firststrand	Glencore	Hammerson plc	Remgro
5	MTN	Kumba Iron Ore	Intu Properties plc	Shoprite
6	RMIH	Anglo American	Investec plc	Woolworths
7	Tiger Brands	South 32	Reinet	Redefine
8	Capitec	Anglo Platinum		Bidcorp
9	Growthpoint			Bidvest
10	Discovery			
11	Mediclinic plc			
12	Standard Bank			
13	Old Mutual			
14	Aspen			
15	Anglo Platinum			
16	Nedbank			







	Company	Market Cap (Rbn)	% SA Assets	Value of SA Assets (Rbn)	% of SA Assets	Cumulative % of SA Assets
1	Firstrand	298.3	86.0	256.5	8.5	8.5
2	Sasol	259.8	84.5	219.5	7.3	15.8
3	AB Inbev	2 466.7	8.4	210.0	7.0	22.8
4	Standard Bank	245.6	80.0	196.5	6.5	29.3
5	Vodacom	226.8	82.4	186.9	6.2	35.5
6	Anglo American	274.2	50.0	137.1	4.5	40.0
7	Old Mutual	169.9	77.5	131.7	4.4	44.4
8	Barclays Africa	143.0	85.0	121.6	4.0	48.4
9	Remgro	118.0	100.0	118.0	3.9	52.3
10	Sanlam	136.3	79.3	108.1	3.6	55.9
11	Nedbank	118.1	90.0	106.3	3.5	59.4
12	Naspers	882.7	11.9	105.0	3.5	62.9
13	RMB Holdings	93.7	100.0	93.7	3.1	66.0
14	Capitec	80.4	100.0	80.4	2.7	68.7
15	Shoprite	98.5	80.0	78.8	2.6	71.3
16	Steinhoff	303.2	25.0	75.8	2.5	73.8
17	Discovery	74.1	100.0	74.1	2.5	76.3
18	Tiger Brands	76.4	93.0	71.1	2.4	78.7
19	Anglo Platinum	71.3	97.0	69.2	2.3	81.0
20	BAT	1 578.2	4.0	63.1	2.1	83.1
21	RMI	59.1	100.0	59.1	2.0	85.1
22	Growthpoint	73.3	80.0	58.6	1.9	87.0
23	Bidvest	60.8	95.0	57.8	1.9	88.9
24	Kumba Iron Ore	51.2	100.0	51.2	1.7	90.6
25	MTN	237.7	21.0	49.9	1.7	92.3
26	Mediclinic plc	95.8	52.0	49.8	1.6	93.9
27	Redefine	57.2	78.0	44.6	1.5	95.4
28	Woolworths	74.4	60.0	44.6	1.5	96.9
29	Glencore	680.8	4.6	31.3	1.0	97.9
30	South 32	145.0	16.0	24.8	0.8	98.7
31	Aspen	129.4	16.0	20.7	0.7	99.4
32	Anglogold Ashanti	62.3	27.0	16.8	0.6	100.0
23	Bidcorp	82.2	10.0	8.2	0.3	
34	Richemont	473.7	0.0	0.0		
35	BHP Billiton	461.9	0.0	0.0		
36	Mondi plc	102.4	0.0	0.0		
37	Hammerson plc	76.2	0.0	0.0		
38	Intu Properties plc	63.7	0.0	0.0		
39	Investec plc	59.6	0.0	0.0		
40	Reinet	52.5	0.0	0.0		
		10 814.4	27.9	3 020.8		