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David Shapiro of Sasfin; & Fagri Semaar of BPeSA on Amazon's new SA call centre.



The markets look a lot better, and Amazon now has a Cape call centre.

HILTON TARRANT: Well, David, what did you make of the Imperial deal?

DAVID SHAPIRO: They are starting to buy, which is a very positive sign. It means Hubert has come to the end of the restructuring. His share price has performed brilliantly over the last year, and I think another very positive factor is that this is with cash, not with shares. So the fact that they are in a position now where they've got excess cash to do acquisitions - and I think the last time we interviewed Hubert he mentioned that he kind of gave a smile that it was now acquisitions that they were looking at. So I think it augurs well, and also I think the other interesting thing - and it's a theme that we've been pushing - is into Africa. I think there's going to be tremendous growth and opportunity there. And here's another one that you can start ticking off that's going into Africa.

HILTON TARRANT: Jannie Mouton and PSG sitting pretty. PSG owns nearly half of CIC. And from the low in November - the story's up on *Moneyweb* at the moment - that investment of PSG's in CIC has grown by R250m.

DAVID SHAPIRO: Ja and, you know, Hilton, it also exposes that, I promise you, in the next year there are going to be a lot more deals like this. And I think for the smart investor, someone who's got time to spend, you've got to start looking out for those mid-cap companies, R500m to R1bn, maybe even up to R1.5bn, that are standing well below what you can determine as their intrinsic value. And, as Hubert said, he's just interested in earnings. He's not looking at the share price, and he's paying a percentage on that.

HILTON TARRANT: On to the markets - the JSE up just over 1% today. Not as much as we would perhaps have hoped, though, given the performance of the overseas markets. But a strong day nonetheless.

DAVID SHAPIRO: Look, what are we up now? Almost about 1 000 points within the last couple of days. We are a lot better now than we were at 26 000, where everyone was panicking that we were going to go into a deep decline that could take us all the way down to about 24 000, 23 000. So I think the outlook in the markets is looking a lot better. It's always difficult - you never know what's going to drive it.

Suddenly it's the earnings season in the US, much better results coming out there, more optimism about Europe and so on, and that's driven the US markets up for six days in a row, and I'm just hoping we can keep the momentum going.

HILTON TARRANT: We'll talk about that shock announcement out of Telkom in just a bit, the CFO there, Peter Nelson, deciding to step down. He's been in the job for about a year, 18 months.

DAVID SHAPIRO: Ja. And he came with a very high pedigree.

HILTON TARRANT: He's following Reuben September out the door. We'll chat to Ernest Kaplan, our resident tech analyst in a couple of minutes' time.

David, the Anglo Platinum trading update...

DAVID SHAPIRO: Better than expected. I think the market was perhaps looking for less than 1000c, and I think that over a 1000 is a little better than the market was anticipating. We've still got to find out a lot about what drove results. We know that we've had higher prices, which they mention in the trading update - I also looked at production - but I think that's why the market responded the way it did.

HILTON TARRANT: Here's an interesting one. I spoke with Fagri Semaar, who's the interim CEO at BPeSA [Business Process Enabling SA] in the Western Cape earlier today - Amazon.com.

DAVID SHAPIRO: I didn't realise we were big enough for them to open a warehouse...

HILTON TARRANT: It's just a call centre.

DAVID SHAPIRO: OK, I didn't know. At long last, because, if you own a Kindle, it's nice to know that you've got someone here that you can actually phone.

HILTON TARRANT: Very interesting announcement today - a big announcement, up to 1 000 jobs going to be created in Cape Town.

DAVID SHAPIRO: This is going to be a global centre?

HILTON TARRANT: Global call centre.

DAVID SHAPIRO: OK, excellent.

FAGRI SEMAAR: That's correct. We really ... for South Africa and in particular for Cape

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WGC study on holding gold reserve assets: Natalie Dempster – World Gold Council

Town. And although they have an established presence in Cape Town, it's a very different type of project. It's never been a call-centre operation, so it's a brand new ... greenfields project. They've chosen us over quite a few other destinations and for a number of reasons, and maybe I could talk about the key reasons were for choosing Cape Town as a destination.

HILTON TARRANT: Definitely.

FAGRI SEMAAR: Overwhelming feedback from them was the review of our people, the talent and the capabilities of our people, ... very, very fitting to what they are trying to achieve. No 2, we've got extra infrastructure in South Africa. Our telco scenario is improving all of the time, our costs are driving in the right direction and they've had excellent support from both our provincial government and members of the City of Cape Town. The other reason that they've chosen to come here is one cannot understate the fact that Cape Town does have attraction just in terms of just the beauty of the place. And the combination of all of those effects has resulted in them making a free ... decision to come to Cape Town.

HILTON TARRANT: Fagri, just in terms of the amount of jobs that will be crated by this contact centre?

FAGRI SEMAAR: Well, what they've committed to is over ... to 1 000 jobs in the initial phases. But they've already started to explore other avenues where we could use ... and expand beyond the 1 000.

HILTON TARRANT: Some fantastic news for Cape Town there.

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