BLENDING BEST PRACTICES: A FOUR-STEP GUIDE

Africa and Southeast Asia already enjoy a mutually beneficial trade partnership, and blending best practices in culture, technology and smart policy would help them both to flourish. The founder of the Africa-Southeast Asia Chamber of Commerce details the steps that need to be taken and looks forward to the future.

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THE AFRICA-SOUTHEAST Asia Chamber of Commerce (ASEACC) was launched in 2013, but the trade partnership has been growing in economic value for a long time. In the past 25 years, trade between Africa and ASEAN grew from \$2.8bn to \$42.5 billion in 2012, equating to an annual growth rate of 14%.

This has made Africa the second fastest-growing continent for ASEAN trade other than Asia, according to the Asian Development Bank, and the relationship brims with potential.

But in order for the partnership to continue thriving, it is important for stakeholders to approach economic growth in a sustainable fashion. Allow me to highlight four main points that companies, investors and governments can keep in mind.

Culture as a driver

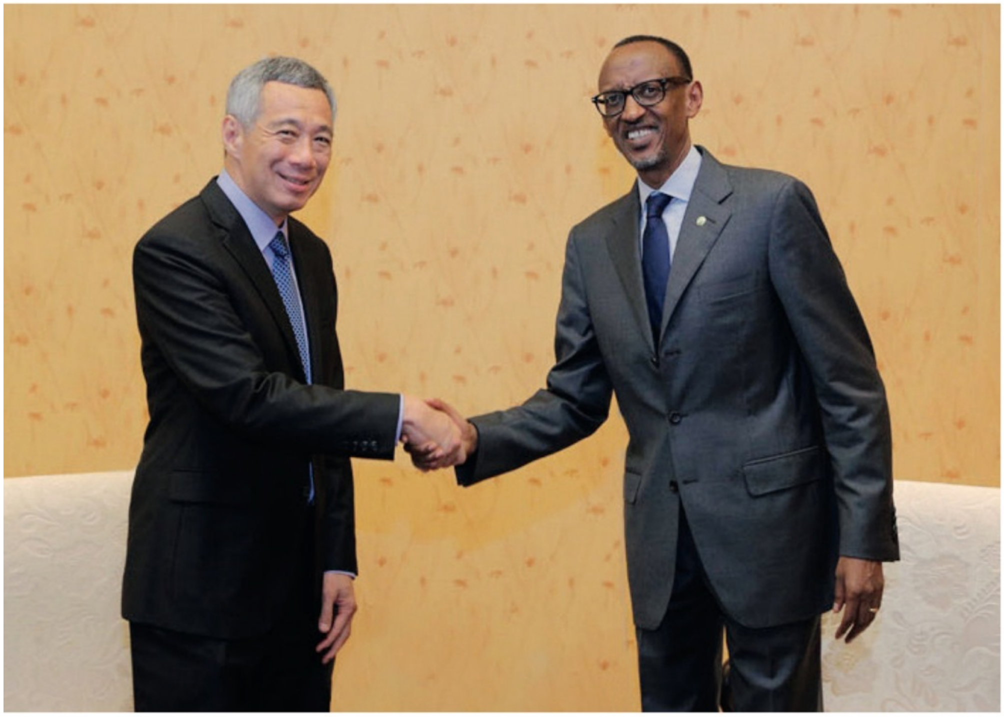
Last year I organised Okinka, an exhibition of traditional African art, at Singapore's Suntec City Mall. It was the first stop on the exhibition's tour around the world, where it will help promote African art, and showcase our culture. The name Okinka comes from Queen Okinka Pampa Kanyimpa, the last queen of my country, Guinea Bissau. Her name carries weight not only in Guinea-Bissau but also worldwide, representing the strength of women on a continent that used to be dominated by men. The exhibition was one of the activities organised to enhance cultural ties between Africa and Singapore, one of 10 ASEAN nations with which we have strong economic ties.

Since 2009, trade between the Republic and Africa has grown at 12 per cent, and was valued at \$15.4bn in 2014. One of our members Hyflux, a global leader in providing desalination plants, has built one of the world's largest plants in Algeria and is involved in projects in Tanzania and Egypt. It is currently exploring other opportunities in nations such as Kenya, Mozambique and Nigeria.

When we push for these kind of initiatives the key is to be strategic, and to think long term. I cite the example of Okinka to demonstrate that in order for growth to persist sustainably, cultural exchange must also take place. For companies entering international markets, culture serves as a background to understand the people they will serve. It offers insight into a country's policies, and how these affect the community, making it easier to tailor their offerings to the local community.

Keeping tabs on technology

As nations pursue economic partnerships, they must keep abreast of technology in order to remain competitive. Malaysia, for instance, shares an agricultural economy similar to that of many African nations. It also has healthy bilateral trade with many countries in the continent, exporting products such as palm oil and petroleum, processed food and machinery appliances.



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Malaysian companies have employed various forms of technology to enhance their competitive advantage. In 2015, Probase Manufacturing completed its first road development project in Kenya. The company leveraged new soil technology to cut the expected price tag by more than half, piquing the interest of Rwanda and Swaziland which have both undertaken pilot projects worth $3m each.

In Africa, information and communication technology (ICT), particularly broadband penetration, is another promising way to boost its countries' economies. In July, South Africa signed a memorandum of understanding with India, which will see the two countries cooperate in the ICT domain.

Above: Prime minister Lee Hsien Loong greets President Paul Kagame of Rwanda in Singapore.

All these point to a growing recognition that technology is the way ahead for African economies to progress, which they should adopt swiftly to strengthen their competitive edge.

From idea to execution

Every economic opportunity starts with an idea. Once this idea has been sufficiently fleshed out, it must move swiftly from the idea to the implementation stage, so it will not stagnate.

Looking to Rwanda once again, this small but rising Central African nation demonstrated this decisiveness in the mid-nineties, when they recovered from the genocide that devastated their country. To rebuild itself, Rwanda harnessed its natural resources, exporting tea and coffee, and growing its tourism industry. The country is home to swathes of rainforest that house a healthy population of mountain gorillas, and is one of the few places where visitors can see them in the wild.

Although Rwanda's image suffered during the genocide, the country turned this around over the next half a decade through an aggressive international marketing campaign, and it is now seen as one of the safest countries in the region for both business and leisure. Poverty rates have dropped, life expectancy is on the rise, and the prospects look promising for the country.

Strong leadership, clean governance

In ASEAN, Myanmar is similarly poised to take flight. Since the country's military rulers gave way to civilian government in 2011, Myanmar's GDP has grown from 5.6% to a forecasted 8.4% this year.

This was largely due to reforms swiftly implemented by President Thein Sein's government, such as the lifting of import restrictions and export taxes. Besides reforms, the country's leaders also recognised the need to tackle graft, introducing an anti-corruption law as the first step towards tackling a problem endemic in many African and ASEAN countries.

I look to Singapore once again as an example of strong leadership and clean governance. Since it became independent in 1965, the tiny nation has come down hard on corruption, and in doing so established itself as an economic powerhouse. There is untapped potential for African and ASEAN economies if they can enact a similar zero-tolerance approach to graft.

A partnership for the future

As the middle class in ASEAN grows, it opens up more opportunities for ASEACC to foster high-level business relationships between companies in Africa and Southeast Asia. In August, we will be holding ASEACC's Annual General Meeting in Shanghai, which will pave the way for broader engagement with like-minded Chinese investors. We will also discuss setting up a fund which can be used to invest in African companies, and will benefit stakeholders involved.

I hope to use the knowledge gathered from working with our ASEAN partners to make the relationship between China and Africa much more intelligent. Our members may be on separate continents, but we embody a shared future, and will prosper in it together if we continue to learn from one another. ■