



INTERVIEW TRANSCRIPTION

JEAN CHARLES HAYOZ

CHIEF EXECUTIVE OFFICER, SOMAGEC

Malabo, June 9th – An article from Universal News to be published with Foreign Policy

Note: *This is a transcription of the interview transcribed in accordance with the recording. It is NOT a final article, nor has been edited for the publication of the final article. It is the text from which quotes are to be chosen for the final article to be published within Foreign Policy.*

Please check the following transcription to confirm your approval to its content. We also recommend you to highlight or underline those specific quotes within the text you consider more relevant so that we can emphasize your point of view from the best possible perspective.

Please send us any remarks or comments you wish to make related to the interview within the next 10 working days. If we don't receive any remarks during this time, we will assume that the information provided in this document is to your liking.

UNIVERSAL NEWS: I would like to start this interview with an overview of the economy of this country. The growth rate in Equatorial Guinea has suffered a singular rise since President Obiang decided to diversify the benefits coming from the oil sector, investing in the development of infrastructure, education, and public health, that is to say all the country's key sectors. What is the contribution of the building sector to this development?

SR JEAN CHARLES HAYOZ: First of all I would like to thank you for being here, it is our honor to share with you our little experience in Equatorial Guinea. We have been here for the past 5 years and we are participating in the economic development of the country, specializing in maritime construction. At present we have been awarded with 19 building projects, especially in seaport developments. We are restoring and transforming the seaports of Malabo, Bata, Annobón, Cogo and in a near future Corisco's. We are also building the seaport in Cabo San Juan and a pier for the river port of Acalayon in Cogo River that will serve in the future for local products export. At the same time, we are also involved in the development of the drinking water system of Bata that consists in pumping the water from Sinje River to the city of Bata, 32 km away. We are building a drinking water treatment plant and later on we will execute the distribution of the water to the house's tanks in the city of Bata. We will also carry out the waste water treatment system, its processing, and the later re-injection to the sea 3 or 4 km away.

Among other projects we are also building 4 hotels in Corisco, Cogo, Media Luna in Bata and in the near future in Annobón. Likewise, we are working in the building of Annobón and Corisco's airports.

During the past 5 years we have been carrying out several big projects. In my opinion, so far the infrastructures represent the majority of the Government's investment. As far as we know about the administration in Equatorial Guinea, 30% out of the benefits coming from the sales of oil and natural gas are invested in infrastructures. The remaining 70% is set aside in a financial fund called "fund for the future generations". Finally the members of the Government and its employees are paid with the income coming from the taxes and levies the Government collects.

I believe that the approach the Republic's President took to guarantee the infrastructures is one of the best decisions a new country like Equatorial Guinea can take, since oil and natural gas must have an aim. Several oil countries in the world, especially Africans, woke up too late, when the money was gone. In our opinion, this investment in infrastructures is a way to guarantee a future for the population.

In the near future, and we are already watching the first steps, the Government will start giving importance to education. Equatorial Guinea is a new country that needs to open up to the future and to train its future generations. Coming from Morocco we have to acknowledge that we are pleasantly surprised with the quality of the education. Everybody can write and read here which is quite unusual in Africa. This country has a great potential due to the country's natural resources as well as the decisions taken by the Head of State.

UNIVERSAL NEWS: Here is the importance of diversification. It is foreseen that in 2035 all the reserves found up till now, will be depleted, therefore it is crucial to invest those benefits within key sectors such as education, public health and infrastructures. How have you lived the building sector's evolution during these past 5 years you have been in the country?

SR JEAN CHARLES HAYOZ: Living in this country we can find something new any time we come and go from Bata. We are living a new era. During the last 5 years the country has undergone a revolution within the infrastructure's sector. I recall the first days when I arrived to the country; it was August 2nd 2005. We walked from hotel Ureca to the Hotel Bahia. There were barely cars, there was no electricity, no traffic. There wasn't anything new. Today we can see changes everywhere, buildings, seaports, roads, airports. In the past we couldn't make it to Cogo. Nowadays we are only 15 km away. And what's most remarkable it is happening ALL over the country not only in the capital. What's pushing forward this development is the great strength of the Head of State, he has a true will to develop his country and not only his province as many others African leaders have done.

UNIVERSAL NEWS: The economic crisis has stricken worldwide these last years. Several developed countries are still trying to recover and the building sector was especially affected. However, SOMAGEC keeps going with important and emblematic projects that will change the country's facade. How has the crisis affected SOMAGEC?

SR JEAN CHARLES HAYOZ: The impact within Africa hasn't been as big as in other parts of the world, like in the western and developed countries. Africa is not competing in speculation sectors. In my opinion there's a lack of will in Europe to dignify the work. Savings have been invested in speculative business. The system we built has shown its limits. By way of example, here in Equatorial Guinea, which is member of the CEMAC, the financial system is controlled by the BEAC. Then we saw that BEAC, against its own internal rules, made some speculative actions and lost money. The culprits were punished because money has its value. We have to do any work here and it takes a lot of hard work to earn the money.

UNIVERSAL NEWS: The new BEAC's governor is from Equatorial Guinea, he has a great challenge to clean up the image of the institution and to assure the good governance. But this task proves the importance Equatorial Guinea is achieving within the region.

SR JEAN CHARLES HAYOZ: Today, depending on the source, the surveys about Equatorial Guinea show slight differences, but to tell you the truth, this country possesses between 52 and 56% out of the total liquidity reserve of CEMAC. It seems natural that a country with a growth rate that high would need commercial relations with the countries of the region and also it is coherent to have a governor, at least once in the history, from Equatorial Guinea.

UNIVERSAL NEWS: Somagec arrived 5 years ago and its deeds in terms of development and infrastructure are amazing. The projects you are building are emblematic such as Malabo's seaport and esplanade, and the seaports of Cogo, Annobon and Corisco. Somagec is one of the leader enterprises in this country. Could you mention some of the challenges you had to face during these last 5 years?

SR JEAN CHARLES HAYOZ: Difficulties exist to be overcome. Our philosophy in Somagec is to work always for the future. When we arrived to Equatorial Guinea we started working in the same way as we did in Morocco, trying to justify every Euro we spend. Precisely because, as I said previously, we know the money value. He have chosen the option of coming as a local company. During more than 40 years we have suffered in Morocco the arrival of big companies that made their profit but didn't reinvest in our country. We thought that we couldn't leave Morocco to do the same thing we had criticized without tarnishing our image as a Moroccan leader company. That's why we

came with this spirit, we started working and we did what we said we would do. In my opinion it's quite simple: from that point on the work grows and the trust consolidates. Equatorial Guinea is a young country with an extraordinary future because it has willpower, especially its ruling class. We have had the chance to share and put forward here our 40 year's of knowledge. If the country has the vision and the will to develop in the long term and our aim is to work for the long term, there shouldn't be any conflict or issues for a mutual understanding. There are enterprises that have been working here for more than 25 years.

UNIVERSAL NEWS: There are several huge foreign enterprises based here in your country, taking their share so to speak. What makes Somagec stand out from the other companies?

SR JEAN CHARLES HAYOZ: Somagec is a family business. Its owner doesn't have the weight that a board of directors of a big company would have. When the CFO of a big company needs a purchase order to be approved, it is required the board's authorisation and many times this takes 1 or 2 months, and being in Africa it's going to take 6 months!!!. The shareholders will ask why. We don't work that way here. If we foresee a delay in one of our works, we can make the purchase immediately, it only takes one phone call. What makes Somagec stand out from the rest is its agility to overcome the obstacles. We depend on a person that makes the decisions and gives us that agility to confront the challenges. For example, if you visit Bata you will see our new 30 trucks and the 14 new diggers, ready to face new challenges.

UNIVERSAL NEWS: In fact, we know you have donated several trucks to Malabo's town hall.

SR JEAN CHARLES HAYOZ: It is a way of helping because it is a pleasure for all of us to live in a clean city. So, if we can help, it won't be a problem to do so.

UNIVERSAL NEWS: Does Somagec have any plan to expand throughout the region?

SR JEAN CHARLES HAYOZ: It is true that when we left Morocco to come to Guinea it was only to build Malabo's seaport and then come back. At present all the countries of this region are keeping an eye on the enigma this country is. Why is that 15 years ago this country didn't have much and nowadays is reaching this level of development?. We are in the spotlight of the stand Equatorial Guinea is today. When the government delegation come to the Hotel Sofitel every 3-4 months and they see the seaport through the window they ask: who is that company?, Somagec, they are from Morocco. A lot of people come to talk to us. Today we are in touch with several neighbouring countries and even Latin America. We are weighing up the possibility of opening these markets but first we would like to finish our projects here in Equatorial Guinea. The development of every company in any activity sector depends on human beings. At present our problem is the people willing to confront those challenges with us. The whole expansion lies in the people, because you can find the technology and the techniques in any store in Europe or in any university. Day by day the company demands more of its employees and it's a challenge for them.

UNIVERSAL NEWS: SOMAGEC has more than 4.000 employees in the country and contributes undeniably to the country's development. You have the education, the experience, the capacity that this country needs in several occasions. What's in your opinion the potential of the local labour force?

SR JEAN CHARLES HAYOZ: When we got here everybody told us that people in Equatorial Guinea didn't want to work or do anything. We came with our ideas and we put them into practice. Today we have more than 600 trucks throughout the country and the majority of our drivers are locals. When we came we started to bring instructors from Morocco. We have a small school in our pool and anyone who applies to be a truck driver has to pass a small exam. So far, when we go to regions like San Juan or Cogo, we have to employ people coming from the area. We then send a group of instructors to teach the people how to drive. Every 7 trucks we have an instructor from Morocco and a driver from Guinea. The best thing that could happen to us is to come back to our country with Somagec remaining the same. This is the biggest success we can achieve here, to train the people so in the future when we won't be here they will be able to keep on with the activity.

UNIVERSAL NEWS: We have seen here several enterprises that, as in the case of Somagec, want to contribute with the community and to give them something in return, especially through training. What other training programmes do you support?

SR JEAN CHARLES HAYOZ: We have an internal program to teach computing by means of small courses. I believe that nowadays computing is the basis for development. Each year, on May 1st, we choose the best 10 workers and we pay them a holidays in Morocco. It is a good incentive that is creating a bond of friendship really important showing the potential of work to the people. I recall one day when the first team we sent to Morocco came back, one of the guards who was a member of that team asked me if it was true that 40 years ago Morocco was in the same situation Equatorial Guinea is at present. I nodded and he asked me how we managed to change. Only with work was my answer. 15 days later every time I arrived to the seaport I could see the good man talking with his colleagues about the importance of work.

Somagec's employees are well paid (30% over the minimum wage), we have a private social security that reimburse our employees 100% in case of hospitalization or the medicine's expenses. We even have an insurance that covers the hospitalization in Cameroon if need be. If we demand we have to give something in return.

We have also organized with CCEI Bank a system to grant loans to our employees. This shows them the key role of the bank in the economic life. We open them a bank account and when they need a loan we send a letter to the bank guaranteeing the loan up to the amount of the severance payment that the employee would receive in case of laying him off. This way discipline comes up and the workers keep a record of their money.

Once, a girl knocked at my office's door to thank me because with the money she managed to save working in Somagec she had bought a small lot and thus finance her two children's education. This proves the relevance of making our employees aware of the money's importance. Now people know the existence of the word tomorrow.

These are our ways to contribute. Any time we go to a new region, we build a school and a clinic for the local people.

UNIVERSAL NEWS: Coming back to Somagec's project. The seaports you are building will have a great impact within the country's shipping. What is the country's potential to become a Regional Maritime Center?

SR JEAN CHARLES HAYOZ: You only have to take a look at a world map. As indicates its own name, Equatorial Guinea is located in the Equator. Nowadays shipping flows from Asian countries to the west. Seaports like Singapur or Durban are overloaded, big ships

coming from Asia (Japan, China, Korea) go through Suez Canal up north. To those who go by the south of Africa to go to the western coast of the continent or to South America or to a part of North America, Equatorial Guinea is exactly in the middle point. Malabo's seaport will be 16 meters deep, being the only seaport in the region with deep waters and could harbour two 3rd Generation Super Panamax at the same time. Each one can house between 12.000 and 14.000 twenty feet containers. These ships departing from Asia to transport goods to Africa and South and North America, can unload the containers in Malabo and distribute them within the region with smaller ships or resend them to other destinies like Brazil, Argentina or to Canada or the United States which are big consumers of Chinese products.

Nowadays we have the seaport in Algeciras but it is overloaded. The new seaport in Tanger holds the second place in the mediterranean area and we can imagine the combination between the seaports of Tanger and Malabo for those ships coming from the north to supply the entire region and we can revolutionize the shipping flow which is now in the hands of the monopoly consisting of 2 or 3 big enterprises. Africa is suffering severily with this monopoly. We have to pay here prices that have nothing to do with reality.

UNIVERSAL NEWS: What future projects does Somagec have to implement in this country?

SR JEAN CHARLES HAYOZ: We are reaching the top in the maritime works. Equatorial Guinea won't need any more seaports. Looking at the splanades of Malabo and Cogo we are considering to participate in the touristic development, because Equatorial Guinea has a marvellous touristic potential. The wonderful islands of Corisco and Annobón could be the future basis to develop a luxury tourism destination. To do so we need important investments and installations. We are considering some projects where we can put our knowledge in this area at Equatorial Guinea's disposal.

We are building a 3 star hotel with 60 rooms in Corisco. It's aim is to serve as the future administration and for the first tourists going to Corisco. The touristic development has to be done step by step because there is not a touristic vision or culture among the Guinean population. But in the same sense 5 years ago people used to say that there wasn't any potential here while in my opinion the potential comes along with the will power. It's a matter of showing the people how many hearts can be open with a smile.

It is key that we define one concept. Equatorial Guinea is a small country which can offer a lot of possibilities, even at Africa's level, in the Gulf of Guinea there are African tourists that don't want to travel to Europe to enjoy their holidays, they demand high standard places and I believe Equatorial Guinea could grab these opportunities for the people of our neighbouring countries...a lot of people take a one week holidays and they don't need to go that far or go to Europe. Why go to Maldives if you have Corisco at a stone's throw!

UNIVERSAL NEWS: You are addressing the readers of Foreign Policy, most of them influential politicians and business men from the United States. If you had to send them a message about Equatorial Guinea as a country and about SOMAGEC as a leader enterprise, what message would that be?

SR JEAN CHARLES HAYOZ: It would be to come and visit the country to see with their own eyes that it is not true what foreign journalists and televisions are saying about Equatorial Guinea. To see that this country offers to any person with good will, the moral conditions to be proud of their country and their work. It is one of the few countries to

be so lucky. We thank God every day for being so lucky to be here. With our work we have gained the Government's trust. I believe that things in life are easy.

UNIVERSAL NEWS: Thank you very much.

END OF THE INTERVIEW