

BUSINESS TRENDS

ASEAN courts Africa amid China slowdown: business council chief

Companies examine investment opportunities in 'nontraditional' markets



ASEAN Business Advisory Council Chairman Arsjad Rasjid: "What is important to see is that we are now looking at other nontraditional markets." (Photo by Bobby Nugroho).

NANA SHIBATA, Nikkei staff writer

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JAKARTA -- Southeast Asian companies are assessing potential investments in African markets to support growth and seek new opportunities amid China's slowdown, the head of a regional business lobby told Nikkei Asia.

Speaking during a recent interview, Arsjad Rasjid, chairman of the ASEAN Business Advisory Council, lamented that China's slowdown "definitely" impacts the Southeast Asian region, which has strong trade ties with the world's second-largest economy. But at the same time, he said that "We can look at it positively."

"What is important to see is that we are now looking at other nontraditional markets," Rasjid said, adding, "We've talked about Africa."

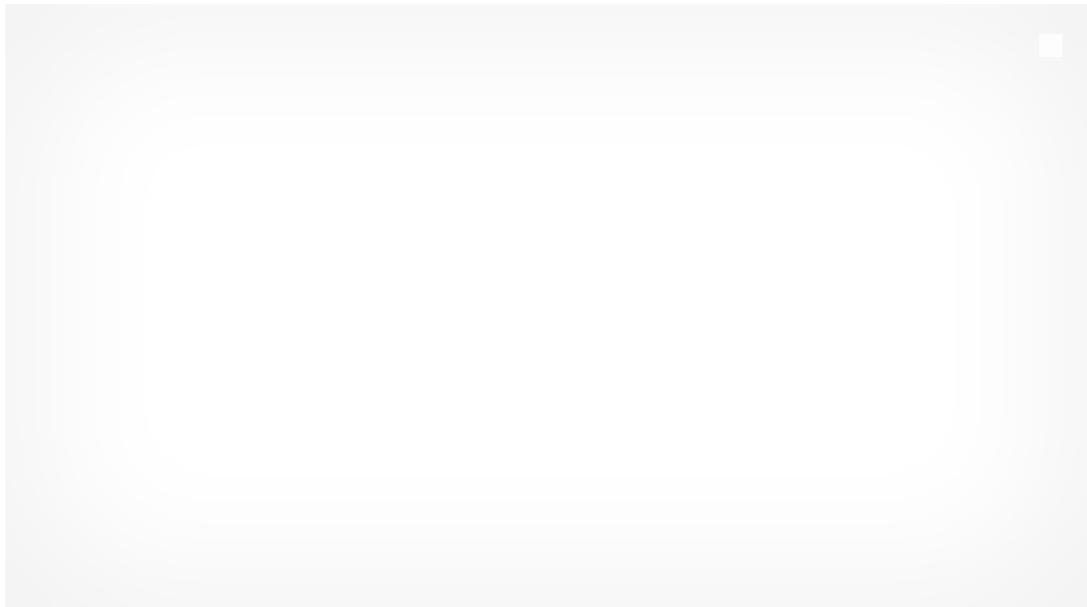
With a population of over 1 billion, Africa is seen as filled with potential future markets by companies from the rest of the world.

In late August, Indonesian President Joko Widodo made **his first trip to Africa** as leader of Southeast Asia's biggest economy. His tour to Kenya, Tanzania, Mozambique and South Africa marked a turn in Indonesia's economic diplomacy as it searches for new export markets for pharmaceutical products and commodities such as palm oil.

Rasjid, who is also chair of the Indonesian Chamber of Commerce and Industry and president director of Indonesia's Indika Energy, did not name specific African countries, but he said ASEAN countries are now assessing where demand exists. He also said that ASEAN should also invest in infrastructure in Africa to promote efficient trade between the two regions.

Some Southeast Asian companies already have a presence in the continent.

ADVERTISING



Among them is Indofood, a unit of Indonesian conglomerate Salim Group. Its flagship instant noodle brand, Indomie, is widely distributed in countries like Kenya, Tanzania and Uganda. Meanwhile, Thailand's Mega Lifesciences has invested in 10 African countries to offer herbal nutrition supplements and medications.

But China has a more significant presence. Beijing has gained enormous influence and contacts with several African nations in recent decades, becoming one of the major financiers of infrastructure projects in Africa under President Xi Jinping's flagship Belt and Road Initiative.

"How can we work with the local businesses or the best local partners ... is very important," Rasjid said, noting that some countries face challenges in dealing with debt from China and complaints of excessive reliance on Chinese workers over locals.

"We recognize that when people come to [ASEAN], we want to have the local opportunities. So the same thing with Africa," he said, expressing willingness to contribute to the region's growth.

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