

In response to the affirmation of the importance of Japan-U.S. cooperation through energy/environmental technologies at the first meeting between Prime Minister Aso and President Obama in February 2009, Minister Nikai of the Ministry of Economy, Trade and Industry, at the time of his official visit to the United States in May 2009, exchanged views with U.S. Secretary of Energy Chu on cooperation in the area of low carbon technologies, such as Smart Grid, energy saving buildings, photovoltaic energy and fuel cells. A joint statement was issued to promote these technologies. In line with the joint statement, Japan will actively work to realize Japan-U.S. cooperative relationships.

#### **4. Multi-layer cooperation including industrial cooperation with resource rich countries**

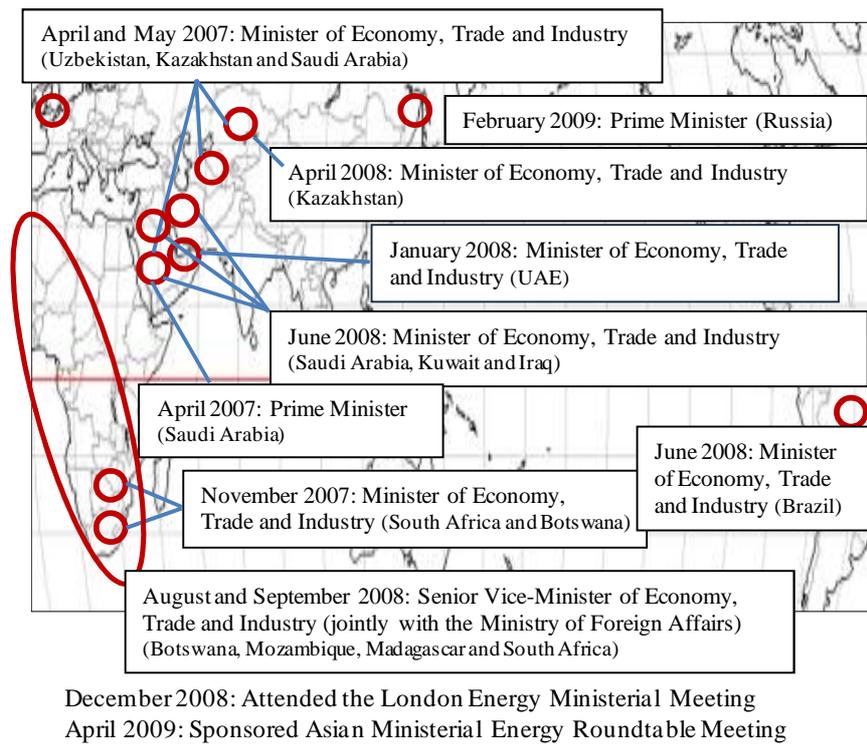
As global competition over acquisition of resources is becoming more fierce, it is important to build mutual relationships based on the needs of resource rich countries in order for Japan to ensure a stable supply of resources. Also, incorporation of the vitality of resource rich countries into Japan, including oil money, would contribute to the strengthening of medium-to-long-term competitiveness of Japan's economy. To that end, Japan will conduct strategic resource diplomacy, which incorporates multi-layer industrial cooperation, by taking wide and detailed support measures for resource rich countries, including technical cooperation, exchange/contribution in education and culture and by supporting Japanese-owned companies expanding their business in resource-rich countries and companies in resource-rich countries expanding their business in Japan.

##### **(1) Promotion of resource diplomacy and economic partnership**

###### **(A) Deployment of resource diplomacy at both the leaders' and ministerial level**

Japan, being a resource poor country, needs to deploy comprehensive and strategic resource diplomacy to ensure critical resources. Strengthening relationships with resource rich countries requires concerted efforts by the government through resource diplomacy at both the leaders' and ministerial level (see Figure 3-2-4-1).

**Figure 3-2-4-1 Resource diplomacy by Prime Minister and Minister of Economy, Trade and Industry (after 2007)**



Source: Ministry of Economy, Trade and Industry, Japan

**<<Case>> Resource diplomacy with GCC countries**

In order to build multi-layer relations with GCC countries, which control half of the world's petroleum resources, many countries have accelerated exchange visits of officials (see Figure 3-2-4-2) and Japan also deploys active resource diplomacy at the leaders' level. Business seminars with GCC countries are also active (see Figure 3-2-4-3), in pursuit of further strengthening relations between Japanese-owned companies and GCC countries.

**Figure 3-2-4-2 Exchange of visits between GCC countries and individual countries**

Japan	January 2009	Former Prime Minister Abe visited Saudi Arabia and Iraq as Prime Minister's Special Envoy Held the 3rd Japan-Saudi Energy Consultation Meeting	
	November 2008	Former Minister of Foreign Affairs Nakayama visited Saudi Arabia on the occasion of the Japan-Arab Dialogue Forum	
	October 2008	Senior Vice- Minister of Foreign Affairs Hashimoto visited Saudi Arabia	
	July 2008	Prime Minister's Special Envoy Okuda visited Kuwait, Oman and Bahrain	
	June 2008	Former Minister of Economy, Trade and Industry Amari visited Saudi Arabia, Kuwait and Iraq	
	May 2008	Prime Minister's Special Envoy Okuda visited Saudi Arabia, UAE and Qatar	
	May 2008	Minister of Education, Culture, Sports, Science and Technology Tokai visited Saudi Arabia	
	January 2008	Former Minister of Economy, Trade and Industry Amari visited UAE	
	May 2007	Former Minister of Economy, Trade and Industry Amari visited Saudi Arabia Held the Japan-Saudi Joint Committee	
	April 2007	Former Prime Minister Abe visited Saudi Arabia, UAE, Qatar and Kuwait	
	April 2006	Saudi Arabia's Crown Prince Sultan visited Japan	
United States	November 2008	King Abdullah visited the U.S. (Washington Finance Summit)	
	May 2008	President Bush visited Saudi Arabia	
	January 2008	President Bush visited Saudi Arabia	
	NB. Besides the above, Vice President visited Saudi Arabia four time in three years between 2006 and 2008		
Europe	United Kingdom	December 2008	Prime Minister Brown visited Saudi Arabia
		November 2008	Prime Minister Brown visited UAE
		July 2008	Prime Minister Brown visited Saudi Arabia
	NB. Prime Minister visited Saudi Arabia, UAE and Kuwait once or twice in the past five years There have been many royal visits; Prince of Wales visited once or twice in the past five years		
	France	January 2008	President Sarkozy visited Saudi Arabia, UAE and Qatar
		NB. Besides the above, many GCC countries visit France among major countries.	
Germany	October 2007	State Secretary for Economics and Technology Pfaffenbach visited Oman	
China	February 2009	President Hu Jintao visited Saudi Arabia	
	April 2006	President Hu Jintao visited Saudi Arabia	
	January 2006	King Abdullah visited China	
	November 1999	Former Chinese President Jiang Zemin visited Saudi Arabia	

Source: Compiled by the Ministry of Economy, Trade and Industry, Japan, from *Comprehensive Study on Japan's Efforts for the Middle East in Transition* (JIME Center, the Institute of Energy Economics, Japan) and documents of the Japanese Embassy in Saudi Arabia

**Figure 3-2-4-3 Events to promote business with GCC countries**

Place	Date	Details
Japan	June 2009	Abu Dhabi Investment Seminar
Saudi Arabia	March 2009	Japan Economic Seminar
UAE	March 2009	Matching seminar with SWF
Japan	March 2009	Business Forum Middle East 2009
Saudi Arabia	October 2008	Opening ceremony of the Business Support office for Japan-Saudi Arabia Industrial Cooperation

Source: Minister Economy, Trade and Industry, Japan

### **(B) Strengthening economic partnerships with resource rich countries**

Many resource rich countries have promising consumption markets. Seven countries/two regions, including the EU, India, China and South Korea, are under FTA negotiations with GCC, in an attempt to strengthen economic partnerships with resource rich countries.

#### **(a) Economic Partnership Agreement (FTA/EPA)**

The Japan-Chile EPA went into effect in September 2007. Chile is the largest exporting country of copper and molybdenum to Japan. It is believed that expansion of trade and investment between the two countries through EPA would contribute to stable access to these mineral resources. FTA negotiations with GCC countries started in September 2006, and the 4<sup>th</sup> interim meeting was held in

March 2009.

#### **(b) Bilateral Investment Treaty (BIT)**

Japan signed the Bilateral Investment Treaty (BIT) with Uzbekistan in August 2008 and with Peru in November 2008. Substantial agreement with Saudi Arabia was reached in May 2008, and both countries are now working towards the earliest possible signature. The first negotiations with Columbia were held in April 2009 and preparations are underway for negotiations with Qatar and Kazakhstan. Discussions at the Council for the External Investment Strategy are in progress about priority orders concerning investment treaty with resource rich countries in the future and the design of investment environments.

#### **(c) Framework of bilateral talks**

Japan set up a joint economic committee with countries like Saudi Arabia, UAE, Qatar and the Republic of South Africa in the past three years to conduct discussions about a wide range of economic issues until 2008. A joint meeting of the Japan-Brazil Trade Investment Promotion Committee was held in February 2009. This Committee is a public-private framework between Japan and Brazil. Besides this, bilateral talk frameworks with many countries have been set up in various forms, such as private-private, government-government and government-private joint frameworks, with an aim to expanding bilateral cooperative relations in a range of areas, including the development of business/investment environments, small and medium-size enterprises, and energy/environment.

### **(3) Japan-Arab Economic Forum**

In cooperation with Nippon Keidanren and the Japan Cooperation Center for the Middle East (JCCME), the Ministry of Economy, Trade and Industry (METI) and the Ministry of Foreign Affairs (MOFA) set up a new Japan-Arab Economic Forum with the League of Arab States<sup>61</sup> (Headquarters: Cairo) in order to strengthen economic relations with the Arabic countries.

This forum aims to strengthen mutual economic relations between Japan and Arab states through cooperation in a wide range of areas, including trade, investment, energy, science & technology and human resources development. The discussions will be participated in by METI, MOFA, JCCME, JETRO and JICA from the Japan side, and from the Arab side, ministers of the League of Arab States, members responsible for foreign affairs, industry, trade, economy and energy and officers of economic associations, such as presidents of chambers of commerce.

The forum is scheduled to hold the first meeting in Tokyo in December 2009 and the second meeting in Tunisia in 2010; a preparatory meeting for the first meeting was held in Tokyo in May 2009.

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<sup>61</sup> The League of Arab States, established in March 1945, is a regional cooperation organization aiming for cooperation and coordination of the issues related to economy, society and culture to safeguard the independence and sovereignty of its member states.

#### **(4) TIVAD IV and its follow-ups**

For the economic growth of Africa, it is essential not only to provide assistance but also to incorporate private vitality. Thus, African countries make efforts to promote investment and trade with foreign-owned companies through ODA. Japan hosted TICA IV<sup>62</sup> and announced various cooperation projects for African countries, which aim to double trade with, investment in and ODA to Africa.

As a follow-up to TICAD IV, Japan held the TICAD Ministerial Follow-up Meeting in March 2009 and the Communiqué of the Financial Markets and the World Economy (G20) meeting, which compiled the opinions of African countries, was reported to the London Summit in April. In addition, the following are examples of the ongoing follow-ups of the TICAD IV:

(A) Support for business matching and enhancement of information provision

(B) Development of human resources, financing, and technologies that are necessary for investment (see Figure 3-2-4-4).

With respect to (A) above, The Joint Mission for Promoting Trade and Investment to Africa was dispatched to three regions (12 African countries) from the end of August to September 2008. The mission was headed by Takamori Yoshikawa, Senior Vice Minister of Economy Trade and Industry (the South Mission), Nobuhide Minorikawa, Parliamentary Vice-Minister for Foreign Affairs (the East Mission) and Yasutoshi Nishimura, Parliamentary Vice-Minister for Foreign Affairs (the Central and West Mission), and it comprised representatives<sup>63</sup> from the public and private sectors. The participating private companies evaluated the mission as follows:

(a) The mission deepened the understanding of the actual condition of the local investment environment and major projects;

(b) The mission led to the establishment of contact points with local government officials which cannot be formed through ordinary business activities; and

(c) The mission provided opportunities to directly hear from the Japanese-owned companies that are investing in Africa.

In response to the evaluations from the companies, the Japanese Government held the Trade and Investment Promotion Symposium by inviting members of the trade and investment promotion agency and the chamber of commerce from six countries which the mission were unable to visit, in order to offer opportunities for information exchanges and personal exchanges involving a greater number of countries.

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<sup>62</sup> TICAD (Tokyo International Conference on African Development) is an international conference established in 1993 with the theme of African development led by the Japanese government and co-hosted by the U.N., the World Bank and the Global Coalition for Africa (GCA). The 2008 Forth Conference was an epoch making meeting participated by 41 national leaders, including Jean Ping (Chairperson of the African Union), from 51 countries, by 34 development partner countries and Asian countries, by 74 international and regional organizations and by more than 3000 representatives of civil society, such as private sector and NGOs, etc.

<sup>63</sup> The mission was headed by Takamori Yoshikawa, Senior Vice Minister of Economy Trade and Industry (the South Mission), Nobuhide Minorikawa, Parliamentary Vice-Minister for Foreign Affairs (the East Mission) and Yasutoshi Nishimura, Parliamentary Vice-Minister for Foreign Affairs (the Central and West Mission). A total of 179 persons from members of the Parliament, concerned ministries and agencies, government-related organizations and private companies participated in the mission. Sixty-two private companies participated.

The Facility for African Investment (FAI) (a fund to support doubling of investment in Africa), established by JBIC in April 2009, is an example of an effort for aforementioned (B). This enables investment in projects beyond the scope of the conventional loans, guarantee of private loans and financing in the local currencies. JBIC will provide financial support (investments/loans and guarantees) totaling US\$2.5 billion to the region over a 5-year period including activities under the FAI. Particularly, Japan implements a number of regional infrastructure projects in Africa.

**Figure 3-2-4-4 Efforts for TICAD IV follow-ups**

Year	Month	Details
2009	April	JETRO Product Consultation/Evaluation Service for Africa
	March	TICAD Ministerial Follow-up Meeting (H.E. Mr. H.Nakasone Minister of Foreign, H.E. Mr.Y.Fukuda Ambassador on Special Mission and Former Prime Minister )
	February and March	Dispatch of the African Science and Technology Research Mission
2008	February	TICAD IV Monitoring Committee
	December	Africa Trade and Investment Symposium (attended by H.E.Mr.T.Yoshikawa, Senior Vice-Minister of Economy, Trade and Industry)
	October	Japan-Africa Science and Technology Ministers Meeting
	August and September	Dispatch of the Joint Trade & Investment Promotion Mission to Africa (southern team headed by H.E. Mr.T.Yoshikawa, Senior Vice-Minister of Economy, Trade and Industry)
	May	African Fair 2008 (Part of the "One Village, One Product" campaign)
	May	Africa Symposium
May	4th Tokyo International Conference on African Development (attended by Prime Minister and Minister of Economy, Trade and Industry)	

Source: Ministry of Economy, Trade and Industry, Japan

### (5) Reestablishment of economic relations with Iraq

Iraq has the world's third largest proven petroleum reserves (115 billion barrel: 9.3% of the world)<sup>64</sup> after Saudi Arabia and Iran and has a promising market with a population of over 27 million people.

Japanese-owned companies actively expanded their business in the Middle East in the latter half of the 1970s. In particular, Iraq was the largest country that awarded overseas building contracts to Japanese firms in 1979 and 1980. In the 1970s and 1980s active trade transactions worth US\$3 billion/year took place between Japan and Iraq due to a number of large-scale projects and Japan was the largest exporting country to Iraq, along with Germany. The projects cover a range of areas, including the construction of petroleum/petro-chemical-related facilities in South Iraq, cement plants, general hospitals and roads. In 1979, the Iraq Automobile Corporation placed an order to buy about 61,000 cars from Japan, which put Iraq as Japan's 2<sup>nd</sup> largest exporting country of automobiles, next to the United States. At the peak period in the 1980s, over 1,000 Japanese business personnel were stationed in Baghdad, and the projects implemented by Japan were highly appreciated by their Iraqi partners.

Due to the confusion after the fall of the Hussein regime, business activities by the Japanese corporations were put in stalemate, but other countries' motivation to expand business in Iraq is high,<sup>65</sup> and Japan needs to make efforts to re-establish economic relations with Iraq.

<sup>64</sup> BP Statistical Review of World Energy

<sup>65</sup> There are moves of Russia to acquire resource interests and moves of South Korea and others to secure markets in Northern Iraq.

### **(A) Large reconstruction demand**

The Iraqi government plans to invest \$50 billion (about ¥4.9 trillion) in the development of oil fields and the development of refinery plants by 2015.<sup>66</sup> Today, there is huge reconstruction demand, such as construction-related demand led by electricity facilities,<sup>67</sup> as well as petroleum facilities, including roads and pipelines, communications infrastructure, water and sewage facilities, besides renovation of hospitals and demand for medical equipment. Demand for construction materials is also expected to grow, and it is also expected that consumption demand for goods such as automobiles and electric products will increase.<sup>68</sup>

### **(B) Japan's efforts for establishing relations with Iraq**

#### **(a) Holding of the Study Group on Commercial Policy for Iraq**

The Ministry of Economy, Trade and Industry (METI) held meetings of the Study Group on Commercial Policy for Iraq from May to September 2008 involving the Iraqi Ambassador to Japan, private corporations and experts and developed two pillars of measures: namely “improvement and expansion of Iraqi-related information” and “development of a stable business environment.” Based on these pillars, a number of efforts have been made, which include: the establishment of an Iraqi committee comprising academic researchers, government organizations, MOFA, and METI; information sharing; setting up of the Iraq Desk in JCCCME to strengthen information collection systems for Iraq; and, training sessions for concerned personnel of the Iraqi government to encourage accession to the WTO.

#### **(b) Visits of high officials and dispatch of economic mission to Iraq**

Visits of Japan's high officials to Iraq are gaining momentum. Following the visit of the then Minister of Foreign Affairs Taro Aso in August 2006, the Minister Amari of METI visited Iraq and had talks with Iraqi Prime Minister Nuri al-Maliki and Oil Minister Hussain Shahristani. In December 2008, the State Secretary for Foreign Affairs Seiko Hashimoto visited Baghdad and Samawa. The former Prime Minister Shintaro Abe visited Iraq as a special envoy of Prime Minister Aso in January 2009 to convey a letter from the Prime Minister and attend the signing ceremony of the Declaration on a partnership between Japan and Iraq.<sup>69</sup>

Besides these visits by high officials to Iraq, the first Japan-Iraq Economic Forum<sup>70</sup> was held in Amman, Jordan in July 2008. In March 2009, an Iraqi economic mission including 12 executives of private companies was sent to Baghdad to exchange views on business with government officials, including Prime Minister Maliki. The 2<sup>nd</sup> Japan-Iraq Economic Forum is scheduled to be held in the

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<sup>66</sup> Nihon Keizai Shimbun dated March 25, 2009

<sup>67</sup> “The Recovery of Electricity is the Most Important Issue” Keiko Sakai (2009) (International Development Journal, May 2009)

<sup>68</sup> “Private Trade and Investment Crucial for Iraqi Stability,” Gotaro Ogawa (2009) (International Development Journal, May 2009)

<sup>69</sup> The visit to Iraq by a former Prime Minister was the first time since the visit of the former Prime Minister Yasuhiro Nakazone in October 1990.

<sup>70</sup> Information on Japan-Iraq Economic Forum is available on <http://www.meti.go.jp/press/20080626001/20080626001.html>

future.

Private companies have also begun moves toward oil field development in Iraq. For example, three business leaders, CEO of Nippon Oil Corporation, CEO of INPEX Corporation and CEO of JGC Corporation, visited Baghdad in February 2009 and met with Prime Minister Maliki and Oil Minister Hussain Shahrastani.<sup>71</sup>

### (C) Business expansion of other countries

Siemens (Germany) announced that the Iraqi government signed a 1.5 billion euro deal with Siemens for an electrical system project. U.S.'s General Electric also announced the Iraqi government signed an agreement valued at \$3 billion to provide Iraq for 56 gas turbine units with 7000 megawatts of electric generating capacity. These demonstrate the progress in business expansion of U.S. and European countries (see Figure 3-2-4-5).<sup>72</sup>

**Figure 3-2-4-5 List of missions to Iraq**

	Period	Mission participants	Visits to
South Korea	June 29-July 1, 2008	Ministry of Economy and Information, Ministry of Land, Transport and Maritime Affairs, Ministry of Foreign Affairs and Trade, Gas company, South Korean electric company, Hyundai Construction	Minister of Electricity, Deputy Foreign Minister Abbawi, Ammar al-Hakim, Several provincial governors, Chairman of the National Investment Committee
Germany	July 12, 2008	Minister of Trade and Commerce, German ambassador/secretary to Iraq, Ministry for Foreign Affairs, Five private corporations	Prime Minister Maliki, Vice President Hashemi, Deputy Prime Minister Salih
Russia	January 14, 2009	Russian economic representative mission headed by the Vice Chairman of the Federal Council of Russia	Prime Minister Maliki, Vice President Hashemi
France	February 10, 2009	President Sarkozy	President Talabani
Germany	February 17, 2009	Foreign Minister Steinmeier	Prime Minister Maliki, President Talabani
United Kingdom	April 6, 2009	Secretary of State for Business, Enterprise and Regulatory Reform and 23 business representatives	In Baghdad and Basra, besides Prime Minister Maliki, they met Minister of Trade, Industry and Minerals, Minister of Transport, Minister of Water Resources, Minister of Finance, Minister of Health, Minister of Electricity, Minister of Oil, and Chairman of National Investment Committee.

Source: Ministry of Economy, Trade and Industry

## (2) Establishment of Win-Win relationship between Japan, with its advanced technologies, and other countries, with their respective needs

### (A) Water/environmental technology

In the Middle East, water resources are plummeting, except for some regions with abundant underground water. In the cities surrounded by desert, awareness of environment tends to be low in general. If waste treatment is not properly dealt with, underground water may be contaminated. Insufficient anti-emission measures may trigger further deterioration of air quality. Thus, much interest is drawn to the introduction of desalination/sewage treatment technologies and waste treatment technologies to secure cheaper and safe water resources and various air-purification technologies to prevent air pollution. Currently Japanese venture companies are broadening their approaches with

<sup>71</sup> Nihon Keizai Shimbun (March 24, 2009)

<sup>72</sup> Emerging Market Information (February 2009), Japan Machinery Center for Trade and Investment. Nihon Keizai Shimbun (March 25, 2009)

their new technology, which concurrently purifies water and generates electricity, focusing on the difference in temperature of seawater to that of the air.

In order to bolster the moves of these private companies, METI set up the Committee to Promote Cooperation on Water Resources in the Middle East (Secretariat: Japan Cooperation for the Middle East) to promote and disseminate Japanese technologies through various schemes, such as the collection and sharing of information related to the status of Middle East countries, the formulation of various master plans, the dispatch of investment missions and the acceptance of trainees, etc.

### **(B) Nuclear/photovoltaic power generation**

While some countries in the Middle East and Africa are interested in photovoltaic power generation that takes advantage of the abundant sunlight, there is considerable demand for electricity for air conditioning in the summer particularly in the gulf regions in the Middle East. Besides, since many power generation plants in the Middle East use associated gas that is obtained when oil is brought to the surface, it is difficult to extract gas alone. In order to meet these needs, many are interested in securing new electricity sources and the introduction of new energy conservation technologies.

For example, United Arab Emirates (UAE) (particularly Abu Dhabi) is promoting the introduction of nuclear power generation. Currently, the program is in the coordination stage and the country is greatly interested in the technologies of Japanese-owned companies. The Ministry of Economy, Trade and Industry (METI) and the UAE Atomic Energy Committee signed a memorandum of agreement for cooperation of nuclear development to promote cooperation between the two countries.

Besides Middle Eastern Gulf States, such as Saudi Arabia and UAE, African countries which are endowed with abundance of sunshine are interested in the introduction of photovoltaic power generation. Japan has been supporting private corporations for introduction in these countries through the dispatch of various missions and the formulation of master plans. As for energy conservation, Japan intends to dispatch corporate missions to gulf countries in the Middle East for the purpose of business matching with partners.

#### **Column 39 Masdar initiative in Abu Dhabi**

Led by Abu Dhabi Future Energy Company (aka Masdar<sup>73</sup>), the Abu Dhabi government of the United Arab Emirates plans to build a city that produces no CO<sub>2</sub> emissions. The Masdar initiative was advocated by the Crown Prince of Abu Dhabi, Sheik Mohammed, and established in April 2006 with an estimated cost of \$22 billion. The initiative aims for the development of, and investment in, new energy technologies, clean development mechanism (CDM) and the development of innovative hydrogen utilization technology. The initiative expects to gain \$4 billion of income by expanding CDM business. Ten corporations, including three Japanese corporations and two research institutions worldwide, participate in this initiative.

<sup>73</sup> Masdar means “the source” in Arabic.

### (3) Japan-Saudi Arabia Industrial Cooperation Task Force

Taking the occasion of then Prime Minister Abe's visit to Saudi Arabia in May 2007, the Japan-Saudi Arabia Industrial Cooperation Task Force was established to promote industrial cooperation in three main fields: cooperation in investment promotion, cooperation in human resources development and cooperation in small and medium-size enterprises (SME) policy.

In Saudi Arabia, known as the largest petroleum producing country, development of industry has become an urgent issue for employment creation as the young population grows. The Japan-Saudi Arabia Industrial Cooperation Task Force supports the dispatch of investment missions of corporations and feasibility studies, and develops and offers a report containing Japanese SME policies that may be useful for Saudi Arabia. Cooperation is also in progress for a training center for repairing electric appliances and parts to be established by Saudi Arabia, with cooperation from the Nippon Engineering College and nine major electric companies (see Figure 3-2-4-6).

**Figure 3-2-4-6 Projects by Japan-Saudi Arabia Industrial Cooperation Task Force**

	Japanese corporations	Saudi partners	Investment project	Date of announcement
	Index Holdings	Basil Holdings (An investment company in Saudi Arabia)	Delivery of mobile contents, provision of mobile services, provision of programs for interactive TVs, sales of digital toys, sales of Japanese animation	June 6, 2008
	Kubota Corporation	Sarawat Development Co. (An investment company in Saudi Arabia)	Establishment of Kubota Saudi Arabia Co., Build a cast steel pipe factory for petro-chemical plants, aiming to begin operation in July 2010. Kubota holds 51% of its shares.	March 27, 2009
	J-Power Systems Corporation Marubeni Metal Company	Supplied to Saudi Aramco (Saudi Arabia) and Al-Khafji Joint Operations (Saudi Arabia)	Establish a production and sales company for submarine electric cables: J-Powers Systems Saudi Arabia Co., Ltd. (a joint venture: J-Powers System (75%) and Marubeni Metal Company (25%))	April 27, 2009

Source: Compiled by the Ministry of Economy, Trade and Industry from press releases of individual companies

### (4) Efforts in the resource exploration sector

Japan Oil, Gas and Metals National Corporation (JOGMEC) established the Remote Sensing Center in Botswana in Southern Africa in July 2008, promoting cooperation in the resource sector for African countries. The Remote Sensing Center plans to provide guidance on basic theories in technological items in SADC countries<sup>74</sup> and the identification of exploration projects in five years. JOGMEC also launched a joint exploration of rare metals, the first of its kind in Africa. Targeting platinum, copper and nickel, JOGMEC is to conduct joint exploration<sup>75</sup> with a Canadian mining

<sup>74</sup> Southern African Development Community

The Ministry of Foreign Affairs: <http://www.mofa.go.jp/mofaj/area/africa/sadc.html>

SADC's official website: <http://www.sadc.int/>

<sup>75</sup> JOGMEC news release

[http://www.jogmec.go.jp/news/realease/docs/2008/pressrelease\\_090305.pdf](http://www.jogmec.go.jp/news/realease/docs/2008/pressrelease_090305.pdf)

company, Platinum Group Metals, Ltd., and is expected to contribute to the stable supply of resources that Japan needs.

### **(5) Mutual cooperation in financial sector**

In December 2007, the JBIC signed a memorandum of agreement for strengthening relations with the Mubadala Development Company,<sup>76</sup> which is a fully state-owned company of the Abu Dhabi government in the United Arab Emirates. With this, it is expected that investment in East Asia by the Mubadala Development Company will be promoted and economic relations between UAE and Japan will be strengthened. JBIC has also strengthened relations with Islamic finance, by holding various seminars and setting up the Shariah Advisory Group, making efforts to attract oil money (Sovereign Wealth Fund (SWF)) into Asia.<sup>77</sup>

Nippon Export and Investment Insurance (NEXI) concluded a memorandum of agreement with the Islamic Corporation for the Insurance of Investment and Export (ICIEC)<sup>78</sup>, which contains three pillars of cooperation: coordinated insurance, reinsurance and information exchange. The partnership between ICIEC and NEXI is expected to put investment projects from Japan into 37 member states under the joint insurance coverage of the two organizations in pursuit of sharing and reducing risks involved in investment projects.

### **3. Strengthening of foundation for economic exchanges through cooperation in tourism and education**

Wealthy gulf countries can potentially be the target of Japan's tourism promotion. Thus, METI has been working to attract tourists from these countries in cooperation with the Visit Japan project of the Ministry of Land, Infrastructure, Transport and Tourism. For example, since 2006, Japan sets up a Japan booth at the Arabian Travel Market, which is the largest travel fair in the Middle East held annually in Dubai, to provide the latest tour information. Measures that combine investment of abundant capital in real estate in Japan, such as hotels, (inflow of capital into Japan) and promotion of tourism in Japan also seem promising. As for direct flights, which are the foundation of human exchanges, Etihad Airways (Abu Dhabi) and Emirates Airways (Dubai) have been awarded flying rights to Narita Airport, in addition to Qatar Airways.

Japanese-style education, which emphasizes discipline, is highly regarded by Middle East countries. In response to a request made by the Crown Prince Mohammed of UAE, a local Japanese school (day school in UAE for native speakers of Japanese) has started to enroll UAE children since 2006 and Japanese language teachers have also been dispatched to local elementary schools. At the

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<sup>76</sup> Mubadala Development Company belongs to the Sovereign Wealth Fund (SWF), aiming for the establishment of a foundation of economic activities and industry promotion in Abu Dhabi and conducts investment activities and business alliance activities on a global scale.

<sup>77</sup> <http://www.jbic.go.jp/ja/special/international/003.index.html>

<sup>78</sup> Islamic Corporation for the Insurance of Investment and Export (ICIEC: headquarters: Jiddah, Saudi Arabia) is an investment and export insurance organization with membership from 37 countries, including 10 African countries, as well as the Islamic Development Bank (IDB). It was established in 1994 as one of the groups of the IDB with an aim to promoting trade and investment within the member states and other regions.

time of the Emir of Qatar Hamad's visit to Japan in 1999, a request was made to establish a school to offer Qatar children Japanese-style education and it has been decided that the Doha Japanese School, which was reopened in May 2009, would start enrolling Qatar children. UAE and Qatar have adopted the Kumon method, achieving high recognition rates. These efforts will lead to the establishment of medium-to-long-term and multilayered relationships with Middle East countries through the development of human resources who have been given opportunities to become familiar with Japanese culture and customs in their early childhood through Japanese-style education.