

## “Why Japan matters for Africa”

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Africa is the continent of the future. It is endowed with an abundance of natural resources. It is the only region with a population expected to continue growing into the next century. There are signs that the economy is taking off with growth rates averaging 5.8% between 2001 and 2010. Having been posted in South Africa in the late 1990s, I sense a wholly different dynamics at play in Africa today.

This is in contrast to the situation in my own country. Unlike Africa, Japan is a mature developed country with a population that is ageing and decreasing. It lacks natural resources and energy. Economic growth during the last decade has stagnated at low levels. Reflecting relative decline of Japan in recent years, its presence in Africa has also been somewhat outshone by some of the emerging economies. Despite such circumstances, Japan will continue to matter for Africa. Let me explain why.

For Africa to realize its full potential, it

must overcome many challenges such as lack of skills, lack of infrastructure and finance, and sustainable development. Not so long ago, Japan also had to overcome similar challenges. Later Japan utilized its own experience to provide support to Asian countries. Historically, Japan has been the largest provider of official development assistance (ODA) to the Asian countries as well as the largest donor country between 1991 to 2000. The rapid economic growth achieved in Japan and later in East Asia are now known as the “East Asian Miracle”. There is a huge scope for Africa to benefit from such experience.

First of all, while the importance of education is widely shared in today’s world, education has always been one of the top priorities in Japan. In the Meiji Era (1868-1912), when Japan was transforming itself from a feudal to a modern nation and trying to catch up with the West, the Government spent huge amounts of money on education, hiring foreign advisors, sending trainees abroad, setting up engineering schools, paying high salaries to teachers and providing high quality education in affordable state schools.

In the same vein, Japan’s assistance to Africa also attaches high priority to education. Japan International Cooperation Agency (JICA), Japan’s aid

agency, has a comprehensive program in Africa ranging from education in mathematics and science (24 African countries currently receive aid), vocational training to joint research.

One feature of Japan's approach in education is the emphasis on providing human resources to meet the needs of its industries. In the Meiji period, skills development was in close coordination with the promotion of key industries such as coal mining, steel, railways, shipbuilding, shipping, electricity and textiles.

Such an approach is part of Japan's aid programme in Africa. For example, JICA is providing practical training to students with inputs from Japanese companies such as Hitachi, Nissan and Toyota in cooperation with the Tshwane University of Technology (TUT). It provides a link between education and business, giving the students an opportunity to learn skills required in the workplace. Presently, there is a plan to set up a regional training centre at TUT to promote KAIZEN, which is a bottom-up quality and productivity improvement movement started in Japan. This new project is based on the success of the JICA's existing program in Ethiopia. Such activities will help raise the quality of products and productivity of factories in South Africa and elsewhere.

Referring back to the history of Japan, in 1945, damages from World War II reduced Japan's GDP to 20% of the wartime peak. In order to rebuild the nation, the Government aimed at fostering a strong private sector through a three pronged strategy of promoting skills development, a favourable business environment, and infrastructure development. This strategy worked for Japan and later for East Asia.

Currently, infrastructure development is crucial for Africa. Without it, dramatic increase in production, trade and growth is not possible. Japan supports the Programme for Infrastructure Development Africa (PIDA) being promoted in the continent. Japan is the largest bilateral donor in infrastructure in Africa, providing assistance of 41.6 billion yen (equivalent to about 4.16 billion rands) in 2008-2011 for transport, energy, and water.

Furthermore, in order to facilitate smooth and efficient border crossing, JICA supports the "One Stop Border Post"(OSBP) initiative at 14 border locations in Africa. By consolidating inspections of the numerous authorities involved in cross border procedures, time required for a loaded lorry to pass through the borders at Chirundu between Zambia and Zimbabwe was reduced from

about 7 days to just several hours.

Another feature of Japan's development is the strategic planning of industrial zones and transportation hubs. This approach also proved successful in East Asia. As a result of Japan's support to Thailand for the development of ports, industrial estate and transport on the eastern coastal area of Bangkok, the area has since become a major industrial area attracting foreign investment including from Japan. Based on such experience, JICA is conducting a study to identify potential locations for development of industrial zones and logistics hubs together with the relevant infrastructure along the main corridors in Southern Africa. While this is merely a first attempt, I hope it will lead to industrial development along the major corridors in the region.

At this juncture, I should emphasize that Japan's value to Africa lies not only in its past experiences. Rather Japan has much more to offer to Africa.

Firstly, Japanese companies are focusing more on Africa in recent years. As the examples in Asia indicate, the host countries of Japanese investments have benefitted not only in terms of employment and wealth creation but also in terms of building capacity of local industries. Moreover, presently Japanese

banks, which hold Japan's personal savings among the largest in the world, are also starting to look towards the continent. Unlike some of their Western counterparts, Japanese banks have relatively healthy balance sheets.

In South Africa, Japanese foreign direct investment has been steadily increasing in recent years, amounting to nearly 20 billion rands (stock) in 2010. Japanese companies generate about 150,000 jobs in the country. What is more, manufacturing companies such as Toyota contribute significantly to raising the capacity of local industries. Compared to others, Japanese companies have a tradition of taking a long term view and placing emphasis on contributing to society. I firmly believe Africa will benefit from the presence of more Japanese businesses.

The Japanese Government is actively encouraging its businesses to engage with Africa. Japan External Trade Organization (JETRO) has organized numerous business missions to Africa and gives various other support. Since 2008, Japan Bank for International Cooperation (JBIC) has provided US\$2.9 billion in low interest loans/guarantees to Africa including to Eskom and Transnet. Japan Oil, Gas and Metal National Corporation (JOGMEG) supports mining in Africa through activities such as

training geologists and mapping potential areas for mineral development through its Remote Sensing Centre in Gaborone.

Secondly, Japan can help modernize South Africa's (and Africa's) railway network. Japan has one of the safest and the most reliable railway systems in the world. The "bullet trains", or fast-speed trains, have never had a fatal accident since its introduction in 1964.

Japan recently funded a study on a fast speed rail which will connect Johannesburg and Durban in less than three hours. JICA is currently conducting a study on the South African railway industry which will identify possibilities for cooperation between Japanese and local companies.

Thirdly, Japan is among the leading countries in science and technology. Japan spends one of the highest percentage of GDP (3.57%) on research and development, accounting for about 20% of the global total. One result of such an effort was this year's Nobel Prize in Physiology or Medicine, awarded to Professor Shinya Yamanaka. His discovery of induced pluripotent stem cells has the potential to repair or reproduce human organs.

Science and technology is essential to

deal with new challenges such as climate change, energy and environment. Africa can leapfrog with the most advanced technology available.

Japan is among the leading donor countries in areas of climate change, energy and environment. At COP18 in Doha, Japan's climate change assistance of US\$ 17.4 billion between 2008 - October 2012 accounted for about 40% of the developed countries' total. This reflects Japan's comparative advantages in energy efficiency (among the highest level in the world), advanced energy technology, water resource management and natural disasters.

In South Africa, JICA has just completed a project to improve energy efficiency through economic modeling. In another project, scientists from our two countries are upgrading climate change prediction models through the use of supercomputers. This year the Japan Embassy funded a project to purify acid mine drainage using Reverse Osmosis Membrane manufactured by Toray.

On 1-3 June 2013, heads of State from Japan and Africa will attend the Fifth Tokyo International Conference on African Development (TICADV) in Yokohama to discuss how to promote quality economic growth, inclusive and resilient society, and peace and stability

in the continent. TICAD was initiated by Japan in 1993 to promote Africa as a global agenda when international interest in Africa was waning following the end of the Cold War. Japan also took the initiative to invite African heads of State to the G8 Kyushu-Okinawa Summit in 2001, a practice which still continues. Four TICAD summit meetings have taken place since 1993 leading to enhanced cooperation between Japan and Africa.

Japan has consistently been a true friend of Africa. Despite the global financial crisis and damages of the Great East Japan Earthquake, Japan is set to achieve all the pledges it made at TICAD IV in 2008, namely, to double its ODA to Africa by 2012 to US\$1.8 billion annually, to provide ODA loan up to US\$4 billion in five years, and to double direct investment in Africa to US\$3.4 billion (it reached US\$5.2 billion in 2010).

You may wonder why Japan should give so much support to Africa. After all Japan is very far and has historically had limited links with Africa. A short answer is that Japan is committed to fulfill its responsibility in the world and that Africa is an important partner in dealing with various global issues. The first Japanese Prime Minister to visit Sub-Saharan Africa remarked “without resolving problems of Africa there can be

no global peace and stability”. Japan is keenly aware that its prosperity is dependent upon a favourable global environment. In a recent UNICEF poll, 80% of the Japanese respondents supported assistance to Africa.

At a more personal level, we Japanese cherish bonds of friendship, what we call “*kizuna*” in Japanese. One of the pioneers in Africa was Dr Hideyo Noguchi, a bacteriologist who came to Ghana in 1928 to launch a research on yellow fever. His legacy continues in the form of the Noguchi Institute for Medical Research in Accra established by Japan in 1979. In 2008 at TICADIV, the Japanese Government founded the Hideyo Noguchi Africa Prize to award individuals with major contribution to medical research and services in Africa.

With regards to South Africa, the centennial celebrations of our bilateral relations took place in 2010. More recently, in October this year, President Jacob Zuma conferred the Order of the Companions of OR Tambo to Mr Toshio Akiniwa, who supported the ANC in the 1980s by organizing anti-apartheid campaigns and supporting the establishment of the ANC Tokyo office. There are numerous examples of Japan-Africa links which strengthen our friendship.

Let me conclude by referring to the Great East Japan Earthquake inflicting terrible damages on 11 March 2011. While the disaster was a tragedy for Japan, it was also a rare opportunity for us to rediscover the strong bonds of friendship with other peoples. Japan received tremendous sympathy and support from all over the world including Africa. In the immediate aftermath, Rescue South Africa was dispatched to look for survivors and to provide support in the freezing cold. The Prime Minister expressed our heartfelt gratitude to all the countries for the *kizuna* and pledged to repay their kindness. Just as the “Tokyo Skytree”, the tallest tower (634m) in the world, was completed despite the Earthquake, TICAD V will be a historic opportunity to take our partnership with Africa to a higher level.