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*Emergents in the African scenario: a  
South-South approach to Southeast Asia  
diplomatic and trade initiatives in the  
continent*

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## EMERGENTS IN THE AFRICAN SCENARIO: A SOUTH-SOUTH APPROACH TO SOUTHEAST ASIA DIPLOMATIC AND TRADE INITIATIVES IN THE CONTINENT

Florencia Rubiolo<sup>1</sup>

**Abstract:** The diplomatic ties between Africa and Southeast Asia (SEA) have historically been sporadic and erratic. The only country in the SEA that the first decades after independence maintained a relatively narrower link to some African countries was Indonesia. Today, trade has gained momentum, being South Africa, Egypt and Nigeria, the largest trading partners of ASEAN in Africa, thanks to the growth rates of emerging countries in both regions. This increasing trade relation has been accompanied by some political diplomatic initiatives such as the AASROC (Asian African Sub Regional Organizations Conference), the NAASP (New Asian African Strategic Partnership) and the interregional approach between ASEAN and the African Union (may 2012). And, in the cases of Thailand, Indonesia and Malaysia, there has also been a slight development in bilateral relations. From a South-South perspective, our aim in this paper is to discuss the density and possibilities of this bilateral and multilateral relation and what consequences might bring to Africa.

**Keywords:** Africa – Southeast Asia foreign policy – South South relations – diversification

## OS EMERGENTES NO CENÁRIO AFRICANO: UMA ABORDAGEM SUL-SUL DAS INICIATIVAS DIPLOMÁTICAS E COMERCIAIS DO SUDESTE ASIÁTICO NO CONTINENTE

**Resumo:** As relações diplomáticas entre a África e Sudeste da Ásia (SEA) têm sido historicamente esporádicas e irregulares. O único país do SEA que as primeiras décadas após a independência manter uma ligação relativamente estreita de alguns países africanos foi Indonésia. Hoje, o comércio ganhou força, sendo a África do Sul, Egito e Nigéria, os maiores parceiros comerciais da ASEAN em África, devido às taxas de crescimento dos países emergentes em ambas regiões. Esta relação comercial crescente tem sido acompanhada por algumas iniciativas políticas diplomáticas, como o AASROC (*Asian African Sub Regional Organizations Conference*) NAASP (*New Asian African Strategic Partnership*) e a abordagem inter-regional entre a ASEAN e da União Africano (maio de 2012). E, nos casos de Tailândia, Indonésia e Malásia, também tem havido um ligeiro desenvolvimento das relações bilaterais. A partir de uma perspectiva Sul-Sul, o nosso objetivo neste artigo é discutir a densidade e as

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possibilidades dessa relação bilateral e multilateral e que consequências pode trazer para a África.

**Palavras-chave:** África- política externa do Sudeste Asiático - Relações Sul Sul - diversificação

## **Introduction**

The diplomatic ties between Africa and Southeast Asia (SEA) have historically been sporadic and erratic. The only country in the SEA that the first decades after independence maintained a relatively narrower link to some African countries was Indonesia. This approach was based on ideological and political issues, rather than economic ones.

The Bandung Conference in 1955 – which was an Indonesian proposal<sup>2</sup> – was a milestone in relations between the developing world, but it didn't have a profound impact in Afro-Asian relations. While only five African countries attended the meeting, Southeast Asian countries had a very active participation, particularly Indonesia and Burma. According to Von der Mehden (1965: 345):

The years since the Afro-Asian conference at Bandung have not seen the hoped-for development of Afro-Asian relations as such. Instead, conferences have tended to go in two directions, a concentration on their own problems among African members resulting in the formation of organizations composed of only African states and, secondly, the calling of conferences of a wider geographic significance and narrower ideological content.

Since then, African countries had a more active participation in these forums while SEA countries diminished their participation. By the mid sixties only Indonesia was trying to influence in the Afro-Asian meetings, making up for its neighbors, who were not participating. Indonesia's interest in these spaces was linked to its anti-imperialist ideology (during Sukarno's government) and its anxiety to place itself as the leader of the developing nations. Later, it was also attempting to gain support for its anti Malaysian foreign policy. Following the sudden termination of Sukarno's government, Suharto accessed to power and gave a new orientation to Indonesia's foreign policy diminishing the interest for African-Asian cooperation (Fortuna Anwar, 2008).

On the decades after the Bandung Conference, relations between Africa and Southeast Asia halted. It wasn't until recent years that the trade and investment interests increased on both sides and generated a growing will for a rapprochement. This renewed interest in interregional relations that emerged in the last decades led to the second Asian African summit

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<sup>2</sup> The proposal to organize a Conference of the newly independent states of Asia and Africa was first put forward by the Indonesian Prime Minister, Ali Sastroamidjojo, during the first meeting of the Colombo Powers –Burma, India, Indonesia, Pakistan and Ceylon- in 1954. (Fortuna Anwar, 2008: pp.184)

that was held in Jakarta in 2005. This event, meant to reinvigorate the Bandung Spirit, brought together more than a hundred Asian and African countries (Rediff, 2005).

As stated before, trade has gained momentum. South Africa, Egypt and Nigeria are the largest trading partners of ASEAN in Africa, thanks to the growth rates of emerging countries in both regions (ASEAN statistics, 2012). This increasing trade relation has been accompanied by some political diplomatic initiatives such as the AASROC (Asian African Sub Regional Organizations Conference), the NAASP (New Asian African Strategic Partnership) and the interregional approach between ASEAN and the African Union (may 2012). And, in the cases of Thailand, Indonesia and Malaysia, there has also been a slight development in bilateral relations.

The paper wants to discuss the density and possibilities of this bilateral and multilateral relations and what consequences will bring to Africa, apart from its commercial and “extractive approach”. The paper will be structured as follows: in the first section we introduce some analytical concepts from a South-South perspective, in the second section we explore the main characteristics of trade links and investment flows, in the third section we concentrate on the political and diplomatic initiatives including South-South cooperation initiatives, and finally we conclude with some highlights about the bilateral and multilateral relations and the consequences the growing presence of SEA emergent economies might entail for African countries.

### **Conceptualizing diversification and South-South relations**

South-South cooperation, which had emerged during the seventies in contrast to North-North and North-South relations, flourished again recently as a strategy of international positioning for countries in the developing world.

In line with Lechini (2009), it must be highlighted that the failure of the neoliberal precepts of the Washington Consensus and its pernicious effects have favored the search of alternatives to achieve development different from those proposed by international financial organizations and central powers. Alternatives that contemplate heterogeneity among less developed countries (LDCs), that call for a wider participation of the State in the economy, that favor growth through cooperation within regional schemes, and that allow to reduce

dependency ties with central powers, in contrast to what the neoliberal formulas proposed in the last decades of the 20<sup>th</sup> century.

Southeast Asian economies, particularly Malaysia, Singapore, Thailand and Indonesia, have deepened their search for partners in the developing world since the 1990s onwards. The 1997 crisis made it clear for these economies that depending on few developed countries would only exacerbate their vulnerability to external changes highlighting the need for political and economic diversification.

The world economic crisis that started in 2008 came to deepen this search for the diversification of links given the profound impact the crisis had on developed countries, economies on which depends the commercial insertion of the developing world. The international crisis highlighted, once again, the vulnerability that dependency on few partners generates in a scenario of instability. It also showed that South-South trade can be more resilient than other trade flows during crisis (Mikic, 2014), making the search for diversification of partners an even more desirable goal.

Diversification along with enhancing South-South relations has become a central strategy for developing countries in order to diminish their dependency links and to gain greater margins of autonomy in an international level. Even though they are intrinsically related, diversification and South-South cooperation (SSC) should be differentiated. Mainly because diversification is a unilateral search for improving the international position through a reduction of the country's vulnerability to external changes (Olivet, 2005; Faust, Franke, 2004), particularly in the commercial dimension.

On the other hand, South-South cooperation refers to a cooperative strategy between two or more countries, and is essentially political. According to Lechini (2012), South-South cooperation can be defined as:

...a political cooperation that attempts to enhance bilateral relations and/or form coalitions in multilateral forums, to obtain a greater collective negotiation power, in defense of their own interests. It is based upon the assumption that it is possible to create a cooperative consciousness that allows developing countries to enhance their negotiation capacity with the North, through the acquisition of larger spaces of maneuver and, along with these, larger decision autonomy to face and resolve common problems. It is a political construction that, by its very nature, requires certain basic common assumptions (like-mindedness) (Lechini, 2012:18).

South-South cooperation, thus defined, may be divided in different typologies. Regarding the number of participants it may be bilateral or multilateral. Regarding the geographical location of the participants, it may be regional, interregional or transregional. And regarding the dimension it incorporates, it may be classified as technical, scientific-technological, economic-commercial, and academic, among others.

As it can be seen comparing both definitions, diversification does not require a consensus among different parts of the relation –in this case between different countries-, since it basically consists of an individual strategy, oriented at gaining a bigger margin of autonomy in some political or economic aspect. For example, diversifying oil sources may diminish dependence on few sources which in turn may decrease vulnerability to various external variables such as political instability in the supplying country, or an interruption in certain supplying routes. Then, as we will show in further sections, the increase of trade flows and investments between Southeast Asia and selected African partners reflects the unilateral need for diversification –mainly from SEA countries in the energetic sector or for markets for their goods- and as such its consequences are less beneficial to the African economies.

In contrast, South-South cooperation represents a consensual strategy in which the main goal is to improve the international position of both parts. SSC may also be directed to improve development through the transfer of knowledge, funds, or other service from the donor country. Although this last typology does represent a better alternative for African countries to achieve greater development, SSC for development can also reflect power relations (Keet, 2006). This can be particularly the case when there are different levels of development between developing countries.

As we introduce the different aspects of SEA relations with Africa we will resort to these concepts intended to analyze the bilateral links from a South-South approach. We aim to understand the impacts that the increasing presence of these emergent Asian countries might have on African economies. In the following section we deal with the economic and trade relations, highlighting the bilateral trade flows and composition, and the investment amounts, origin and destination country.

### **Trade relations: different trends in the search for diversification**

In this section we introduce the main economic figures of the relations between Southeast Asia and Africa. In order to do so, we have selected the main partners for Africa from Southeast Asia: Malaysia, Indonesia, Thailand, Philippines and Vietnam (SEA-5). On the African side, we have selected the top four destination and origin markets for SEA-5 exports and imports: South Africa, Egypt, Nigeria, and Ivory Coast according to our main source, the UNComtrade Statistics Database (2014).

As shown in figures 1 and 2 South Africa was SEA-5 main partner in the African continent, both as the origin of its imports as well as the destination of its exports. Thailand and -by a much lesser extent- Malaysia are the top export destination markets for South Africa in SEA. Over 52% of exports to the Southeast Asian region were sent to Thailand and 25% to Malaysia in 2012. South Africa's main exports to Thailand include stainless steel, aluminium, flat-rolled, iron and steel, paper pulp, chemicals, fresh fruit and ferro-alloys (International Trade Center, 2014). In the case of Malaysia, the main South African exports in 2012 were iron and steel derivatives (35%) and coal (30% of the total). Other products in South African export basket to Malaysia were soya beans (UNComtrade, 2014).

Although South Africa has been the main country of origin in Africa for SEA-5 imports, there have been profound changes in the trade scenario in the last years. Imports from Nigeria, for example, accounted for an average of 21% between 2005-2009 of total imports of SEA-5 from the four main countries in Africa. But in 2012 its participation rose to 42%, only 2% less than South Africa, traditionally the main country of origin of SEA-5 imports from Africa. This increase can be mainly explained by the growing percentage of exports to Indonesia. The flow of exports from Nigeria to Jakarta grew steadily since 2009. In 2012 Indonesia became Nigeria's main export destination in Southeast Asia, sending 79% of its products to this market. It must be highlighted that more than 90% of Nigeria's exports to Indonesia consist of petroleum<sup>3</sup>.

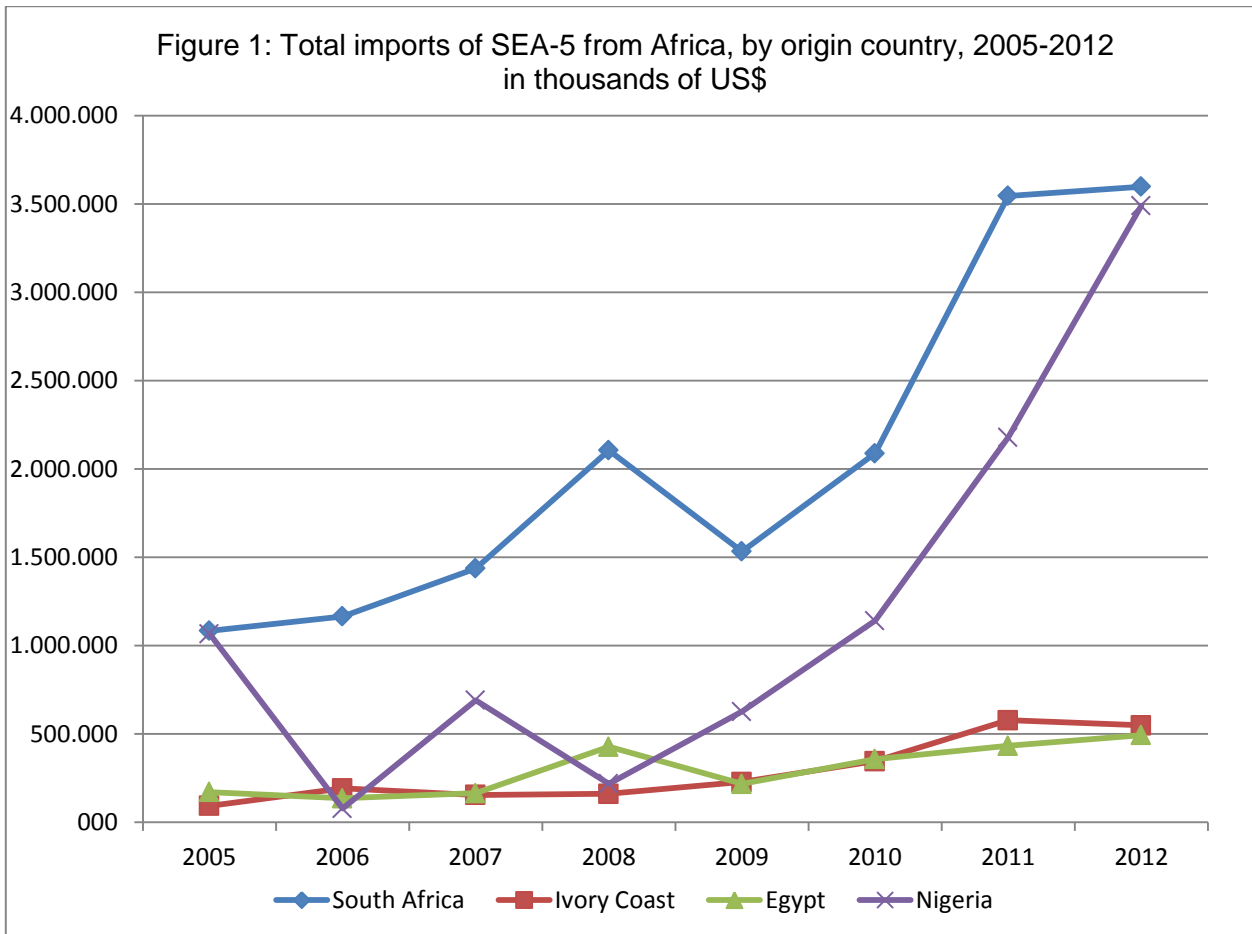
It does seem surprising at first, to see this pronounced increase in oil exports to a traditional oil-export-country as Indonesia. According to the International Trade Center (2014), "the country [Indonesia] has become a net importer of oil with rising domestic consumption and stagnant oil production". Indonesia's oil imports from the world grew from

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<sup>3</sup> Out of a total of 2,700 million US\$ of exports from Nigeria to Indonesia, 2,660 million US\$ consisted of oil (UNComtrade, 2014).



19 thousand million US\$ to 42 thousand million US\$. This has increased the need for diversification of oil sources and as a consequence trade with Nigeria, a net oil producer, gained momentum. Nigeria is today the fifth import oil market for Indonesia, while in 2009 it was the tenth (International Trade Center, 2014).



Data source: UNComtrade statistics Database 2014.

Egypt and Ivory Coast constitute two small markets of origin for SEA-5 importers, in comparison with South Africa and Nigeria. Their participation in the total of exports from the main African partners to SEA did not surpass 10% from each country<sup>4</sup>. The main exported product to Indonesia in 2012 was natural calcium phosphate (mainly used in the production of fertilizers) –it represented 43.6% of the total-, the second product were dates –which accounted for 4%- . As In the case of Malaysia, the main exports from Egypt were oil and gas -

<sup>4</sup> In 2012, Egypt accounted for 6.4% and Ivory Coast for 8.6% of exports from the African main exporters to SEA (UNComtrade, 2014).

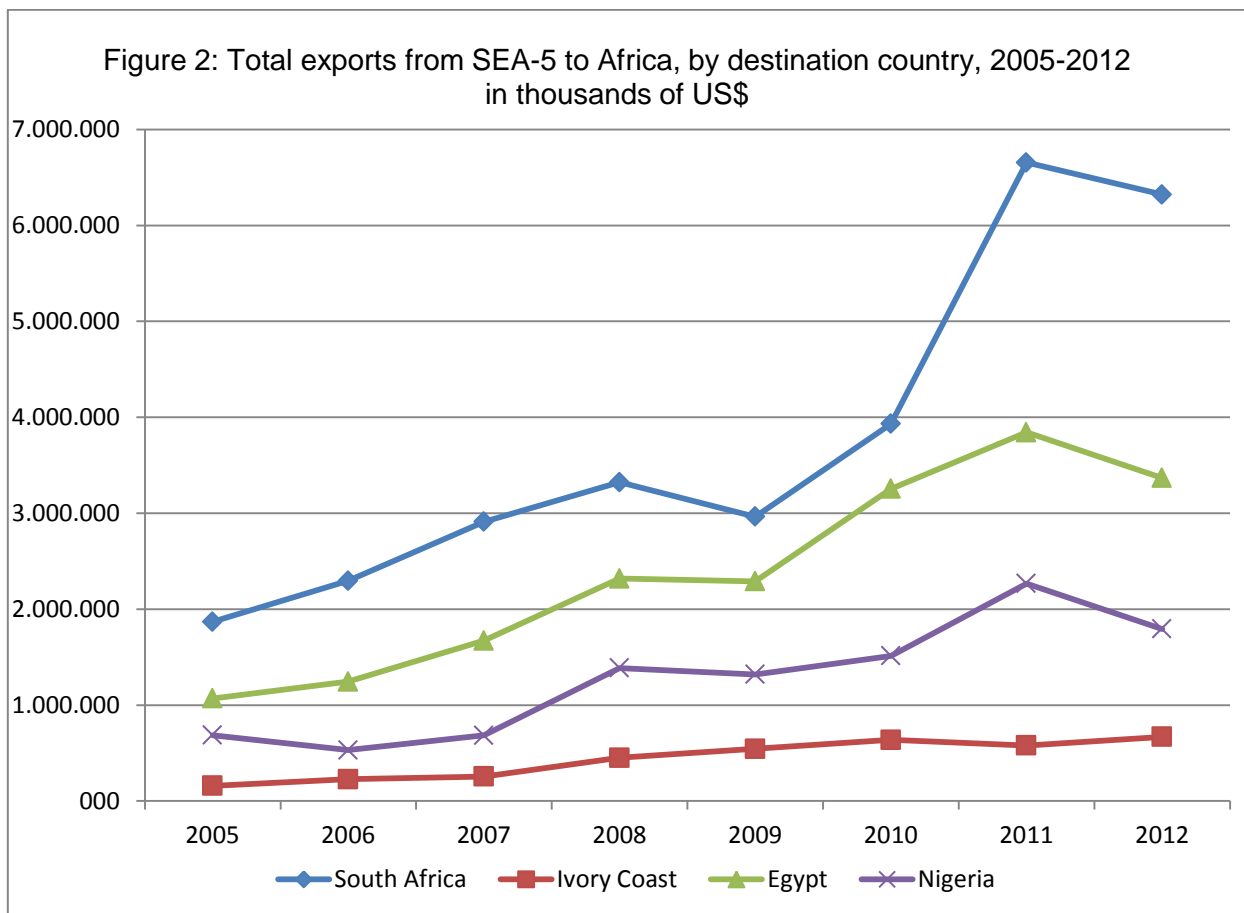
both accounted for 40% of total exports- and natural calcium phosphate -23.3%- (UNComtrade, 2014).

For Ivory Coast the two main destination markets in SEA in 2012 were Malaysia and Vietnam. In the exports to Malaysia three products account for most of the export basket: rubber –that accounted for 42% of total exports -, cocoa –representing 32%- and cotton – representing 16%. The products sent to Vietnam were mainly cashew nuts -61% of the total- and cotton -19% of the total-.

To summarize the exports composition to the main destinations countries in SEA, we could observe different patterns of trade insertion. In the case of South Africa, trade data shows a more diversified export basket, with a high participation of manufactured products, as iron and steel. Besides this exceptional case, the three other African economies analyzed, show a highly concentrated export basket in raw materials and low-value-added products. The most outstanding case in this respect is Nigeria, with a growing dependence on the oil industry for its trade insertion in Southeast Asian markets.

Respecting Southeast Asia's exports to Africa, the main destination market -as stated before- has traditionally been South Africa (see figure 2). In 2012 the two main exporters from the SEA region to South Africa were Thailand and Indonesia. Thailand's main exports to South Africa in 2012 consisted of vehicles and its parts -30%- , electronic equipment and house machineries -23%- , rice -9%- and canned fish -5%-. The top exports from Indonesia to South Africa were precious stones and precious metals, mainly gold -45% of the total-, palm oil -14%-, natural rubber -6.4%-, and vehicles and its parts -5%-.

Regarding SEA exports to Africa, Egypt is the second destination country in the continent. In 2012 exports to Egypt represented 25% of SEA exports to the main markets in Africa. Given the meager amount of exports to SEA, this resulted in a trade deficit for Egypt of 2,872 million US\$ (see table 1). Malaysia, Indonesia and Thailand were the main exporters from SEA to Egypt in 2012.



Data source: UNComtrade statistics Database 2014.

Table 1 shows the trade balance between SEA-5 and the main partners in Africa. Trade with South Africa, Egypt and Ivory Coast, results in a surplus balance for SEA-5. But trade with Nigeria shows a trade deficit for SEA, which equals the total exports from the region to the country. This deficit is mostly a product of the trade imbalance in the relation with Indonesia.

Table 1.1: Trade Balance, SEA-5 and top African partners, 2012			
In thousands of US\$			
	SEA exports	SEA imports	Balance
South Africa	6.320.647,70	3.598.860,00	2.721.787,70
Ivory Coast	668.798,00	549.114,60	119.683,40
Egypt	3.367.245,00	494.507,80	2.872.737,20
Nigeria	1.793.304,60	3.491.510,70	-1.698.206,10

Total	12.149.995,30	8.133.993,10	4.016.002,20
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From the trade analysis in this section, three main conclusions must be highlighted: the first one is that Africa is an increasing source of raw materials for Asian countries, and the relation that better reflects this rather recent phenomenon is Indonesia's trade with Nigeria. This phenomenon is reproducing an extractive trade relation, within developing countries.

The second one is that, the wealthiest African countries are becoming a main target for SEA countries that are seeking to diversify their export markets to new horizons. South Africa and Egypt are the two main receptors of these exports and are gaining relevance in SEA's trade strategies. Thailand's definition of South Africa as a strategic partner and gateway to Southern Africa is pointing out this way (CNBCAfrica.com, 2013). Indonesia's policy to Nigeria –including the Presidential visit in 2013, the signing of and MoU for bilateral cooperation in 2010 (Nigeria Ministry of Foreign Affairs, 2013), and the creation of the Africa Trade Association (IATA)<sup>5</sup>, among other initiatives- are also oriented to expand African markets to Asian exports.

Finally, there is a high concentration on trade relations only on a few African countries, as we have shown. These, rather than enhance development of the continent, or at least of a major part of it, will most certainly deepen the development differences within the continent.

In the next part of the section we introduce the main investments from SEA in Africa, main destinations, Asian objectives and main strategies and possible consequences for the African continent.

### **Investments: an opportunity for development?**

Developing countries in Asia are the largest sources of FDI from developing regions in the world. They account for three-quarters of the total of the developing world (UNCTAD, 2013). This trend is being led by China's FDI, but with an increasing participation of some SEA countries as Malaysia, Singapore and Thailand. The major part of this FDI flows are

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<sup>5</sup> The main goal of the association is to boost trade, with a focus on the growing opportunities available in African markets for Asian enterprises and the need for consumer goods while African producers are still small.

directed to countries within the same region, especially to those developing countries with lower labor costs such as Cambodia, Myanmar and Vietnam (UN ESCAP, 2013). Although most SEA FDI outflows remain in the region, there is an increasing interest from the governments and some companies to expand their assets to outside the region. In this context, Africa is becoming an attractive destination for investments.

A recent UNCTAD World Investment Report (2013) highlighted that the major Asian investor in Africa in 2012 was not China, it was Malaysia. According to the document:

Malaysia, South Africa, China and India (in that order) are the largest developing-country sources of FDI in Africa. Malaysia, with an FDI stock of \$19 billion in Africa in 2011 (the latest year for which data are available) has investments in all sectors across the continent, including significant FDI in agribusiness and finance. Its agribusiness investments are in both East and West Africa, while FDI in finance is concentrated in Mauritius (UNCTAD, 2013:40).

Along with Malaysia, Singapore is also one of the main sources of FDI to Africa from Southeast Asia. Singapore's FDI in Africa is concentrated in Mauritius in the financial sector (UNDP, 2007: 19). On the other hand, Malaysia's FDI is geographically and industrially dispersed. Although the main bulk is invested in Mauritius, there are also large investments in Sudan, Egypt, South Africa, among others (UNDP, 2007). The government of Malaysia has pursued flexible investment policies in order to encourage the local enterprises to invest in projects in diverse development countries. The main goal behind these policies was to ensure the development of world class Malaysian-owned companies, especially in the context of growing competition faced by Malaysian manufacturing exporters.

The Malaysian Government's support for outward FDI has been closely linked to South-South cooperation and promoting mutual benefits, especially after the former Prime Minister Mahathir led an investment mission to a number of developing countries in the early 1990s. Most of this activity is undertaken under the aegis of the Malaysian South-South Association (MASSA) established in 1991. This joint government and business support for South-South investment has helped to encourage FDI in Africa, as elsewhere, and offers Malaysian investors mutual support and confidence". (UNDP, 2007: 33)

In the African continent, Mauritius is the main destination of Malaysia FDI. The investments have grown along with the country's tax facilities. Mauritius is world-wide-known as a tax heaven and gateway to investments in Africa and India (The guardian, 2013). This is due to the many conditions the country has implemented to facilitate international

enterprises investments and the Double Tax Avoidance Agreements (DTAA) it has signed with twelve African countries<sup>6</sup>(UNCTAD 2013: 85). There are also cultural and historic reasons influencing Malaysia's economic relation with Mauritius. Both countries have a long history of cultural bonds through migration, not only of Malaysians to Mauritius, but also of Chinese. There has traditionally been a large Chinese minority in Mauritius, as there is in Malaysia. This common feature has been an attractive condition –added to the financial ones– for East Asian economies, included Malaysia (Carter et al, 2009: 102).

Malaysia has also been engaged in economic and financial activities for decades. As an example, during the seventies, when Mauritius established the first export processing zones (EPZ), significant investments came from Malaysia, along with Taiwan, Singapore and Hong Kong. In 1993, and in order to facilitate mutual investments, Malaysia and Mauritius signed a Double Taxation Avoidance Agreement.

Nowadays, Mauritius has become one of the top three destinations of Malaysian FDI, with investments stock going from 3.3 billion US\$ in 2008 to 6.9 billion US\$ in 2012 (UNCTAD, 2014).

The second most relevant destination of Malaysian FDI to Africa was in the energy sector, mainly the oil extractive industry. In this regard, Petronas -the Malaysian state-owned oil and gas company-, has been a pioneer with investments in Sudan (since 1996), Egypt (2001), and South Africa<sup>7</sup>, among others<sup>8</sup>.

Malaysia's increasing interest in investing in Africa and the support the Government gives to Malaysian enterprises to go out and explore new markets, can be explained by several reasons, that can also be applied in its investments in the developing world in general: the promotion of South-South cooperation, trade and investment; mutual benefit; energy security; realizing opportunities for growth and access to untapped markets; as well as the development of world-class enterprises (Dwinger, 2010).

Another SEA country with an emergent presence in the investment sector in Africa is Indonesia, although the amount is still low compared to that of Malaysia and Singapore. The

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<sup>6</sup> For a list Mauritius signed DTAA see: Mauritius Revenue Authority (2014). Retrieved from: <http://www.mra.mu/index.php/taxation/double-taxation-agreements>. Consulted: June 24, 2014.

<sup>7</sup> Through its 80% owned subsidiary Engen Petroleum Limited. (Petronas, 2014)

<sup>8</sup> Algeria, Benin, Cameroon, Chad, Equatorial Guinea, Ethiopia, Mauritania, Morocco, Mozambique (United Nations, 2010:63).

main investments are concentrated in Nigeria. There are ten Indonesian companies which have invested in Nigeria and at least 32 other companies which have established business relations with their Nigerian counterparts. So far, the business engagements that have been established are related to the distribution and marketing of Indonesian products, such as paper, pharmaceuticals, electronic equipments, household equipments, food and beverages, etc. Some of the companies with investments in Nigeria are Indofood Sukses Makmur (Indomie instant noodles), Sayap Mas Utama (Wings Group – So Klin Detergent), Kalbe Farma Tbk. (pharmaceutical), De-Mastering Technology Service Ltd (A joint venture between Indonesian, Nigerian, Singaporean, and Malaysian entities), Magnet Integred (A joint venture between Indonesian, Singaporean, and Nigerian companies, in the compact disc industry) (Centre for Policy Analysis and Development on Asia-Pacific and African Regions, 2012).

Indonesia's expansion to Africa is also a part of a strategy to diversify markets for its exports, especially in an international crisis context. It is also in line with the set strategy to increase its non-oil and gas exports, particularly to non-traditional markets (Centre for Policy Analysis and Development on Asia-Pacific and African Regions, 2012).

Notwithstanding the fact that SEA investments in Africa are in the rise, the amount of FDI is still in a low level. The main reasons behind this are: 1) the technological constraints in complex manufacturing activities and advanced services such as infrastructure development, communications, merchant banking or the media that some Asian firms still face; 2) the barriers that Asian investors need to overcome in Africa (culture, information costs and transaction, market knowledge); 3) Asian FDI remains mainly intraregional and investors tend to look for opportunities geographically closer; 4) market seeking FDI is the most common and Africa does not generally have the types of markets most Asian firms are orientated to and; 5) the constraints imposed on FDI by regulatory frameworks both in host and home countries (UNDP, 2007:22).

As closing remarks, it must be highlighted that, by the nature of the investments we have briefly exposed, the need to secure energy sources, and the urge to open new markets for goods and secure profit for enterprises, are the main interests of SEA investments in Africa. Diversification has thus become a central goal of foreign policies of SEA towards Africa. As we presented in the first section, diversification for itself cannot be understood directly as a South-South cooperation strategy, unless it is comprehended in a wider foreign policy in

which all the parts are benefiting. Among the Asian economies mentioned, Malaysia has the potential and the capital to engage in South-South policies, through FDI, outside its region. The approach towards Africa has been included in this logic. The rest of SEA countries, have entered the African markets through investments very recently and in meager amounts compared to those of the Malaysian enterprises –with the exception of Singapore–.

There is certainly room to think that SEA approach to Africa can develop into a mutual benefit relation, with spill-overs into different parts of the economy and society. A major problem arises though: most of FDI has gone to less than a handful of countries in Africa. If this pattern persists, the main problem will be how to overcome the deepening of differences in development and economic performance within the African continent that Asian market-seeking FDI will contribute to exacerbate.

### **Going beyond trade? Incipient revitalized political-diplomatic relations**

Political-diplomatic relations between SEA and Africa have been sporadic since 1950. As we presented in the introduction, the Bandung conference was a first step towards and interregional approach, but that first effort was followed by decades of mutual indifference. The beginning of the 21<sup>st</sup> century witnessed renewed interests from both regions towards a political rapprochement. The changes in the international scenario –both political and economically-, the needs for diversification, the search of certain actors for greater international leverage –such as South Africa and Indonesia-, were the main engines behind the interregional efforts to revive the “Bandung spirit”.

The First interregional milestone in this effort to revitalize relations was the Asian-African Sub-Regional Organizations Conference (AASROC). It was held in April 2003 in Bandung, Indonesia. The Conference was attended by 36 countries and 22 sub-regional organizations.

The aim of the Conference was to consider issues of common interest and concern as well as to strengthen cooperation between the two continents. Through a number of discussions, the conference considered ways and means by which the people of the two continents could achieve full economic, cultural, social, and political cooperation and address global challenges facing both continents (ASEAN, 2014).



The Conference adopted a Co-Chairs' Statement, which include the agreed on principles for co-operation between Africa and Asia, as the first concrete steps towards forging a New Asian-African Strategic Partnership (NAASP) (Embassy of Indonesia in Pretoria, 2009).

This unprecedented meeting was followed in 2004, by the second ASSROC, held in Durban, South Africa. The Conference discussed the need for establishing a new bridge between Asia and Africa. The Conference concluded that the establishment of a strategic partnership among countries of Africa and Asia is imperative in the context of the achievement of peace, prosperity and progress in the African and Asian regions (Embassy of Indonesia in Pretoria, 2009).

In 2005, the Asian-African Summit and the Commemoration of the Golden Jubilee of the 1955 Asian-African Conference were held in Indonesia. A major event in that occasion was the adoption of the Declaration on the New Asian-African Strategic Partnership (NAASP). With the participation of 106 countries from Asia and Africa, NAASP has set a mechanism of Summits every four years (Thailand Ministry of Foreign Affairs, 2013). The three main pillars of this multilateral cooperation initiative are: partnership, political solidarity, economic and socio-cultural cooperation. The declaration emphasizes the need to promote practical cooperation between the two continents in areas such as trade, industry, investment finance, tourism, information and communication technology, energy health, transportation, agriculture, water resources and fisheries (NAASP Senior's Official Meeting, 2009).

South Africa and Indonesia are the main driving forces behind the NAASP, and the current co-chairs. Although the initiative has the potential to become the main channel for cooperation between Asia and Africa, and a strong pillar for South-South cooperation, there are several challenges to overcome first. The principal one is the fact that NAASP is yet to become a formal structure for multilateral cooperation. The second, and also a key one, is that since NAASP does not fall under the overall framework on multilateral cooperation within the African Union (AU), South Africa presented a proposal on the Integration of NAASP into the AU structures and processes in 2013 (African Union, 2013). The African integration process has yet to decide over the issue.

The SEA countries participate in the initiatives described above, but along with many other Asian countries and organizations. There has been a more direct approach between SEA and Africa in May 2012, when ASEAN Secretary General Surin Pitsuwan and the head of the AU Commission (AUC) delegation Maxwell M. Mkwezalamba met in Jakarta in an effort to forge closer ties between the two organizations. Unlike NAASP, this attempt to enhance interregional cooperation has a more institutionalized framework since both institutions are internationally recognized and have a long history as integration processes. “Both organizations represent institutionalized socio-political unions that face similar challenges, share common interests, and operate under a related philosophy of non-intervention, respect for sovereignty, and peaceful negotiation. Thus, cooperative agreements between both regions seem likely to be both successful and effective” (Brown, 2012).

These initiatives are the main multilateral cooperation instances that are being developed between Asia and Africa<sup>9</sup>. Both NAASP and ASEAN-AU relations emphasize the need to engage on practical cooperation on certain identified issues that represent common challenges to both regions. Unlike the 1950’s, this rapprochement between Asia and Africa is intended to concentrate efforts on common problems, rather than reinvidicate common Third World principles. Although there is a rhetoric based on the Bandung Spirit, the political changes and economic challenges have imposed the need for a renewed agenda.

From the SEA region, the two main state actors involved in interregional cooperation with Africa are Indonesia and Malaysia. Indonesia is playing a central role in the multilateral initiatives we have briefly introduced. Malaysia, on the other hand, has played a more active role in the bilateral relations with selected African partners. Some initiatives from the Malaysian government towards African countries are the Langkawi International Dialogue (LID) and the Southern Africa International Dialogue (SAID). Both initiatives were launched in 1995 and aim to develop and strengthen relationships between Malaysia and the African countries. LID is an initiative that aims to promote ideas and experiences on development and economic growth to developing countries in Africa (and the Caribbean). Malaysia acts as a host for the dialogue, and invites representatives from different sectors –both public and private- to discuss on issues related to socio-economic development. SAID is a follow-up and

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<sup>9</sup> There are other initiatives that include African countries and one Asian country such as Forum on China-Africa Cooperation and Tokyo International Conference on Africa Development.

counterpart to LID, advising on the potential of the Southern African area for Malaysian entrepreneurs (Rafeeat, 2011).

Also in relation to South-South cooperation practices, the Malaysian Permanent Mission to the United Nations (2013) has stated that:

Malaysia cooperates with African countries through specific technical courses under the Malaysian Technical Cooperation Programme (MTCP) and through a triangular cooperation such as the Malaysian Technical Cooperation Programme (MTCP) - Japan International Cooperation Agency (JICA) - Africa (MTCP-JICA-Africa). Malaysia has also entered into specific cooperation programme with African countries through dialogue platforms such as the private sector involvement through Malaysian South-South Association (MASSA) and Malaysian South-South Cooperation (MASSCORP). As of end of 2012, a total of 6797 participants, from 45 African countries have benefitted from the MTCP.

To summarize, SEA political relations with Africa are still in a low level of development and only a few Asian countries stand out as pioneers in this rapprochement effort. ASEAN as the regional organization in SEA has a strong potential to develop a closer interregional relationship with the African Union, but the remaining obstacles –mainly the distances, the lack of common cultural or historic elements, and the concentration on other partners, considered more strategic- are slowing up the process. On the other hand, there is growing interest in individual initiatives from Asian countries to approach Africa from different dimensions. Although trade and investments remain central issues on the bilateral relations, political and economic cooperation is gaining relevance, particularly in the case of Malaysian foreign policy towards Africa.

### **Final remarks**

The investigation effort behind this paper was primarily meant to shed some light over an understudied phenomenon as it is the presence of SEA countries in Africa. As such, this article was intended to show an introductory analysis of the main economic and political features of the bilateral relations from a South-South perspective.

In the first section we introduced some concepts with the intention to analyze the emergence of new actors in the African scenario in terms of development. Our central objective was to understand if the SEA approach to the African continent could turn out to be

beneficial to the host economies, even though the motor behind the policies towards Africa are self interested and market seeking.

As a first conclusion we must highlight that SEA main partners in Africa are few and represent the biggest economies of the region. Both South Africa and Nigeria account for the main part of the trade between Africa and Southeast Asia, and this trend seems to be deepening, mostly driven by the growing trade exchanges between Indonesia and Nigeria. If this concentration persists, it will probably generate economic benefits for the individual countries-which already are between the wealthiest economies in the continent- deepening the inequalities within African countries, instead of improving developmental capacities. A challenge in this realm is how to attract investments from SEA to less developed countries in Africa, in order to start to correct developmental and wealth imbalances.

The second and central feature of the economic relations is that African exports to SEA are highly concentrated on natural resources, and that feature is intensifying with the growing presence of Indonesia as Nigeria's exports destination. Meanwhile, SEA exports to Africa consist mainly of manufacture goods, generating an inter-industrial trade pattern, with the exception of South Africa. A main challenge for African countries is to develop the needed structure in order to utilize the gains from this inter-industrial commerce to diversify their export-baskets and to direct FDI into economic activities oriented to local development.

Finally, South-South cooperation between the two regions has been erratic and dependent on the individual will of certain countries but there are no formal channels of cooperation between the two regions besides Malaysian initiatives. There is certainly a wide arena to explore in technical and practical cooperation, as stated by the NAASP and ASEAN-AU relations, and we might observe a growing of initiatives in coming years.

To conclude, it is unfeasible to analyze the relations between this heterogeneous group of countries in only one set of concepts. Although they are all included as developing countries and, as such, they can be considered in the "South", bilateral relations are diverse since the position these countries occupy on the "developing nations chart" are also dissimilar. There are different types of relations developing then: on the one side we have observe more symmetrical South-South bilateral relations between South Africa and its Asian counterparts – particularly Thailand, Indonesia and Malaysia- in which both parts can benefit economically and politically, without reproducing dependency links. On the other side, less developed-

natural resource exporting countries such as Nigeria and Sudan, are strengthening dependent trade and investment links, which have more features of North-South relations, than South-South ones. It must be highlighted that technical cooperation in these countries could improve the developmental capabilities, but the number of projects in that field is still meager. So, as in the cases of many other less developed countries and regions, the emergence of SEA in Africa, is mostly concentrating on economic extractive activities and market seeking investments for Asian products, with a low participation on other political initiatives that could benefit the African continent in the near future.

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