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Invest with a heart, advises Daim

Rashid Yusof in Cape Town

ECONOMIC Adviser to the Government Tun Daim Zainuddin said four African presidents have told him that Malaysian investors taking Africa by storm, are being closely watched and in some cases, slandered.

Daim has therefore advised the investors to "invest with a heart".

He said the Malaysian investors must not disappoint both their host countries and Prime Minister Datuk Seri Dr Mahathir Mohamad.

He wanted them to honour commitments, not be only obsessed with making money, and train the locals.

"Basically, according to them (presidents), the western powers fear that we will change the culture (of the Africans), make them disciplined and work hard.

"They fear that if we are successful through the South-South co-operation, the African countries could become economic tigers and be a threat to them."

Daim was speaking after the end of his visit to Morocco, Guinea, Ghana, Uganda, Kenya and Mozambique.

The four presidents he referred to are Lansana Conte of Guinea, Jerry Rawlings (Ghana), Daniel T. Arap Moi (Kenya) and Joaquim Chissano (Mozambique), who all met him privately.

Individually these heads of Governments reaffirmed their support for Malaysia's contribution to the economic revival of their countries.

Conte and Moi received Daim at their presidential palaces on a Sunday, and went out of their way to accord personal attention to Daim's visit.

Rawlings and his wife met Daim separately after Rawlings had addressed the Malaysian delegation at the garden of the palace.

Holding Daim's arm, Rawlings said: "Please don't feel disturbed, stay strong ... you have sacrificed enough," when referring to some adverse comments on Malaysian investments in his country.

Chissano met Daim privately on both days that the Malaysian delegation was in the capital, Maputo.

Malaysia has sizeable business interests in both Guinea and Ghana, while Mozambique and Kenya want a strong Malaysian presence.

Daim said he discussed the role of the International Monetary Fund and the World Bank in Africa with the presidents, saying that the amount devoted by them to debt-service was greater than what the World Bank was lending to their respective countries.

"They are sucking money from these poor countries."

Daim had asked the presidents: "Please tell me one country where IMF and World Bank had advised, the host country faithfully followed, and became successful."

He said he told them that Dr Mahathir had jokingly said that the World Bank should be privatised and run by Malaysians.

He said often the IMF would advise poor countries to raise interest rates as an inflation-curbing measure, resulting in these countries not getting foreign direct investment.

The cost of living should strictly be low in poor countries, because the people have no money to spend.

"And in the case of Mozambique - according to the World Bank the per capita income is US\$80 per annum. In Malaysian currency, they have RM16 a month.

"So I asked the Finance Minister (Thomas Saomao) and the Governor of the

central bank (A. Malaine) where does the inflation come from when the people don't have the money to spend. They didn't give me the answer and were surprised by the question."

He said the IMF's answer to inflation was to raise interest rates. In most African countries, interests rates would exceed 35 per cent.

"At this rate, no investor would borrow from the bank to invest. It is a vicious circle since there is no investment."

Daim told the four presidents that if they continued to listen to the IMF and World Bank, their people would continue to be slaves of these two institutions.

"My advice was to study the interest rates and to look seriously into the question of inflation.

"I don't believe that inflation can reach such heights when people have got no money to spend.

"I also mentioned to the presidents that obviously it is in the interests of developed countries that they remain poor so that they become producers of raw material for developed countries. Because if they are successful like the Asian countries they become a threat."

On Mozambique, his last stop before coming to Cape Town, Daim said there were lots of opportunities and those who dared to take risks now would reap the harvest.

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