



Rising Expectations for African Economies

—Japan to leverage TICAD8 to strengthen relations—

Tomohisa Ishikawa*
ishikawa.tomohisa@jri.co.jp

◀Summary▶

- ◆ The Eighth Tokyo International Conference on African Development (TICAD8) will take place in Tunisia in August this year. TICAD is an international gathering on the theme of African economic development that the Japanese government has taken the lead in organizing since 1993, and is a key opportunity for deepening relations between Japan and African nations.
- ◆ Global interest in Africa has been rising in recent years, and there are a number of reasons for this: (1) solid economic growth, (2) a population that will continue to increase until 2100, (3) a rapid spurt in the number of startups, and (4) market integration by the African Union (AU), which could be described as the African equivalent of the EU. Africa has been described as the global economy's "final frontier," and China and other countries are accelerating moves to boost their presence there.
- ◆ Compared to China and the West, Japan's presence in Africa is low. That being said, the number of Japanese companies moving into Africa has been increasing recently.
- ◆ Japan ought to position TICAD8 as a milestone in the strengthening of a win-win relationship between Africa and Japan, and use it as an opportunity to discuss measures that can further enhance the growth potential of African economies. Specifically, Japan should provide support for (1) action to raise the quality of growth, (2) urban development in response to population growth, (3) ties between local startups and Japanese companies, and (4) market integration by the AU.
- ◆ However, Africa is faced with numerous issues, so urging action to resolve them will be another important theme. Examples of tasks to be tackled include (1) action on COVID-19

* Advanced Senior Economist, specializing Macro economic research (Economics Department, JRI).
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and other health issues, (2) correction of excessive dependence on China, (3) action on climate change, and (4) resolution of conflicts and refugee problem. In connection with such tasks, Japan should utilize its insights and provide measures for improvement and assistance that reflect local conditions.

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1. 2022 a TICAD year

TICAD stands for the Tokyo International Conference on African Development, and is an international gathering on the theme of African development. It is the most important conference for Africa-Japan relations, and the eighth edition (TICAD8) is set to be held on August 27-28 in Tunisia.

Since 1993, Japan has led the organization of TICAD, which is hosted jointly with the UN, the UN Development Programme (UNDP), the World Bank, and the African Union Commission (AUC). It is held once every three years, with the previous event, TICAD7, taking place in Yokohama on August 28-30, 2019. That conference was attended by over 10,000 people, including representatives, among them 42 national leaders, from 53 African countries, 52 non-African countries, 108 international and regional organizations, as well as representatives of private sector entities and citizen groups such as NGOs. As the “Tokyo” element of its name suggests, TICAD originally took place in Tokyo, but because of the need for a bigger facility, it has been held in Yokohama in recent years. And until TICAD4 in 2013, it took place in Japan once every five years, but in response to the growing economic power of African countries and increasing diplomatic autonomy, from TICAD6 in 2016, the frequency was increased to once every three years, with the conference to alternate between Japan and Africa.

In recent years, African economies have developed, and the global view of the continent has shifted from “aid destination” to “investment destination,” and this change has made TICAD even more important¹. Therefore, in this paper I will provide an overview of the reasons for the growing worldwide interest in Africa and the relationship between the continent and Japan, and consider the discussions that ought to be deepened at TICAD8.

2. Reasons Africa is attracting attention

There are several reasons for the growing interest in Africa: (1) solid economic growth in recent years, (2) a population that will continue to increase until 2100, (3) a rapid spurt in the number of startups, and (4) market integration by the African Union (AU). Africa has been described as the global economy’s “final frontier,” and since the 2000s China and other countries have accelerated their moves into the continent. The above four points can be expanded on as follows:

(1) Solid economic growth in recent years

Africa has experienced solid and continuous growth since the start of the 21st century. If real GDP is set at 100 in 1990, Africa was lower than the global average during the 1990s, but from 2003, it actually surpassed the global average (Figure 1). Per-capita real GDP is \$3,272 in North Africa and \$1,555 in Sub-Saharan Africa², which is lower than the lower middle income country yardstick of \$5,000. However, the figures are increasing,

¹ In his general policy speech to the Diet, Prime Minister Kishida said, “At TICAD8, we will set out a course for African development in the post-COVID era,” making it clear that his government intends to focus on the continent.

² Refers to the region south of the Sahara Desert. It is Africa excluding six countries such as Algeria and Egypt, so almost all African nations are in the Sub-Saharan region.

and five nations, including Seychelles and South Africa have a per-capital real GDP above \$5,000.

And looking ahead, robust growth appears set to continue. For example, the IMF is projecting an average annual real GDP growth rate of +4.0% for the period 2022-2026, which is higher than its global average forecast of +3.7%.

Against this backdrop, direct investment in Africa is also trending upwards (Figure 2). In 2020, despite the COVID-19 pandemic, the direct investment balance actually climbed. As mentioned later, with population growth continuing, expectations for future growth are high, so consumer goods manufacturers are stepping up their investment. In addition, the recent worldwide jump in resource prices and food prices is spurring resource-related investment. Africa is rich in fossil fuels and metal resources, and it is said that half the world’s uncultivated land, which could be used for additional food production, is in Africa. As a result, hopes for Africa as resource-supplying region are also extremely firmly rooted.

(2) Population that will continue to increase until 2100

Population dynamics are another of the reasons for the focus on Africa. It is predicted that Africa’s overall population will keep rising until the year 2100 (Figure 3). In 2020, Asia had 4.6 billion people, while Africa 1.3 billion, but from then on, the gap will narrow rapidly, such that in 2100 Asia’s population will be 4.7 billion and Africa’s will be 4.3 billion. With long-term population growth being forecast in this way, many investors are pinning their hopes on the future of Africa as the “final frontier of the world economy.”

Figure1. Real GDP Trend

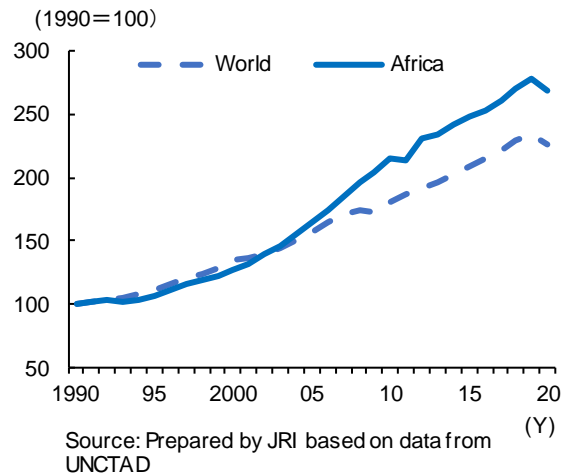


Figure 2. Balance of Direct Investment in Africa

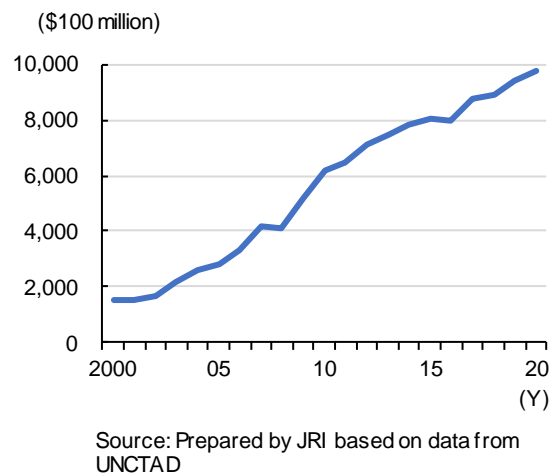
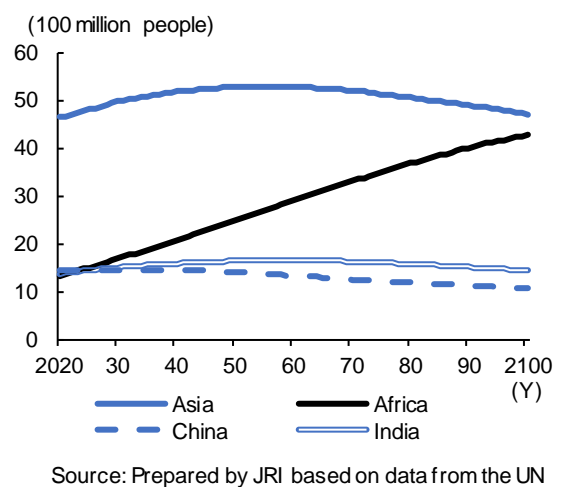


Figure 3. World Population Estimates

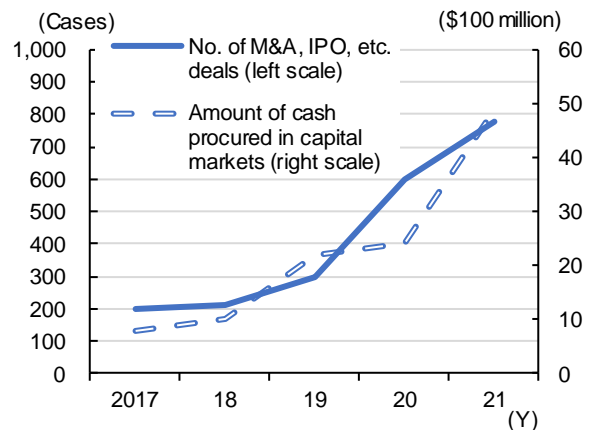


(3) Rapid spurt in the number of startups

One of the reasons for the world’s growing interest in Africa is the rapid increase in startups. Even amid the COVID-19 pandemic, the number of startup-related M&A deals and IPOs in the capital markets is on a rising trend, and the amount of investment is also steadily increasing (Figure 4). Among the fields targeted by investors, fintech is especially popular (Figure 5 left). Regarding the reasons for this, overseas investors view financial services as having great potential because in Africa many people do not have bank accounts. Additionally, there has been an increase in megadeals involving massive investments by consumer goods manufacturers, who perceive opportunities to scale through the fusion of e-commerce with online payments and credit. If the fintech sector and deals worth over \$100 million are excluded, it is evident that startups are being nurtured in a balanced way across a wide range of business domains (Figure 5 right). As for the countries receiving investment, the top runners are Nigeria, South Africa, Kenya, and Egypt. Regarding the countries that provide capital, the U.S. accounts for around 60%, followed by the U.K., South Africa, and Canada, which each provide 5-8%, so China’s presence is surprisingly small. Around 50 corporate venture capital (CVC) units of non-African companies have moved into Africa, and among them, CVC units of Japanese companies are also making their presence felt.

According to some economists in Africa, there are almost 40 unicorns, which have a value of at least \$1 billion, or firms that are on the verge of becoming unicorns. Although this is well short of the approximately 500 in the U.S., it is by no means an inferior when set against the figures of around 50 firms in the U.K. and about 10 in Japan, so this also gives a sense of Africa’s potential for growth.

Figure 4. Trends in African Startup Finance



Source: Prepared by JRI based on data from Briter Bridges

Figure 5. Monetary Shares of Startup Investment in Africa

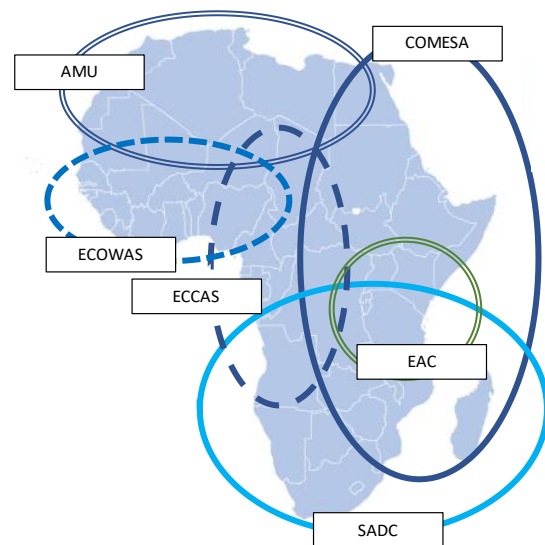
<Total>		<Excluding \$100m+ and Fintech>	
	(%)		(%)
Total		Excluding \$100m+ and Fintech	
Fintech	62	Logistics	23
Health and Bio	8	Cleantech	19
Logistics	7	Agriculture	13
Education	5	eCommerce	12
Cleantech	5	Health and Bio	11
Agriculture	4	Mobility	10
Mobility	3	Data Analysis	6
eCommerce	3	Education	4
Data Analysis	2		

Source: Prepared by JRI based on data from Briter Bridges

(4) Market integration by the AU

Africa features multiple regional unions covering each of its regions (Figure 6, 7). For example, in West Africa, there is ECOWAS (Economic Community of West African States), which comprises 15 nations/territories. In East Africa, meanwhile, there is the EAC (East African Community), which numbers six countries, while in Southern Africa there is the SADC (Southern African Development Community), which consists of 16 countries. All of these are economic communities aimed at the free movement of people, goods, and capital, and each of the communities has already implemented freedom of movement for people. On the other hand, while each of these regional unions constitutes an economic zone of a certain economic size, they still only cover part of Africa's territory.

Figure 6. Geographical Relationships Among Regional Unions in Africa



Source: Prepared by JRI based on public information from each regional union

Figure 7. Overview of Regional Unions in Africa

Name and Abbreviation	No. of Member States	Member States	Treaty Relationship	Regional Population (2017)	Regional GDP (2017)
Common Market for Eastern and Southern Africa (COMESA)	21	Egypt, Libya, Sudan, Eritrea, Djibouti, Ethiopia, Kenya, Uganda, Rwanda, Burundi, Democratic Republic of the Congo, Seychelles, Comoros, Madagascar, Mauritius, Malawi, Zambia, Zimbabwe, Eswatini, Tunisia, Somalia	FTA	540 million	\$719.4 billion
Southern African Development Community (SADC)	15	Tanzania, Zambia, Botswana, Mozambique, Angola, Zimbabwe, Malawi, Lesotho, Eswatini, Democratic Republic of the Congo, Mauritius, Namibia, South Africa, Madagascar, Seychelles	FTA	340 million	\$695.3 billion
East African Community (EAC)	6	Kenya, Tanzania, Uganda, Rwanda, Burundi, South Sudan, Democratic Republic of the Congo (being processed)	FTA	170 million	\$173.2 billion
Arab Maghreb Union (AMU)	5	Algeria, Libya, Mauritania, Morocco, Tunisia	FTA	100 million	\$352.4 billion
Economic Community of West African States (ECOWAS)	15	Benin, Burkina Faso, Cabo Verde, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Niger, Nigeria, Senegal, Sierra Leone, Togo, Côte d'Ivoire	FTA and customs union	360 million	\$557.0 billion
Economic Community of Central African States (ECCAS)	11	Angola, Gabon, Cameroon, Democratic Republic of the Congo, Republic of Congo, Sao Tome and Principe, Equatorial Guinea, Chad, Central African Republic, Burundi, Rwanda	FTA	190 million	\$263.8 billion

Source: Prepared by JRI based on "Africa Business, Five Trends to Watch," JETRO

As a result, what attracts most attention is the biggest one of them all, the African Union (AU), which comprises 55 African countries/territories. The AU was launched in July 2002 as a reincarnation of the Organisation of African Unity (founded May 1963) with the aim of achieving further political and economic integration in Africa and strengthening efforts to prevent/resolve conflicts. It can be said to be an African version of the EU.

Among the AU's initiatives, one that has garnered special attention is the launch of the African Continental Free Trade Area (AfCFTA) in January 2021. This is aimed at bringing tariffs within Africa down to zero over the medium term, and implementing common rules concerning competition, investment, and intellectual property rights. At present, only a framework has been established, and it will take time for concrete integration to occur in the various spheres, but the expectation is that the AU will further raise its presence in the future as a single market.

Although intracontinental trade as a proportion of total African trade is rising at the moment, in 2020 it was still only 16%, which is much lower than the figure for the EU, where it is over 50%, or Asia. So there is considerable room to expand intracontinental trade. And if AfCFTA functions effectively, non-African companies will also be able to export goods tariff free to other African countries from their current African base, so companies that are doing African business in one part of the continent can be expected to expand their business in Africa as a whole.

Furthermore, it is also worth noting that the AU's ability to speak out and influence are increasing at international organizations. Africa comprises 55 different countries, approximately 30% of the world's total. Therefore, at international conferences, such as the UN General Assembly and meetings to elect people to important posts at international bodies, where it is often the case that each country has one vote and decisions are made based on a simple or two-thirds majority, what is happening in Africa can be said to be extremely important. And since the establishment of the AU in 2002, in particular, the policy of "African unity and solidarity" has seen the frequency of all 55 countries voting in the same way increase, and the body is becoming even stronger in numerical terms.

3. Relationship between Japan and Africa

Looking back on Japan-Africa relations, we find that they were once very deep. Forty years ago, there were three times as many Japanese living there after having been dispatched by companies and the like as there are now, and at one time Japan was South Africa’s largest trading partner.

Yet with the passage of time, the Japan-Africa relationship has faded, and Japan is now behind other countries in this regard. It is not even in the top ten for direct investment, and as for the number of companies that have established bases in Africa, whereas Western and Chinese companies have 4,000 sites, Japan has only around 800. As for numbers of resident personnel, Western countries and China have between 100,000 and one million, while Japan has only fewer than 10,000 (Figure 8). Regarding annual trade volume, China’s is approx. \$200 billion, for Western countries it is about \$50 billion each, but for Japan it is about \$20 billion, so there is a big gap with other countries.

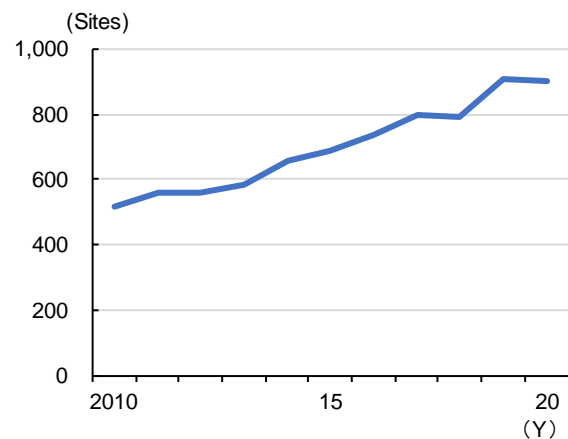
However, with interest in Africa growing worldwide, these past ten years have seen a rise in Japanese companies operating in Africa (Figure 9). Against this backdrop, the 2nd Japan-Africa Public-Private Economic Forum³ held in December 2021 attracted the large number of 1,900 online participants, even despite the COVID-19 pandemic. The countries that Japanese companies are interested in include Kenya and South Africa (Fig. 10), and many of them are also countries attracting a lot of startup investment, as mentioned earlier. Recently, Japanese companies are carefully choosing their investment destinations while steadily developing relationships with Africa.

Figure 8. Japanese, Chinese and Western Companies in Africa

	No. of Sites	No. of Resident Personnel
Japan	Approx. 900	7,000
China	Approx. 5,000	1,000,000
U.S.	Approx. 4,300	110,000
Germany	Approx. 3,000	130,000
France	Approx. 4,000	300,000

Source: Prepared by JRI based on data from the embassies of each country and media information

Figure 9. No. of Japanese Corporate Sites



Source: Prepared by JRI based on data from the Ministry of Foreign Affairs

³ Held online on December 7-9, 2021 by JETRO, METI, and the government of Kenya.

Figure 10. African Countries that Japanese Companies are Focused on (JETRO Questionnaire Survey)

Country Name	Proportion of Companies Focusing on It	Reasons
Kenya	35.1	Potential for emergence of and partnerships with startups; expansion of infrastructure demand; prospects for geothermal power generation; East Africa hub function; stable economy; Japanese ODA and investment projects; expansion of auto industry; market size and future growth potential
South Africa	33.0	African economic, manufacturing, and export center; mature economy; certain level of infrastructure; industrial power (as seen in development of auto industry); wealth of resources such as metals and minerals; increase in consumer purchasing power due to economic development
Nigeria	29.4	Increasing population and large market; huge market size; greatest growth potential in the sub-Saharan region; latent potential of consumer goods market; increase in personal consumer purchasing power; wealth of energy resources; oil and gas development; expansion of auto industry
Ethiopia	21.3	High growth rate and large population; cheap labor; cheap power; increase in foreign companies entering textile industry; development of light industry; ODA and investment projects; distribution within East Africa; privatization of state enterprises
Ghana	19.5	Stable politics, economy, and legal system; relatively safe; development of power and other energy sectors; hub for West Africa and ECOWAS; market expansion and future growth potential; expansion of middle class; progress with automobile policies
Morocco	19.1	Foreign capital liberalization; Europe and Africa hub function; relatively stable investment environment and steady economic growth; development of auto industry; expansion of infrastructure demand
Mozambique	17.4	Potential for economic growth from LNG and other natural gas resources; expansion of infrastructure demand (especially power); increasing population
Côte d'Ivoire	16.3	Base for tapping West African market; expansion of infrastructure demand; development of port terminals; expectations for economic growth
Egypt	16.0	Huge consumer market; increasing population; expansion of infrastructure demand due to urbanization; development of natural resources such as oil and gas
Tanzania	15.3	Future growth potential; progress with infrastructure development; expansion of power demand; economic development through natural resource utilization; BOP market potential

Source: JETRO, "2020 Survey on Business Conditions of Japanese Affiliated Companies"

4. Toward TICAD8

Given these circumstances, TICAD presents a valuable opportunity for strengthening relations with Africa. Conferences targeting Africa are also held in the U.S., EU, and China, but whereas they focus on trade and investment, TICAD goes further. It is distinctive in that besides investment and trade, it also includes the resolution of and support regarding the various social and political issues facing Africa as key agenda items, and it is also well regarded by African countries.

At TICAD8 this year, it will be important to inherit the longstanding traditions of TICAD, and endeavor to step up efforts to expand investment/trade and resolve the social issues that Africa faces. Above all, it is vital to expand investment and trade so as to attract even further interest in Africa from the world. At the same time, there are many tasks for Africa itself, including (1) action on COVID-19 and other health issues, (2) correction of excessive dependence on China, (3) action on climate change, and (4) resolution of conflicts and refugee

problem. With respect to these issues, Japan needs to provide assistance in its own distinctive way. In connection with this, themes organized into two broad categories for discussion, namely I. Action to further enhance Africa's growth potential and II. Action to tackle Africa's problems, are as follows:

(1) Action to further enhance Africa's growth potential

A. Action to raise the quality of growth

Although African economies have grown steadily since 2000, low productivity remains an issue. For example, while per-capita GDP has turned upwards after staying more or less flat between 1980 and 2000, the growth rate has only just caught up with the global average.

Rises in growth rates in typical emerging countries occur as resources such as labor move from agriculture to highly productive sectors such as industry. In Egypt and South Africa, labor is flowing into industry and the service sector, but in the sub-Saharan region, where most African countries are located, half the working population is still engaged in agriculture. Moreover, productivity in the agricultural sector remains poor due to such factors as slowness in mechanization. It is essential to boost agricultural productivity by promoting mechanization⁴, while at the same time reallocating the surplus labor generated to value-adding, highly productive sectors, so at TICAD8 discussions should take place on how to achieve that. At TICAD7, the previous conference, the written communique called for the promotion of the Comprehensive Africa Agriculture Development Programme (CAADP) through the dispatch of engineers and the provision of technical assistance, and the reinforcement of programs such as CAADP will also need to be discussed at TICAD8. It will also be important to showcase the latest technology in the fields of food and agriculture, i.e., foodtech and agritech, which are being pursued with enthusiasm in Japan.

To nurture highly productive industries, it will also be important, in addition to technical and HR support, to supply funding for new industries. For example, Nippon Export and Investment Insurance (NEXI), through a partnership with the African Export-Import Bank, the members of which comprise 51 African countries, reduces funding risk in a way that the private sector alone would be unable to, thereby encouraging participation in African markets by Japanese city banks. Discussion of how to strengthen and boost funding for such frameworks could also be one of the themes of the conference. It would also be worth considering the establishment in Africa of an impact fund⁵, as these have been attracting increasing attention in recent years. If that happens, it will also be crucial to balance African growth with social issue resolution by incorporating perspectives such as the SDGs.

B. Urban development in response to population growth

With the African population set to continue growing, it is expected that most people will live in cities. As for urbanization rates, in advanced countries the figure is over 80%, while in Africa most countries are in the 40-

⁴ Crop yields per unit of agricultural land area in Africa are around a tenth of the figures seen in advanced countries, so raising productivity is an urgent task. At TICAD7, promotion of the CAADP was urged as a means of boosting agricultural productivity in the aim of high-quality, high-added value farm production and the development of a food value chain.

⁵ Fund that aims to produce not only investment returns but also solutions to social issues.

60% range, so the prediction is that full-fledged urbanization will take place from now on. In fact, large-scale urban development projects are already underway (Figure 11). However, during the process of urban development around the world, it is also a fact that problems such as urban pollution have occurred. So for its part, Japan will need to do more than just provide cash for urban development in Africa. It was also needed to offer support such as transferring knowhow to ensure that urban development results in an overall improvement in QOL⁶.

Figure 11. Large Development Projects in Africa

Project Name	Country Name	Amount (\$100 million)
Agadir Urban Development Program	Morocco	6,320
Eko Atlantic	Nigeria	4,000
New Administrative Capital	Egypt	450~580
Centenary City	Nigeria	180
Seme City	Benin	110

Source: Prepared by JRI based on report from each project

C. Ties between African startups and Japanese companies

Another key theme is strengthening cooperation between African startups, which are enjoying continuous growth, and Japanese companies, and collaboration between Japanese companies and fintech firms should be considered high priority. Africa's fintech firms are tending to become concentrated in the fields of payment by local consumers and in credit information, so teaming up with such firms could create opportunities for them to serve in agent-style role when Japanese companies sell consumer goods in Africa. And in fact, Western consumer-goods companies are already making investments with that in mind.

In the non-fintech space, meanwhile, business testing and prior research which would not be possible in Japan due to strict regulations could be conducted. For example, Zipline, which operates a delivery business using airplane-like drones, has established an operation in Africa with a Japanese company as an investor, as regulations on drones are tough in Japan. Collaborations like this benefit both Japan and Africa, so at TICAD⁸ there ought to be discussions on how to increase the number of good examples. Furthermore, the level of interest in digital transformation (DX) is high in Africa, so it will be important to deepen cooperation with DX as a keyword⁷.

D. Support for market integration by the AU

The AU has begun harmonizing trade treaties by aligning regional partnerships within African regions with AfCFTA, which covers the whole of Africa⁸. However, the framework for AfCFTA has only just been implemented (in January 2021), and the details are currently being ironed out. Although it will take some time

⁶ While not Africa, Indonesia is developing its jungle regions, and plans to move its capital from Jakarta to Nusantara. The reasons for the relocation are urban problems such as traffic congestion and subsidence due to the drawing of groundwater, but large cities worldwide frequently face challenges.

⁷ Local hearings also indicated an extremely high level of interest in DX in Africa. It was also a key theme at the 2nd Japan-Africa Public-Private Economic Forum held at the end of last year, where discussions took place on (1) cooperation with the Smart Africa public-private DX platform, (2) the status of digital infrastructure in Africa, and (3) the challenges and possibilities for Japanese companies entering Africa.

⁸ At the 2nd Japan-Africa Public-Private Economic Forum, which took place at the end of last year, there was discussion on expectations for AfCFTA and linking AfCFTA with African regional unions. These linkages will not only remove tariffs, but also be effective for clamping down on illegal trade, so there were also discussions on these aspects.

before AfCFTA functions as a full-fledged free trade agreement, by getting involved from the early stages, the likelihood is higher that it will become a system that has close affinity with partnerships that Japan is a member of, such as the TPP and RCEP. It will be important to establish a more global and universal framework for future-oriented trade and investment agreements for the whole of Africa⁹.

(2) Action to tackle Africa's problems

A. Action on COVID-19 and other health issues

Regarding the COVID-19 vaccination situation in Africa, 16.1% of the total population have had one shot, while 10.9% have had two, so the figures are far lower than in advanced countries¹⁰. As a result, the risk is high that the continent will exit the COVID pandemic later than other regions.

Because infectious disease cross national borders easily, supporting Africa in exiting the COVID pandemic is a key task for the entire world. With the goal of “leaving no one’s health behind,” Japan has already signaled its intention to ramp up efforts to establish universal health coverage (UHC) in Africa. Specifically, it is going to offer support from everything from beefing up COVID control capabilities to providing financial support for medical facilities, supplying technology, and developing human resources. So the plan is to build a healthcare system with resilience against not only COVID but other infectious diseases, too.

While aid from other countries stops at the provision of COVID vaccines and treatment drugs, Japan’s support is distinctive in that it also considers other diseases. At TICAD8, in addition to deepening discussions on how to tackle other infectious diseases such as HIV in anticipation of the post-COVID era, it will also be necessary to identify any latent health problems that could emerge in conjunction with economic development going forward, such as chronic ailments caused by obesity, and consider African health issues from a long-term viewpoint.

B. Correction of excessive dependence on China

As mentioned above, the number of Chinese business sites and personnel in Africa is higher than the numbers for Western countries, and China has a huge presence there. This is because China has been making strategic advances into Africa over a long period of time. Originally, the Chinese started going into Africa for the purpose of securing resources for their country, but their connections with the continent gradually strengthened, and in the second half of the 1990s, when African economies were in an extremely severe situation, and most Western companies pulled out, China did not change its policy of emphasizing Africa. As a result of this longstanding relationship, when the economic development of China accelerated from the 2000s, China’s presence in terms of trade and investment grew rapidly. In fact, when one talks to people in Africa, quite a few of them express gratitude to China for its support. On the other hand, feelings of caution toward China are also strong. People from Western countries have started saying things like this: “China’s inroads into Africa are neocolonialism,

⁹ The written communique from TICAD7 included a statement on the need for WTO-compatible free trade agreements with Africa. Furthermore, in recent years Japan has been running a program with the World Bank Group to enhance the sophistication of AfCFTA.

¹⁰ Survey from the African Development Bank (as of February 6, 2022)

neomercantilism, and the continent seems to have turned into a second China.” And people on the African side make critical comments like these: “China is obviously only interested in Africa’s resources. They aren’t really concerned about local employment or economic development,” “The huge sums they invest invites corruption,” “Key bases have to be pledged as collateral, so they [the Chinese] use them as shields to protect them from their debt exposure,” and “Large-scale development projects have become Chinese military bases after all.”

Against this backdrop, it will be difficult for the African side to instantly reduce its reliance on China, but the mood is gradually shifting, with more and more people asserting that Africa should correct its excessive dependence on China over time. And as for the situation on the Chinese side, there is criticism from the West, and coupled with that, there is less room for the Chinese to lavishly wine and dine Africans as China’s economic growth rate drops¹¹.

For Japan, it will be important to notice such changes and make up lost ground. However, given Japan’s national power, it would be practically difficult for Japan to replace China. Furthermore, a lot of the assistance from Japan over the years including technology provision and human resource development has contributed to the sustainable development of African countries, and is often said to have been of high quality. For example, programs such as the ABE Initiative¹², which focuses on human resource development, have been well received. With criticism mounting that China’s presence in Africa is not creating jobs, efforts like this from Japan make a great deal of sense to people in the continent. It will be vital to reduce Africa’s dependence on China by offering high-quality assistance and aid, and cooperating in ways that lead to “win-win” outcomes for both Japan and Africa.

Meanwhile, the U.S. and Europe have been stepping up efforts to bolster relations with Africa. In the U.S., while the Obama administration called for a strengthening of relations with Africa¹³, this stance faded during Trump’s presidency. However, with the arrival of the Biden administration, U.S. investment in startups has grown, as mentioned earlier. The administration has also indicated that it would like a summit between Biden and leaders of African countries to be held. As for Europe, on February 18, 2022 the EU unveiled a plan to provide Africa with 150 billion euros in financial assistance for infrastructure development and other purposes. For Japan, a member of the G7, working with the U.S. and the EU, which are endeavoring to deepen their relationship with Africa, will thus likely be an important theme.

C. Action on climate change

TICAD7 witnessed heated discussions on climate change issues faced by Africa¹⁴, and this topic will also be a key theme at TICAD8. For example, droughts and desertification, which are partly caused by climate change, constitute serious problems for the whole of Africa.

¹¹ The Forum on China-Africa Cooperation (FOCAC) serves a body for building a cooperative relationship between China and Africa, but at the recent FOCAC summit, China committed to providing support worth \$40 billion, down from the \$60 billion it pledged at the 2018 gathering. Local hearings conducted by the author saw people express the view that China did not seem to be as enthusiastic as it had the previous time.

¹² The ABE (African Business Education) Initiative is aimed at developing personnel for the industrial sector. The program involves young Africans being invited to Japan to obtain master’s degrees at Japanese universities and complete internships at Japanese companies.

¹³ In August 2014, during Obama’s presidency, the heads of around 50 African countries were invited to Washington for a “U.S.-Africa Leaders Summit” as part of efforts to deepen relations. The Summit included the announcement of a plan for the public and private sectors combined to provide Africa with a total of \$33 billion in new investment.

¹⁴ The written communique from TICAD7 included this statement: “We reiterate that while Africa contributes the least to greenhouse gas emissions, the continent bears severe impacts of climate change and it is least prepared to manage and respond to climate change risks.” In thus expressed serious concerns about the massive adverse impacts that climate change will have on Africa.

First, to prevent desertification, it will be critical to reduce deforestation, and essential to continue to monitor the situation using the JICA-JAXA Forest Early Warning System in the Tropics, an initiative that was also discussed at TICAD7. In addition, experts should be dispatched and technical cooperation should be promoted. At the same time, cooperation also ought to be stepped up in water resource management, an area in which Japan's capabilities are also held in high regard worldwide. Moreover, Japan is also making progress with the "greening" of agricultural equipment and fertilizers as it seeks to decarbonize farming¹⁵, and it would be worth considering making a presentation on this topic at the conference. Consideration also needs to be given to concepts such as realistic clean energy supply in response to expanding demand for electricity¹⁶.

In the area of financial assistance, there should be discussions on matters such as expanding the JCM equipment subsidy scheme¹⁷, which is a framework for decarbonization implemented by the Ministry of the Environment, and the UN Green Climate Fund¹⁸. With Africa's inefficient agriculture coming under fire recently for generating carbon dioxide, it is likely that support for raising agricultural productivity and achieving decarbonization will also be important themes. At TICAD7, there was a discussion about decarbonization in the livestock industry, which accounts for 14% of carbon dioxide emissions. At TICAD8, in addition to making progress with decarbonization in the livestock sector, there will also need to be a discussion on, for example, shifting from livestock to agricultural products that produce little carbon dioxide.

There are also high hopes for Japanese disaster-prevention technology. As such, there will need to be discussions on Africa's needs, which include 1) education of personnel to formulate disaster-prevention plans, 2) transfer of disaster-prevention-related technology, and 3) sophistication of disaster-risk finance.

D. Resolution of conflicts and refugee problem

Conflicts remain common in Africa (Figure 12), and refugees are on the rise, reflecting this trend (Figure 13). Conflicts continue to rage due to the complex intertwining of religion, resources, territory, and grudges from past conflicts. At TICAD8 this year, it will be necessary to discuss such issues as strengthening local support by utilizing the 15 PKO training centers in Africa. However, the activities of Africans themselves are important in resolving conflicts in Africa, and it is better for Japan and other developed countries to play a supporting role. With that in mind, it will be vital to provide support with establishing systems for AU-led mediation and dispute resolution as well as for aid for refugees. Specifically, the previous TICAD saw the commitment of \$6 million in assistance for a fund to support AU peacekeeping operations, but it will be necessary to consider increasing that amount and dispatching personnel. Furthermore, it will be essential to develop a system for sharing terrorist-related information and the like. For example, the United Nations Congress on Crime Prevention and Criminal Justice, an international conference on crime control, was held in Kyoto in 2021, and Japan is also working hard to facilitate the sharing of crime information. Expectations concerning this trend built at the last TICAD meeting,

¹⁵ Specifically, this refers to pesticides and fertilizers manufactured without using fossil fuels, the electrification of ships and agricultural equipment, greenhouses and plant factories that employ renewable energy, etc.

¹⁶ At the 2nd Japan-Africa Public-Private Economic Forum held at the end of last year, there was agreement that "the concept of a realistic energy transition would be appropriate and effective for Africa." This took into account the fact that while Japan and Africa recognize the importance of clean energy, the recent excessive leaning toward renewable energy was actually worsening the energy situation in each country.

¹⁷ Of African countries, the scheme covers only Kenya and Ethiopia.

¹⁸ A fund established pursuant to the UN Framework Convention on Climate Change (UNFCCC) for the purpose of supporting efforts to tackle climate change by developing countries. In recent years, joint projects involving Japan and Africa that make use of the Fund have been considered.

so it will also be important to explore ways of helping to stabilize Africa by utilizing the network of countries formed at the Congress.

And in areas where conflicts have been resolved, supporting administration by new regimes will be another important theme. Consideration should also be given to offering Japan's expertise in systemic reforms, which the new regimes will need to implement. Such reforms could include designing the electoral system, operation of administrative bodies, and establishing a judicial system.

Figure 12. Conflicts in Africa

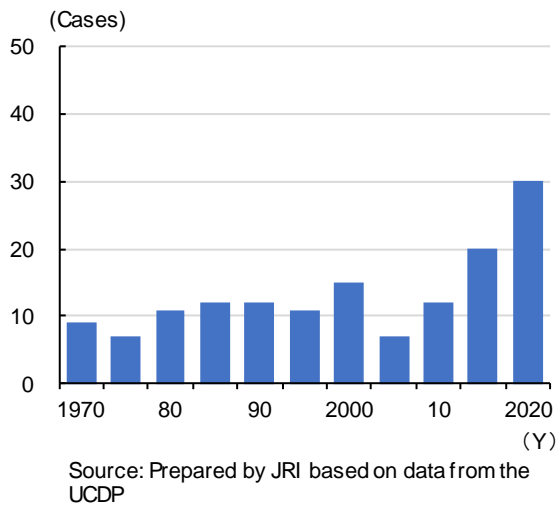
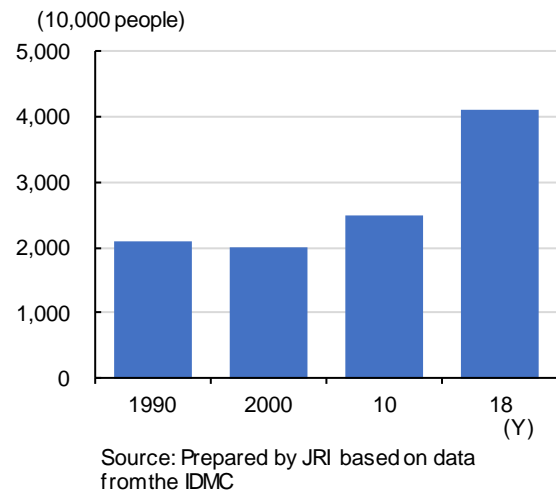


Figure 13. No. of Domestic Refugees in Africa



5. Conclusion

Our expectations for Africa's potential had been high even before COVID-19, and they have remained so even during the pandemic. In this context, TICAD8 will be an excellent opportunity for Japan to strengthen relations with all African countries, and it is necessary for Japan's long-term development to take advantage of this chance to bolster its ties with Africa. Although it is difficult to provide huge amounts of financial assistance like Europe, the U.S., and China do, Japan's past efforts in providing technology and grassroots support have been highly regarded by African countries as high-quality assistance. Furthermore, TICAD's ability to build cooperative relationships with a diverse range of stakeholders, including the World Bank, the UN, and NGOs in various countries to provide support to Africa, is one of the advantages of TICAD that distinguishes it from other Africa-related bodies, and it is hoped that this year's conference will continue that tradition.

Both investment and support have been themes since the previous TICAD, and we hope that discussions will continue to deepen from both these perspectives this time as well. Furthermore, TICAD9 is scheduled to be held in Japan in 2025, which is expected to increase interest in Africa among people in Japan. It will also be important to produce a process chart for achieving this.

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