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MALAYSIA-UNIDO

UNIDO SETS UP HIPPALOS CENTRE IN KUALA LUMPUR

KUALA LUMPUR, Aug 24 (Bernama) -- In recognising Malaysia's efforts to promote strong ties with African countries, Kuala Lumpur was chosen as the location for the Asia-Africa Investment and Technology Promotion Centre (AAITPC), also known as Hippalos Centre.

Malaysia has performed extremely well in attracting foreign investments and is, today, one of the countries that is also investing in other countries, especially in Asia and Africa, said United Nation Industrial Development Organisation (Unido) deputy to director general and managing director of Investment Promotion and Institutional Capacity-Building Division, Dr Yo Maruno.

The centre, which will receive US\$1 million from the Japanese government, is the concrete result of the Second Tokyo International Conference on African Development (TICAD II) held in October last year, he said.

Dr Maruno also said the centre, with assistance from Sibexlink Pvt Ltd, will draw up the list of projects from selected African countries and will go to Asian countries to "matchmake" them.

Already, there is a long list of Indian investors who are interested, he said at a press conference to launch the centre by Minister of International Trade and Industry Datuk Seri Rafidah Aziz here today.

The seven African countries selected in the first phase are Zimbabwe, Tanzania, Mozambique, Uganda, Ghana, Senegal and Cote d'Ivoire.

"We have not established concrete figures as targets but hope that by the end of the year, there will be a success story to get the momentum going for these two years," he said, adding that Unido wants to be a catalyst and an intermediary to serve its role as an impartial organisation.

The website listing the investment opportunities and macroeconomic information on the countries selected will be launched in October.

Dr Maruno said foreign direct investments in Africa are giving higher percentage yield. Although foreign investments increased to US\$11.7 billion in 1996 from US\$1.9 billion in the mid-1980s, the share of all investment flows to developing economies had fallen to 3.8 percent for Africa in 1996 from 11 percent in the 1986-90 period.

He said Africa's problem was the negative image of its past and the lack of knowledge by people about the many attractive opportunities there. There was also the fact that Asian enterprises tend to be inward looking and preferred to invest within Asian countries.

Meanwhile, Ambassador Extraordinary and Plenipotentiary of Japan to Malaysia Hideki Harashima said the relationship between Asia and Africa is not very strong now and the idea of the centre was first presented by Japanese Prime Minister Keizo Obuchi at TICAD II.

He also acknowledged the contributions by Malaysia in TICAD II, stating that among the delegation of Asian countries, Malaysia was the only nation to be led by a Prime Minister - Datuk Seri Dr Mahathir Mohamad.

At that conference, Malaysia made a very important contribution by advancing ideas and adopting resolutions, he added.

On Malaysia's relationship with Africa, Rafidah said in her speech trade between Malaysia and Africa grew from US\$881 million in 1993 to US\$4.65 billion in 1998.

Malaysian companies invested RM1.6 billion in the African continent

from 1994 to 1998, she added.

On Asia trade with Africa, she said imports by Africa from Asia increased to US\$37 billion in 1997 from US\$17.4 billion in 1993, while exports from Africa to Asia rose to US\$13.6 billion from US\$8.3 billion during the same period.

Over the long term, Africa must be able to exploit optimally its vast resources and enhance human resource skills to evolve competitive advantages in economic endeavours that can efficiently combine existing factors of production, she said.

She also emphasised the importance of not getting into the mind-set that regards Africa as merely the beneficiary of aid and assistance, and that links must be based on mutual respect and recognising the economic sovereignty of the individual country. -- BERNAMA

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