

21 AUG 2001

MAHATHIR-AFRICA

DIALOGUE COUNTRIES NOW MORE UNITED, SAYS DR MAHATHIR

By: Mikhail Raj Abdullah

KAMPALA, Aug 21 (Bernama) -- African countries are now portraying a greater sense of unity, thanks to a change in mindset arising from their participation in the Malaysia-initiated smart partnership dialogues, Prime Minister Datuk Seri Dr Mahathir Mohamad said Monday.

"Despite their differences, they understand the value of acting together and are now keen to take collective action in the World Trade Organisation (WTO).

"They feel they can extract greater dividends through a common stand and understand the need to help each other to prosper," he said.

"Since 1995, the dialogues have practically changed the mindsets of leaders of Southern parts of Africa, the eastern region and even the western parts in countries like Ghana," he said.

Speaking to Malaysian journalists on the third day of the Global 2001 Smart Partnership International Dialogue, he said "those who are participating seem to be very united, but of course they have their differences."

"If we go to the WTO fragmented and divided into small states, we are not going to influence the shape of the trade body nor the process of unbridled globalisation," he said.

In view that a change in the mindset is a very difficult thing to achieve, he said: "This is a very good change, I think that is much more important than any single physical or tangible thing that you may see."

As for Malaysia, "we have not lost anything by spending quite a lot of time with these countries," he said.

Malaysia mooted the smart partnership concept at the first Langkawi International Dialogue in 1995, now almost a war cry which has caught on in Africa as seen in the four Southern African International Dialogues held so far.

Even more interesting is that the dialogue has moved to Uganda, an East African state.

The current dialogue is being attended by more than 600 delegates which by far is the largest gathering for the smart partnership dialogue ever in Africa.

Among the countries which are making their presence felt at the dialogue include Botswana, South Africa, Mozambique, Zimbabwe, Kenya, Namibia, Tanzania, Lesotho and Swaziland and even non-Commonwealth countries like Sudan.

Dr Mahathir said African countries were now talking about a smart relationship between government and the private sector and workers, as well as appreciating the need to attract foreign direct investment (FDI).

"But you will be surprised to know that most (African) countries did not want to have FDIs. Many of these countries upon achieving independence, nationalised foreign holdings and this frightened foreign investors away," he said.

As a result, the countries could not develop and they actually regressed.

Therefore, "there is a a great deal of achievement" from the dialogues and the adherence to smart partnership with focus on prospering "thy neighbour", he said.

Now after exchanges of information between participants, they have changed their attitude and they feel they have to be part of the world's

economy by accepting FDIs, he said.

They accept the need for cooperation between the government and the private sector and to get their bureaucrats to understand the need to stimulate the economy, he said.

As evidence of their coming together for economic reasons, participating countries on Monday set up the African Trade Insurance Agency, which incidentally was launched by Dr Mahathir, to facilitate the pooling of resources to insure business risks by the private sector.

Dr Mahathir also said African states were attempting to free themselves from the tag of being debtor countries, which was why they were keen to learn from experiences of others from elsewhere.

This is more so because "we know that people who are giving aid are insisting that these countries do certain things which in the end would be detrimental to them," he said.

Malaysia, where possible, will help with their training and financial management so that they would not lend themselves to being permanent debtors of rich countries in which case they would always be obliged to the lenders.

Also, despite the calls for FDI seen as vital for Africa's rejuvenation, he said Malaysia had a duty to inform them of the dangers of the free movement of capital, whereby investors could suddenly pull out their money.

This is because the present concept of globalisation is completely confined to free movement of capital which is not very good for the developing countries, he said.

He cited how Malaysia lost US\$250 billion (RM950 billion) within a period of less than a year during the financial crisis of 1997 when foreign investors suddenly withdrew from the Kuala Lumpur Stock Exchange "which caused a huge shrinkage in our market capitalisation."

"Certainly Malaysia had a very bad experience. So, while we should welcome capital coming in, we should know that if they (FDIs) pull out, we will be in trouble," he said.

Dr Mahathir said African countries had also asked for greater Malaysian investments in their countries.

Pointing out that Petronas has been very active in the region based on its investments in Sudan, he said that the African countries wanted Malaysia to participate in power plants.

"But sometimes the opposition in some countries have a negative attitude and so the projects can't take off," he added.

At this point in time, "we want to export Malaysian goods to non-traditional markets because the traditional markets are not absorbing our goods now," he said, citing the just-opened Malaysian Business Centre as a means to penetrate Uganda and the surrounding region.

Dr Mahathir, who will attend the last day of the dialogue today, leaves for home later tonight. -- BERNAMA

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