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ASIA-AFRICA: SOUTH-SOUTH LINKS SPAN THE INDIAN OCEAN

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MANILA, (Bernama-IPS) - Malaysians have put in the biggest foreign investment in South Africa since the end of apartheid. Singaporean firms are keen on building airports and hotels. Korea's Hyundai is building a car assembly plant in Botswana, and a Malaysian firm has bought into Zimbabwe's main power facility.

Meanwhile, the South Africans have invested in two brewery projects in the Chinese cities of Shenyang and Dalian. And South African military exports to Asian countries is growing by leaps and bounds.

Like out-of-touch comrades who have touched base again, Asian and African countries are busy exploring political ties, exchanging visits and cutting business deals as if to make up for lost time.

Singaporean Prime Minister Goh Chok Tong is on a swing through South Africa, Zimbabwe, Namibia and Botswana, and South African President Nelson Mandela has completed an Asia tour this week.

Many Asian developing countries had backed the struggle by black South Africa against apartheid. No longer an international pariah, Asian governments forged diplomatic ties with South Africa in the early nineties. Economic links were the next step.

Asia's fast-growing tiger economies are flush with capital and eager to do business in places such as Latin America and Africa. In doing so, they are reviving a decades old dream of South-south cooperation.

'Southern African leaders have shown the collective political will to think and act regionally in a concerted effort to make the region more attractive to traders and investors,' Goh said at a dinner hosted by Mandela in Cape Town late last month.

Goh, the latest Asian leader to journey to Africa, invited South Africa to further afield. 'Hopefully, South Africa can also look toward East Asia, not just Singapore, and share experiences in development.'

Other Asian leaders that have visited Africa in recent years include Malaysian Prime Minister Mahathir Mohamad, Chinese President Jiang Zemin and Taiwanese officials. Mandela earlier visited Singapore, Malaysia and Indonesia.

On the first official visit by a Singaporean premier, Goh has brought with him 40 businessmen to explore deals such as a harbour and airport in the Eastern Cape province, airport upgrading projects in Johannesburg, Durban and Cape Town.

Indeed, Asia has responded more enthusiastically than Western nations to the Mandela government's calls for the world to make real their commitment to South African democracy by deepening links with the country.

Rafiq Bagus, head of Investment for Africa, which is tasked to promote the country overseas, says Asian firms seem to be willing to tread more boldly in business and to take risks despite obstacles like South Africa's crime rate.

'For Asian companies, crime is not an issue when compared with Latin America, for example, whereas Europeans do worry about it,' he told the South African press last month. 'But the more foreign companies--big and small--we can encourage to set up shop here, the more others will follow.'

Bagus is upbeat about courting Asian interest on Mandela's trip. 'South-east Asia is enjoying a boom period, the potential investment opportunities are enormous,' he said.

He added: 'ASEAN (Association of South-east Asian Nations) countries

are also very keen on building South-South relations and they are keen to expand in Africa.'

Many Asian countries have tended to pay most attention to traditional economic partners like North America and Europe, neglecting to cultivate potential in other regions like Africa.

A study by a Manila-based think tank, the Institute of Regional and Entrepreneurial Economics at the University of Asia-Pacific here, says this 'policy bias' has done little to explore new economic frontiers and caused Manila to lag behind more forward-looking Asian economies.

'Perhaps the Philippines' neighbours know something it doesn't: that the Dark Continent is aglow with opportunity,' says economist Ramon Quesada, a professor who taught at Nigeria's Lagos Business School in 1994.

The theme of democratic struggle--the anti-apartheid fight in South Africa and Filipinos' ouster of the Marcos dictatorship-- is expected to dominate Mandela's visit to the Philippines Mar. 1-3.

Political reasons also provide a backdrop to Asia's renewed interest in Africa.

Malaysia's Mahathir has made South-South cooperation a pillar of his country's foreign policy, leading to key business deals in Africa and Latin America. Malaysia's foreign direct investment in South Africa reached more than US\$783 million in 1996.

In June 1996, Malaysia bought a 30 percent stake in Engen, a South African oil refining firm, for US\$436 million -- South Africa's biggest post-apartheid investment deal.

Asian governments and companies are taking a second look at South Africa's rich natural resources. They see the now democratic country, more affluent than its other neighbours, as a gateway to the rest of Africa.

But if the recent controversy over the 'overdose' of Malaysian investments in Zimbabwe is any indication, Asians are not always welcome. And Asian expansion in to traditional areas of European colonial domination are raising hackles.

What for Malaysian and Zimbabwean leaders is proof of South-South solidarity is seen by critics as favouritism. Observers said American and European firms had better offers than the Malaysian firm YTL, chosen last year to acquire 51 percent of the Hwange power station in Zimbabwe.

In November, a Malaysian firm had secured logging rights in pristine forest reserves in Zimbabwe, prompting sceptics and some local businessmen to raise alarms of 'Asian colonialism'.

For China and Taiwan, which in recent years have been competing for recognition in the continent, Africa is a plum prize.

China has a long history in Africa, where nearly 50 countries have for decades got Chinese aid meant to counter Soviet influence. In recent years Beijing's rival has been Taiwan, prompting Chinese officials to go on a diplomatic offensive in Africa in 1996.

Trade between South Africa and China has risen from just 14 million dollars in 1990 to 1.3 billion dollars in 1995, and this may pick up further with Pretoria's decision to cut ties with Taiwan and recognise China by December 1997. -- Bernama-IPS