

Chapter 3 Emerging country strategy

To gain more benefits from globalization, it is becoming increasingly important for Japan to advance into emerging countries.

This chapter describes initiatives conducted by Japan with respect to emerging countries—specifically, African countries, Russia, Middle East countries, ASEAN member countries and India—mainly in fiscal 2016.

Section 1 Africa

<Future policy>

Africa is not only rich in natural resources but is also recording remarkable growth in terms of population size, particularly youth population, and GDP. Thus, it is an emerging market with high potential. On the other hand, following the recent resource price declines, in African countries, it is regarded as important to improve infrastructure and to develop human resources in preparation for industrial diversification, so there are high hopes for Japanese cooperation with Africa. Japan will distinguish itself from other countries with its quality infrastructure, promote conclusion of investment treaties and support Japanese companies' expansion into Africa through cooperative platforms with third-party countries and international organizations, with the public and private sectors working together to promote these initiatives.

<Progress status >

In August 2016, the Sixth Tokyo International Conference on African Development (TICAD VI) was held in Nairobi, Kenya, and Prime Minister Shinzo Abe attended the conference and served as co-chair with President Uhuru Kenyatta of Kenya (host country) and President Idriss Itno of the Republic of Chad (chair of the African Union). From the Ministry of Economy, Trade and Industry, State Minister of Economy, Trade and Industry Yoshifumi Matsumura attended the conference and announced initiatives conducted from three viewpoints—quality infrastructure development, private-sector development and human resource development (Figure III-3-1-1). At this time, the TICAD conference was held in Africa for the first time, reflecting Africa's ownership. It was attended by a total of more than 11,000 officials, including representatives of 53 African countries, development partner countries and Asian countries as well as international and regional organizations, and civic societies, such as private-sector organizations and non-government organizations (including participants in side events held in the conference hall). The mission that accompanied Prime Minister Shinzo Abe was comprised of representatives of 77 organizations, including companies and universities, and the representatives introduced the Japanese private-sector initiatives at individual sessions.

Figure III-3-1-1 Meeting between Mr. Akinwumi Adesina, President of the African Development Bank, and Mr. Yoshifumi Matsumura, METI State Minister



Photo: METI

In addition, at a signing ceremony, the agreement between the governments of Japan and Kenya concerning the promotion and protection of investment (Japan-Kenya investment treaty) was signed by the governments. When this agreement is put into force, it will be the second such agreement concluded by Japan with a sub-Saharan country, after the one concluded with Mozambique (put into effect in 2014). The agreement is expected to promote Japanese companies' further advance into the region and the implementation of infrastructure projects, including in the energy sector.

At TICAD VI, Japan announced various measures related to the Ministry of Economy, Trade and Industry centering on (A) support for infrastructure development, (B) private-sector development and (C) human resource development. A) Support for infrastructure development included comprehensive support for the development of geothermal power generation in Africa (aiming for supply of electricity for about 3 million households over the coming six years) and expansion of the supply of risk money to infrastructure projects, including energy and resource development projects, while (B) private-sector development included the inauguration of a Japan-Africa Public and Private Economic Forum and enhancement of cooperation between nine African countries and JETRO (establishment of an Africa Desk support counter) and a special insurance program for investment and loans in Africa (risk coverage ratio: 100%). (C) Human resource development included new programs for training 1,000 workers over the coming three years in the industrial fields and the establishment of a network of overseas trainees under the African Business Education (ABE).

At TICAD VI, the Japan Fair and the Japan-Africa Business Conference were held under JETRO's sponsorship as official side events. Both events were attended by State Minister of Economy, Trade and Industry Matsumura. In the Japan Fair, around 100 Japanese companies and organizations engaging in African businesses (of which small and medium-size enterprises accounted for one quarter) participated from the industrial, government and academic worlds and opened booths in a broad range of fields, including support for quality infrastructure development, the establishment of a food value chain, nutrition improvement, the environment, energy conservation, new energy and health and sanitary improvements (healthcare, pharmaceuticals, etc.). This was the largest-ever such fair to be held in Africa. During the period of the fair, Prime Minister Abe and Kenyan President Kenyatta inspected the fair, and many other important officials from both Japan and Africa also visited

it. At the Japan-Africa Business Conference, which was held for two days, more than 50 Japanese and African companies and organizations announced initiatives that contribute to the development of businesses in both Japan and Africa based on such themes as resources, infrastructure, manufacturing industry, ICT, healthcare, finance, agriculture and tourism. During the two days, a total of 1,400 officials from Japan and Africa participated in the conference. At the conference, a signing ceremony was held for memoranda of understanding (MOU) between Japanese and African companies and organizations and was attended by Prime Minister Abe, Kenyan President Kenyatta, Rwandan President Paul Kagame, and Madagascar President Hery Rajaonarimampianina. Under the 73 MOU signed there, it was confirmed that the public and private sectors of Japan and Africa will work together to promote African businesses.

In May 2016, Parliamentary Vice-Minister of Economy, Trade and Industry Tsuyoshi Hoshino visited Ethiopia, becoming the first parliamentary vice-minister of economy, trade and industry to do so, and held meetings with Deputy Prime Minister Debretsion Gebremichael and Minister of Transport Workneh Gebeyehu, exchanging views about enhancement of cooperation in such fields as trade, investment, energy and industrial cooperation. In July of the same year, the opening ceremony for a JETRO office in Ethiopia was held. The opening of this office is expected to promote broad business exchange between Japan and Ethiopia, including trade between the two countries and Japan's assistance for infrastructure development in Ethiopia.

In March 2017, Mozambican President Filipe Nyusi visited Japan and held a summit meeting with Prime Minister Abe. After the summit meeting, the Ministry of Economy, Trade and Industry and the Ministry of Land, Infrastructure, Transport and Tourism signed the memorandum of cooperation on urban transport in the Mozambican capital of Maputo with the City of Maputo and the Ministry of Transport and Communications of Mozambique. Japan will further promote the cooperative relationship concerning urban transport development in the City of Maputo. The Japan-Mozambique joint statement issued by the two leaders expressed expectations for the establishment of a JETRO office in Maputo.

Japan will continue to implement initiatives toward the promotion of Japanese investment in Africa and trade between Japan and Africa by taking advantage of exchange of visits by important officials.