



# CEO Roundtable of Tanzania

Ethical Leadership for Growth and Prosperity

## 2017 ANNUAL GALA DINNER

### SPEECH BY ALI A. MUFURUKI, CEOrt CHAIRMAN HYATT REGENCY KILIMANJARO, 2<sup>ND</sup> DECEMBER 2017

Honourable Ministers, Members of Parliament and Senior Government Officials present

Excellency Ambassadors and High Commissioners

Distinguished Members of the CEO Roundtable of Tanzania

Distinguished Guests

Ladies and Gentlemen

Welcome to the 2017 CEO Roundtable Annual Gala Dinner. It is always a privilege for me to speak at this, what has become a signature event of the CEO Roundtable, an evening of both reflection and celebration of events of a typical Tanzanian business year.

Before I commence my address however, please allow me to take a moment to remember a dear departed friend and founding director of the CEO Roundtable Mr. Nicola Colangelo, who passed away earlier this year in Italy.

Nicola was a passionate serial entrepreneur of note, maybe the best Tanzania has seen so far. He created businesses spanning many sectors and in the process not only created job opportunities for thousands of Tanzanians, but he also mentored many of his employees into becoming entrepreneurs in their own right.

Nicola co-founded the CEOrt with me and a few others and served as director until a few months before his death. During this time, he contributed immensely in helping to steer our organisation to what it is today. He was also a passionate advocate of the environment and bio-diversity

*Directors: Mr. Ali Mufuruki (Chairman), Mr. Yogesh Manek, Mr. Leonard Mususa, Mr. Nehemiah Mchechu, Ms. Ineke Bussemaker, Mr. Francis Nanai, Dr. Alex Nguluma*

conservation. He was personally responsible for raising awareness amongst our members and helped develop the CEOrt's bio-diversity agenda.

Nicola will be remembered by many for the big enterprise legacy he has left behind, his Italian passion, his generosity of spirit and great humour.

Now I ask that we all rise and observe a minute of silence in honour of the memory of this great entrepreneur, leader and friend.

Thank you.

This evening is very special for me personally but also for the CEO Roundtable.

As you are aware by now, we have today launched the CEO Roundtable's 10<sup>th</sup> anniversary celebrations. During the course of this evening, my colleagues and I will take turns to recall the highlights of what has been an amazing journey of discovery and construction. Discovery of the obvious truth that the Government and Private Sector can actually be partners in the development and building of our nation, and construction of a partnership framework that felt like an awkward, forced embrace in the early days of this journey but is now slowly but surely feeling more natural, the occasional disruptions notwithstanding. I will speak more about this in a moment.

Before I do so, it is important to note that whilst the CEO Roundtable's *official* journey commenced 10 years ago when it was registered as a not-for-profit private sector advocacy association, its origins go back to a day 17 years ago in the year 2000, when a handful of us got together over lunch to discuss the prospects of engaging the Mkapa Government, then in the final months of its first term, in what we termed as a "**Meaningful Public- Private Dialogue**" on matters of economic policy formulation in Tanzania.

We knew this was not going to be an easy conversation given our country's history of hostility towards private enterprise, but were encouraged by the fact that the first five years of the Mkapa administrations were characterized by tough World Bank and IMF-inspired structural adjustment policies that apart from helping stabilize the macro economy, had contributed to raising the profile of the private sector as the engine of economic growth.

Privatisation of failed state owned enterprises was in high gear, inward flow of FDI was rising and Tanzania was becoming a popular investment destination for the first time since independence. There couldn't be a better

time to try, so we asked for a meeting with President Mkapa at his earliest convenience.

We didn't have much hope of a response let alone a note of regret. So you can imagine our surprise when State House responded promptly in the affirmative, confirming the President's interest in meeting with us as soon as possible. We worked day and night to put together presentations and research papers on key areas of the economy to demonstrate how the proposed partnership could work.

When we finally met on 6<sup>th</sup> April 2000 at the Seacliff Hotel here in Dar es Salaam, President Mkapa made a speech that included the following unforgettable words:

**“Government’s mission is to promote a healthy and robust economy where the guiding hand of government, through enlightened legislation and transparent governance, enhances the development of private initiatives, encourages local and foreign investments, and generally provides an enabling environment for economic growth.”**

It was the first time in our history that someone as senior as President of The United Republic of Tanzania, made such a clear statement on the nature of the relationship between the public and private sectors in driving economic growth. President Mkapa may not know this but that statement, the conversations we had on 6<sup>th</sup> April 2000 together with his warm embrace of the private sector throughout his presidency, is what gave us the courage to establish the CEOrt as a formal private sector advocacy organization two years after he left office.

Having started out first informally as a group of six in the year 2000 and then 20 mostly foreign company CEOs when we met President Mkapa for the first time in April of the same year, we realized that the future of the Tanzanian private sector depended on the actions of the wider and specifically the local private sector. Just so that you appreciate how far we have come, there were only five local CEOs in the room when we met President Mkapa for the first

time and only two of those five were indigenous Tanzanians, namely Mr. Killewo, then CEO of Tanzania Breweries and myself.

It is therefore with much pride and satisfaction that I can say today that the CEOrt membership is more than 150 strong and the overwhelming majority of our members are locals. Together, the members of the CEOrt and the companies they lead contribute close to 50% of all taxes collected in the country and provide jobs to hundreds of thousands of Tanzanians directly and many more indirectly.

The CEORT experienced rapid growth during the Kikwete years and it is during this time that we implemented some of our most important work although preparations had begun during the Mkapa administration.

We pioneered PPP initiatives not seen before in this country, such as the Enhanced Public Service Leadership programme (EPSL) of 2008, when the CEOrt invited the Government and development partners to establish a scholarship fund to finance special leadership programmes for senior public officials.

We worked with the Police Force to set up the 3P-PF Task Force that provided funding for training police detectives in forensic evidence gathering in cyber-crimes investigations.

We also played important roles in our Government's anti-corruption efforts and helped in the crafting of the now famous **National Integrity Pledge for Public Leaders, Public Servants and Private Sector** in 2015.

This year and for the first time, the CEOrt became a publisher of an important book called **Tanzania's Industrialization Journey 2016-2056** that I had the honour of co-authoring with my good friends Gilman Kasiga, Rahim Mawji and Moremi Marwa. The CEORT's contribution to making this book project a success has been praised both locally and internationally. There is no doubt that as an organization, we are going beyond just talking about policy to demonstrating how such policy can be broken down into implementable projects and we are working with the Government in this regard.

This book in particular was a PPP project of the highest order, written by private citizens and with a foreword by none other than the President of the United Republic of Tanzania, Dr. John J. P. Magufuli, who has dedicated his presidency to transforming Tanzania into a modern industrialized state by 2025.

Finally, as I reflect on and celebrate the CEOrt's last decade with all of you, I note that as with any journey, even a very successful one such as this, there must be challenges, and we have faced quite a few especially in recent months.

The economy is going through tough changes and we are all struggling to adjust to what I have referred to as the "**New Normal**". What we started 17 years ago is a marathon, not an event. Some days will be tough, other days even tougher; but the private sector is known for its resilience. We will continue working to improve our lives and the lives of other Tanzanians through our work in private enterprise. We will continue to work with our Government to improve the business environment so that all of us can thrive and a better future can be built now rather than later.

So, I hope I am not exaggerating when I say that we have come a long way and although the job is far from done, we have every reason to celebrate what we have achieved together and tonight is as a good a time as any to do so. I urge you to not despair or give up. Better days are coming.

This leads me to my big announcement of the evening.

I have been privileged to represent and speak on behalf of the members of the CEO Roundtable and the wider private sector of our country throughout this long journey first as Lead CEO between 2002-2007 and as your chairman since 2007. It has been an incredible honour and privilege to lead such a distinguished group of people on this very exciting journey. I have grown tremendously thanks to the platform you have built for me and for this I am most grateful.

Being Chairman of the CEOrt means something in Tanzanian and this is not because of the person holding that position but rather the quality of the people he or she leads. You have been a great source of inspiration and power for me. Thank you so much.

Having said that, now is the right time for me to leave the stage. I have been discussing my exit from the position of Chairman of the CEOrt with my Board colleagues for the last two years and finally two months ago, the Board agreed to let me go.

I leave at a time when the CEORT has grown from an informal discussion group to a functional operating legal entity with a constitution, people, systems, money in the bank and most importantly, a great reputation. My

successor will find a great executive team at CEORT under the leadership of the one and only Santina Benson, a Board of Directors whose commitment to the cause is unmatched and a number of exciting new initiatives to work on. I couldn't be happier to pass the baton at this time.

I will continue to be an avid and hard working member of the CEOrt but the CEOrt is ready for a new leader to give it a new sense of purpose, new energy and passion as we embark on the next decade of our work. The Board will make an announcement of my successor before August next year after carrying out a rigorous search exercise.

I wish to take this opportunity to thank the members of the CEO Roundtable for your commitment and support and for your hard work as you continue to build and run businesses in challenging circumstances

Finally, I wish you all a joyous festive season and a prosperous year ahead.

Thank you for listening.