

**IMPERATIVES FOR AFRICA TO BECOME A MORE APPEALING  
INVESTMENT DESTINATION: A JAPANESE PERSPECTIVE**

**MEETING OF THE CEOs' WORKING GROUP ON IMPROVING THE  
BUSINESS & INVESTMENT CLIMATE IN TANZANIA**

**Brief Prepared by**

**The Executive Secretary - President's Office Planning Commission**

**July 9, 2013**

# 1. TICAD V: KEY MESSAGES FROM RT. HON. SHINZO ABE'S OPENING ADDRESS

Theme of TICAD V: *~Hand in Hand with a More Dynamic Africa~*

## Key Messages:

(i) **Together with Africa, Japan will prosper. Together with Japan, Africa will thrive.**

(ii) **Appeal of Africa for Japanese companies:**

~ African HoSG's appealed to GoJ that the basis for future Africa-Japan relations should be trade & FDI rather than ODA. Africa wishes to see more Japanese companies coming to invest in Africa in a win-win manner. Currently, even though Japan's exports to Africa are vivid & growing (automobiles, Machinery & electrical equipment, Plastic & plastic products, Steel & steel products, etc), many Japanese companies are yet to venture into Africa!

~ *Africa's markets appeal enormously to Japanese companies:* Japanese companies are greatly interested in expanding their businesses in Africa because of its obvious advantages:

❖ Africa sits at the centre of global distribution (routes for flow of goods) - akin to a large island surrounded by seas; Also, Africa has abundant resources and massive markets;

❖ The GoJ promised to support Japanese companies that doing business in Africa and also indicated willingness to join hands with Africa to make it a more appealing investment destination, incl. implementing a strategic master plan in 10 countries (incl. Kenya & Mozambique).

**(iii) ~ A call for Africa's own efforts:**

~ **But**, critically important, Africa must make efforts itself to become an attractive investment destination.

~ 4 key measures (to address perceptions of Japanese companies in doing business with Africa) are necessary for Africa to become a more attractive investment destination:

**(a) ~ Create a safer business environment:**

- ❖ Ensuring safety of Japanese companies & their employees;
- ❖ Prevent conflicts & improve security;
- ❖ Take counter-terrorism/kidnapping & anti-piracy measures; and
- ❖ Provide safety information to companies operating locally.

**(b)~ Create a freer and more stable business environment :**

- ❖ Do away with excessive regulations, including: limits on foreign capital ratios, local content requirements, mandatory joint ventures with local companies or & restrictions on royalty remittances;
- ❖ Move forward with preparing the necessary legal system on expropriation, bidding system & intellectual property rights; and
- ❖ Improve administrative capacity to implement regulations appropriately & efficiently;
- ❖ Conclude investment & other bilateral agreements to promote investment.

**(c)~ Facilitate flows of people & goods:**

- ❖ Bring about smooth coming and going of people & goods by reducing long waits required to post personnel and clear shipments through customs;
- ❖ Lower tariffs & simplify customs clearing procedures; and
- ❖ Establish speedy, consistent & simple procedures (set standard processing period) for issuing work visas.

**(d)~ Ensure peace, roads that run in all directions & a power grid that extends to every corner of the land**

## 2. BILATERAL CONSULTATIONS ON ECONOMIC COOPERATION (July 5, 2013)

Perspectives from Ms. Yoshiko Kijima (Director, Country Assistance Planning Division III – Africa, Middle East & Europe, International Cooperation Bureau), Ministry of Foreign Affairs, JAPAN

- ❖ Japanese companies would like to know what is Tanzania's advantages compared to other African countries on the east coast (Mozambique, Kenya, Ethiopia, Uganda, South Sudan)
- ❖ Show successful cases;
- ❖ In sending trainees to Japan, consider the kind of experiences that they have and use them to promote Tanzania;
- ❖ Utilize Japanese companies already in Tanzania to advertise Tanzanian products;
- ❖ Prepare a presentation & engage effectively on how Tanzania is tackling head-on the problematic areas identified in the World Bank Doing Business reports. Also task & use Tanzania Embassy in Tokyo to invite investor-visits to meet CEOs of local companies and high ranking Government officials.

### 3. CONCLUDING REMARKS

- ❖ Understanding perceptions, issues & concerns of foreign investors is key to the design and implementation of a decisive, well informed course of action toward making Tanzania an attractive investment destination bearing in mind that the business of attracting FDIs globally is very competitive;
- ❖ There is need to undertake such an inventory of investor perceptions (by country of origin) especially for major sources of FDIs that Tanzania is targeting.

**THANK YOU !**

**Philip Mpango (Ph.D.)**

**Executive Secretary - President's Office Planning Commission**

**July 9, 2013**