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Africa: Investors' new hunting ground

S'pore sees potential in continent abundant in resources and people



Rwandan workers being trained in plumbing and welding at the BCA Academy in Braddell Road. The continent, for too long seen as mired in troubles and woes, is now looking at Asia to impart skills, knowledge and expertise to its people and industries. -- ST PHOTO: CHEW SENG KIM

IN A neverending quest for economic space, Singapore is taking new steps into vast Africa. Why Africa, exactly?

Singapore is waking up to a continent abundant in minerals, people and land. International trade hubs are rising there.

Importantly, Africa is a new market of 900 million people for Singapore - as it intensifies its hunt for new markets.

Says Mr Alphonsus Chia, chief executive of the Singapore Cooperation Enterprise (SCE): 'Singapore wants to enlarge its economic space, especially in markets that are less familiar to us.'

'The whole of Africa is a non-traditional market. Africa is a new wave.'

The continent has, for too long, stayed in the headlines for the worst possible reasons: famine, disease and wars.

Less so now. Mr Chia says: 'If you look at Africa as a whole, this is a very good period. It's relatively peaceful.'

Fifteen or 20 years ago, it was riven by conflicts.

As the Rwandan charge d'affaires in Singapore, Mr Paul Kayobohe, sees it: 'There is no pinnacle of crisis.'

Keep an open mind about Africa, he suggests. He and Mr Chia feel Africa is not so different from the early days when MNCs detected promise in young Singapore. These investors gave the nation a tremendous leg up in development.

In the same spirit, Singapore firms are more mindful of Africa now.

Dr Foong Wai Keong of Ecquaria Technologies says his firm is definitely exploring e-government projects in Africa.

For the past couple of years, he has noticed that sub-Saharan Africa is active in automating government processes, such as electronic income tax filing.

'They realise that technology will help them leapfrog and catch up with the rest of the world,' says Dr Foong, president and chief executive of Ecquaria.

His firm has been consulting with Libya in North Africa.

There is evidently an upsurge of interest in Africa.

In October, 31 Singapore firms joined the largest business mission to sub-Saharan Africa and returned with about \$66 million worth of deals under negotiation.

The visit to oil-rich Nigeria, South Africa and Ghana was led by Mr Lee Yi Shyan, Minister of State for Trade and Industry. He said doing business in Africa is 'not as daunting' as it may appear.

Singapore businessmen had asked for the mission, says Mr Teng Theng Dar, chief executive of the Singapore Business Federation (SBF). Usually, the initiative flows from the SBF.

The mission was hosted by his federation, International Enterprise (IE) Singapore and the Singapore Chinese Chamber of Commerce and Industry.

An Africa Business Group is being planned, Mr Teng adds. This will link and support businesses, big and small, from both sides.

For Singapore players, there are opportunities in infrastructure, agriculture, township development, waste treatment and recycling as well as vocational and technical education services.

The activities in the last couple of years have been diverse, and include the industrial park in Nigeria's Delta state which Jurong Consultants is developing.

Also, the SCE, which links foreign nations to Singapore's policy expertise, has brought consultants to work on a nursery which will beautify Lagos State in Nigeria.

Other examples from SCE are a desalination plant in Namibia and city planning in Rwanda.

This is a promising moment, as much of Africa is starting to look at models from Asia. China is big. There is also South Korea, and certainly Singapore with its reputation for success.

Mr Chia of SCE says: 'What attracts Africa is that we can offer practitioners. We transfer skills and knowledge, such as workforce development in

Rwanda.

'They want to learn from people who had solved similar problems. They want implementation. Singapore is a visible model and we are reliable partners.'

But years before this new wave of interest, small bands of Singaporeans had ventured independently into Africa.

Says Mr Zainul Abidin Rasheed, the Senior Minister of State for Foreign Affairs, who has visited Africa many times: 'SMEs are in Africa. You'll be surprised. They are in the spice trade. They deal in spare parts, motor accessories.'

If there is lingering reluctance to look at Africa, Mr Chia suggests this outlook:

'Singapore is an open economy and must always look for opportunities. This is neverending. We are always looking for new areas and diversifying. The objective must be: In 10 years, they will be very good partners for us.'

This calls for a re-imagining of the continent. 'Africa is not poor,' as President Ellen Johnson of Liberia once told BBC. 'It is poorly managed.'

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