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G15-Africa

AFRICA MAY BE MARGINALISED IN GLOBALISATION, LIBERALISATION

KUALA LUMPUR, Nov 3 (Bernama) -- President Robert Mugabe of Zimbabwe today warned that Africa faced a real danger of being marginalised in the globalisation and trade liberalisation process.

Representing Africa at the opening of the seventh G15 summit here, he said: "For most of the developing countries, the gains of globalisation and trade liberalisation are yet to be felt.

"In the case of Africa, which has 33 of the world's 48 least developed countries, there is a real danger the continent may be marginalised in the process," he told the summit which was opened by Prime Minister Datuk Seri Dr Mahathir Mohamad.

He said globalisation and liberalisation had also resulted in some countries enjoying increased foreign direct investments, market access and transfer of technology, leading to accelerated economic growth.

Mugabe said despite the fact that most African countries had embarked on political and economic reforms aimed at creating a conducive environment for foreign direct investment (FDI) inflows, the response on the ground had been far from satisfactory.

He said the annual World Economic and Social survey released last July cited Africa as having less than five per cent of FDI in developing countries last year.

Mugabe said taking into account dividend and other profit payments on existing investments, the net transfer from FDI in those net-debtor African countries was a net outflow of over US\$1 billion.

" This situation has been further exacerbated by the crippling debt burden and the ever-dwindling Official Development Assistance, resulting in low economic growth in many African countries, particularly the least developed among them," he said.

Mugabe said at a meeting of the United Nations Security Council on Africa, he highlighted the grim spectre of poverty looming on the continent and stressed the need for concerted international action to avert crisis in the continent.

He said the developing world now found itself confronted by new conditionalities and restrictive measures which negated any potential benefits from globalisation.

That and other profound changes taking place in the world economic environment had made it ever more urgent for the grouping to intensify South-South cooperation and pursue G15 objectives set in 1990, he said.

The G15, he said, was best placed to play a catalytic role in the promotion of such cooperation and that the various G15 projects should move from the formulation to implementation phases.

Africa would like to see increased involvement of the African business community in intra-G15 cooperation, he said, adding that facilities like the South Investment, Trade Technology, Information and Data Exchange Centre (Sittdec) should be fully utilised to augment business interaction.

Mugabe said Africa was happy to note that G15 efforts to promote South-North dialogue had started to yield results and welcomed development initiatives by industrialised countries in that continent. -- BERNAMA

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