

Japanese Business and African Development

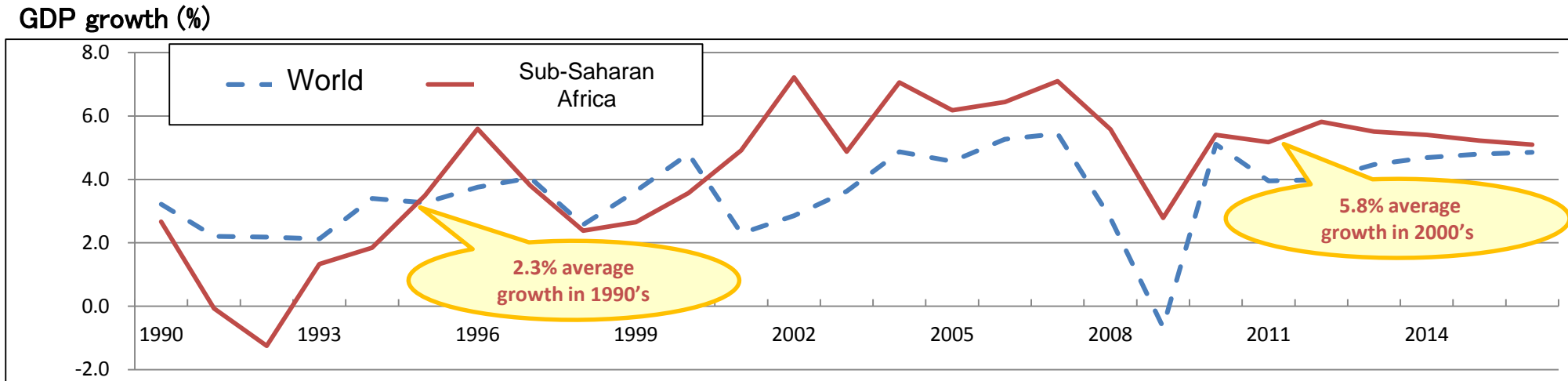
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Africa's growth and challenges

- Africa has experienced rapid economic growth. However, it faces further challenges for sustainable development.



(Source) IMF World Economic Outlook

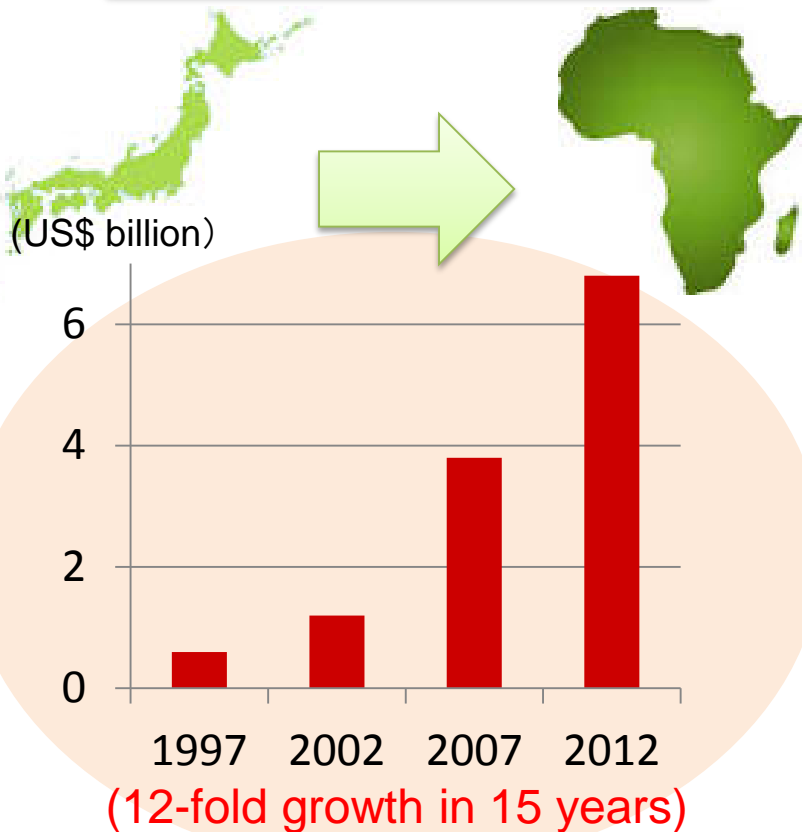
Challenges faced by Africa

- Youth employment: Globalization and urbanization calls for skilled workers adapted to the modern economy. Human resource development is key.
- Social issues: Not all Africans have benefited from economic growth. There is a need to further improve the livelihood of the rural poor and women.
- Monoculture economy: Colonial legacy means many African economies rely on single raw products. Need for industrialization through value-addition.

Japanese companies and Africa

- Japanese businesses value the building of long-term relationship through mutual trust rather than short-term profit, serving as good partners for African development.

Japanese FDI into Africa



(Source) JETRO

Contribution by Japanese companies

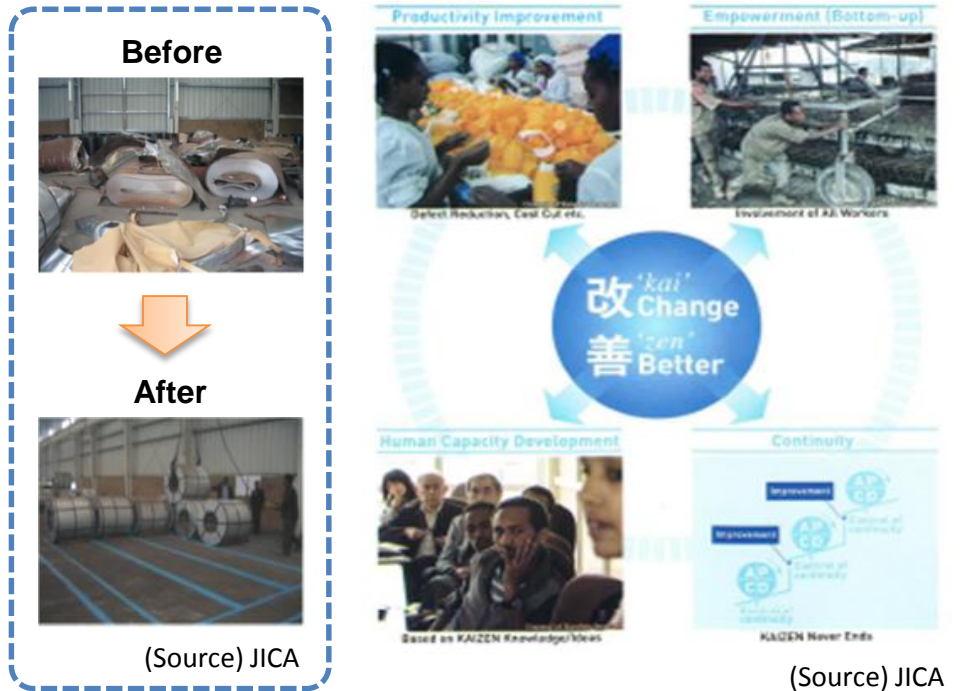
1. Human resource development
 - Valuing workers' own initiatives.
→ "Kaizen"
2. Contribution on social issues
 - Improving the life of the poor and encouraging women's social participation.
3. Value addition (beneficiation)
 - Creating new industries by adding value to African raw materials.

1. Human resource development

- Human resources development by Japanese companies encourages bottom-up, on-the-job training of workers : the “Kaizen” philosophy.
- Treating workers as “members of the family” should fit in with African traditions.

“Kaizen”

- First, organize the workplace.
- Then, workers share and implement ideas for continuous productivity improvements.



Account by former Prime Minister of Ethiopia, Hon. Meles



“ KAIZEN is a management philosophy, and it is a system that allows companies to improve their productivity and product quality.

...And it's based on the creativity of all employees, involves all employees, in the improvement of quality and productivity for the companies. That is the philosophy, we like, we agree with, we believe, can make a lot of difference in Ethiopia.

The fact that KAIZEN has been introduced in many countries and in some African countries seems to suggest that, irrespective of cultural differences between Ethiopia and Japan, we can benefit from introducing the system to Ethiopia.

Practice of TOYOTA (South Africa)

- “Kaizen” training extended also to local suppliers.

On the Job Training



Lecture



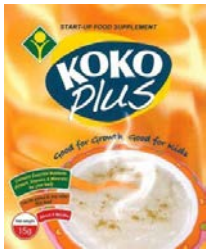
(Source) Toyota South Africa Motors

2. Contribution on social issues

- Japanese companies directly tackle social issues through business activities.

Ajinomoto

- Marketing of affordable dietary supplements for infants.



(Source) Ajinomoto

- Operation of a seasoning packaging factory.
- Marketed through cooking demonstrations by local women.
 - Encouraging women's participation to society through easier cooking and job creation.



(Source) METI

Japan Poly-glu

- Marketing of affordable, powder-based water purifiers to provide rural residents with access to safe drinking water.
- Employment of local women as sales staff.
 - Encouraging women's social participation.



(Source) Poly-glu 5

3. Value addition (beneficiation)

- Japanese companies can utilize their advantages in manufacturing and marketing capabilities to add value to African raw materials for export to the global market.

Adding value to natural resources

- Natural gas development (Mozambique)



(Source) Mitsui & Co.



Proposals by Japanese companies

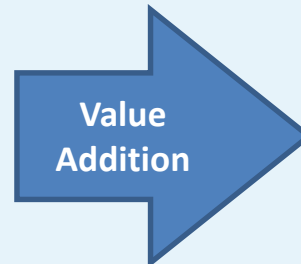
- LNG processing plant
- Methanol production
- Gas-to-liquid technology



GTL 東証プラント (500BBL/DAY)
(Source) JAPAN-GTL Consortium

Adding value to local products

- Local manufacturing of leather products and food products
- Export to outside markets including Japan



(Source) Andu Amet, JETRO

Efforts by the Japanese government (1)

- The Japanese government has been strongly encouraging Japanese companies to invest in Africa through high-level visits and the TICAD process.

Prime Minister Abe

1. Djibouti

- August 27, 2013

2. Cote d'Ivoire, Mozambique, Ethiopia

- January 10-14, 2014
- Business delegation of 34 companies and organizations



(Source) MOFA

TICAD V (June 1-3, 2013)

- Prime Minister Abe held bilateral meetings with all 39 heads of state / government who participated in TICAD V.



(Source) MOFA

- Minister Motegi (METI) delivered a speech on how Japan can become a “trusted business partner” for Africa.
- The “African Fair” showcased African and Japanese products and provided business matching assistance.

Minister Motegi (METI)

Tanzania, Kenya

- August 9-13, 2013
- Business delegation of 20 companies and organizations



(Source) METI



(Source) JETRO, METI

Efforts by the Japanese government (2)

- The Japanese government supports the entry to of Japanese companies in Africa at each stage with various tools (e.g., investment seminars, bushiness matching, finance).

Interest

- 
- **Investment seminars on Africa (JETRO, others)**
 - **Support for creating business plans (JETRO, JICA)**
 - **Support for Japanese companies' participation in African trade fairs; business matching (JETRO)**
 - **Training and dispatch of experts to local institutions and business partners (HIDA, JICA)**
 - **Risk finance (JBIC, JICA, JOGMEC, NEXI)**

Operation

- **Maintenance of political stability and security**
- **Good governance and transparency**
- **Stability and predictability in the implementation of regulations and tax regimes**
- **Ease in obtaining visas and work permits**

Thank you.