

Black dollar-millionaire numbers rocket

BY GILLIAN JONES, 15 NOVEMBER 2013, 06:27



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SOUTH Africa has grown its previously disadvantaged dollar millionaires to 7,800 in 2012 from 4,300 in 2007 — although the rand has fallen about 25% to the dollar over this time, a survey has found.

About 16% of South Africa's 48,700 millionaires are black, Indian, coloured or Chinese, according to research by consultancy New World Wealth, which has offices in the UK and South Africa.

However, whites still dominate the list with 36,500 white males and 4,400 white females.

Based on South Africa's millionaire growth trends over the past 10 years, it will take 25 years to reach parity between black and white dollar millionaires in South Africa, said Andrew Amoils, senior analyst at New World Wealth.

The research will fuel the debate about how effective black empowerment laws have been in distributing wealth among previously disadvantaged groups.

Mr Amoils said on Thursday that previously disadvantaged millionaires made up a relatively small proportion of the ultrawealthy, considering this group made up 90% of the national population.

"But previously disadvantaged millionaire volumes have risen by a strong 81% from 2007-13, which is well above the overall rate of 14% for all millionaires."

This growth took place despite the 2007-08 global crisis.

To qualify as a millionaire for the study, individuals had to have net assets of \$1m or more, excluding their primary residence.

New World Wealth maintains a database of South Africa's high net worth individuals based on company and director databases, private jet, yacht and property sales, and income distribution trends from the World Bank. It sells its research to the private banking industry, particularly international banks entering African markets, as well as the luxury goods industry and gold traders.

The names topping the list of the wealthiest black South Africans come as no surprise.

Patrice Motsepe of African Rainbow Minerals is ranked first with \$2.6bn in wealth made from, among others, mining interests.

He is followed by Cyril Ramaphosa of Shanduka Group with \$550m and Tokyo Sexwale of Mvelaphanda Group in third place with \$200m. Both men have been major beneficiaries of black economic empowerment (BEE) deals.

Exxaro Resources CEO Siphon Nkosi, who also owns a stake in Sanlam, makes fourth place on the list with \$163m. Phuthuma Nhleko, chairman and former CEO of MTN ranks fifth with \$142m.

The other five names making the top 10 are Vincent Mntambo (\$95m), chairman of technology company ASG Consulting, who holds various directorships, and Nkululeko Leonard Sowazi (\$68m), Kagiso Tiso Holdings chairman and director of Emira Property Fund. Richards Bay Coal Terminal chairman and director of Optimum Coal Mike Teke (\$64m), Saki Macozoma (\$53m) of Standard Bank/Safika and Dalikhaya Zihlangu (\$50m), CEO of Eyabantu Capital and once CEO of state-owned diamond miner Alexkor, complete the list.

"A number of the names on the list made their money through multiple BEE deals," said Mr Amoils. "Once they become trusted in the market as a reliable BEE partner, they tend to be used again, rather than spreading BEE more evenly among the population."