

## Africa's Top 200 companies



North Africa

As elsewhere in Africa, the value of North Africa's top companies has risen over the past 12 months. While market capitalisation of \$313m was sufficient to gain a place in the region's top 50 firms last year, that figure has now increased by more than a third to \$439m.

The region continues to experience relatively high levels of economic growth, particularly because of economic liberalisation and higher oil and gas revenues, but also because of increasingly important and more varied economic ties with the European Union (EU) on the opposite side of the Mediterranean Sea.

One factor that has changed relatively little over the past year is the continued domination of our regional table by Egyptian and Moroccan firms. While Algeria and Libya are both major economic powers in their own right, their wealth is heavily concentrated in the oil and gas sector, which is dominated by foreign investors and their own state owned companies, and so does not feature significantly in the results of our survey.

Nevertheless, the governments of both countries are embarking upon some level of economic liberalisation and so diversification is likely over the coming years, although it is difficult to erode Algeria's socialist and Libya's Arab socialist traditions, which have resulted in a limited role for market economics.

Tunisia's absence from our table last year was altogether more surprising. The top 50 North African companies in 2006 comprised 34 from Egypt and 16 from Morocco, with no Tunisian companies making the grade. However, economic reforms over the past decade are producing a more dynamic Tunisian economy based on export orientated industries. Foreign companies have accounted for a large proportion of the new investment but Tunisian enterprises are now beginning to benefit from the economic reforms.

As a result, three Tunisian firms have now entered the lower reaches of our top 50. Two banks – Banque de Tunisie and Banque Internationale Arabe de Tunisie (BIAT) – are ranked in 42nd and 45th positions respectively, while

## NORTH AFRICA

	Company Name	Country	Value in Dollar terms
1	Orascom Telecom	Egypt	14,449,550,301
2	Itissalat Al Maghrib	Morocco	13,380,053,421
3	Orascom Construction Industries	Egypt	9,623,121,723
4	Attijariwafa Bank	Morocco	5,217,087,913
5	Douja Prom Addoha	Morocco	4,458,535,095
6	Telecom Egypt	Egypt	4,225,115,940
7	Vodafone Egypt	Egypt	3,955,093,742
8	MOBINIL-Egyptian Mobile Service	Egypt	3,157,189,344
9	Omnium Nord Africain	Morocco	3,142,190,183
10	Banque Marocaine du Commerce Extérieur	Morocco	2,332,274,429
11	EL Ezz Aldekhela Steel - Alexandria	Egypt	2,291,782,817
12	Société Lafarge-Ciments	Morocco	2,133,421,331
13	Suez Cement	Egypt	2,083,735,496
14	Sidi Kerir Petrochemicals	Egypt	2,080,883,516
15	Société les Ciments du Maroc CIMAR - CDM	Morocco	2,062,258,756
16	EFG-Hermes	Egypt	2,042,756,268
17	Bank of Alexandria	Egypt	2,004,838,678
18	Egyptian Iron and Steel Company	Egypt	1,833,659,241
19	Société Nationale d'Investissements - SNI	Morocco	1,793,521,696
20	National Société Générale Bank	Egypt	1,562,366,424
21	Orascom Projects and Touristic	Egypt	1,456,574,694
22	Credit Agricole Egypt	Egypt	1,413,329,136
23	Eastern Tobacco	Egypt	1,348,928,690
24	Commercial International Bank	Egypt	1,309,435,514
25	Banque Centrale Populaire BCP	Morocco	1,294,092,352
26	Egypt Aluminium	Egypt	1,175,308,523
27	Alexandria Mineral Oil Company (AMOC)	Egypt	1,172,367,551
28	Société Anonyme Marocaine de l'Industrie	Morocco	1,155,225,811
29	Abu Kir Fertiliser and Chemical	Egypt	1,127,731,907
30	Société Holcim (Maroc)	Morocco	999,506,370
31	Société Nationale de Sidérurgie (SONASID)	Morocco	948,827,042
32	Crédit du Maroc	Morocco	930,013,754
33	Banque Marocaine du Commerce et l'industrie	Morocco	907,573,692
34	El Ezz Steel Rebars	Egypt	790,649,744
35	Société Centrale Laitière	Morocco	668,713,272
36	ASEC For Cement Co	Egypt	636,899,731
37	Egyptian American Bank	Egypt	635,559,484
38	Egyptian for Tourism Resorts	Egypt	575,276,765
39	Tourah Portland Cement Company	Egypt	565,026,215
40	Oriental Weavers	Egypt	560,109,982
41	Société Des Brasseries du Maroc - SBM	Morocco	547,419,021
42	Banque de Tunisie	Tunisia	536,694,110
43	Compagnies D'Assurances Wafa Assurance	Morocco	532,708,852
44	National Cement	Egypt	523,966,374
45	Banque Intl Arabe de Tunisie - BIAT	Tunisia	487,898,184
46	Pharco Pharmaceuticals	Egypt	477,781,852
47	Société Frigorifique et Brasseries de Tunis	Tunisia	476,042,530
48	Delta Sugar	Egypt	452,544,637
49	Elsweddy Cables	Egypt	452,509,026
50	Amoun	Egypt	439,141,551



Société Frigorifique et Brasseries de Tunisie has achieved 48th place. The progress made by such companies is underlined by the far higher qualifying mark in this year's table. It would not be surprising if other Tunisian firms made progress up our table over the next few years.

### Tilting balance of power

Although the duopoly of Egyptian and Moroccan companies in our survey remains intact, the balance of power has tilted a little over the past 12 months. Egypt remains the predominant force in the region but the number of Egyptian firms in the top 50 has fallen from 34 to 30, while at the top end of the scale the Egyptian presence in the top 20 has also dropped, from 14 firms to 12. Nonetheless, the range of industries represented by Egyptian companies is impressive and includes construction, oil and gas, financial services, leisure and pharmaceuticals.

However, as last year, the dominant industry in the top 10 is telecoms, with Egypt's Orascom Telecom, Telecom Egypt, Vodafone Egypt and Egyptian Mobile Service all securing a ranking. The four are joined by Morocco's Itissalat Al Maghrib, which has recorded a large rise in market capitalisation over the past year, from \$9.3bn to \$13.3bn, closing the gap considerably



**Morocco (top) and Egypt have the lion's share of major North African companies. The economies have exploited European markets while economic liberalisation and privatisation strategies have stimulated local stock market capitalisation.**

on top ranked Orascom Telecom. It is possible that the Moroccan company could overhaul its Egyptian counterpart in next year's survey.

Noteworthy Moroccan risers in the survey are Douja Prom Addoha and Attijariwafa Bank. The latter has moved up to fourth place, with a steep increase in market capitalisation from \$2.5bn to \$5.2bn.

The relative decline of the Egyptian position is not the result of any real deterioration in Egyptian economic performance but rather the result of a minor correction after several years of impressive growth.

Cairo's enthusiasm for privatisation has fluctuated over the past decade and more, but the overall result of government policy has been to gradually promote private enterprise, while allowing the role of the state in the economy to recede. As a result, more large private companies have prospered and some formerly state owned corporations have been allowed to grow.

Despite the role of foreign-led consortia in developing the country's new liquefied natural gas (LNG) sector, there are indications that Egyptian government policy will enable more domestic firms to prosper. National infrastructure is being improved, not least through improvements in the power sector, while new combined port and industrial projects should raise the bar in terms of modern economic developments.

### Biggest port development in Med

The new Suez Canal Container Terminal (SCCT) at Port Said East will be one of the biggest port developments in the entire Mediterranean. Located at the northern end of the Suez Canal, it will encourage trade with the rest of the Mediterranean and the Atlantic. At the other end of the Suez Canal, the Suez Special Economic Zone (SSEZ) and port of Sokhna will enable Egyptian exporters to target markets in the rest of the Middle East and Asia.

Gas export projects in Egypt, Libya and Algeria have often been the focus of discussion of the growing ties between North Africa and the EU. Yet North African companies in many other sectors also have the opportunity to take advantage of their proximity to the world's biggest single market. Barriers to trade between the North African 'five' and the EU are gradually being eroded, in part under the auspices of the Euro-Mediterranean Partnership (EMP).

Tunisia appears to have put most effort into exploiting the opportunities presented by the EU and a host of textile companies are already operating in the country with the precise intention of targeting European markets.

However, the government of Morocco has now also improved its terms of investment in a number of sectors and the call centre sector has boomed as foreign francophone investors are making the most of the country's low costs but skilled population to set up operations. Whether Moroccan firms will also be able to join the foreign operators remains to be seen but the number of listed companies is rising year on year. ■

## Africa's Top 200 companies

## Nigeria rules sub-region



West Africa

After last year's survey of the top African companies, it would scarcely have been credible for Nigeria to further entrench its domination of West Africa's listed companies. Out of the top 50 companies in the region, an incredible 40 were based in Nigeria, with six in Ghana and four in Côte d'Ivoire.

Yet another year of strong growth in Nigeria has seen the West African giant extend its lead, taking 44 out of the top 50 slots in this year's survey, leaving just three for Ghana and two for Côte d'Ivoire.

First Bank of Nigeria is the biggest company in West Africa in this year survey. The rise in its market capitalisation from \$2.2bn last year to \$2.6bn in this year's survey has enabled it to overtake Nigerian Breweries. The latter suffered a small fall in value but hangs on to second spot ahead of telecoms company Sonatel of Senegal and a host of Nigerian banks.

Seven of the top 12 listed companies in West Africa are Nigerian banks: First Bank of Nigeria, Zenith Bank International, Union Bank of Nigeria, United Bank for Africa, Intercontinental Bank, Guaranty Trust Bank and Oceanic Bank.

All of the top 12 companies have market capitalisation in excess of \$1bn, up from just four firms last year, indicating that the body of substantial Nigerian companies, particularly in the banking sector, is growing strongly.

Oceanic Bank is worthy of particular mention for the rapid rise in its market capitalisation from \$463m last year to \$1bn just 12 months on.

Under the leadership of governor Charles Soludo, the Central Bank of Nigeria (CBN) has rapidly reformed the banking industry. New standards and regulations resulted in a series of mergers and acquisitions, and while this may have resulted in fewer larger banks in many economies, the opposite has occurred in Nigeria.

The number of registered banks was quickly reduced from 89 to 25, still a relatively high number in relation to the size of the Nigerian economy, but this means that more banks are large enough to qualify for our top 50.

However, even excluding financial services

## WEST AFRICA

	Company Name	Country	Value in Dollar terms
1	First Bank Nigeria	Nigeria	2,619,627,207
2	Nigerian Breweries	Nigeria	2,101,909,106
3	Sonatel	Senegal	1,760,801,842
4	Zenith Bank International	Nigeria	1,686,903,368
5	Union Bank Nigeria	Nigeria	1,592,429,380
6	Transnational Corporation Nigeria	Nigeria	1,344,265,209
7	United Bank for Africa	Nigeria	1,333,297,987
8	Guinness Nigeria	Nigeria	1,188,458,466
9	West Africa Portland Cement	Nigeria	1,132,421,241
10	Intercontinental Bank plc	Nigeria	1,088,213,858
11	Guaranty Trust Bank	Nigeria	1,083,420,362
12	Oceanic Bank	Nigeria	1,069,514,914
13	Nestle Nigeria Ltd	Nigeria	926,599,108
14	Ecobank Nigeria Ltd	Nigeria	809,488,747
15	Flour Mills Nigeria	Nigeria	751,502,544
16	Benue Cement Company	Nigeria	683,293,538
17	IBTC-Chartered Bank plc	Nigeria	613,441,664
18	Springbank plc	Nigeria	604,830,503
19	Ashaka Cement	Nigeria	600,190,270
20	PZ Industries	Nigeria	492,597,197
21	Total Nigeria	Nigeria	468,723,562
22	Afribank Nigeria	Nigeria	438,726,077
23	Diamond Bank	Nigeria	423,809,213
24	Access Bank Nigeria plc	Nigeria	377,038,965
25	Unilever Nigeria	Nigeria	352,866,760
26	Nigerian Bottling Company	Nigeria	349,007,531
27	Skye Bank	Nigeria	341,301,984
28	Mobil Oil Nigeria	Nigeria	320,846,008
29	First City Monument Bank	Nigeria	318,807,223
30	Oando plc	Nigeria	298,981,567
31	Chevron Oil Nigeria plc	Nigeria	284,273,249
32	Nigerian Aviation Handling Company Ltd (NACHO)	Nigeria	278,689,744
33	Cadbury Nigeria	Nigeria	266,626,101
34	Standard Chartered Bank Ghana	Ghana	260,982,731
35	Sterling Bank Ltd	Nigeria	257,366,851
36	African Petroleum	Nigeria	257,304,830
37	Bank PHB Nigeria	Nigeria	255,469,785
38	UAC Nigeria	Nigeria	251,440,742
39	Wema Bank	Nigeria	244,182,023
40	Ecobank Ghana Ltd	Ghana	227,287,976
41	Conoil plc	Nigeria	205,769,288
42	Fidelity Bank Nigeria	Nigeria	189,304,408
43	Societe de Limonaderies et Brasseries (SOLIBRA)	Cote D'Ivoire	175,533,921
44	First Inland Bank plc	Nigeria	153,230,504
45	7-UP Bottling Company	Nigeria	151,959,657
46	EIB International Bank	Nigeria	139,128,814
47	Produce Buying Company	Ghana	130,140,986
48	Unity Bank plc	Nigeria	129,981,242
49	Glaxo Smithkline Beecham Nigeria	Nigeria	122,068,279
50	SocGen Banque en Côte Ivoire	Cote D'Ivoire	118,676,767

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## Ghana

## Raising of ranking bar hits Ghanaian companies

The inclusion of Nigerian companies in any survey of the biggest firms in West Africa leaves little room for the analysis of non-Nigerian performance. As a result, we have also opted to examine the region when all Nigerian enterprises are taken out of the equation.

Of the six companies to qualify for inclusion in our overall West African top 50, only one makes a mark near the top of the table. Telecoms company Sonatel of Senegal maintains its third position of last year, with market capitalisation of \$1.7bn. This is up from just \$1.2bn last year, highlighting an impressive rise.

The two Ivorian firms both feature lower down: Société de Limonaderies et Brasseries (Solibra) and Société Générale de Banque en Côte d'Ivoire. The three Ghanaian entrants include Produce Buying Company and two banks: Standard Chartered Bank of Ghana and Ecobank Ghana Ltd.

However, both countries have a large number of companies that could potentially claim a place in the top 50 in the future. The next tranche of 50 companies – that is, those ranked 51-100 in West Africa – includes 14 from Ghana and 15 from Côte d'Ivoire, with the remaining positions taken up by Nigerian companies.

Côte d'Ivoire was one of the strongest economies in West Africa until political disputes at the end of 2000 eventually culminated in civil war. The country has

largely been stuck in a stalemate since mid-2003 and the deployment of UN's peacekeepers the following year. It lost its reputation for stability and also its attractiveness as a safe bet for investment. Ivorians themselves also have less money to spend on the products of domestic companies.

Far larger numbers of Ivorian companies would be expected in our top 50 but until the conflict is settled once and for all, stock values will remain depressed and new listings will be unlikely. Nevertheless, companies from Côte d'Ivoire certainly have the potential to claim higher positions in our surveys in the coming years.

The fact that the number of Ghanaian companies in the top 50 was cut in half from six last year could point to a decline in the fortunes of that country's major companies.

The value of Produce Buying Company may have fallen from \$158m last year to \$130m in this year's survey but the two banks both recorded sizeable increases.

Given the presence of so many Ghanaian enterprises in the 50-100 tier, it appears that the decline in the top 50 is more the result of changes in Nigeria than a decline in Ghana itself, particularly as the relegated Ghanaian companies were previously ranked in the lower reaches of the table. For instance, the value of Guinness Ghana has increased from \$99m to \$113m over the past year, although the company's ranking has declined.

is more than 27 times bigger than First Bank.

Given that Nigeria is the most populous country in Africa by a wide margin, with 140m inhabitants, it is clear that the country's economy and capital markets are hugely underdeveloped. Despite the domination of our table by Nigerian companies, the West African state's economy is built upon the success of foreign oil and gas firms. This situation is unlikely to change for the foreseeable future, but the non-oil economy is now growing more rapidly than for many years and the government and private sector investors are finally beginning to improve the country's infrastructure.

The West African tradition of entrepreneurship is finally being allowed to come to the fore and privately owned firms are taking off. The most successful have a huge country within which to grow and so the lack of progress on creating a single market within the Economic Community of West African States (Ecowas) region should not be too much of a constraint. Yet the Nigerian domination of West Africa should not mask the fact that Nigerian companies have a long way to go before they can measure up to the continent's biggest.

The bar has certainly been raised in terms of qualifying for the top 50. Nigeria's 7-Up Bottling Co came in 50th place in 2006 with market capitalisation of \$88m, yet that figure has increased by over one third this year to \$118m. This increase is partly the result of Nigeria's economic success but also stems from consolidation in the country's banking system.

The performance of Nigerian companies over the next few years will largely depend on the new government ensuring stability in the country and continuing to improve Nigeria's attractiveness as an investment destination. There are certainly plenty of firms that could expand greatly if Nigerians were to become wealthier, and others still that could prosper if they were able to benefit from more reliable transport networks and other infrastructure. Yet some progress has already been made in this direction and, on balance, continued growth is likely.

Despite the rise of some Nigerian firms in the sector, foreign companies are likely to continue to dominate the oil and gas industry, and there is no prospect of the Nigerian National Petroleum Corporation (NNPC) being privatised. Most large domestic companies are therefore likely to appear in the non-oil sector.

Greater economic stability should prompt more investment in property, construction, hotels and catering. ■

companies, Nigeria has a strong presence in the top 50. While foreign companies continue to dominate the Nigerian telecoms industry, several construction firms are listed.

Despite the predominance of the Nigerian oil and gas industry by the international oil majors, some effort has been put into encouraging the emergence of Nigerian companies in the industry, either as upstream participants themselves, or in associated ancillary services. Falling within this category, Conoil, Oando and African Petroleum all make our list, while others are likely to enter over the coming years.

In addition, some of the majors have listed subsidiaries based in Nigeria. Total Nigeria, Mobil Oil Nigeria and Chevron Oil Nigeria are all among Nigeria's largest 50 companies.

### Big fish in a small pond

It is important not to exaggerate the scale of the Nigerian achievement. West Africa's biggest economy may be a very big fish but it is swimming in a very small economic pond. While the country's largest firm by market capitalisation,



Let's talk business! Trade is West Africa's lifeblood, and many top companies rely on informal traders to market their products.

First Bank of Nigeria, may be bigger than the best that East Africa can offer, there are nine bigger companies in North Africa, the largest of which – Orascom Telecom – is almost six times bigger than First Bank.

The comparison with South Africa is even more startling, where 35 enterprises have higher market capitalisation than the Nigerian bank. The top African firm, Anglo American,

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Central Africa

Most countries in East, Southern and West Africa have to varying degrees liberalised their economies and so possess companies that are listed on either their own or regional stock exchanges. However, most economic activity in Central Africa is controlled by foreign investors or state owned companies. The upstream oil industry is the source of most wealth in Gabon, Congo-Brazzaville and Chad and there are no significant listed firms in this sector in the region.

Nevertheless, there are some companies in Gabon in particular that have been either fully or partially privatised. Société d'énergie et d'eau du Gabon (SEEG), Gabon Telecom, Société des Brasseries du Gabon (SOBRAGA), Société Nationale des Bois du Gabon (SNBG) and Société Gabonaise de Raffinage (SOGARA) are among the most significant.

However, even in those sectors that have been liberalised, foreign companies have often taken over or directly purchased equity in the former parastatals from the government. Even Gabon's biggest company, Total Gabon, is a joint venture between French firm Total and the government of Gabon.

Initial public offerings (IPOs) have not been a popular option in Central Africa as a whole. That Libreville, Brazzaville and other governments in the region have largely failed to open up their economies is perhaps surprising given the opportunities afforded and threats posed by oil revenues.

Gabon in particular is threatened by falling oil production, yet politicians across the region have not sought to diversify their economic bases through liberalisation. Congo-Brazzaville has been forced to introduce some reforms as the price of support by the World Bank and IMF. Democratic Republic of Congo (DR Congo) is following suit but Chad's recent oil boom is likely to enable the government of that country to avoid embarking on more deep-seated reforms.

*Given South Africa's dominance, we believe readers will be interested in the performance of sub-Saharan companies excluding South Africa – as shown in the table. ■*

## SUB-SAHARAN AFRICA, Excl South Africa

	Company Name	Country	Value in Dollar terms
1	Pretoria Portland Co Ltd	Zimbabwe	4,443,488,810
2	First Bank Nigeria	Nigeria	2,619,627,207
3	Nigerian Breweries	Nigeria	2,101,909,106
4	Sonatel	Cote D'Ivoire	1,760,801,842
5	Zenith Bank International	Nigeria	1,686,903,368
6	Union Bank Nigeria	Nigeria	1,592,429,380
7	Barclays Bank Kenya Ltd	Kenya	1,494,808,454
8	Transnational Corporation Nigeria	Nigeria	1,344,265,209
9	United Bank for Africa	Nigeria	1,333,297,987
10	East African Breweries Ltd	Kenya	1,309,541,053
11	Guinness Nigeria	Nigeria	1,188,458,466
12	West Africa Portland Cement	Nigeria	1,132,421,241
13	Bamburi Cement Ltd	Kenya	1,115,653,381
14	Intercontinental Bank plc	Nigeria	1,088,213,858
15	Guaranty Trust Bank	Nigeria	1,083,420,362
16	Oceanic Bank	Nigeria	1,069,514,914
17	Nestle Nigeria Ltd	Nigeria	926,599,108
18	Kenya Electricity Generating Company	Kenya	919,299,705
19	Barclays Bank of Botswana	Botswana	893,135,561
20	First National Bank of Botswana	Botswana	884,633,155
21	Ecobank Nigeria Ltd	Nigeria	809,488,747
22	Standard Chartered Bank (Kenya) Ltd	Kenya	797,082,942
23	Kenya Airways Ltd	Kenya	785,343,184
24	Mauritius Commercial Bank	Mauritius	784,252,429
25	Flour Mills Nigeria	Nigeria	751,502,544
26	Standard Chartered Bank Botswana	Botswana	747,816,358
27	Kenya Commercial Bank Ltd	Kenya	687,716,951
28	Benue Cement Company	Nigeria	683,293,538
29	IBTC-Chartered Bank plc	Nigeria	613,441,664
30	Springbank plc	Nigeria	604,830,503
31	Ashaka Cement	Nigeria	600,190,270
32	State Bank of Mauritius Ltd	Mauritius	514,912,648
33	New Mauritius Hotels	Mauritius	509,393,458
34	PZ Industries	Nigeria	492,597,197
35	Total Nigeria	Nigeria	468,723,562
36	Afribank Nigeria	Nigeria	438,726,077
37	Diamond Bank	Nigeria	423,809,213
38	Mumias Sugar Co Ltd	Kenya	393,727,805
39	Botswana Insurance Holdings Ltd	Botswana	377,844,725
40	Access Bank Nigeria plc	Nigeria	377,038,965
41	British American Tobacco Kenya Ltd	Kenya	374,584,684
42	Unilever Nigeria	Nigeria	352,866,760
43	Nigerian Bottling Company	Nigeria	349,007,531
44	Skye Bank	Nigeria	341,301,984
45	Mobil Oil Nigeria	Nigeria	320,846,008
46	Nation Media Group Ltd	Kenya	319,078,877
47	First City Monument Bank	Nigeria	318,807,223
48	Kenya Power & Lighting Ltd	Kenya	305,440,135
49	Sechaba Breweries	Botswana	300,268,994
50	Oando plc	Nigeria	298,981,567

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Eastern Africa

As the East African Community (EAC) begins to take shape, there has been a great deal of discussion on how Tanzanian and Ugandan companies have begun to close the gap on their Kenyan counterparts.

There were a number of reasons for the collapse of the previous incarnation of the EAC in the 1970s, but one of the most important factors was the overwhelming domination of the Kenyan economy and companies. It was felt that the removal of all customs barriers would merely enable Kenyan firms to steamroller Tanzanian and Ugandan markets.

Many analysts now point to much higher growth in Tanzania and Uganda than in Kenya over the past decade as evidence that the situation will be very different this time around. Yet our survey of the top 50 companies in East Africa by market value indicates that Kenya remains the regional giant in corporate terms. The top six places are all filled by Kenyan companies and indeed 32 out of the top 50 positions are taken by Kenyan firms, as Nairobi demonstrates that it is still the East African heavyweight.

Barclays Bank Kenya has overtaken East African Breweries (EAB) to become the highest ranked company in East Africa. Its market capitalisation jumped from \$735m last year to \$1.49bn this year to claim top spot, despite EAB's massive lead of \$487m over its nearest rival last year.

The other company to break the \$1bn barrier is third placed Bamburi Cement, which enjoyed a huge jump in market value, from \$697m to \$1.115bn. The airline and tobacco sectors were also represented in the top 10, in the form of Kenya Airways and BAT Kenya.

One of the biggest changes in this year's survey is the prominence of Kenyan power companies. Kenya Power and Lighting Company (KPLC), which handles transmission and distribution, has recovered from the economic difficulties of the early years of its existence, when its value on the Nairobi stock exchange fell by 80%, and is making progress up our table.

Its market value has increased from \$149m last year to \$305m in the latest survey. The company

## EAST AFRICA

	Company Name	Country	Value in Dollar terms
1	Barclays Bank Kenya Ltd	Kenya	1,494,808,454
2	East African Breweries Ltd	Kenya	1,309,541,053
3	Bamburi Cement Ltd	Kenya	1,115,653,381
4	Kenya Electricity Generating Company	Kenya	919,299,705
5	Standard Chartered Bank (Kenya) Ltd	Kenya	797,082,942
6	Kenya Airways Ltd	Kenya	785,343,184
7	Mauritius Commercial Bank	Mauritius	784,252,429
8	Kenya Commercial Bank Ltd	Kenya	687,716,951
9	State Bank of Mauritius Ltd	Mauritius	514,912,648
10	New Mauritius Hotels	Mauritius	509,393,458
11	Mumias Sugar Co Ltd	Kenya	393,727,805
12	British American Tobacco Kenya Ltd	Kenya	374,584,684
13	Nation Media Group Ltd	Kenya	319,078,877
14	Kenya Power & Lighting Ltd	Kenya	305,440,135
15	Tanzania Breweries Ltd	Tanzania	285,903,502
16	I.C.D.C Investments Co Ltd	Kenya	213,904,621
17	Sun Resorts	Mauritius	202,288,141
18	CFC Bank Ltd	Kenya	183,224,965
19	Equity Bank Kenya	Kenya	179,972,100
20	Rogers & Company Ltd	Mauritius	173,418,748
21	Jubilee Insurance Co Ltd	Kenya	166,240,629
22	National Bank of Kenya Ltd	Kenya	165,840,324
23	East African Portland Cement Ltd	Kenya	164,696,598
24	Kenya Oil Co Ltd	Kenya	155,632,294
25	East African Cables Ltd	Kenya	138,962,755
26	Promotion & Development Co Ltd	Mauritius	136,038,650
27	Naiade Resorts Ltd	Mauritius	135,469,841
28	Diamond Trust Bank Kenya Ltd	Kenya	128,752,986
29	CMC Holdings Ltd	Kenya	122,184,362
30	NIC Bank Ltd	Kenya	120,181,112
31	Mon Tresor & Mon Desert Ltd	Mauritius	114,266,693
32	Tanzania Cigarette Company	Tanzania	113,505,637
33	Athi River Mining	Kenya	110,355,299
34	Ireland Blyth Ltd	Mauritius	105,785,494
35	Firestone East Africa Ltd	Kenya	96,499,099
36	Tanzania Portland Cement C Ltd	Tanzania	91,070,619
37	Fincorp Investments	Mauritius	89,860,940
38	Total Kenya Ltd	Kenya	86,848,324
39	Harel Freres Ltd	Mauritius	85,804,146
40	Housing Finance Co Ltd	Kenya	78,917,120
41	Sasini Tea & Coffee Ltd	Kenya	76,619,720
42	Mauritius Development Investment Trust	Mauritius	62,272,805
43	Standard Newspapers Group Ltd	Kenya	61,923,753
44	Air Mauritius Ltd	Mauritius	58,760,802
45	Scangroup Ltd	Kenya	56,260,615
46	Unilever Tea Ltd	Kenya	55,899,627
47	Eveready Kenya Ltd	Kenya	53,890,959
48	Shell Mauritius Ltd	Mauritius	51,753,406
49	Caudan Development	Mauritius	49,031,949
50	Tourism Promotion Services Ltd (Serena)	Kenya	47,832,546

## Africa's Top 200 companies



Kenyan companies, along with their Mauritian counterparts, dominate the East Africa tables.

was born out of the break up of state-owned Kenya Power Company in 1997-98, a process which also saw the creation of Kenya Electricity Generating Company (KenGen), which controls most power generation in the country.

KenGen is the newcomer in this year's top 10, ranked 4th with a market capitalisation of \$919m. A 30% stake in the company was floated in May 2006 in an initial public offering (IPO) that valued the company at just KSh26.13bn or \$361.6m. Shares were offered at KSh11.90 but ended their first day of trading at KSh40, after only 65,000 of the 272,000 people who applied for shares were actually awarded a stake because of massive oversubscription.

### Challenge from Mauritius

The biggest challenge to Kenya in Eastern Africa comes not from the other members of the EAC but from the far smaller country of Mauritius. The Indian Ocean island state boasts a population of just 1.2m but successive governments have pursued a successful policy of economic diversification, away from the colonial reliance on sugar into textiles and then tourism. Latterly the government has put a great deal of effort into developing the island as an IT hub and has gradually reduced trade barriers with most other parts of the world.

It might be expected by some that this policy would encourage foreign investment and international competition, which would in turn overwhelm domestic companies. Yet in what seems like an advertisement for globalisation, Mauritian enterprise appears to be flourishing.

The only three non-Kenyan companies in the top 10 are also Mauritian: Mauritius Commercial Bank, State Bank of Mauritius and New Mauritius Hotels. A total of 15 companies from the country make our regional table this year, down from 19 last year but with higher overall market value. Mauritius Commercial Bank had a particularly impressive year, with its market capitalisation rising from \$472m last year to

### Company profile

## State Bank Mauritius

State Bank Mauritius (SBM) started operations in 1973 and was listed on the Stock Exchange of Mauritius (SEM) on 30 June 1995. Today SBM's share is widely held and is one of the most liquid and best performing shares in Mauritius.

The strong financial performance of the group can be attributed to several factors. SBM organises its activities into three lines of business: Personal banking, business banking and Treasury. Strategies are focused and tailor-made products and services are developed to meet the needs and aspirations of each customer segment within each line of business.

This translates into providing simple but more convenient banking solutions and a wider range of financial services products as well as modern electronic delivery channels to meet customers' ever-increasing needs.

For example, SBM was the first bank in Mauritius to launch a mobile-phone banking service in March 2006, which enables customers 'anytime, anywhere' access to their bank accounts using their mobile handsets.

Moody's Investor Services' latest ratings for SBM group are Baa2/P2 for long term and short term foreign currency deposits and D+ for financial strength, the highest rating that has been assigned to any Mauritian entity.

SBM group has received several awards in recent years – The Bank of the Year Mauritius award was won three times since its launch by *The Banker* (*Financial Times*, London, UK), the inaugural Best Bank in Mauritius title was awarded to SBM group by *Euromoney* in 2004 – and has been won each year since then.

The SBM group continues to pursue growth through new business relationships and business opportunities across geographical borders.

By Chaitlall Guinness, CEO State Bank Mauritius



\$784m in this year's survey. Any structural difficulties in the Mauritian economy that may have become apparent over the past couple of years appear insignificant with Tanzania and Uganda's failure to make a big impact in our survey. Despite both having more than 20 times the population of the Indian Ocean state, Tanzania has just three companies in the top 50, while Uganda has none.

Both have made strong economic strides in recent years but much of Uganda's economic growth has merely made up for the economic collapse of the 1970s. Uganda's dfcu Group ranked 38th in last year's table but despite an increase in market value from \$42.6m to \$46.7m over the past year, the company has dropped out of the top 50.

Tanzanian growth has largely been based on the government improving the investment environment for foreign companies, in the mining, power and tourism sectors. As a result, the benefits of the reforms are not immediately apparent in the value of Tanzanian listed companies.

Both Dodoma and Kampala must put more effort into encouraging domestic entrepreneurship, although it is hoped that the harmonisation of East African economies in the EAC will drive this process.

As last year, Tanzania Breweries remains the highest ranked Tanzanian firm, with a ranking of 15th and market capitalisation of \$285m, a substantial fall from 11th and \$303m last year. The other two are Tanzania Cigarette Company at 32nd, with \$113m, and Tanzania Portland Cement Company, with \$91m. The former has also fallen, from 19th place in last year's table, highlighting the relative weakness of Tanzanian companies. The fact that all three are former state owned companies also emphasises the country's failure to produce new companies.

Despite the falls in value suffered by Tanzanian companies, Kenyan and Mauritian success has resulted in a much stronger showing for the region as a whole this year.

Companies needed a market capitalisation of \$27.9m to make the top 50 last year but this figure has risen to \$47.8m over the past 12 months. Similar advances have been made at the top end of the scale, where Kenya Commercial Bank scraped into our top 10 with \$309.8m last year, while the qualifying mark had been raised to \$509.3m by the time of this year's survey. It is difficult to determine whether such strong growth can continue but the pace of growth certainly makes it difficult for Tanzanian and Ugandan firms to enter the table. ■