

12/05/1997

A vibrant United States of Africa in the making ...

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"I HAVE a feeling in my bones that the next growth area is going to be here...in Southern Africa," Prime Minister Datuk Seri Dr Mahathir Mohamad told his audience in Blantyre, Malawi, last week.

Leaders in the region are heading in the right direction, he said, adding that for the first time, the whole of the Southern African region is at peace with itself, thus enabling leaders to concentrate their energies and efforts on the development of their countries rather than fighting with one another.

Dr Mahathir said the peaceful situation in the Southern African region corresponds to that in South-East Asia where the countries and neighbours are at peace with one another. The South-East Asian region is today the fastest-growing in the world.

"Being at peace with our neighbours is very important if we are to develop a region," Dr Mahathir said, adding that if a region spends all its time and efforts on fighting neighbours they cannot think of developing their countries.

"Fortunately, countries in Southern Africa have decided to come together as friends" and this friendship and close cooperation "will contribute to the development of Southern Africa".

While the countries in Southern Africa are "poor", they nevertheless are rich in natural resources. Even though they may be under-developed and poor with high unemployment, the leaders of these countries are not "just folding our arms and saying that we are poor and not doing anything about it", Malawian President Bakili Muluzi told Dr Mahathir.

Muluzi hastened to add that in doing so, these countries "need assistance from friendly countries to improve the lives of our people". Many of the African leaders have initiated economic reforms and started restructuring their economies and are keen to learn from the Malaysian experience and emulate some of the programmes and practices adopted by Malaysia in its development process.

Signs of improvement are beginning to show. Even the world's richest nations - the Group of Seven (G-7) - noted the progress made in some African states. During their recent meeting, the G-7 (Britain, Canada, France, Germany, Italy, Japan and the US) said they were "greatly encouraged by the strong performance of certain sub-Saharan countries" and added "we are determined to support these reforms as effectively as possible".

Africa posted two successive years of growth and it is expected to do even better this year. Half of the 48 sub-Saharan nations registered growth rates of at least 5 per cent in the past two years and the World bank forecasts an overall African growth of 3.8 per cent a year over the next decade.

The situation in Africa today is vastly different from that in the 1980s or the "lost decade" when the African countries recorded declining per capita incomes of 1 per cent a year. Today, many of the leaders have initiated reforms and economic liberalisation measures which have helped put some of the economies on the road to development and progress.

Programmes to improve the economy, structural adjustments and restructuring including belt-tightening, monetary and fiscal reforms are beginning to bear fruits. In some countries, the inflation rate has been reduced and there is a greater sense that prices are now more stable and

that the "reforms are a step forward" for improved livelihood of the people and with improved prospects for the economies.

Foreign investments, from the world over, are beginning to take a new and closer look at Africa. It is no longer viewed as the "Dark Continent". With reforms being undertaken and with enlightened leadership in many of the countries coupled with peace in Southern Africa, the region could well emerge as the next USA - a stable and economically vibrant United States of Africa.

The combined economic potential of the Southern and Eastern African region is tremendous and this potential is not lost on foreign investors. A study by the United Nations Conference on Trade and Development (Unctad) notes signs of vitality in the continent.

Investors from around the world, including Malaysians, are moving in with healthy returns. The Unctad study, for example, quotes American firms as saying that their African investments give the highest returns.

Following the liberalisation of the economies and the opening up of Africa, investors are flocking to the "new growth centre". Among the major investors are Britain, France and the US. The Unctad study adds that South-East Asia is emerging as a sturdy source of investments for Africa.

The potential in Africa has not been lost on Malaysian investors either and according to the study they (Malaysian investors) account for half of total investment inflows into South Africa in 1995. Last year, Malaysia was the fourth largest foreign investor in South Africa.

Malaysians are welcomed with open arms in many developing countries including the Southern African and Eastern African nations. It is important as Dr Mahathir said in Malawi that Malaysian investors abroad should act as "good corporate citizens" and ensure that they are not here just to make money for themselves but also to contribute to the economic development of the host country.

The welcome sign for Malaysians and Malaysian investments was clearly evident from the statements of many leaders who attended the first Southern African International Dialogue (SAID) in Kasene, Botswana, and the comments made by Kenya's President Daniel T. Arap Moi when TRI chairman Tan Sri Tajudin Ramli met him in Nairobi last week. A similar message was conveyed to Economic Adviser to the Government Tun Daim Zainuddin when he visited some eight African countries recently.

While Malaysia and especially Dr Mahathir are held in high esteem in many countries for his leadership of the South and his willingness to speak on behalf of the South, it is important that the businessmen and entrepreneurs do not misplace this trust.

They should ensure that the good name of the country and its leaders is not tarnished in any way. Efforts must be made to ensure that "the ugly Malaysian" does not take over from the "friendly and helpful Malaysian".

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