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Africa offers abundant business opportunities

VAST business opportunities in the African countries are waiting to be tapped by Asian companies.

This is especially so in the past five to 10 years as most of the African countries have undergone reforms, both politically and economically, providing a conducive environment to do business, said Multilateral Investment Guarantee Agency (Miga) consultant Datuk J. Jegathesan. Miga is part of the World Bank group.

These countries, he said, have an average gross domestic product growth of more than 5 per cent. Botswana, for example, over the last 10 years had an average growth rate of 16 per cent.

Jegathesan said Africa, since 1990, recorded the highest net returns for foreign direct investments (FDIs), averaging 29 per cent.

In 1997, FDI worldwide to Africa stood at US\$6.4 billion (US\$1 = RM3.80) while other developing countries registered a total amount of US\$149 billion, he said when announcing details of the upcoming Africa-Asia Business Forum to potential participants in Kuala Lumpur yesterday.

He said Malaysians attending this forum, to be held on October 25, will be able to participate in the exchange of information, develop closer relationships and identify and negotiate new business deals with potential partners.

Prime Minister Datuk Seri Dr Mahathir Mohamad will officiate at this event.

Jegathesan said in 1996, Malaysian investments in Africa was US\$1.248 billion compared with only RM17 million in 1993.

The rise in investments, he said, was mainly attributed to Dr Mahathir's visits to the African countries.

However, the figures declined in 1997 and 1998 to RM414 million and RM302 million respectively mainly due to the economic crisis that gripped the Asian as well as the African regions.

Among the Malaysian investors in Africa are Renong Bhd, Country Heights Bhd, Sunrise Bhd, Petronas, Telekom, TA Enterprise, Berjaya Group, Proton, YTL Bhd, Chase Perdana Bhd and Sunway Group.

Financed by the Government of Japan, which is allocating some US\$1.6 million, the forum is organised by the United Nations Development Programme in collaboration with Malaysia, Miga and the Malaysian South-South Corp Bhd.

Japan's support of the organisation of the forum comes in recognition of the need to foster the growth of the private sector in Africa, in particular through the promotion of trade with and investment from Asia. To date, over 250 participants from Africa and Asia have confirmed their attendance for the forum. The last day to register is tomorrow (October 6).

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