

AFRICAN Movers and Shakers

Focus on Joseph Chikolwa CEO of the Lusaka stock Exchange

The Lusaka Stock Exchange (LuSE) was established in 1993 with preparatory technical assistance from the International Finance Corporation (IFC) and the World Bank, as part of the economic reforms introduced by the Zambian Government. The Exchange, which opened on 21st February 1994, is made up of stock broking corporate members and is incorporated as a non-profit limited Liability Company Machova Musanshi speaks to Joseph Chikolwa, recently appointed Chief Executive Officer of the Lusaka Stock Exchange.

What plans do you have for the Lusaka Stock Exchange with regards to regional integration?

LuSE is a founding member of the Committee of SADC stock Exchange (COSSE). One of the objectives of COSSE is to integrate its stock exchanges. LuSE fully supports this idea. As in the initial step to regional integration the LuSE has plans to link into the JSE Securities Exchange (JSE) operating system. A project to this effect is already underway, dubbed project “Thusanang” Phase I: the feasibility study stage has been completed. Phase II of the project will involve the automation of the LuSE trading by the use of the JSE’s trading system. A lot of work has already been done in harmonization of the listing requirements of LuSE and the JSE.

Zambians seem not to be interested in issues to do with their stock market, how do you hope to change this attitude?

The education system hardly encouraged private enterprise and only those who had a special interest learned about the stock market and how it works. The few investors in the stock markets were only those privileged few who had international exposure. We therefore need to institute cultural change how are we doing this? Firstly we have gone back to the schools and have succeeded in getting the stock exchange included in the curriculum of secondary school commerce subjects. We have also run regular TV and radio programmes in simple to understand language on the stock exchange. More recently we commissioned an exercise to translate all stock exchange brochures into the 5 main Zambian languages and are confident that we are making good progress.

What are some of the challenges you are facing at LuSE and how do you hope to address them?

The biggest challenge lies within the LuSE itself. Being a young nascent exchange, the LuSE has to generate sufficient trading volumes to be a self-sustaining business. LuSE has to attract a certain number of new (both equities and bonds) listings as well as ensure that there are sufficient volumes of trade taking place on these counters.

In order to attract listing of companies on the LuSE it must sell itself and the advantages of being listed. There are some tax advantages to being listed, but certainly not enough. Approaches have been made to the relevant authorities to increase the tax benefits. In addition, value added products such as the Corporate Governance code are being offered to companies that list on our exchange. We are also promoting our listed companies and differentiating them from others so as to give them a competitive edge over comparable companies that are not listed on the LuSE. Our emphasis to fund managers is that they should adjust and play an active role on the LuSE, as opposed to taking a “buy and hold” stand, in order to increase the number of trades.

What has been your greatest personal challenge and how did you overcome it?

One of my biggest challenges was to the high-powered position at Stanchart. There is always the fear that one will disappear into relative obscurity and the associated financial insecurity. It is

important from time to time to undertake self-assessments of your key weaknesses and strength and realise the aspirations you have in life. With a positive attitude and a firm understanding of what you are able to achieve as an individual no challenge can bring you down.

Which of your accomplishments to date are you proud of and why?

The three main achievements I am most proud of are:

At 37 I was head of Corporate & Institutional Banking of Standard Chartered Zambia and an Executive Director I was the youngest person to hold this position and the first Zambian. And I was able to grow the banks assets to the highest level ever, with almost no bad debts.

At 38 I became president of Zambia institute of Bankers and grew membership to all time high, during my term the institute finance returned to surplus.

I recently became CEO of a recognised and represented institution. I am doing the job of CEO for the first time, although from time to time I acted as CEO for Stanchart.

Who do you admire most and why?

Mr. Justin Chinyanta, Chairman and CEO of Loita Group. He has been able to gain recognition in the finance world through hard work and use of his skills. He is a remarkable person and notwithstanding his successes, he remains a down to earth man.

What is your advice to company leaders?

- Develop your technical competencies and have an eye for the detail, for as they say “ the devil is in the detail”
- Develop a strong network of peers for shared experience
- Have a mentor, someone whom you can relate to and who has achieved some of the things you would also like to achieve in life, learn from him or her – there is no need to re-invent the wheel
- Strike a balance between work and family –if you have children the test is to be successful at your work but still do homework with them in the evening