

MR. PIERRE NAHUM

Director General, Société Générale de Banques, Equatorial Guinea

UNIVERSAL NEWS: Before we start the interview, I would like to thank you for taking the time to see us this afternoon. I would like to start the interview with a general perspective of the country. Since 1979, under President Obiang the Government has promoted and implemented measures that promote good governance and transparency. The country's role in the CEMAC (Economic and Monetary Community of Central Africa) is crucial, and the African Union Summit will also take place in the capital. In your opinion, what image does Equatorial Guinea project internationally and how does that image contrast with the reality of the nation?

MR. PIERRE NAHUM: We are on one island so we have a long history. As it is an island, there are differences with the continent, Cameroon and other countries in the CEMAC. There is a lot of oil and the population is about 1 million so it is not the same situation in Nigeria or other countries around the Gulf. They found some oil and gas here and there is a lot of revenue and big project management by the Government and President. It is very challenging and is the reason why Société Générale is in Equatorial Guinea.

UNIVERSAL NEWS: Equatorial Guinea has experienced an incredible rate of GDP (gross domestic product) growth since the Government started diversifying profits that come from the energy sector, towards infrastructure, education and healthcare. What would you say are the key aspects of this economic expansion that the country has experienced, and what expectations do you see for the future?

MR. PIERRE NAHUM: There is good infrastructure and roads here but you need to improve training programs. There are differences in the population. My goal is to update training here.

UNIVERSAL NEWS: People have said the same thing in many interviews we have conducted. The experience and training of the workforce is a little bit behind. How do you see that? In your eyes, what is the local workforce in Société Générale like in terms of training?

MR. PIERRE NAHUM: We have young people here and we have some international and domestic activities. It is easier to improve domestic activities when it comes to training, but for international activities it is more difficult.

UNIVERSAL NEWS: Do you have a program? How do you train the people that are working here in the Bank? I imagine that most of the employees are locals, is that correct?

MR. PIERRE NAHUM: We have to mix the internal and external program. We have a training centre in Cameroon, but it is in French so we have to adapt this program to Spanish.

UNIVERSAL NEWS: So you have adapted the program in Cameroon for Spanish speakers.

MR. PIERRE NAHUM: Yes. We also have to integrate the differences and the situation here, for commercial activities for example.

2nd UNIVERSAL NEWS INTERVIEWER: What percentage of the workforce is local?

MR. PIERRE NAHUM: It is around 90%.

UNIVERSAL NEWS: The development plan Horizon 2020's goal is to distribute food and water to the local population and to implement and develop all sectors in Equatorial Guinea, making the country an emerging nation by 2020. How does the Bank contribute to this?

MR. PIERRE NAHUM: It is not about distributing, because if you go to the mountains, you have all the food you want.

UNIVERSAL NEWS: I was referring to water.

MR. PIERRE NAHUM: For me it is not about distributing. Perhaps we can develop an agricultural program, but it is not distributing anything. In the past you had the best cacao in the world. I do not quite understand the word distributing.

2nd UNIVERSAL NEWS INTERVIEWER: The goal is to ensure that the whole population has access to food.

MR. PIERRE NAHUM: In my point of view, you have rich nature here, so it is more about developing agriculture than distributing food. In some countries, it is tough to get things from nature; however that is not the case here.

UNIVERSAL NEWS: Well to develop the program.

MR. PIERRE NAHUM: I prefer that!

UNIVERSAL NEWS: The Government wants to develop not just its agricultural program but other programs that will allow people to benefit from a better distribution of water and basic needs, making the country an emerging nation by 2020. How does the bank contribute to this plan and what would you say are the key sectors apart from energy and infrastructure that are going to implement this ambitious plan?

MR. PIERRE NAHUM: We can distribute some credit but it is not really the case now. As we are a private bank and not a government, our goal is to finance demand.

UNIVERSAL NEWS: And have you started a program with the Government with such a goal?

MR. PIERRE NAHUM: No.

2nd UNIVERSAL NEWS INTERVIEWER: Are you planning to finance any projects in particular? For example in the next two years are you going to focus on infrastructure, or in the next five years are you going to focus on the development of small and medium enterprises (SMEs)?

MR. PIERRE NAHUM: We are not an administrative sector, so we do not plan as you said before. If there is demand for something, we can look at it and adapt what they are asking for. However we are not planning anything. As we are a global bank we can finance all sectors.

UNIVERSAL NEWS: It is not your job to implement certain programs, but have you been approached by the Government or the private sector to finance such programs?

MR. PIERRE NAHUM: I have a mixed point of view, because it is difficult to wait for a request from the Government. Maybe the private sector and people can come into the bank and ask what they need. In New York for instance, demand does not come from the Government, it is private demand.

UNIVERSAL NEWS: Here things work a little differently – the Government is behind everything that is taking place currently. I would like to talk a little bit about the recent economic crisis and slowdown that has affected most sectors on a global scale. Many countries are still trying to recover from the slowdown, and the financial sector has experienced tremendous losses. How would you say this slowdown has affected Société Générale in Equatorial Guinea?

MR. PIERRE NAHUM: Not really. Most of the country's revenue came from oil, so the price per barrel is at a good level. The crisis has not affected us a lot.

UNIVERSAL NEWS: I would like to talk a little about the Bank now and how it started. It started many years ago when you bought Banco Industrial in 1998 and you opened your doors that year. Since then you have modernized the banking industry incredibly in the country and in just a few years you have covered at least 50% of the equatorial Guinean market. What were the major milestones the Bank experienced here in Guinea?

MR. PIERRE NAHUM: It is difficult to say.

UNIVERSAL NEWS: Just the challenges you had to face when you established yourselves here in the country.

MR. PIERRE NAHUM: When we started we adapted our policies with Government development. That was the case in 1998 and is the case now.

UNIVERSAL NEWS: The Bank and its policies have modernized the sector and they continue to do so. Electronic cards have been issued and ATM machines are starting to appear in the key commercial centers of the country. What other projects do you have in the pipeline and services technology-wise?

MR. PIERRE NAHUM: We will propose Visa cards in the future. We will work towards adapting pay machines in commercial stores.

UNIVERSAL NEWS: What differentiates this bank from other banks here in the country?

MR. PIERRE NAHUM: The big difference is that we have branches in Europe, the US and China.

UNIVERSAL NEWS: I mean in terms of services in the country. What programs and services differentiate you from others?

MR. PIERRE NAHUM: It is easier for us to transfer money abroad, and as we have contacts in each continent, it is useful for our clients to work abroad. This is the big difference between CCEI Bank for example.

2nd UNIVERSAL NEWS INTERVIEWER: Do you feel that there is more space for other banks in the market?

MR. PIERRE NAHUM: I think so.

UNIVERSAL NEWS: And why do you think that no banks have tapped into the market yet if space is available?

MR. PIERRE NAHUM: You have to wait for accreditation, and the market is small here. I think in the future we will have a big market of CEMAC countries. For me in ten to fifteen years it will be possible to have your headquarters in other CEMAC countries and you can work here or in Chad, like it is in Europe.

UNIVERSAL NEWS: So you see that happening in ten to fifteen years?

MR. PIERRE NAHUM: I think so.

UNIVERSAL NEWS: I would like to go back to new services and technologies that you have in the pipeline. Do you not see internet and cell phone banking as a possibility here? The Internet is very small in the country, so maybe that is not the case currently.

MR. PIERRE NAHUM: Have you tried to connect during the day? If so, you are part of the answer. We have some VIP clients but the others have no way to connect to the Internet. It is not the only solution. We will try to work with some firms like Orange to pay by phone, but there is the same problem because we do not have good quality internet here sometimes during the day. It is difficult for us to contact the center and to be sure that the operation has been completed successfully.

2nd UNIVERSAL NEWS INTERVIEWER: We have heard that a lot of international companies prefer to do their banking in their home countries, like in the US for example rather than here. How do you tap into that market and attract those companies? How do you convince them to use your banking services here?

MR. PIERRE NAHUM: It is their choice really. Some want to have money here because it is an obligation.

UNIVERSAL NEWS: The Bank at the end of the day is a commercial institution. How do you attract potential business with international firms?

MR. PIERRE NAHUM: It is up to the client. We have an international network, so when they come to Malabo they come here, and then they go to CCEI Bank. If they want to have regional activity, they will go to CCEI Bank for example.

UNIVERSAL NEWS: I imagine the Bank has some sort of communication campaign to promote the image?

MR. PIERRE NAHUM: It is more about personal relationships.

UNIVERSAL NEWS: I would like to talk a little about foreign investment in the country. It is growing at a considerable pace, and the US have positioned themselves as a major investor of this country, as well as countries like China and Morocco. However the US is the number one of course. What opportunities and benefits does the country offer to international businesses looking to invest in Guinea?

MR. PIERRE NAHUM: Security, good opportunities such as investment and infrastructure development, and its strategic location in the Gulf of Guinea.

UNIVERSAL NEWS: Many people compare Equatorial Guinea to Kuwait because of its small size, strategic position and of course the oil.

MR. PIERRE NAHUM: I think the reason why the Portuguese, Spanish and English came here was because of its strategic location.

UNIVERSAL NEWS: What do they do to attract this international investment?

MR. PIERRE NAHUM: Dubai is perhaps a good example because it is more open and easier to open accounts and the rules are more flexible. It is business-friendly, and that is not the case here yet.

UNIVERSAL NEWS: Do you see that happening here in the next five to ten years?

MR. PIERRE NAHUM: I think so!

UNIVERSAL NEWS: We were talking about Société Générale being a giant and having presence in all of the continents. You have an unbelievable international presence. It is beneficial for potential investors to know that they have the guarantee and the confidence that this Bank offers to its clients. What made you decide to come to the Equatorial Guinean market? What made you tap into this market?

MR. PIERRE NAHUM: We have a branch in Cameroon and we have a project in Nigeria, so it was logical to be here.

UNIVERSAL NEWS: And the language maybe was a barrier at the beginning?

MR. PIERRE NAHUM: Perhaps, but we invest in Spain as well.

UNIVERSAL NEWS: Do you have any plans to expand regionally in Africa?

MR. PIERRE NAHUM: I think so; it was in the newspaper however I have no information on it.

UNIVERSAL NEWS: And do you have any plans to open more branches in Guinea?

MR. PIERRE NAHUM: Yes. We will open a branch in one year on the continent.

UNIVERSAL NEWS: I would like to take the interview to a more personal level. Our reports are based on visions of the most important individuals that we interview in the country, like you. How has your past professional experience helped you lead Société Générale Bank here in Equatorial Guinea?

MR. PIERRE NAHUM: I had experience in Mauritania in Africa before. I worked for the World Bank evaluating two local banks. It was a great challenge, and that was the reason why I came here.

UNIVERSAL NEWS: On a personal level, what is the difference between Mauritania and Equatorial Guinea in the banking sector?

MR. PIERRE NAHUM: It is completely different, because in Mauritania you have confrontations between different groups of people. Here it is different. In Mauritania it is very difficult to get food because it is in the Sahara. However that is not the case here. There are also cultural differences there.

UNIVERSAL NEWS: There is a saying that is “without good leadership there can be no success”. The Bank has obviously done very well. What would you say was your leadership philosophy that you implement in the Bank?

MR. PIERRE NAHUM: You have to listen to people and adapt your activities to the country. For instance, the Internet. If people do not have access to a computer or it is expensive, you have to wait before you develop internet banking activities.

UNIVERSAL NEWS: And focus on other services. You have to adapt to the country you operate in. the internet is a perfect example – if you are a bank that specializes in internet banking, you cannot promote that here, but you have to change the vision of the Bank to work with the few resources you have in the country.

2nd UNIVERSAL NEWS INTERVIEWER: I mentioned SMEs previously. How do you view SMEs developing here in the future? Of course the energy sector is everything at the moment, but the Government wants to encourage the small companies to grow. How do you see this happening in the coming years?

MR. PIERRE NAHUM: It will take perhaps five to ten years. They do not come to us for credit, as it is more of a closed sector here. You have some microcredit here, but not with commercial banks. People work a lot with the ‘*découverts*’ and they do not ask for credit for investments. You have to change the cultural approach.

2nd UNIVERSAL NEWS INTERVIEWER: Do you think that microfinance would be a good business here? Would it be possible to implement microfinance here? Do you think people are prepared?

MR. PIERRE NAHUM: It works in other countries, so I think it could be a good idea.

UNIVERSAL NEWS: And do you see the Bank trying to implement that?

MR. PIERRE NAHUM: Not now, but one day!

2nd UNIVERSAL NEWS INTERVIEWER: Does the Bank do this in other countries?

MR. PIERRE NAHUM: Yes.

UNIVERSAL NEWS: It has worked very well in India and other African countries. It is just a matter of time before it is implemented and it works here in Equatorial Guinea. I would like to finish the interview with a message. You are speaking to the readers of *Foreign Policy* who are businessmen and politicians and diplomats mainly in the US. If you could send one message to them about Equatorial Guinea and Société Générale here in the country, what would it be?

MR. PIERRE NAHUM: They can come and see for themselves. Everything is possible here, and they can develop their activities.

UNIVERSAL NEWS: Thank you very much.