

20/02/2001

Colombian President out to woo Malaysian investors

Abdullah Ahmad

I WAS warned by everybody that Colombia is a dangerous place. The French oilman, seated next to me on the Air France flight from Singapore to Paris, shook his head in disbelief that I was going to Bogota, Cartagena and Medellin.

I had to fly to Paris to catch another Air France plane which took assistant news editor Ashraf Abdullah, photographer Hamsiah Abu Bakar and myself to Bogota - all together 25 hours of flying time.

Though fatigued, I was happy - my bag arrived! It was a great relief after what happened during a recent trip to India. I did caution the young MAS staff at the check-in counter at the Kuala Lumpur International Airport to make doubly sure that my bag arrives in Bogota, and it did. Thank you.

My purpose of visiting Colombia is to see whether the country is as has been constantly depicted in the Western media - a nightmare of kidnaps, extortion by the guerrillas, massacres of civilians and peasants by pro-government right-wing paramilitaries and the source of much of the world's cocaine. In other words, not a safe nor pleasant place.

I just want to know whether that depiction is true.

Really, I have no way of telling you yet because I wrote this late Sunday night, barely 24 hours after arrival (Kuala Lumpur is 13 hours ahead of Bogota).

However, what I have seen on the surface so far, at least in Bogota, its suburbs and the Savannah, behind the hills south and north of the city, is to the contrary. I shall write my final impressions when my five-day stay is over.

Meanwhile, the policemen appear friendly although my Bogotanos friends advised me not to walk alone in the streets late in the evening.

Colombia is three times bigger than Malaysia with a population double that of ours, seven million of whom live in Bogota, the capital, and nearly three million of them are between 16 and 30 years old.

As I strolled the streets in Rosales Sunday morning, 15 minutes from downtown Bogota, where I am staying at a boutique hotel in a residential area, I saw hundreds of Bogotanos biking for exercise, as is usual on Sunday in Bogota. Fifty miles of roads are closed to traffic to enable bike riders, joggers, athletes and pedestrians to exercise and enjoy themselves with or among friends, and street artists to paint and sell their works of art.

On Saturday evening, I saw many young Bogotanos lepak - relaxing - along sidewalks, bus terminals and places of interest. What I like so far is that the weather in Bogota is always cool and nice, perhaps because of its altitude (2,600m).

The city appears clean, at least along the routes that I have so far taken from the airport to Rosales and around the posh residential areas. I had to drink a lot of mineral water to chase away the initial headache and dizziness which I rarely experienced during my previous travels. Again this, I believe, is caused by the altitude.

Bogota established diplomatic relations with Kuala Lumpur 14 years ago, and in 1994 Arturo Infante Villarreal became the first resident ambassador. He remains until now.

The Kuala Lumpur-Bogota relations have always been warm and cordial. The Malaysian ambassador in Peru is also accredited to Bogota.

Prime Minister Datuk Seri Dr Mahathir Mohamad visited Colombia in 1995 to attend the 11th Non-Aligned Movement summit in Cartagena. There has been active exchange of visits at the Ministerial level and President Andres Pastrana will make a State visit in March - the first by a Colombian Head of State. This visit makes sense because it enhances South-South cooperation and cements closer relationship bilaterally.

This matters because international trade is growing, and opening up markets to each other is imperative even though Malaysia and Colombia are at different stages of economic development.

Gross domestic product per capita of Colombia is about US\$2,729 (US\$1 = RM3.80), half of that of Malaysia's. The disparity between the rich and poor here is wide and the inflation is about 15.4 per cent. The Colombian peso constantly fluctuates against the US dollar. Daily, the greenback has a new value, the extent of change depending on the domestic political situation.

Pastrana and a high-powered delegation want to meet Malaysian corporate leaders and investors to highlight trade and investment opportunities available in Colombia, particularly in the palm oil sector, as well as the oil and gas industry. At present, trade between Malaysia and Colombia is minimal (RM31.3 million), a considerable decline from the 1997 figure of RM63 million. Malaysia's exports to Colombia amounted to RM28.2 million in 1999 while it imported Colombian goods worth RM3.1 million.

We sell palm oil, TV receivers, natural rubber, data processing machines and transport equipment, and buy coffee and coffee substitutes as well as chemicals.

Trade balances have always been in Malaysia's favour.

A senior Wisma Putra spokesman told me it has no record of any Malaysian investments in Colombia, although Malaysian investors had visited the country.

Both the Wisma Putra spokesman and Villarreal stressed to me that the prospects for Malaysian investments in palm oil are good. Colombia is a leading palm oil producer in Latin America and the fourth in the world after us, Indonesia and Nigeria.

When Pastrana's plane approaches touchdown at KLIA, he would see from the window of his jet a green carpet of oil palm plantations, which like rubber before, has made Malaysia the biggest producer in the world. Pastrana will be here to seek Malaysia's assistance to develop the Colombian palm oil industry whose cost is higher because of expenses to cope with violence, security and guerrilla attacks on the plantations and kidnapping of growers.

He will visit oil palm plantations and hold talks with the Palm Oil Research Institute of Malaysia, the world's leading authority in palm oil and also with officials from Palm Oil Research and Licensing Authority, the Malaysian Palm Oil Board and the Malaysian Palm Oil Promotion Council.

Palm oil cultivation expanded rapidly in Malaysia in the 1960s when it replaced rubber as our main primary industry, spearheaded by owners of old rubber plantations and later by the Federal Land and Development Authority and the settlers.

Malaysia today leads the world, as producer and exporter of palm oil. Malaysia has 3.4 million hectares of land under oil palm, and Indonesia second with 2.5 million ha, not a few of which belong to Malaysians.

Last year, we produced nearly 11 million tonnes of palm oil, 90 per cent of which was exported to more than 100 nations. Colombia aims to produce 3.5 million tonnes by the year 2020.

Colombia now has only a mere 127,200ha of land planted with oil palm, producing about 390,000 tonnes of crude palm oil. I am told that - subject to confirmation when I meet Pastrana - Colombia can readily offer 4

million ha of suitable land for oil palm cultivation. Colombia today is only 75 per cent self-sufficient in oils and fats. It must import 170,000 tonnes yearly, some of which, I presume, come from Malaysia besides US, Argentina and Brazil.

There is a great potential for oil palm cultivation and oil palm products in Colombia including exports to the US. A consortium of several Malaysian companies led by Golden Hope Plantations had indicated an interest to come to Colombia but the Asian financial typhoon of 1997-98 killed the plan. Pastrana wants to revive this interest.

Pastrana will try to convince Malaysian investors of the growing good investment environment, that security, peace and political situations are under control. He will also spell out deregulations and liberalisation, labour laws and the availability of skilled and non-skilled labour, at relatively low cost, sans security expenses. As Latin America gets a taste for stability and wealth, the Colombians are no exception, and as a result I anticipate a significant progress will occur during Pastrana's Administration or when his successor is elected in 2002. Pastrana cannot succeed himself.

However, some pessimists say it is best not to expect any dramatic results, then no one will be disappointed. If Pastrana can bring peace, and he is trying hard to not only sustain but improve it, by talking to the main rebel group - the left-wing Revolutionary Armed Forces of Colombia (FARC) - I do not see why there shouldn't be a change for prosperity if negotiations succeed.

It is not an impossible thing, given FARC's declared readiness to seriously find a peaceful solution - subject to the Government agreeing to several reforms. These include changes in the military, reduced unemployment rate (now 15.1 per cent), more allocations for economic and social services, and more importantly to guarantee compulsory schooling to all Colombian children up to the age of 15. Now there are even child soldiers because there is nothing for them to do. As a result, they join the guerrilla forces.

I am happy Pastrana has been negotiating with FARC and even if there is a long way to go for an eventual settlement, a good journey has already begun. Pastrana has also reached a "pre-accord" with the left-wing National Liberation Army (ELN) to set up another smaller demilitarised zone for talks on condition that ELN stop kidnapping and intimidating people.

It is stated that an estimated 170,000 acres of land are planted with coca in Putumayo province (in the depressed southern part of Colombia) alone. Cocaine production is a lucrative enterprise and FARC wants Pastrana to scale down the military aspect of "Plan Colombia" to which Washington is contributing RM3.8 billion in favour of programmes to help the poor, thus discouraging them from growing coca.

The Government has been moving ahead with fumigation in Putumayo, spraying some 100 sq miles of coca plantations though most of the areas affected are controlled by the right-wing paramilitaries. The next stage of spraying will be FARC-controlled enclaves and this will raise tensions again as the aim of spraying is to cut FARC's drug income.

No one also knows whether there will be a final deal with FARC, but I hope there will be, because if there is peace and political stability, Colombia will be a prosperous nation - especially if oil palm is also cultivated in equal measure with coca.

It doesn't appear that the Government will win an all-out war against the guerrillas. Stopping the menace from escalating is the best policy. Then, a win-win situation will result for both sides.

I am hard-nosed when it comes to military and guerrilla doctrines and

sense of realpolitik. And given past experiences, it does seem while peace is desirable, it remains as elusive as ever.

(END)