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## Botswana opens airline to Malaysian investors

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BOTSWANA is welcoming Malaysian companies, notably Malaysia Airlines, to acquire a substantial stake in its national carrier, Air Botswana, as efforts to privatize it enters the final stages.

Botswana President Festus Mogae said irrespective of the percentage, foreign companies are free to take up any privatization project in the republic, which includes its telecommunications and power utilities.

"Air Botswana will be the first to undergo privatization, followed by telecommunications, power and other state-owned companies.

"The airline is currently fully-owned by the Government but we are privatizing it to turn it around.

"In doing so, we would like Malaysian companies ... in this regard your national airline, to consider acquiring a stake in Air Botswana. We would like to discuss it further with interested parties," he told reporters after delivering his keynote address at the Botswana Investment Seminar in Kuala Lumpur yesterday.

Mogae, who earlier this week attended the Langkawi International Dialogue (LID) and met Prime Minister Datuk Seri Dr Mahathir Mohamad, noted that the Botswana economy is expanding rapidly to the extent that privatization is inevitable.

The Malaysian style of privatization, he said, is being studied and followed by his Government as it "is the best set of business strategy ever introduced by any developing nation".

"I am glad to say that we are following your way of privatization. However, as the privatization programme is still very new in Botswana, we will attend to Air Botswana first before applying it to other companies," he said.

Mogae described his meeting with Dr Mahathir as "most fruitful", said both agreed to work more cohesively in areas relating to bilateral cooperation.

"Malaysia and Botswana have enjoyed excellent political relations over the years. While both are committed to a free-market economy, we also should step up cooperation in various areas.

"As trade between our two nations was very small (about RM360,000) last year, a more comprehensive approach must be taken to exploit its potential," he said.

At the seminar earlier, Mogae said Malaysian investors are most welcome to invest in Botswana as the country is located at the hub of Africa's most enterprising region.

Since independence in 1966, the Botswana economy has grown by leaps and bounds, registering a growth rate of 13 per cent between 1970 to 1990 and 8 per cent from 1991-1999. The forecast for 2000-2003 is around 10 per cent.

"Our foreign exchange reserves stood at US\$6 billion (US\$1 = RM3.80) representing 30 months' imports. The per capita income is above US\$3,300. There is no foreign exchange control; profit dividends and capital can be readily repatriated.

"The Government provides a well-balanced package of financial incentives which cannot be matched by other developing countries," he said.

For instance, the corporate tax is just 15 per cent while the highest percentage of personal income tax is only 25 per cent - one of the lowest in the world.

"However, the only dark point on the horizon is the unemployment rate which stands at 20 per cent. That is why we need investors to come to our country and invest, thus creating more jobs for our people.

"Although our population is only 1.5 million, our country is the passage to about 175 million consumers in the southern African region," he said.

Diamonds represent the backbone of Botswana's economy, contributing about 70 per cent to the country's export earnings. However, being the world's largest producer of diamonds does not make the country complacent as it also develops other sectors, including industries.

"We already have a good industrial base and the industrial activities promoted comprise spinning, weaving as well as garmenting, production of leather goods, jewellery as well as cutting and polishing of diamonds, furniture, pharmaceuticals, plastics, engineering products, electrical and electronics and, last but not least, information technology operations."

"Being the Hong Kong of Africa, we can assure you that Botswana will be among the best bet for foreign investors coming to Africa. There is almost no major crime in our country.

The three-day seminar is being organised by the Botswana Export Development and Investment Authority.

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