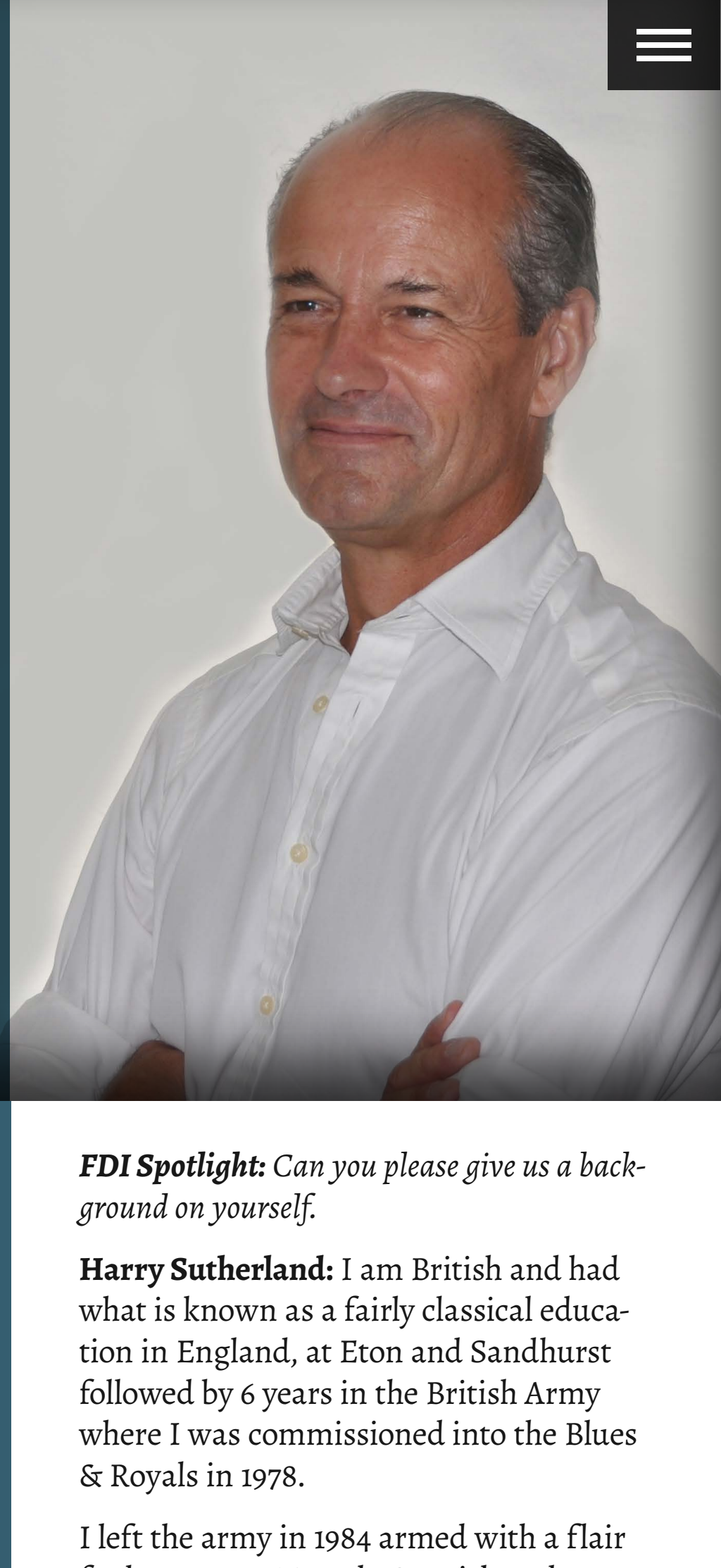




INVEST MAURITIUS FEATURE

In Conversation with Harry Sutherland

Chairman, CrossInvest Global Management Services



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COMPANY PROFILE

FEATURED Q&A INDEX

MAIN MENU

FDI Spotlight: *Can you please give us a background on yourself.*

Harry Sutherland: I am British and had what is known as a fairly classical education in England, at Eton and Sandhurst followed by 6 years in the British Army where I was commissioned into the Blues & Royals in 1978.

I left the army in 1984 armed with a flair for languages (French, Spanish and Portuguese) a burning ambition and with US\$3,000 in cash, I moved to the Republic of Guinea in West Africa seeking what I considered to be 'frontier market' challenges. Purely by luck (good or bad, I am not so sure) I picked one of the most challenging commercial and social environments imaginable: no phones, no banks, rampant malaria, military passes to leave Conakry (the Capital), a handful of foreigners and a population still terror-

ised by the aftermath of the Sékou Touré regime, so I certainly had my work cut out. However in partnership with British and South American coffee traders I started the first private coffee company in the country in 1984, trading and growing robusta coffee. We brought in Peruvian estate managers and I exported my stock through Liberia down the LAMCO railway line to the port of Buchanan. West Africa was an entertaining spot in those days with Master Sergeant Samuel K Doe in Liberia and Joseph Momoh in Sierra Leone and I experienced my first military coup in Guinea in 1984, which culminated in the long term presidency of Lansana Conte. We exported about 5,000 Mt over the period at US\$4 a KG, so this was heady stuff for a 24-year-old 'cutting his teeth' in West Africa. We were the largest coffee company in the country, employing and training some 200 people. I was privileged to watch an economy begin to re-evolve, banks, buildings, roads, employment, not least we felt through some of our efforts. But life is cyclical; with coffee prices collapsing externally, domestic prices rising internally, and some Government measures that made it uneconomic to continue, after five years, it was time to move on.

Back in the UK, I was introduced to the legendary Tiny Rowland of Lonrho fame in 1988 and set about helping Lonrho develop and further its ambitions in Angola. Angola was one of the largest robusta coffee producers in the world in 1973, and was still exporting historical coffee stocks 16 years later. We developed a phenomenal coffee recuperation programme for 7,500 ha with the government but Jonas Savimbi & UNITA was still a large and the government could not guarantee the security angle.

I came back to Lonrho headquarters in London where we had been asked by the President of Ghana, Flt Lt JJ Rawlings, if we would consider building an hotel in Accra, Ghana in time for the OAU conference. The OAU conference was just eleven months away, and only the Lonrho projects team, of which by now I was a core member, would have even considered such a task. I was appointed Project Manager, in what seemed to me a 'make or break' role in 1990. We duly built the 104 bedroom, 5-star Labadi Beach Hotel with a wonderful team - designed, financed, by the IFC & CDC, and commissioned on time and within budget in the allotted 11 months. As far as I know, still a record in West Africa.

I had watched the Berlin Wall being torn down on TV in a bar in Luanda, Angola (surrounded by Cuban troops) and by coincidence a year later Lonrho began a new division in the former Soviet Union. I was asked to see what we could do to increase trade and investment in Central Asia. We bought cotton, secured various vehicle and other distribution agencies, printed currency (for both Uzbekistan and Kazakhstan) and, in the way that frontier markets throw opportunities in your path as long as you are prepared to be imaginative and persevere, I secured the Ansett Worldwide aircraft agency for Turkmenistan and after 18 months of 'perseverance', sold a Boeing 757 to the President of Turkmenistan in 1993 for \$51 million. This was the first Boeing sold into Central Asia and the first and only Boeing ever sold by Lonrho.

With those watch words of 'imagination and perseverance' in mind, in 1995 I had an opportunity to spearhead a US\$750 million project in Cuba to redevelop Old Havana. This was ambitious to say the least but Eusebio Leal Spengler, the Fidel Castro appointed curator of the old city, was extremely encouraging and buoyed up by his support we forged ahead. We spent 18 months working on this project and proposal with 'English Heritage' and British engineers and with support from the British Embassy, Commonwealth Development Corporation and the banking group ING to name but a few. We met Fidel Castro on a couple of occasions early on and felt we were making progress, however, as time drew on it was clear to me that his ideas differed from our more market orientated plans and Lonrho decided not to pursue further.

The remarkable Lonrho projects team was disbanded in 1997, Lonrho was in the process of being broken up and we were all made redundant. This was the dot.com era, an anathema for a frontiers man. I realised I had to reinvent myself and quickly, and found myself sitting the Stock Exchange exam aged 42 surrounded by 22-year-olds. However this was the decade of the natural resource boom and commodities were being explored for, mined and drilled in my former frontier regions. As a partner in a 12-man boutique investment banking firm in London we raised money for and advised mainly mining and oil and gas companies which we listed on the London Stock Exchange. I had created Harland Capital as a corporate finance and advisory vehicle when I left Lonrho, and I floated my first mining company with a reverse takeover on the Canadian stock exchange, shares in which I still hold today - mining is rarely a short term affair. Harland was my corporate entity for investment banking in London, in partnership with independent investment banks and we floated mining and oil and gas companies across my old frontier markets - which brought me back to where I wanted to be. I was Nominated Advisor to such companies as First Quantum, First Calgary, Sierra Rutile, Southern Era Diamonds and many more.

After a few years in 2007 I realised that we (Harland Capital) should be doing this on our own, and we decided to focus on mergers and acquisitions. I contacted a friend in Beijing who informed me that China had a mandate to acquire proven oil reserves and production globally, so with a fellow business partner we came up with a shortlist of UK listed companies we felt might be attractive. Two years later as the exclusive adviser to the FTSE 250 London listed Emerald Energy Plc, we sold them to Sinochem Resources - the fortune 500 state-owned enterprise in China. When we were appointed the shares were trading at £2.50 and at sale they were £7.50, the final value was some US\$850 million. Shareholders and management were very happy. Apart from the obvious success of the transaction, one of the aspects our clients and ourselves were most pleased with was the absolute secrecy and discretion until the day of announcement. This is a rare commodity in the City of London.

We were ranked by Reuters among the top 40 M&A Advisors with UK involvement that year.

Given the different locations all over the world that you have lived and worked in, why settle in Mauritius?

Harry Sutherland: In 2010 I decided we needed to be closer to operations. I was a partner in a fledgling copper business in Zambia at that time and the UK was clearly on the brink of recession. It was time to merge the investment banking activity with the frontier market opportunities. Lonrho used to have very successful sugar operations and a hotel in Mauritius and our latter chairman René Léclézio, whom I admired enormously, was Mauritian. My wife and I came here for a week in January 2010, the Board of Investment were very encouraging, and by April we had moved the whole family to the island.

I have young children who are bilingual, about to become trilingual, and I cannot give them anything better than the multicultural society they are growing up in here.

The four pillars of the Mauritian Economy are sugar, textiles, tourism and financial services. We researched the latter and felt we could bring experience and knowledge to the sector whilst developing our own brand and style of business.

Harland Capital is an investor in Mauritius and we invested in a start up business, CrossInvest Global Management Services. This is an FSC licensed management company, which offers offshore trust and company services for individuals and businesses. We focus almost exclusively on Africa, where we can bring a huge amount of experience to bear. One of my fellow shareholders and Directors, Mr Harris Harjan, runs the company and we are growing slowly but steadily.

With over 100 management companies in Mauritius, how different is your business model and interaction with clients?

Harry Sutherland: I would stress that we are an independent, privately-owned boutique organisation, our clients prefer us that way and we will stay that way. We offer a bespoke, discreet, hands on service with a solution orientated approach and rapid response time. Every single one of our clients has come to us on the recommendation of others, one satisfied client breeds another.

In a world of increasing competition, it is not easy to stand out from the crowd, but in this business it is ultimately about relationship, trust, cost effectiveness and efficiency. Some of our basic fundamentals are rather what we do not do: no time wasting, no nonsense and no 'departments'. We supply independent thought and Directors of substance for the job, and we strive to actually add value to every client. In any event the mixture seems to be working.

I enjoy building businesses, employing and training people. We recruit young talented individuals who simply wish to do more with themselves. We then train them and allow them to bring their own flair to the business within our guidelines. We don't want robots; we want an interesting productive team. Harris runs a tight ship and looks after the day to day management of the business and I spend a lot of time on the ground in Africa in my old frontier regions and rather like to challenge the 'status quo' regarding method and practice, so we are a good foil for one another.

The SME sector is the life blood of any economy and Mauritius is no exception. Our staff join us because they enjoy the atmosphere, the challenge, the learning and the reward. Our clients join us, stay with us and recommend others because we are good at what we do and we care about them.

Where do most of your clients come from?

Harry Sutherland: Although the individuals themselves are worldwide the operations are almost exclusively in Africa: Zimbabwe, Mozambique, Tanzania, Zambia, Sudan, Uganda, Malawi, Kenya, DRC, Angola, Madagascar and West Africa too. Although access from Mauritius is obviously easier to central, southern and eastern Africa.

Our clients' companies cover a wide range of sectors, from banking to trading, mining, financial services, agriculture, real estate, logistics, retail franchises, e-commerce, etc.

Given your experience in many African countries, how would you describe the business culture in Mauritius?

Harry Sutherland: In comparison to the mainland Africa, the business culture in Mauritius is solid. We lack the cut and thrust and competition of a larger economy but the basic human capital is here and all it needs is training and exposure to more external business practice.

Mauritius has one of the highest GDP per capita in Africa, but there is not much exposure to the hardships of the mainland. At CrossInvest we will change that over time by sending our staff out to work with clients on the ground and gradually this knowledge gap and ability to empathise will improve. Our team will become more knowledgeable regarding the hardships and complexities of doing business in Africa and our clients will learn more about what we do. "Seek to understand not just to be understood" is one of our mantras.

Do you think Mauritius' neighbours see the country as a financial centre or just an offshore destination?

Harry Sutherland: I believe that the regions that benefit from foreign direct investment (FDI) via Mauritius such as mainland Africa, can only be delighted and see it as a much needed financial centre, the alternative would frankly be no or less investment. However, those that do not receive FDI via Mauritius probably look at it more jealously as an offshore jurisdiction. Incidentally, as part of our mission I see Harland Capital striving to add to the financial centre profile.

What is your personal message of confidence to investors to choose Mauritius as the destination for investment?

Harry Sutherland: I look at it rather as a conduit for inward investment into Africa. Mauritius is quite simply the 'jurisdiction of choice' for that role. Armed with DTA's and Investment Protection Treaties, it is a member of both SADC and COMESA, it is stable both economically and politically, and it is a delightful place to live.

Where do you see CrossInvest in the next 5 years?

Harry Sutherland: Markets constantly change, service businesses that supply these markets need to evolve. Evolution is easier if you are nimble. We will always be a personalised bespoke privately-owned business supplying about 1% of the market.