

June 15, 2016

## **Visualize Japan's Presence as Africa's Partner -- Ten Policy Proposals to Comply with Africa's Diverse Needs --**

### **■Introduction**

TICAD V of June 2013 declared a new direction "From Aid to Trade and Investment." Now, TICAD VI -- the first TICAD in Africa -- will be held in August 2016.

The three-year period between two TICADs has dramatically changed African countries and their environment.

Keizai Doyukai requests the Japanese Government to stress TICAD's significance and demonstrate leadership at TICAD VI in pursuit of the initiatives for results toward closer Africa-Japan ties.

### **■Fundamental Issues**

#### **(1) Hindrance to Africa's economic growth**

African economies in 2015 grew 3.4% in average; a significant slowdown from 2014 due to the declining commodity prices and a slower world economic growth. Their primary-products reliant trade/industrial structure has led to challenges such as the vulnerability against external influences and difficulties in creating jobs.

#### **(2) Africa's long-term growth vision and priorities**

Understanding that the present trade/industrial structure hinders the economic growth, African countries' leaders draw a long-term vision for the economic transformation that will develop the domestic private sectors by leveraging private investments from abroad and create jobs through industrial multilateralization and diversification.

#### **(3) Japanese companies' entrance to African markets and contribution to local development**

Against this backdrop, Japanese corporate executives are requested to treat risks and uncertainties relevant to African market entrance being compensated by forward-looking opportunities. Such an approach will endorse active entrance to the local African markets and contribution to an economic growth of Africa and Japan by making the most of Africa's local growth power.

### **■What to do for TICAD Process and TICAD VI**

#### **(1) Present "all Japan" involvement to Africa at TICAD VI**

Japan should present "all Japan" involvement to Africa on public-private partnerships at TICAD VI.

In addition, we request the Government to set up opportunities at TICAD VI to discuss the strengthening of a multilateral cooperation.

#### **(2) Make TICAD result-oriented platform to support Africa**

Formalities of organizing TICAD have changed. Accordingly, we request 1) establishment/disclosure of multiple goals with various time horizons, 2) corporate

executives' participation to TICAD follow-up processes, and 3) the regularization of a public-private roundtable that discusses entrance strategies to African markets.

**(3) Create a scheme to promote Japanese companies' entrance to African markets**

We request the Government to visualize domestic resources and create a framework for public-private partnership for each industrial sector and corporate size.

In this regard, we believe it effective if there is a scheme where Japanese companies have a direct access to Africa's industrial clusters that started to emerge in the local market.

**(4) Strengthen information dissemination capacity inside and outside Africa at TICAD VI and beyond**

Taking the opportunity of TICAD in Africa, we request the Government to approach the mass media inside and outside Japan in order to raise TICAD's awareness in Africa. Meanwhile, the relevant domestic public relations activities should be also promoted.

**■What Measures Japan Should Take for TICAD VI and Beyond**

**(1) More contribution to Africa's human resource development and their strategic deployment**

We request the Government to continue and expand "African Business Education (ABE) Initiative."

Furthermore, we propose the uniform management of the Africa-related parts of the existing overseas human resource development projects under the TICAD framework. The Government should realize a structural improvement that allows the strategical utilization of the "graduates" who have completed various human resource projects and could serve as a bridge between Africa and Japan.

**(2) Collaboration between Japan's aid policy and African nations' growth strategy**

We request government level Japan-Africa close policy talks. Such talks will help Japan's ODA projects well suit African nations' industrial policies, resulting in the infrastructure development that helps support the local industrialization.

**(3) Supporting regional economic integration and establishing multi-layered relationship**

We request the Government to be involved with Africa from continental, regional, and national perspectives, or multi-layered perspectives. In this regard, the Government initiatives for further information gathering/disclosure for Japanese companies, through policy talks with Regional Economic Communities (RECs) and sending more human resources to RECs, are appreciated.

**(4) Enhanced collaboration between public institutions and private sectors toward development assistance**

We request the Government and public institutions (JICA, JBIC, and other development-oriented institutions) to review the ongoing procedures to support the companies involved. More specifically, JICA's potential ODA project lists should be

disclosed at an earlier stage and the project financing should be implemented quickly and flexibly along its scheme.

**(5) Inter-governmental talks toward investment environment improvement and strengthened economic partnership**

We request the Government to accelerate the negotiation on investment agreement with countries of importance as well as start the study for entering into Economic Partnership Agreement with RECs and major African countries.

**(6) Deployment of units to create cross-sector collaboration**

We hope the establishment of research units such as universities will be promoted to help accelerate Japanese companies entering African markets through industry-academia-government collaboration. For that purpose, the Government should study the feasibility of the relevant budgeting from the perspectives of human resource development and R&D assistance in Africa.

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