

How Jeff Bezos created his empire

Amazon CEO Jeff Bezos turned 56 this year. Bezos founded Amazon in 1995, and the company has since grown to be one of the most valuable, powerful companies on the planet. Here is how Bezos started his career and grew Amazon into what it is today:

- Bezos attended college at Princeton University and majored in computer science. Upon graduation, he turned down job offers from Intel and Bell Labs to join a startup called Fitel.
- After resigning from Fitel, Bezos considered partnering with Halsey Minor – who would later found CNET – to launch a startup that would deliver news by fax.
- Instead, Bezos got a job at the hedge fund D.E Shaw and became a senior vice president after only four years.
- In 1994, Bezos read that the web had grown 2,300% in one year. This number astounded him, and he decided he needed to find some way to take advantage of its rapid growth. He made a list of 20 possible products to sell online and decided books were the best option.
- Bezos decided to leave D.E Shaw even though he had a great job. His boss at the firm, David E. Shaw, tried to persuade Bezos to stay. But Bezos was already determined to start his own company – he felt he'd rather try and fail at a startup than never try at all.
- And so Amazon was born. Bezos started Amazon.com in a garage with a potbelly stove. He held most of his meetings at the neighborhood Barnes & Noble.
- In the first month of its launch, Amazon sold books to people in all 50 states and in 45 different countries. And it continued to grow: Amazon went public on May 15, 1997.
- When the dot-com crash came, analysts called the company "Amazon.bomb", but it weathered the storm and ended up being one of the few startups that wasn't wiped out by the dot-com bust.
- Amazon shares have continued to grow since the crash. It has now gone beyond selling books to offering almost anything you can imagine, including appliances, clothing, and even cloud computing services.
- In 1998, Bezos became an early investor in Google. He invested \$250,000, which was worth about 3.3 million shares when the company went public in 2004. Those would be worth billions today (Bezos hasn't said whether he kept any of his stock after the initial public offering).
- In August 2013, Bezos bought The Washington Post for \$250 million.
- Now, more than 20 years after going public, Amazon has a market cap of over \$900 billion.

In Marriot's latest report, they comment that at the end of 2018, there was a market sell-off of US Blue Chip companies due to fears of rising interest rates and slowing global growth, with many managers predicting a full-blown recession at the start of 2019.

The S&P then gained close to 30% with the FTSE All-World Index up by 24%.

This was achieved by the help of over 56 central banks around the world cutting rates 129 times – a big U-turn from 2018

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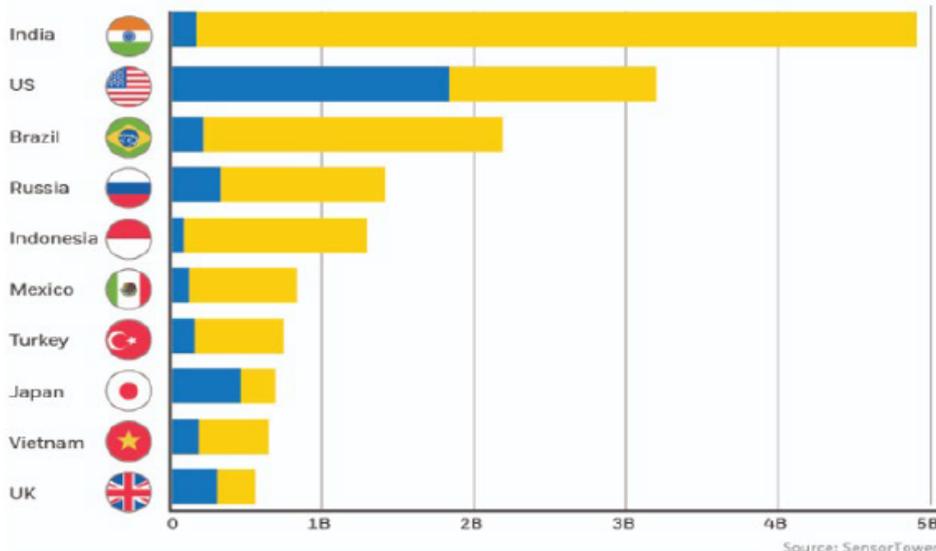
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Countries by Downloads

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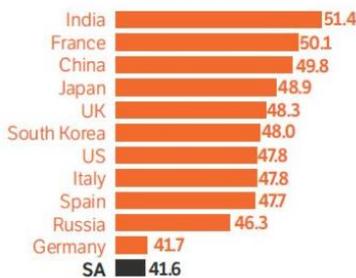


The Southern Africa Labour and Development Research Unit (SALDRU) offers an income calculator tool that reveals how your household income compares to that of the rest of South Africa.

SALDRU's research finds that 50% of South Africans are chronically poor. Only 20% of South Africans belong to the stable middle class, whilst 4% belong to the elite. The rest belong to the transient poor (11%) and the vulnerable middle class (15%).

GLOBAL MANUFACTURING IN RETREAT

PMI manufacturing data in key economies September 2019 (index points)

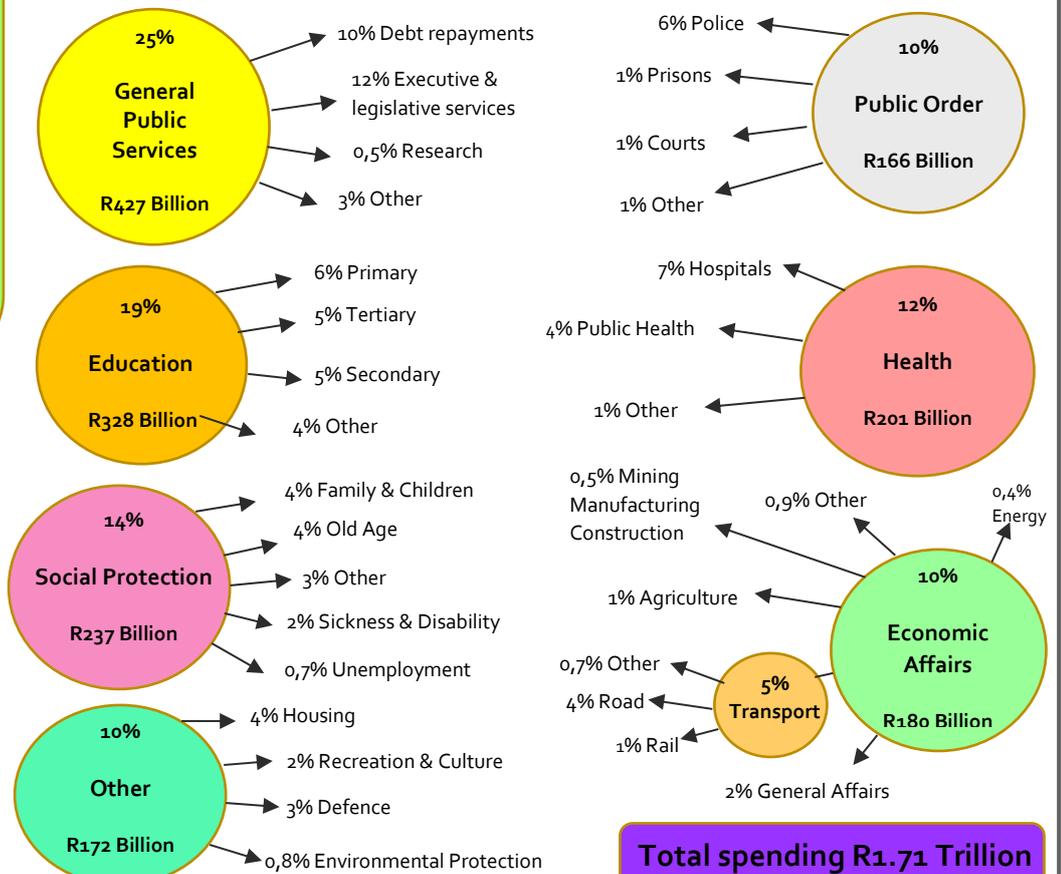


Note: A figure below 50 suggests a contraction in manufacturing activity. Source: Stanlib

Statistics SA has dissected the government's spending in 2017/18. It spent more on debt payments (R163 billion) than on housing (R71 billion) or hospitals (R114 billion). Another notable fact is that government spent more on the police (R110 billion) than it did on primary education (R101 billion).

What does the general government spend money on?

Breakdown of total South African government spending in 2017/2018



Total spending R1.71 Trillion

This and That

- London's transport authority will not grant Uber London Ltd a new private hire operator's license. There are 50 000 Uber drivers in London, and the Uber share price suffered as a result of this.
- US private equity firm, Silver Lake, is buying just over 10% of British soccer team Manchester City, for about \$500 million.
- Pepkor closes their remaining 20 stores in Zimbabwe, having thrown in the towel on the struggling country.
- Tongaat Hulett's board says it intends to pursue claims against a number of senior executives for overstating the value of some of its assets.
- Tesla's recent rally pushed its market value to nearly \$85 billion (R1.2 trillion), making it the most valuable car manufacturer of all time. Ford previously held the record, having been valued at \$80.81 billion in 1999.
- Berkshire Hathaway, led by Warren Buffet, had its worst underperformance in a decade in 2019.
- In December 2019, Coca-Cola's Bonaqua still water was made available in bottles made from 100% recycled plastic. The new 500ml eco-twist bottles are made from locally sourced plastic and are produced by one of Africa's largest and most advanced recyclers of PET bottles – Extrupet. The company recycles over 2.5 million bottles a day.
- The local economy is expected to see rising food inflation going forward after core inflation reached a low of 3.8% in December 2019.

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