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## NAM's business challenge

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THE 48-year-old Non-Aligned Movement (NAM) held its 13th summit in Kuala Lumpur last week, seeking to ensure that it is still relevant in a new world order plagued by political and economic uncertainties.

With 116 countries, of which a huge number are small nations just beginning to develop their economy after emerging from political and economic strife, this is not going to be an easy task.

While the events that followed Sept 11 could motivate countries to close ranks and adopt common stands to grapple with the new geopolitical landscape at the Government level, the same may not be the case with trade and investment.

Understandably, the traditional impediments to South-South business interaction have been geographical distance, poor transportation and communication facilities, language barriers and a general lack of contact and information, not to mention political instability.

Prime Minister Datuk Seri Dr Mahathir Mohamad elaborated on the obstacles when addressing the two-day 'NAM Business Forum on South South Cooperation' held alongside the NAM Summit.

'The main concern for everyone now is economic development and the well-being of the people. For this, we need stability and a legal framework as well as practices which are conducive to business and trade,' he said.

He added that political instability and corruption are the two most important obstructions to business and wealth creation. 'We of the South must overcome these weaknesses if we want to see business activities prosper our countries.'

Although it is obvious that there are risks when going against conventional wisdom, Dr Mahathir is of the opinion that there is a lot of business potential among countries of the South. 'Why else should the countries of the North fight each other in order to get the business of the countries of the South?' the Prime Minister asked.

In 2001, NAM member countries accounted for US\$ 880.5 billion or only 14.3 per cent of world exports and US\$ 736.9 billion or 11.4 per cent of world imports. Taking into account the number of countries that are members, the present share of world trade is insignificant.

On the back of this, NAM leaders have struck a common chord by calling for greater private sector participation in business to generate economic momentum among member countries. In fact, the forum itself was a historic occasion, being the first such forum to be held alongside the NAM summit.

Given the prevailing uncertainties of the global market, it's a big challenge for local companies to drive their expansion to the South countries. This then was specifically the reason for the formation of the Malaysia South-South Association (MASSA), which was the co-organiser of the inaugural business forum. The other organisers were the Asian Strategy and Leadership Institute and the Ministry of Foreign Affairs Malaysia.

A non-profit organisation, MASSA was incorporated to help Malaysian industries and manufacturers seek new markets so that Malaysia's export-driven economic growth will not be overly dependent on its traditional markets of the United States, Japan and Europe. It was formed after Dr Mahathir mooted the idea following his visit to Chile, Brazil and Argentina with Malaysian businessmen in 1991.

As former senior official at Malaysian Industrial Development Authority (MIDA) Datuk J Jegathesan put it in a recent interview with Malaysian

Business, the Prime Minister has been the greatest force behind local companies going abroad.

`I remember when I was with MIDA, he told us, "When we were down, others helped us and now that we are up, let us go and help others",' said Jegathesan, who is a member of MASSA's executive committee.

It is not surprising that Dr Mahathir repeated this advice to businessmen and delegates at the business forum, saying it was in the interest of the more prosperous states to help the poorer nations.

`That is our experience in Malaysia. When the rich invested in our country, they helped to enrich us and then we became rich markets for their goods ... By enriching others we now have rich markets for the growing manufactured products that we export,' he said.

If this can be undertaken on a collective basis as a means to uplift the socio-economic standards of NAM countries, which have a combined population of three billion, then NAM is on the right track.

This is so true going by South African President Thabo Mvuyelwa Mbeki's view that the challenge of the eradication of poverty and underdevelopment remains as pressing today as it was in 1955 (when the Afro-Asean Conference in Bandung, Indonesia, at which the establishment of NAM was first enunciated, was held). `The task to put our countries on the path of sustained and sustainable development continues to confront us daily,' he said in his speech at a Special NAM Leaders Session at the business forum.

Nevertheless, some countries have achieved remarkable economic progress since then and he feels Malaysia stands out as one of them. `Its achievements underline the fact that success is possible. As we remake ourselves and build bridges for the betterment of all our people, it is important that we draw lessons from the rich experiences of all our countries, especially those that have achieved better development since the Bandung Conference,' Mbeki said.

The need for greater business cooperation was also expounded by Indian Prime Minister Atal Bihari Vajpayee. He also felt there should be more action in the area of economic cooperation and business interaction to help the impoverished states of the South, meaning the South-South Cooperation and North-South Engagement have to be more than mere slogans.

`The numbers that prove this point are numbing. Ten million people have been annually joining the ranks of the poor in the last decade. A quarter of the world's population lives below the poverty line ... Over a billion people survive on less than one dollar a day,' he pointed out.

At this juncture, it is apparent that some NAM countries are beginning to realise that they have the resources and potential to grow and develop their economic resilience. But, the question is, can MASSA and the NAM Business Council, a body proposed by Dr Mahathir, ensure that the momentum created is carried forward?