

Beat: Business

Aliko Dangote Talks On Opportunities In Africa

Aliko Dangote - Rebuilding Africa

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USPA NEWS - Aliko Dangote, CEO of West Africa's largest conglomerate (Dangote Group), discusses expansion plans for his company and why now is the time to invest in Africa. Dangote Group is one of Africa's leading industrial conglomerates, with interests in everything from cement to food.

One of the most promising ventures, in the eyes of founder, president, and CEO Aliko Dangote which have developed Nigeria's natural-gas sector into an export industry. McKinsey's Rik Kirkland and an interview with Aliko Dangote and this is what he explains for the Dangote Group's oil refinery, his effort to build a company that will outlast him, and why now is the best time to invest in Africa.

Transforming The Company

The big growth opportunities for Dangote Group are mainly on the south side of Africa. We are thinking about how we can take this business from where we are today "with a market cap of about \$25 billion" to \$100 billion by the year 2020.

Nigeria is very dependent on oil "38 percent of the country's imports are petroleum products. So we're asking, "How do we monetize our gas? How do we get gas to other countries?" We've looked at what kind of refinery we would need to meet all the domestic demand and also to export to the others in West Africa. The refinery, with an output of 650,000 barrels per day, will be the biggest petrochemical complex in the world in one single location.

Investing in Africa

Africa is the best-kept secret. It's true, there are risks. But you have to consider how to mitigate the risks and move forward. Africa, as a whole, has been growing by 5.5 percent a year for the past 12 years. And it has been sustainable. This growth, when you look at it, really is without power. With power, we could have double-digit growth.¹ In addition, there has been a lot of political transformation. Various governments in Africa are making life easier, much easier than before. Our government used to change the rules of the game almost on a monthly basis, or even on a daily basis. That's not happening right now. So investors can actually see what they will get over the next ten years.

Building Strong Partnerships

Part of our innovation plan is to make sure that we have great partnerships. We have partnered with Blackstone to invest \$5 billion in infrastructure in Africa. What we would normally do is that we would take the whole risk first: Incubate these companies, make them work, demonstrate that they're good businesses, and then we take the company to the capital market. But these days, before going to the capital market, we get some key investors. Then, together, we'll make sure everything is in line. After that, we go out and list in Nigeria. Now we're even thinking about starting to list on the London Stock Exchange.

Developing Leaders

What really matters is human capital: hiring people who are smarter than you. Because what we need to do is make sure that this company outlives us. We are trying to leave something for posterity. We have done quite a lot in terms of hiring and we have a plan for succession. Somebody like me, in the next 25 years, I might want to do something else. I'm not saying that I'm going to retire, but I might want to do something else.

Aliko Dangote, Africa's richest man.

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