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Need for promotion of Africa as one market

Hardev Kaur at Victoria Falls, Zimbabwe

AFRICAN countries need to co-operate and promote the region as a single market for investments and consumers.

This is because individually they are unable to attract the scarce foreign capital and investors to "promote economic growth and development," concluded participants on the first day of the Third Southern Africa International Dialogue (SAID '99).

The need to work together in "smart partnerships" will necessarily require a change in the way things are done on the continent.

It will require greater sharing of "equity" among the various stakeholders instead of going it alone, they added.

The common challenge in the region however is the need to overcome obstacles and eradicate poverty in addition to tackling the high unemployment and lack of capital to achieve the needed economic growth and development.

On the first day of SAID '99, the African leaders spoke of the need to "co-operate to move ahead".

South African President Thabo Mbeki said the common challenge in the region is to eradicate poverty, transform the region into a common investment area and a lot of work is needed to promote "economic growth and development" in Southern Africa.

Among the possible areas raised was the need to harmonise market laws so that Africa could be marketed as a "single region" to foreign investors, entrepreneurs and a larger consumer market.

Collectively the 14 members of SADC (Southern Africa Development Corporation) with a population of 194 million and a total GNP of US\$185.3 billion (RM704.14) (in 1997) is more attractive than an individual country such as Lesotho with a population of 1.1 million and a GNP of US\$1.4 billion or Tanzania with a population of 42.6 million and a GNP of US\$136.7 billion.

It was pointed out that different economic policies impede regional development in a smart partnership way.

There is thus a need for the region to rationalise trade, legislation and tariffs between member states so as to facilitate trade and investment between regional members.

Prime Minister Datuk Seri Dr Mahathir Mohamad, who is the only non-African leader attending the dialogue, said the region could be promoted as a tourism destination with its game parks and safaries which straddle the boundaries of several countries, including South Africa and Zimbabwe.

However, the problem is the lack of capital, lack of infrastructure to cater to tourists such as hotels and a shortage of managerial and technical knowhow in the region.

Dr Mahathir related Malaysia's experience and implementation of the New Economic Policy (NEP) to develop managerial skills among the Bumiputeras.

The affirmative action plan provided for improvement of the economic situation among the Bumiputeras which, however, has been "undone" by the recent financial crisis.

"And we have to start all over again."

At a dinner later, he spoke on "Malaysia's experience in managing economic recovery while safeguarding the socio-economic responsibilities".

Many African leaders attending the dialogue pointed to Malaysia's political stability, political will and commitment to implement changes

for "progress and development".

Dr Mahathir said in Southern Africa, the leaders want to "implement policies and prosper" and for this they need to have a legal framework and encourage investments.

"In Malaysia, where the Bumiputeras needed help, the Government was able to implement policies due to political stability."

But, he added that the situation in Southern Africa was not quite the same.

The countries are at different levels of development, strong external pressures, the high debt and repayment burdens make the situation even more critical and difficult.

Permodalan Nasional Berhad (PNB) and the unit trust scheme was cited as an example of mobilising capital of the "indigenous people".

Dr Thomas DeGregory, of the University of Houston in the US, told the leaders that "Smart Partnership" with equity from the various sections of society proves that economic growth and development can be achieved without "sacrificing equity".

It is clearly demonstrated in Malaysia with various policies including NEP and the unit trust schemes.

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