



TIDJANE THIAM

Group Chief Executive, Prudential plc

Jean-Michel Severino, CEO, Investisseurs et Partenaires (I&P)

Ceci m'amène à changer un peu de perspective avec nos deux derniers intervenants puisque nous avons la chance d'avoir aussi avec nous deux personnalités d'origine africaine et qui toutes les deux ont des responsabilités extrêmement importantes au cœur du capitalisme occidental, l'une en Grande-Bretagne l'autre en France. Pour commencer avec M. Tidjane Thiam qui est donc d'origine ivoirienne mais qui est aujourd'hui professionnellement le patron de Prudential, après notamment une carrière ministérielle en Côte d'Ivoire, basé à Londres. De ce point de vue on a envie de vous orienter vers deux questions. La première : vous-même, en tant qu'investisseur international à la tête d'une société du secteur de la finance dans l'assurance, comment voyez-vous ce marché africain et comment appréciez-vous ses risques ? Et comment voyez-vous que votre entourage l'adresse ? Et deuxièmement, quel message auriez-vous envie d'envoyer aux gouvernements africains, et peut-être d'ailleurs au gouvernement ivoirien, puisque c'est votre pays d'origine et que la Côte d'Ivoire est elle-même en train de mettre derrière elle, on l'espère, une très grave crise politique sécuritaire qui a duré une longue décennie. Quels conseils auriez-vous envie de donner au gouvernement ivoirien pour accélérer les transformations et remettre non seulement votre pays mais l'ensemble de la sous-région de l'UMOA sur une trajectoire de haute performance ?

Tidjane Thiam, Group Chief Executive, Prudential plc

Mo is a new breed of African; he is one of the few African billionaires who are not a head of state. You herald a new Africa, which is a message of hope. Jean-Michel referred to my years in government. One of the most productive Tuna factories in the world is in Abidjan, and has been for a long time. A lot of world-class businesses operate in Africa, which is not recognised, and OCP is one of them. I took a journalist from a newspaper I will not name to see the factory; he was very enthusiastic and said he would write about it, and sent it to London. This was a very important publication, and his editor told him that the only stories he was interested in regarding Africa were those regarding animals or cannibals. I am sorry; this is a sad story. This was in Abidjan in 1996, not 1906.

Going back to the point about the perception gap, it is absolutely real and not exclusive to Africa. I became famous, or infamous, for failing in a USD35 billion acquisition; I had managed to convince the US Government to sell us the Asian activities of AIG after its failure, and I thought it was the deal of the century, but I was absolutely killed by the UK investors and media, with my picture on the first page of every newspaper and referred to as an idiot. The deal failed, but the company is worth USD80 billion today, three years later. The deal failed because people did not believe Asia would grow. It is exactly the same problem – you try to explain to them and they just do not get it.

I see Africa as a huge opportunity. We bought a company in Ghana last week, and I am very excited about it. We had our investor day and I presented it to investors; our share price went up 2% in a down market. I think Africa will happen.

I will make a few quick comments. You described me as being at the heart of capitalism; I am actually a capitalist and am unapologetic about it. It is a system that works, and I am in good company in saying as Mr Xi Jinping said the same thing in China a few weeks ago. The financial services sector plays a key role in that, and sorry if I am rude to some of the government representatives in the room. We have money; Prudential has USD800 billion under management, and the governments do not. It is as simple as that. The difference between my money and government money is that people have given it to me to manage willingly, whereas government money comes from taking it from people who do not want to give it, so we are in a very different position. I am in a position to invest positively for the future, but the government has to go into your pocket and take the money.

It is a serious point. We had a very nice letter last week from George Osborne thanking me and Prudential, because I took the lead with six insurance companies in Britain to invest in infrastructure development. I believe there is a huge



need for infrastructure in developed countries and in developing countries. The government in the UK wants to launch a major infrastructure programme; it came to us, and we committed to investing USD40 billion in infrastructure for the next five years, and I think that is the right answer. There is no need to take that money from the British taxpayer. We have a savings gap, an ageing population and pensions we cannot fund, so we need to invest in high-return projects which will pay those pensions.

You cannot have growth without financial services, and that is something Asia understands. Taking the national plan of Malaysia, they have a life insurance penetration goal for 2020, taking it from 3% to 6%, because we raise funds and reinvest them in local currencies, and we are the primary provider of long-term capital to fund growth and long-term investment. There is a glut of savings in Africa, but we do not have the mechanism, the engine to turn those savings into productive investment in the economy, which is why it is important to have a life insurance industry in Africa. The reason our companies are big in the West is that we did that in the 19th century; we funded the railroads and infrastructure in the US and the subway in London, and this infrastructure would not have been built without a mechanism to collect those savings and reinvest them. Therefore, the deepening of financial services is an absolute priority.

Finally, I will talk about confidence and the perception gap. Last year I invested in a business in Thailand for USD540 million, and you are aware there is a crisis in Thailand, but I did not get a single question from my board. We had a board meeting on Thursday, and no one asked why we would not pull out from Thailand. We are in Indonesia, and have 200,000 employees there; we are the biggest investor on the Jakarta stock exchange. We hold a lot of Indonesian debt, in fact we hold a lot of national debt for all the Asian countries. Africa does not have a monopoly on political trouble, as someone said. Indonesia has a lot of terrorism, and no one is asking why we do not leave Indonesia.

Therefore, I am arguing for the normalisation of Africa, so that people start treating it like any other place in the world, and if we get that we will be absolutely fine. True to my words, I will not aim my message at African governments, because what is good for African governments is good for any government. I said the same thing to George Osborne when I met him. It is all about confidence. We, in the private sector, are sitting on a lot of money, of capital but capital is risk averse, and we only put it somewhere if we are confident. Confidence is a very delicate intangible, very hard to define, very easy to lose, very hard to gain, so I always tell governments that every time they think of a reform they should think about the upsides and downsides of either doing it or not doing it. Before you change anything think twice. When the Conservatives got in power in England, Labour had previously had an investment policy in infrastructure for ten years which we all believed in; they changed it in order to improve it, but we keep telling them that was a bad idea, because the change itself is destructive of confidence. It reduces the confidence in the system, because when you put USD100 million or USD500 million into something over 20 years, you need the conditions over that time will to remain those on which you based your initial decision, not to be changed after you have made your investment.

Therefore, if African governments have one goal, it is to build confidence. There is ethnic tension and conflict everywhere, but what we want to see from the private sector is, firstly, recognition of the issues, secondly, a will to deal with them, and thirdly, an approach to presenting a credible plan and a credible solution. Then we will invest, because we do not flee from countries because there is trouble. We are there for the long term, and what we want to see is responsible leadership.

Jean-Michel Severino, CEO, Investisseurs et Partenaires (I&P)

Merci beaucoup et merci d'avoir mis particulièrement l'accent sur cette question à nouveau de la perception et l'exemple avec la Thaïlande est extrêmement frappant pour tout le monde.