

Country Assistant Cooperation Policy for the Republic of South Africa

September 2025

1. Purpose of Development Cooperation

(1) The Republic of South Africa is an upper-middle-income country and one of Africa's largest economies, backed by rich mineral resources and a relatively well-developed industrial sector. For Japan, South Africa serves as a regional business hub and hosts approximately 250 Japanese companies' offices, the largest concentration on the African continent (as of October 2024), and is a supplier of mineral resources including rare metals, that are essential to Japan's economic security. On the international stage, South Africa is a major country in the Global South and the only African member of the Group of Twenty (G20). South Africa's 2025 G20 Presidency stands an example of the country's intensified efforts to address various global challenges - including inclusive and sustainable economic growth, United Nations (UN) reform, nuclear disarmament and non-proliferation, and climate change - and its emergence as a key partner to collaborate with on these issues.

(2) Conversely, South Africa's domestic situation is constrained by persistently low economic growth since 2010, a current account deficit, and a high unemployment rate; it is also considered one of the countries with the greatest income inequality globally. These severe economic and social disparities directly affect social stability and the business environment for Japanese businesses operating in the country. Addressing these disparities is essential for South Africa's inclusive and sustainable economic growth.

(3) Under these circumstances, the Government of South Africa formulated the "National Development Plan 2030" which was adopted as a long-term plan in August 2012, along with a detailed implementation plan in the form of five-year medium plans ("Medium-Term Development Plan 2024-2029"). Based on these measures, the Government of South Africa is implementing measures to promote inclusive growth, expand employment, reduce poverty, and address the rising cost of living. These measures include strengthening human resource development, building infrastructure that incorporates climate change mitigation and adaptation measures, enhancing basic social services, and addressing economic and social disparities. The abovementioned plans set specific targets of reducing the Gini coefficient to 0.6 and lowering the unemployment rate to below 6% by 2030.

(4) Japan's provision of assistance to South Africa, namely human resource development, climate change countermeasures, infrastructure development, the strengthening of basic social services, and the reduction of economic and social disparities is crucial for the country's development and the realization of a peaceful, secure, and stable society. In addition to contributing to the improvement of the

business environment for Japanese businesses, Japan's assistance also supports high-quality growth, contributing to poverty reduction and climate change countermeasures. As a key member of the Southern African Development Community (SADC), South Africa promotes trade and the development of regional infrastructure, such as the North-South Corridor, in Southern Africa. Consequently, the Government of Japan's support to South Africa will also contribute to the development of the entire region, and it is expected to advance the achievement of the Sustainable Development Goals (SDGs) from a broader perspective.

2. Basic Policy of Japanese ODA (Overall Goal): Inclusive and Sustainable Economic Growth and the Reduction of Economic and Social Disparities

Based on the Government of South Africa's policies - which include expanding infrastructure investment, strengthening human resource development, enhancing basic social services, and providing support to socially vulnerable groups - Japan will implement assistance that contributes to accelerating inclusive and sustainable economic growth and addressing economic and social disparities through measures such as job creation and investment promotion.

3. Priority Areas (Intermediate Goals)

(1) Realizing Inclusive and Sustainable Economic Growth

South Africa is undertaking efforts to promote industrialization, create employment, develop infrastructure, and ensure the sustainable use of national and natural resources to achieve inclusive and sustainable growth. To this end, Japan will work to improve basic education and strengthen industrial workforce development to nurture human resources capable of underpinning stable growth over the medium- to long-term. Furthermore, in recognizing South Africa's position as an upper-middle-income country, Japan will expand mutual cooperation in the fields of science and technology - including climate change, the environment and energy, infectious diseases, and disaster prevention measures - and foster human resources capable of jointly addressing issues in these areas.

(2) Addressing Economic and Social Disparities

To accelerate the development of high-quality infrastructure centered on the energy, electricity, water, and transportation sectors, and aimed at sustainable economic growth, Japan will support the formulation and planning of projects by leveraging both public funding and private capital, including that of Japanese companies. Furthermore, as support for the socially vulnerable groups, including people living in poverty, persons with disabilities, and women, remains an urgent priority, Japan will promote the reduction of economic and social disparities through support for smallholder farmers, assistance for people with disabilities, support for improving public administrative services that

contribute to reducing disparities, and community development assistance.

(3) Promoting Development in Sub-Saharan Africa

South Africa is the economic hub of Southern Africa, and the country is pursuing South-South cooperation with other African countries. While sharing Japan's experience in corridor development in Asia, Japan will collaborate with South African development finance institutions, SADC, AUDA-NEPAD, and other organizations to promote cross-regional development in Southern Africa, including improvements in cross-border logistics.

4. Points to Note

(1) South Africa serves as a hub for Japanese companies doing business on the African continent, and both the South African government and the private sector have a strong interest in and high expectations for expanded investment by Japanese companies. Building on the "Economic Region Initiative of Indian Ocean - Africa" proposed by Japan at the 9th Tokyo International Conference on African Development (TICAD 9), Japan will strive to promote public-private partnerships—including business support utilizing ODA—to facilitate the activities of Japanese companies in South Africa.

(2) Given that South Africa is a key country leading Africa's development, particularly in the Southern African region, Japan will ensure that cooperation is promoted with a view of fostering regional and triangular cooperation.

(End)

Attachment: Rolling Plan