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Make Africa your next destination, Mahathir tells AirAsia

PUTRAJAYA: Tun Dr Mahathir Mohamad has suggested to low-cost airlines AirAsia to consider Africa as its next major destination.

The former prime minister said the company could either fly there on its own or join forces with African airlines to provide services between Kuala Lumpur and cities in the continent.

"It is the lack of air connectivity that has limited the ties between Malaysia and African nations from flourishing.

"Perhaps, if we can start (air connectivity) with the low-cost airlines, that will be the answer.

"Perhaps, we should persuade AirAsia to fly to Africa, which will bring us closer," he said in his talk at the Malaysia-Africa Business Forum in conjunction with the Langkawi International Dialogue 2011 here yesterday.

The business forum marks the beginning of the four-day dialogue which is being held at the Putrajaya International Convention Centre.

Dr Mahathir added that while he was aware of the risks of such venture, having direct air links could benefit Malaysia because of the economic potential that remains largely untapped in the African continent.

"Initially, it won't be profitable. But once we have build up the capacity, I think it is a worthwhile venture.

"Tony (AirAsia chief executive officer Tan Sri Tony Fernandes) is a remarkable man and a reasonable person. Perhaps we should have him as a consultant," he said, adding that he would discuss the matter with the AirAsia boss.

Answering questions from the floor, Dr Mahathir said the government should persuade large banks to provide micro-financing to small businesses as they were crucial to the economic development.

"The problem with big banks now is that they want to lend big sums of money only to big businesses.

"They are not interested with the smaller ones because the profit margins are smaller," he said.

Dr Mahathir added that by helping smaller business group, the Government would also enjoy benefits.

"Government do not have to put any capital and when a business makes profit, 26% of that profits goes to the government's coffers by way of tax," he said.