

Emeritus Professor of Keio University, Heizo Takenaka's visiting South Africa

October 6th, 2017

Embassy of Japan in South Africa

### 1. Lecture at Pretoria University (October 4th)

Prof. Heizo Takenaka (former Minister) gave a special lecture entitled "The World Economy, and the Outlook on the Japanese Economy." at the University of Pretoria.

Prof. Norman Duncan, Vice-Principal of University of Pretoria, Mr Owen Wilcox, Chief Director of Economic Services of the Department of National Treasury, Prof. Seiichiro Yonekura, Emeritus Professor of Hitotsubashi University, H.E. Shigeyuki Hiroki, the Ambassador of Japan to South Africa



were in attendance. The lecture was attended by about 140 individuals including students and lecturers from University of Pretoria amongst others. The outline of the lecture is as follows:

- (1) Prof. Takenaka explained the history of the Japanese economy after the war, structural reforms by the Koizumi administration including the Postal Service Privatization, and Abenomics - the three policy arrows by the Abe administration which have produced significant results such as the reduction of the effective corporate tax rate and an aggressive monetary policy. Prof. Takenaka also mentioned Japan's unemployment rate of 3% or less, the corporate recurring profit which at an all-time high, and so forth.
- (2) In addition, Prof. Takenaka said that while the rapidly declining birthrate and an aging population and a decreasing labor force population are expected, he referred to drilling into the "bedrock" of regulations and strengthening of corporate governance as examples. Japan is also addressing the use of advanced technology in view of the fourth industrial revolution (IoT / Big Data / Artificial Intelligence / Robotics) and is trying to exploit the productivity revolution aiming at the realization of "Society 5.0". In addition, the continent of Africa is a growth frontier with a young, rapidly increasing population and Prof. Takenaka emphasized the need for intellectual exchange with Africa. Prof. Yonekura noted that it is a mutually beneficial relationship and that Japan can learn much from South Africa where diverse ethnic groups interact with each other.
- (3) This was followed by many excellent questions from the special guests, Prof. Norman Duncan and Mr Owen Wilcox and members of the audience. The questions covered topics such as: The secret of Japan's strong employment situation, educational reform, industrial policy after the Great East Japan Earthquake, further reforms due to the rapid declining birthrate and growing aging population, Japanese domestic policy, the effectiveness of the monetary policy and its limits, bit coin, the Trump regime and US-Japan relations.



## 2. Presentation at Japan – South Africa Business Luncheon (5th October)

A Luncheon was held in Johannesburg on Thursday 5<sup>th</sup> October where 26 delegates from both Japan and South Africa attended. Ambassador Hiroki moderated the discussions attended by the Major Corporate Officers in South Africa and the Presidents of Japanese Companies in South Africa including Mr. Mohale, the CEO of Business Leadership South Africa (BLSA), Prof. Takenaka and Prof. Yonekura.



Prof. Takenaka gave a presentation at the luncheon the outline of which was as follows:

- (1) Prof. Takenaka made a presentation on “the World Economy and the Outlook on the Japanese Economy”.
- (2) Mr. Mohale commented that the South African Economy could learn from Japan's reform efforts which was explained by Prof. Takenaka, and that he would like to make this time an opportunity to further strengthen ties with the Japanese business community.
- (3) Representatives of Japanese corporates explained their approach in Africa including South Africa. They outlined their ideas for the expansion of investment in Africa under the TICAD process and public - private partnerships.
- (4) Major Corporate Officers in South Africa sought advice from Prof. Takenaka and Prof. Yonekura regarding overcoming the problems of the South African economy.