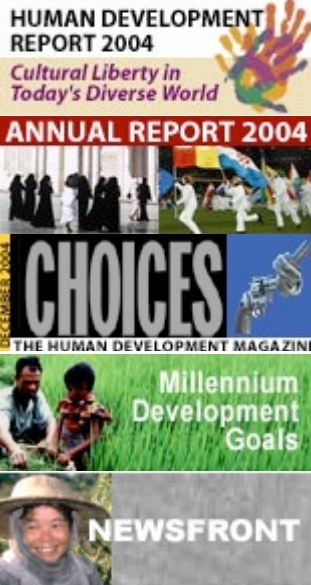




## Search

GO



[Speeches & Statements listed by date and by theme](#)

## Speeches &amp; Statements

## Asia Africa Public-Private Joint Forum (AAPPJF)

Statement by UNDP Associate Administrator  
Zéphirin Diabré

Kuala Lumpur, Malaysia  
24-25 May 2004

Honorable Y. M. Raja Dato' Zaharaton bint Raja Zainal Abidin, Director General of the Economic Planning Unit, Malaysia, Excellency Ambassador Masaharu Kohno, Director General for Sub-Saharan Africa Affairs of the Ministry of Foreign Affairs of Japan, Excellencies, Distinguished participants, Ladies and Gentlemen,

It is for me a real pleasure to address, on behalf of the United Nations Development Programme, the Asia Africa Public-Private Joint Forum conceived as one of the major preparatory activities for the Asia Africa Trade and Investment Conference that Japan will host in Tokyo this fall. The upcoming Asia Africa Trade and Investment Conference is a concrete demonstration of Japan's commitment to the implementation of follow up activities to TICAD III.

As we all know, TICAD III was a great success by the level and number of participants, and by the way it effectively brought the international community and African leaders together to substantially dialogue on critical issues pertaining to African development. One of the critical issue that figured predominantly in the debates is the promotion of private sector as an engine of economic growth in Africa. The emphasis placed on the role of trade and Foreign Direct Investment (FDI), south-south cooperation in general, and Asia-Africa cooperation in particular during these discussions reflected a logical follow up to what has been important focus areas for the TICAD process and the Tokyo Agenda for Action. This Forum adds another important dimension to that dialogue, by bringing together representatives of public and private sectors from both regions to enrich the debate.

I wish to express UNDP's gratitude to the Government of Malaysia, in particular to the

## Country Office Websites

[Newsroom](#)

[News Bulletins](#)

[Subscribe to News Bulletins](#)

[Biographies & Portraits](#)

[Contact the Newsroom](#)

[Copyrights & Terms of Use](#)

[Home](#)

Economic Planning Unit of the Prime Minister's Department, for their support to the TICAD process in general, and for hosting this Forum in particular. The sustained support of the Government of Malaysia to the TICAD process is reflected in their hosting of a series of other important meetings such as the Asia-Africa Business Forum (AABFI) in October 1999, the third Asia Africa Forum (AAFIII) in May 2000, the presence of high level authorities at these meetings, and their active participation in the process of establishing the Asia Africa Chamber of Commerce.

Let me also reiterate to the Government of Japan our thanks not only for their continued effective leadership of the TICAD process, but also for their unfailing support to the development of Africa. The overwhelming response of African Head of States and their development partners in the international community during TICAD III is a testimony to the recognition of that support by African leaders and their partners. The organization of this Forum is a direct result of the Prime Minister of Japan's announcement at TICAD III of the organization of a TICAD Asia Africa Trade and Investment Conference in 2004.

Distinguished Participants,  
Ladies and Gentlemen,

The central theme of this forum is the promotion of trade and investment between Africa and Asia, for the benefit of both regions. But as we gather here today around this central theme, it is important to recall that trade and FDI are significant contributing factors to sound and sustainable economic growth, which in turn is critical for long term reduction in poverty and thus to the achievement of the Millennium Development Goals. The role of the private sector is at the center. As stated in the recent report to the Secretary General of the United Nations of the Commission on Private Sector and Development entitled "Unleashing Entrepreneurship – Making business work for the poors" "the private sector can alleviate poverty by contributing to economic growth, job creation and poor people's incomes. It can also empower poor people by providing a broad range of products and services at lower prices".

The same report points out that the primary responsibility for achieving growth and equitable development lies with developing countries. This responsibility includes creating the conditions that make it possible to secure the needed financial resources for investment. Those conditions (state of

governance, macroeconomic and microeconomic policies, public finances stability, sound financial systems, and other basic elements of the country's economic environment) are largely determined by the action of domestic policymakers.

These conditions must also encourage and stimulate the specific roles of major stakeholders: for the public sector, promoting the reform of laws, regulations and other barriers to growth; for the public-private sphere, facilitating cooperation and partnership between public and private players to enhance access to such key factors as financing, skills and basic services; and for the private sphere, encourage the development of business models that can be scaled up and that are commercially sustainable.

The tremendous achievement of many Asian countries that we witness today is mainly due to the fact that they have succeeded in creating and managing these conditions. While several African countries have made remarkable progress during the past years in term of economic performance and governance, the rate and sustainability of economic growth in general fall short of the requirements to make a substantive impact on poverty reduction.

There is therefore a large scope for policymakers from both regions to share experience on best practices in creating and managing those favorable conditions.

Distinguished Participants,  
Ladies and Gentlemen,

The central theme of this forum is another area where experience and best practices must be shared. Africa's share in world trade, already very low, has been falling since 1980 (from about 6.0% of world export in 1980 to 2.0% in 2002; from about 4.6% of world import in 1980 to about 2.1% in 2002). FDI to Africa remains negligible (bout 1.7% of global FDI inflow in 2002). On average, Africa's share of developing countries inflows has more than halved since 1985 (12% in 1985 to 5% in 2002).

At the same time, the share of Asia in World trade is much higher and has been increasing over the years (from 17.9% of world export in 1980 to about 23% in 2002; from about 13.1% of world import in 1980 to about 20.8 in 2002). Asian countries have seen their outward FDI stock grow rapidly from about 2% in 1990 to about 9% in 2001.

Sharing of experience on best practices will enhance the two regions' ability to tap into

the huge potential for increased trade and investment between them: on the Asian side, economic performance with high and sustained growth, high and increasing share in world trade, dynamic international investors, new information technology, human resources, creation of a vast market; on the African side: improved governance, better economic performance due to economic reforms, a potential market of more than 600 millions people, vast natural and human resources, dynamic private sector ready to do business with Asia.

In fact, aware of this potential, Asian and African private sectors have been steadily doing business together. There is clear evidence to suggest that Asia, being the fastest growing market today, represents a huge market for African products. It is estimated that African exports to Asia increased from \$6.7 billions in 1990 to \$17.2 billions in 2000. There is also clear evidence that the flow of Asian FDI to Africa has been steadily increasing.

Indeed, the investment potential in Africa is huge, and UNDP has been supporting, through its credit rating initiative, African countries' efforts in enhancing greater inclusion in the international financial markets for mobilization of resources from private sources. Several African countries received over the past years a credit rating under UNDP's credit rating initiative with Standard and Poor's.

Distinguished Participants,  
Ladies and Gentlemen,

During these two days, discussions will be rich. Participants from public and private sectors, policy makers and practitioners will review the status of trade and investment between Asia and Africa, the difficulties and constraints, the solutions and successes. They will share their experience and will certainly come up with recommendations for enhancing Asia Africa trade and investment in the future. UNDP itself will share its long experience in promoting private sector development in Africa in general, and Asia Africa trade and investment in particular and in such areas as: capacity building; promotion of inter Africa trade; development of capital markets; organization of Asian African Business Forum series; establishment of the Asia Africa Chamber of Commerce.

Let me at this point underline again three areas where I think we all have to continue working together to facilitate trade and investment between Asia and Africa.

First, Asian and African business people, acting in the framework of a sustainable mechanism that they own, must collectively identify the constraints, and mobilize human and financial resources necessary to overcome them. Four years ago, during the third Asia Africa Forum in May 2000 here in Kuala Lumpur, I proposed the establishment of an Asia Africa Chamber of Commerce as a mechanism that would perform such functions. I am pleased to note that, under the leadership of UNDP, in close collaboration with UNCTAD and UNIDO, and in the context of TICAD, the process of establishing the Asia Africa Chamber of Commerce is well underway with the full and enthusiastic participation of Asian and African business people. NEPAD is also closely associated through the NEPAD business group. The Asia Africa Chamber of Commerce, which is expected to be operational after a two years incubation period, will bring a tremendous added value to the effort in promoting Asia Africa trade and investment.

Second, the insufficiency of adequate and reliable knowledge by business people from both regions on each other's business environment, practices and opportunities is a serious impediment to the expansion of trade and investment. We expect this problem to be progressively solved with the development of the TICAD Exchange platform also well advanced. The system will ensure continued and sustained flow of useful and practical business information between the two regions, easy posting and access to these information by users when desired, identify and feed into the system existing business opportunities, and provide users the possibility of matching their own interest, when they so desire. This system is being developed with the technical expertise of UNIDO, and will be the very first tool that will be managed by the Asia Africa Chamber of Commerce for the benefit of its members.

At a more general level, there is a clear need for Asian and African peoples to know more about each other, not as business partners, but just as human beings. Asia and Africa are two continents which histories and cultures have more in common than many would imagine. Let's make that the basis for a renewed Asia-Africa friendship. Four years ago, I also proposed the creation of a Asia-Africa Society, a foundation that would help foster the cultural links between the two continents. I still see it as an important condition for ensuring the sustainability of our business links, and I am putting again this proposal

forward.

Third, and similarly, I'm again putting forward the proposal I made four years ago, to this very Forum here in Kuala Lumpur, to encourage the creation of Asian-African Investment Funds. I see these Funds as genuine vehicles to gradually encourage individual investors to contribute to equity financing, make profitable returns, without having to go through the hurdle of neither opening nor operating themselves companies. I continue to believe that such a scheme will complement nicely the various direct investments we are calling for.

Distinguished Participants,  
Ladies and Gentlemen,

To conclude my remarks, let me state our conviction that, considering the commitment of all the participants, this meeting will be a successful one, therefore fulfilling its objective of laying the ground wok for a most successful Trade and Investment Conference this fall in Tokyo.

Thank you for your attention.