

Details and Policy on Theme-by-Theme Information at the African Business Promotion Support Network Portal Site

The African Business Promotion Support Network Portal Site plans to post information from managing and cooperative organizations about the following 24 themes.

1. “Changing Africa and Business Chances”

The site will introduce remarkable developments regarding the great economic and social changes in Africa that have become conspicuous since 2000, particularly medium- to long-term trends of these changes and prospects, and will post discussions on whether these changes can be interpreted as structural. It will also provide specific cases and other information, and discussions about what business chances these changes are bringing about for Japanese people and companies. Particularly, records of seminars and lectures, handouts, PowerPoint slides and other information about this issue will be provided through our cooperation with seminar sponsors and lecturers.

As global discussions take place about structural changes in and medium- to long-term prospects for the African economy, the site will provide a bibliography of key English documents as introduced by relevant organizations.

2. “Private Sector Development in Africa”

In order to help develop the African business environment, international organizations and the JICA (Japan International Cooperation Agency) are cooperating with African governments in developing (and supporting) the private sector. Support is given for developing not only basic infrastructure including electricity supply, roads and transportation systems, and water supply but also soft infrastructure such as legal systems, regulatory reforms and the financial sector that are the base for facilitating economic activities. Whether the business environment has been developed and whether the process of such development is proceeding smoothly will be important for future investment decisions. Private sector development is an area where Japan’s proactive contributions and Japanese experts’ positive participation are expected. The Japanese government is a major contributor to the Fund for African Private Sector Assistance (FAPA) that was created at the African Development Bank to proactively support private sector development.

This section will provide information about the progress in key private sector development that seems important for Japanese people’s and companies’ future business expansion and about activities in which Japanese people and companies have participated and are expected to participate proactively. Infrastructure development will be covered by the “African Infrastructure Development” section.

3. “Infrastructure Development in Africa”

Infrastructure development is the base or premise for facilitating economic activities and the top priority area in African development to which the greatest efforts and resources are contributed. Most of the financial aid from international development banks, JICA soft yen loans and grant aid, and JBIC (Japan Bank for International Cooperation) investment and loans are destined for infrastructure development.

Electricity supply, roads and water supply are the three most essential components. As social development and public services demands are advanced in Africa, diverse infrastructure projects are ongoing in various areas including urban environment development, transportation networks, communications, clean energy, water purification, agricultural water, education and healthcare. Public and private sectors cooperate in various ways in planning, preparing for and implementing projects and in operating completed infrastructure. Japanese companies are expected to demonstrate their great performance in areas where they have advantages in technologies, services or financial capacity.

This section will provide an overview of African infrastructure development, and information on how JICA, JBIC and the AfDB are involved in African infrastructure development and specific infrastructure development projects in which Japanese companies are likely to have interests.

4. “African Business Support Policy Measures, Systems, and Schemes”

As the invigoration of Japan’s business transactions with developing countries greatly contributes to private sector-led economic development in these countries and allows Japan to benefit from the growth of these countries and help vitalize innovation as well as small and medium-sized enterprises, the Japanese government has created and expanded various policy measures, systems and schemes that are implemented by public organizations like JETRO (Japan External Trade Organization), JICA, JBIC and the Organization for Small & Medium Enterprises and Regional Innovation, Japan for supporting business transactions with developing countries. While most of them are used for Asian developing countries, they are growingly being applied to business transactions with Africa.

This section will invite government/public sector people to proactively introduce these schemes and will provide information about Africa-related business activities subject to these schemes.

5. “African Development Support and Business Opportunities”

Development assistance operations are official operations that international organizations and governments of developed countries including Japan conduct in cooperation with the governments of developing countries. Private sector companies have also growingly supported development assistance, while volunteers and non-government organizations have been activating such assistance.

Development assistance operations are also key economic operations that substitute for or complement government sector operations in developing countries and represent a major business

area in which private companies and expert consultants participate.

Public-private partnership is indispensable for successful development projects. As Japan's development assistance for Africa has expanded, Japanese people and companies have growingly been involved in such assistance with many Japanese people working in African fields.

This section provides information about how Japanese people and companies have participated in public-private partnership in development assistance for Africa and what business chances the assistance has created. Specific cases of Japanese people's and companies' participation and performance in African development projects will be introduced in the section for "Japanese Companies' Participation in Development Projects." This section will also introduce links to major development organizations' Africa-related bidding information.

6. "Trend and Developments of African Economy"

In this section, we will provide new information on the entire African economy and regional economies in cooperation with experts who continuously monitor African economic development and major economic indicators. Comments on various aspects of the African economy, including those related to business operations, will be posted in the section for "Surveys, Analyses and Papers on African Economies and Business."

7. African Countries (Overview)

In cooperation with officials at Japanese embassies in Africa and African embassies in Tokyo, and people involved in business and development operations in African countries, we will post contributed information on African countries on a country-by-country basis in this section.

8. "African Business Environment Information"

In cooperation with experts who monitor business environment progress in African countries or regions, we will provide information on African business environment progress in this section. The public sector's business environment development through development assistance will be covered by the sections for "African Private Sector Development" and "African Infrastructure Development." Country-by-country information will also be posted in the section for "Trends of African Countries."

9. "Financial Sector in Africa"

While access to financial services is indispensable for facilitating business operations, little information on the African financial sector has been made available in Japan with the number of cases limited for Japanese financial institutions' expansion into Africa.

The African financial sector has not necessarily been developed sufficiently. But various projects for developing the financial sector and improving financial infrastructure and services in Africa have

been implemented and begun to produce good results. The advancement of information and communications technologies and the diffusion of mobile phones have enabled mobile remittance and banking, achieving dramatic improvements in financial access. Efforts to improve financial access have also been ongoing, including microfinance and public financial institutions' support for SMEs and petty enterprise companies. In the near future, Japanese financial institutions are expected to expand into Africa and participate in or acquire local banks, as they are doing in Asia now.

This section will provide information about African financial sector development mainly from the viewpoint of improving financial access for Japanese people and companies doing business in Africa and introducing model cases of business opportunities for Japan's financial sector and businesspeople.

10. “Human Resources Development for Supporting African Business”

Human resources development is an African development area to which Japan has given priority and is called on to contribute. At the Fifth Tokyo International Conference on African Development (TICAD V), Prime Minister Shinzo Abe announced the “African Business Education Initiative for the Youth,” or “ABE Initiative,” offering to create a program in which 1,000 African youths will be provided in five years with opportunities to learn at universities or graduate schools and work as interns in Japan, to foster industrial human resources for creating 30,000 jobs in five years and to invite African administration officials for promoting public-private partnership.

In this way, schemes for contributing to developing human resources supporting African business are expected to expand. In this area, it is important for Japanese business people to provide their experience-based knowledge. Japanese experts and companies are expected to participate in these human resources development schemes to make progress in public-private partnership.

This section will provide information mainly on progress in the preparation and implementation of human resources development through public-private cooperation. As business expansion itself leads to human resources development, we will proactively provide specific model cases for human resources development efforts of Japanese companies expanding into Africa, including the Toyota Kenya Academy as introduced at TICAD V.

Apart from African human resources development, the recruitment, employment and training of Japanese people aspiring to engage in African business and Africans who have studied and stayed in Japan are also important challenges for advancing African business. Specific cases of these challenges will be provided in this section as those for the “recruitment and training of African business human resources,” while considerations will be given to a plan to create a new section for these challenges in the future.

11. Risk Response and Control

Starting up businesses is accompanied by risks. Particularly, business operations in Africa as a

developing region featuring dynamic changes are likely to encounter events that cannot be assumed for operations in Japan, Western developed nations or Asian countries. Including such likeliness, uncertainties and great risks are inevitable for Japanese companies planning business operations in Africa.

Therefore, it is important to make preparations for avoiding unexpected damage and minimizing damage upon the emergence of risks.

Given that best practices have been accumulated for various areas like fundraising, payment settlement, accounting, legal work, dealing with governments, security and cross-cultural communications, advice and services by experts in various fields may be utilized to enhance risk control arrangements.

This section will welcome and provide information about the availability of experts' knowledge, lessons learned from actual experiences and professional services regarding how to respond to and control African business risks.

12. “Africa-related Companies and Businesses”

There are at least 350 Japanese companies doing African business. The actual number of such companies may be far higher. African business ranges wide from resources and infrastructure development to business-to-consumer services for the middle-class market, business-to-business services for supporting emerging business operations in Africa, bringing unique African products to Japan, and business and economic operations involving African development assistance.

As Japan's African business plunged into a shrinkage/withdrawal stage in the 1990s, African business for many Japanese companies is now in an initiation or reconstruction phase. Many of them may be searching for or trying to establish business models to overcome initial challenges, settle down, continue and expand operations, and boost profit.

In this phase, some companies' business operations may have great impacts on others' operations, leading to the establishment of new value chains. Success stories in some areas may contribute to creating and improving business models in other areas. Some companies' voluntary provision of available information to others and companies' sharing of information through third parties may lead to creating a business community. Their competition and information-sharing may help create, form or establish various business operations that can be suitable for Japanese people and companies .

This section will provide specific cases of Japanese companies doing business in Africa, based on introductions by people engaging in Africa-related companies and business, and voluntary information provision by those participating in African business. We would like to welcome the proactive provision of business expansion information by large companies with spillover effects on other business operations and to provide any attention-attracting cases of foreign companies.

13. “Resources/Energy Development and Business”

The development, production, refining and transportation of oil, natural gas and other various mineral resources on the African continent represent a major business area that could drive African growth.

For resources development and production, a specialized business community has been formed for exchanging information. Japanese general trading companies and other companies with advanced technologies are performing well in the community. Successful resources development can bring about new demand in various relevant industrial sectors. In addition, governments of resource-rich countries use income from resources development for expanding infrastructure and public services, leading to great changes in economic development and various economic operations and creating new business chances.

This section will post basic information on African resources and energy development trends, relevant economic development changes and business chances as provided by the Japan Oil, Gas and Metals National Corporation (JOGMEC), resources development companies and experts monitoring resources development trends.

14. “BOP Business and New Business Launching”

Among business areas in developing countries in which Japanese companies are expected to perform well is so-called BOP (bottom/base of the pyramid) business that serves poor people as consumers or beneficiaries. Japanese companies’ participation or business launching in BOP business is expected to contribute to poverty reduction and improve living standards in these countries. Some Japanese people and companies have already participated in African BOP business.

Any parties launching BOP and other business operations in Africa may have to overcome a great number of challenges. But business launching can lead to the creation of new goods and services required by society, bring about jobs and contribute to human resources development, technological advancement and tax revenue expansion. It can also provide successful models and trigger successive business launching, creating and expanding a positive cycle.

This section will post information on specific cases for Japanese people and companies launching BOP and other business operations in Africa, as voluntarily provided by these people and companies or third parties.

15. “Small and Medium-sized Companies doing business actively in Africa”

This section provides information introducing small and medium-sized companies being involved in African business.

Great changes in economic activities in African and other developing countries have brought about business chances for small and medium-sized companies in Japan. Some of them have taken risks to

expand into Africa. Others have provided finished products or raw materials according to the demand of firms doing business in Africa or have engaged in importing unique African products and diffusing them in Japan. In this way, the scope of industries supporting African business is likely to expand.

The Japanese government has taken various policy measures to proactively support small and medium-sized Japanese companies' overseas expansion. Under JICA and JETRO schemes, some of these companies have cooperated with consulting firms in planning and preparing for African business.

Under such circumstances, information provided voluntarily by these companies or through third parties about specific cases will be helpful.

16. “Japanese Companies’ Participation in Development Projects”

African development projects are financed by official development assistance (ODA) including grant aid, technical aid and soft loans from the Japanese Ministry of Foreign Affairs and JICA, soft and other loans and grant aid from international development organizations, and other public funds including loans from JBIC. The Japanese government has encouraged Japanese people and companies to proactively engage in these development projects. Many Japanese people and companies have accumulated rich experiences mainly with projects covered by JICA grant aid, soft loans and technical aid and by JBIC loans. There are a rising number of cases where Japanese companies participate in development projects in Asia through international competition. But such cases in Africa are still fewer but are expected to increase in the future.

In this section, we expect that Japanese companies and consultants participating in African development projects, as well as JICA and JBIC, will introduce specific cases. The AfDB will also provide specific cases for Japanese firms' and experts' participation in these projects and useful information for such participation.

17. “Service for Supporting African Business”

As a rising number of Japanese companies expand into Africa or launch and boost African business, corporate operations and services to support these activities may increase.

Particularly, consulting companies that have networks, partners and business experiences in Africa, and international law and accounting firms are expected to provide various knowledge and services regarding market research and exploration, legal procedures, finance, accounting, taxes, human resources services, security and other matters involving overseas business expansion.

In this section, we will welcome and post information from companies and offices about their operations and services to support African business.

18. “Cooperation and Support for Profitable Agriculture-Forestry-Fisheries Operations”

Agriculture or the agriculture-forestry-fisheries sector is strategically important for African development, being involved in food production, rural development, poverty reduction and environment-friendly economic development.

Agriculture represents the largest private sector component in Africa. At TICAD V, Prime Minister Abe advocated support for “agriculture that enables the farmer to earn money” and introduced the SHEP (Smallholder Horticulture Empowerment Project) model that has been created and diffused by JICA expert Aikawa and others.

Japan has long accumulated experiences and achievements in supporting the African agriculture-forestry-fisheries sector and rural development. The advocated support is designed to boost the potential of agriculture-forestry-fisheries operations as business operations for earning cash. Japanese agriculture-forestry-fisheries experts and entrepreneurs are expected to cooperate in this support.

In this section, we will introduce specific cases for business models of “profitable agriculture-forestry-fisheries operations” in cooperation with JICA technical aid experts and international organizations.

19. “Public-Private Partnership Initiatives for Health, Medical and Nutrition Services led by Private Sector”

The promotion of health services to secure health for all people in every part of society was one of the priorities cited in the Yokohama Declaration. Prime Minister Abe told TICAD V: “In Japan we have built up a system in which anyone can readily visit a hospital even for minor health concerns. I would like to utilize Japan's system and experiences in Africa. We will promote health care that everyone can access--in other words, ‘universal health coverage,’ or ‘UHC’... In the future I intend to make UHC part of the ‘Japan Brand.’”

In this area, the public sector plays a key role. Support through ODA will remain necessary as a matter of course. In Africa as well as other regions, however, various measures to provide medical and health services and improve health and nutrition conditions without dependence on public funds and goodwill contributions alone are pursued and implemented under private sector-led or public-private partnership initiatives.

Various business models are conceivable in this area. A business model may seek to secure income covering costs for sustainable services. In other models, companies may bear part of costs under their corporate social responsibility programs and provide risk money without pursuing high returns. Japanese companies’ well-known contributions to health, medical and nutrition services in Africa include Sumitomo Chemical Co.’s Olyset Net sales in Tanzania, Ajinomoto Co.’s KoKo Plus sales in Ghana and Alliance Forum Foundation’s Spirulina Project for improving nutrition conditions in Zambia.

In this section, we will welcome and post information provided voluntarily or through third parties about Japanese companies' contributions to health and medical services, and relevant business models in Africa.

20. “Technologies and Projects Contributing to African Environmental issues”

Africa, in the process of dynamic growth, faces various environmental challenges including adaptation to climate change, sustainable natural resources management, environmental pollution prevention and responses, biodiversity conservation and mainstreaming disaster prevention.

Support for green growth that appropriately addresses environmental problems and resists climate change is a basic theme in the Yokohama Declaration. At a diplomatic conference in which the Minamata Convention on Mercury was adopted in October, the Japanese government pledged to proactively support environmental pollution prevention measures in developing countries. Japan's experiences, including public-private partnership initiatives, and various technologies and know-how that have been accumulated and are being created are likely to be used for addressing environmental problems in Africa.

This section will provide information as introduced about private sector-led and public-private partnership initiatives that meet African economic and social realities and contribute to addressing African environmental problems, as well as new technologies and know-how that are expected to be effectively used for supporting development and private sector business operations in Africa.

21. “Corporate Social Responsibility Operations Supporting Africa”

As a rising number of Japanese companies are proactively supporting Africa under their corporate social responsibility programs, we expect to introduce relevant specific cases and post voluntarily provided relevant information in this section.

CSR programs include those contributing to business launching and human resources development in Africa and which are expected to make contributions to promoting African business.

If Japanese companies begin to earn profit from their business operations in Africa, they may use part of profit for CSR programs and non-government organization operations.

22. “NGO Activities in Africa”

This section will allow NGOs to voluntarily introduce their Africa-supporting operations and solicit financial contributions from Japanese companies.

Japanese companies might have been involved in providing goods and services for NGOs' Africa-supporting operations. Information from NGOs is expected to include examples of business chances in Africa.

23. “Surveys, Analyses and Papers on African Economies and Business”

We will welcome the provision or introduction of surveys, analyses and papers from people who monitor study and collect information on African economic, social and political situations.

Based on the objectives of this network, this section will post mainly information that is expected to be useful for African economies, African business environments, business chances and business risk control.

24. “Reports from Fields (Contributions)”

This network welcomes proactive contributions of information on real African conditions from people involved in and supporting business operations in Africa and various personal reports from Japanese people who stay in or tour Africa for business or tourism purposes.

This section will post information on themes other than those specified above, personal observations and personal experiences. Given the objectives of this network, we would like to receive information that would be useful for deepening understanding about African economies, African business environments, business chances and business risk control.