

Keidanren Proposals for TICAD VII

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Keidanren

Introduction

- With its rapid population growth, Africa has huge latent potential, with sustained economic growth.
- Keidanren has cooperated with exchanges between Japan and Africa since the first Tokyo International on Conference on African Development (TICAD) was held in 1993. At TICAD VI, the first TICAD held in Africa, we unrolled our vision for building “stronger partnerships” with African countries in the TICAD VI Business Declaration.
- Meanwhile, many issues remain in Africa that act as shackles on business, including unsatisfactory infrastructure and poor public safety. It is important to use TICAD VII as a new opportunity, soliciting opinions and feedback from companies doing business in Africa and to move forward with putting a better business environment in place

1. Visions for TICAD VII

1-1. Inclusive Growth through Innovation (Society 5.0 for SDGs)

Wide-ranging innovation making maximum use of revolutionary new technology (so-called “Society 5.0” coined by Keidanren) will contribute to achieving many of the Sustainable Development Goals (SDGs), including industrial advances, food security, healthcare, environmental problems, and social security.

1-2. Free and open International Economic Order and Regional Economic Integration

Since many African countries are small in market-scale on their own, strengthening the free and open international economic order and liberalization of investment will help to integrate these countries to the global market and accelerate the formation of regional economic integration.

1-3. Strategic partnership by public-private collaboration

It is important to encourage a three-in-one integrated model of private-public cooperation involving investment, trade, and aid while forming an equal and strategic partnerships between Japan and African countries.

1-4. Focusing on Partner Countries

Africa is home to numerous economies that differ considerable; this makes important to focus on countries capable of becoming strategic partners and implement aid policies designed to contribute to development of infrastructure and human resources training.

2. Improving Business Climates in Africa

2-1. Enhancing Infrastructure*

* Infrastructure: Roads, railways, ports, electricity, housing, communications, sewage and waterworks systems, etc.

a) Public Financial Aids

Increase in yen loans, grant aid, JICA overseas investment and loans, JBIC investment and loans, relaxation of loan conditions, expansion of guarantees by NEXI

- Secure sufficient funding for ODA projects, wider list of applicable countries and greater flexibility
- Make procedures for yen loans quicker and allow more flexibility for changes after loans made
- Proactively grant yen loans not only for EPC (engineering, provision, and construction) but also for running and managing operations
- Strengthen collaboration between Japanese public funding bodies and international development funding agencies (World Bank, Africa Development Bank, etc.) and increase co-financing
- Secure greater clarity of standards for providing JICA overseas loans and investment and JBIC loans and investment
- Collaborate with international financial bodies, for example between NEXI and African Trade Insurance Agency (ATI)
- Ensure thorough implementation of duty and tax exemptions

2. Improving Business Climates in Africa

2-1. Enhancing Infrastructure

b) High-quality Infrastructure

- Frequent high-official dialogues with African states.
- Under the concept “Made with Japan,” continue and strengthen assistance in formulating a masterplan suited to the needs of the host nation through collaboration between public and private sectors, and offer optimal total solutions.
- Revising public bidding systems by African governments, capacity building to carry out evaluations, secure human resources for putting in place and running PPP-related systems, ensure appropriate risk sharing between public and private sectors for guarantees by host country governments.

c) Collaborations with Other Nations

- Increase matching opportunities to strengthen collaborations with companies from countries like France, UK, Turkey, and India, which have already built their local networks and have track records of successful projects in the region, increase aid from public funding for this purpose.

2. Improving Business Climates in Africa

2-2. Institutional Reforms: legal systems and administrative procedures

- Enhance governance to resolve the problems of corruption and malfeasance by government officials
- Abolish or relax restrictions on foreign capital (limitations on foreign capital ratio, requirements to employ local workers, remittance regulations)
- Secure transparent and predictable rules for customs, immigration, quarantine and work permit requirements, and simpler and speedier processing
- Establish tougher systems of intellectual property rights, tougher measures against counterfeit goods, and relevant standards, systems.
- Promptly conclude economic partnership agreements, investment accords, and tax treaties between Japan and African countries and among African countries themselves

2. Improving Business Climates in Africa

2-3. Skills Training

- Follow-up of Abe Initiative (African Business Education Initiative for Youth) and establish the succeeding program
- Enhance and strengthen education from basic education through to higher education to lift the general level of human resources, bolster training support for technical workers and other industrial human resources
- Further expand company undertakings under private-public partnership
 - Dispatch instructors to training centers in Africa and hire outstanding graduates
 - Provide opportunities for training and internships in private companies for students coming to Japan
 - Collaborate with JICA and local universities to establish and run centers that will train the next generation of leaders
 - Establish a scholarship program for training young engineers in partnership with local governments.

3. Social Stability

- Improve access to education, technical and professional training, and job opportunities, and comprehensively respond to safety concerns, including work to advance social integration
- Improve health care systems/public hygiene, build waste disposal systems
- Encouraging the Japanese embassies in Africa to provide the local Japanese with more services on health/hygiene
- Further strengthen undertakings by Japanese companies under private-public partnership such as
 - Creating funds to support ventures that will contribute to society (CSV funds) and establish joint ventures with local companies;
 - Collaborating with local education bodies and NPOs to improve water and hygiene infrastructure;
 - Enlarging supply of green energy from renewable energy sources, etc.