

The Japan Times

TICAD VI Special

Friday, August 26, 2016



Clockwise from top left: Kenyatta International Convention Centre in Nairobi, the venue of TICAD VI; Yokohama's zoological experts visit the Uganda Wildlife Education Centre to exchange veterinary techniques and environmental information; As part of the "One School, One Country" project, elementary and junior high school students from 69 Yokohama schools learned about the culture, history and ways of life of 38 African countries during TICAD V; The Olkaria IV Geothermal Power Plant in Kenya; The Nairobi skyline

MIROSLAV_1, CITY OF YOKOHAMA, EMBASSY OF KENYA ISTOCK

Summit seeks expanded investment and development

Ayako Mito
STAFF WRITER

African nations and Japan will be seeking a new type of win-win partnership at the sixth Tokyo International Conference on African Development (TICAD VI) that will be held for the first time in Africa when it kicks off in Nairobi on Aug. 27 amid uncertain situations in Japan and the region.

The African participants are hoping for a new framework that would create a sustainable business and investment environment that can withstand sharp drops in commodity prices and fight escalating threats such as terrorism, which hampers growth.

On the other hand, Prime Minister Shinzo Abe, who will be attending the conference, wants to promote Japanese businesses and push for a bigger share in the last frontier as global players such as China are competing aggressively to gain access to the market.

Their wish lists are expected to be highlighted in the Nairobi Declaration, which is expected to be adopted on Aug. 28, the last day of the two-day conference. The document would include pandemic prevention measures and call for high-quality infrastructure, a necessary engine for African development, to differentiate its commitment from China.

But at the same time, the declaration is expected to emphasize the industrialization of the African economies and counterterrorism measures, a major shift from the framework focused on official development assistance (ODA). For decades, Japan has been a major

benefactor to the African continent. In 1993, when Western powers scaled down their assistance after the end of the Cold War and shifted their focus more on Eastern Europe, Japan launched TICAD to re-engage the global community with Africa.

The conference has been held in Japan every five years, during which time African states, Japan and their partners tackled the goals set at previous meetings.

However, at the last TICAD meeting in 2013 in Yokohama, it was decided that the conference should be held triennially and alternate between Japan and Africa to better address the rapid growth of the African economies.

The decision serves the African region especially well now that their economies are decelerating mainly due to the sharp decline in commodity prices since mid-2014.

According to International Monetary Fund (IMF), the region's growth dropped to 3.5 percent in 2015, which is the lowest level in almost 15 years. It is projected to further decelerate to 3 percent this year, compared to 5 to 7 percent growth over the past decade. Especially hard hit are oil exporters such as Angola and Nigeria, which the IMF expects to further slow down to 2.25 percent growth this year from 6 percent in 2014.

That is why the African nations, which have been receiving funding for big-ticket ODA projects, now require private-sector investment that can withstand drops in commodity prices to spur growth.

"We really want the money to flow

into Africa. I want entrepreneurs to come and take advantage of the opportunity," said Francois Oubida, Burkina Faso ambassador to Japan and chair of the African Development Corporation TICAD Core Committee, at a TICAD seminar in Yokohama last month.

A big change at this year's conference is an increase in private sector participants. There will be more than 100 companies coming to Kenya, offering representatives from the African nations more opportunities to speak directly to Japanese companies.

For Japan, it provides a rare chance for Japanese CEOs to gain a first-hand assessment of the business opportunities there, especially when the African region is becoming an extremely attractive market with its population projected to double to 2 billion by 2050.

In fact, more and more Japanese companies are eyeing the African continent.

According to the Japan External Trade Organization (JETRO), the number of the Japanese companies in sub-Saharan Africa increased by almost 30 percent to 269 in 2015 from 2012. Additionally, a 2015 JETRO study found that some 56 percent of the Japanese companies that are already in Africa said that they would expand their business in a year or two.

According to JETRO, one of the countries that Japanese businesses are paying close attention to is Kenya, the host of TICAD VI. According to the IMF, Kenya is expected to see 6 percent growth in 2016, as even though it is a non-oil exporter, it enjoys low oil

prices and strong domestic investment.

"TICAD will offer a great opportunity to consider how they can industrialize their economies," said Junzo Fujita, Japan's ambassador to TICAD in an interview with The Japan Times. "At the same time, the countries that are not dependent on resources should also focus more on bigger manufacturing projects."

The region has the perfect population model for a sustainable manufacturing industry. The median age in the region was 19.8 in 2011, according to the 2015 Revision of World Population Prospects by the U.N. Procurement Division. When the population reaches 2 billion, the median age is expected to be 26.4, creating an abundant labor force in the market.

However, Fujita said that fighting terrorism is necessary for sustainable growth and industrialization of the region when disparity and poverty plagues the young, who could be recruited by extremist groups such as Boko Haram, the regional affiliate of the Islamic State group, and al-Qaeda ally Al-Shabaab. Those groups have recently been accelerating their attacks.

"The young are frustrated and the Islamic State group brainwashes them, creating homegrown terrorists," said Fujita, who previously served as ambassador to Uganda. "To fight that, we need more than mere employment."

To that end, the Nairobi declaration is expected to call for developing quality infrastructure that could do more

than job creation; transferring technology and promoting educational training for youth and women.

Still, Japanese companies face challenges from global powers such as China, the EU, and the U.S., as they have started economic forums and initiatives similar to TICAD and have been aggressively expanding their market share in Africa.

Especially formidable is China. Beijing launched the triennial Forum on China-Africa Cooperation (FOCAC) in 2000 that not only focuses on development projects, but also pandemic prevention and student exchange. Xi Jinping last year offered \$60 billion in assistance for the continent, more than twice as much as Japan did in the 2013 TICAD.

The number of Chinese companies in Kenya, for example, far exceeds the number of companies from Japan. Around 300 to 400 Chinese businesses, both large enterprises and small companies, are operating in the country, while Japan has only 43 companies.

Tokyo emphasizes quality infrastructure as something that sets Japan apart from China, which is often criticized for low-quality public works projects and killing local businesses with cheap goods.

But Junko Ishii, director-general of industry and business development support at JETRO, argues that Japan should tap the market more aggressively. Japanese businesses in Africa focus on natural resources and automobiles, but the scale of Japanese enterprises is still small given the capacity of Japanese corporates.

Ishii also said that they have to create a business foundation that can weather bad economic conditions, citing companies such as Toyota and Ajinomoto that tapped into the African market even during a recession.

"In order for Japanese companies to be truly global, they have to survive in Africa and beat other competitors. It's a global stage for Japanese companies to become stronger," Ishii said at the TICAD seminar in Yokohama.

TICAD
NAIROBI 2016



TICAD VI special

Unique chance for open dialogue on African issues

The sixth Tokyo International Conference on African Development (TICAD VI) will be held at the Kenyatta International Convention Centre in Nairobi on Saturday and Sunday. This will be the first time TICAD is being held in Africa since its inception in 1993.

The decision to host TICAD VI in Africa was reached during TICAD V in 2013 when it was agreed that the venue of subsequent TICAD summits alternate between Japan and Africa. It was also agreed the interval between the meetings be shortened from five years to three years.

TICAD VI, in which Japanese Prime Minister Shinzo Abe, Kenyan President Uhuru Kenyatta and other leaders are expected to speak, will be participated by several thousand people, including representatives of most African countries, development partner countries and Asian countries. Attendees also include representatives of international and regional organizations, as well as people from the private sector and non-governmental organizations.

TICAD VI will, for the first time in the TICAD history, have an interactive session between heads of state and representatives of the private sector. There will also be a number of side events such as symposiums and exhibitions by Japanese businesses and other interests.

TICAD VI will be monitoring and following up on specific progress made around the critical areas that were earmarked under TICAD V — economic growth; infrastructure development; agriculture and farming; peace and security in Africa; and social inclusivity. It is hoped that the Nairobi Declaration, which will be issued at the end of TICAD VI, will specifically commit participating leaders to the important developmental agendas such as economic growth, industrialization, resilient health systems, social stability and shared prosperity.

It has to be emphasized that a key objective of TICAD is presently to build up African ownership of its own vision of growth and development. For this reason, one key player in TICAD VI is the African Union though the African Union Commission (AUC), which has since 2013, spearheaded the policy and implementation framework now officially known as “Agenda 2063” following the decisions and agreements by the African

heads of state in marking the previous fifty years of African unity.

TICAD was inceptioned in 1993 under Japan’s initiative to refocus international attention on the importance and urgency of African development issues, as well as to promote high-level policy dialogue between African leaders and development partners.

In the early 1990s, global interest in Africa somewhat faded after the collapse of the Berlin Wall in 1989 and the end of the Cold War. During the Cold War, both capitalist and communist countries had raced to support African countries in order to expand their own blocs and spheres of influence.

TICAD is a summit meeting on African development co-organized by the government of Japan, the U.N. Office of the Special Advisor on Africa, the U.N. Development Programme, AUC and the World Bank. Stakeholders include all African countries and development partners. The main objectives of TICAD are to promote high-level policy dialogue between African leaders and their partners; and mobilize support for African-owned development initiatives.

Since its inception, TICAD has provided fundamental and comprehensive policy guidelines on African development. The summit has evolved into a major global framework to facilitate the implementation of initiatives for promoting African development under the dual principle of African “ownership” and international “partnership.” A central feature of this framework is the cooperation between Asia and Africa in promoting Africa’s development.

The first TICAD in 1993 ushered in a continuing process of support for Africa and consensus-building around African development priorities. Japan has co-hosted five rounds of conferences, that is, TICAD I (1993); TICAD II (1998); TICAD III (2003); TICAD IV (2008); and TICAD V (2013).

Over the years, TICAD’s quality has evolved in both complexity and value. Emphasis has shifted from TICAD I’s relatively simple issues of direct aid to more multifaceted and inter-related themes that combine growth and sustainable development.

African economy
Africa achieved impressive economic growth over the past 15 years with the



TICAD V was held in Yokohama in 2013. FLICKR

average real gross domestic product rising from just above 2 percent during the 1980s and 1990s to above 5 percent in 2001 to 2014, according to the African Economic Outlook (AEO) 2016 issued by African Development Bank Group.

In the past two years, growth has been more moderate and while this trend is expected to continue in 2016, it is expected to strengthen in 2017. Africa’s growth is adversely affected by headwinds from weaknesses in the global economy and price declines in key commodities, but is supported by domestic demand, improved supply conditions, prudent macroeconomic management and favorable external financial flows.

The AEO forecast assumes a gradual

strengthening of the world economy and the slow recovery of commodity prices. However, given the fragile state of economic recovery and the high volatility of commodity prices this forecast is uncertain, according to the report.

As the African economy has grown, trade volume also has expanded. Japan’s exports to Africa jumped to ¥1.04 trillion in 2015, up 14 percent from ¥904 million in 2005 and 47 percent from ¥704 million in 1995, according to the Trade Statistics of Japan by Japan Customs. Japan’s imports from Africa surged 28 percent to ¥1.40 trillion in 2015 from ¥1.09 trillion yen in 2005 and more than triple the ¥442 billion seen in 1995.

Explaining the blueprint behind ‘Agenda 2063’

“Agenda 2063” is a strategic framework for the socioeconomic transformation of the continent over the next 50 years. It is both a vision and an action plan; a call to action for all segments of African society to work together to build a prosperous and united Africa based on shared values and a common destiny.

It is built on, and seeks to accelerate the implementation of past and existing continental initiatives for, growth and sustainable development.

Some of the past and current initiatives underlying the agenda include: the Lagos Plan of Action, The Abuja Treaty, The Minimum Integration Programme, the Programme for Infrastructural Development in Africa, the Comprehensive Africa Agricultural Development Programme, The New partnership for Africa’s Development and various regional and national plans and programs. The agenda also stands on national, regional, continental best practices in its formulation.

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TICAD VI special



Clockwise from top: Mt. Kilimanjaro; Diving in the ocean off Kenya; Karen Blixen Museum; Daphne Sheldrick Orphanage ISTOCK/KHANBM52, MGOKALP, MIROSLAV_1, INOSEBRUGH

Home to exotic wildlife, lush nature

Kenya is popular for tourism because of a rich natural environment that can be enjoyed throughout the year. White sandy beaches on the coast, beautiful landscapes, unforgettable mountain treks and the grand beauty of many varieties of vegetation and animals are must-sees.

TICAD VI delegates will be able to enjoy the sights in Kenya through tour packages, including those offered by Avril travel, Classic Safari, Bunson Safari, Animal World Safaris, Somak Safaris, Twiga Tours and others.

Below are some of the places included in such tours, which generally cost \$120 or more a person, excluding lunch, for one-day trips.

The Daphne Sheldrick Orphanage, an animal preserve that works to rescue animals and rehabilitate them for a return to wild, has achieved worldwide admiration for its enormously successful elephant and rhino rescue and rehabilitation program. There are over 150 infant elephants that have been successfully raised so far. Visitors can see baby elephants being fed and play with them.

The Giraffe Centre offers visitors the opportunity to get quite close to giraffes. It was established by Jock Leslie-Melville in 1979 to protect the threatened Rothschild giraffes and has also seen great success. The center has been able to contribute several breeding pairs of giraffes to some national parks in Kenya and people can see, feed and take pictures with giraffes. Elevated platforms allow visitors to come eye-to-eye with the animals. Also there are a number of art pieces made by local students during

yearly environmental competition.

The Karen Blixen Museum was the centerpiece of a farm built for Karen Blixen. She was a talented Danish author also known by her pen name, Isak Dinesen, who ran a large coffee plantation with her husband. They were known for mainly hiring African workers and the farmhouse gained international fame with the release of the movie "Out of Africa" an Oscar-winning film based on Karen's book of the same title. It is today one of the National Museums of Kenya.

Bomas of Kenya is a tourist village that contains traditional straw houses and is a protected place for domestic animals and people. Bomas of Kenya has been recreated for visitors to see traditional village life, cultural dance performances of various local tribes, as well as music and songs in this brilliant arena.

The Masai Mara Game Reserve is one of the most popular tourism destinations in Kenya. There are over 1.5 million wildebeest that migrate into the area in July and depart in November, as well as 400 birds species and 95 species of mammals, amphibians and reptiles have been recorded on the reserve. The Masai Mara is regarded as one of the places where people can admire the jewel of Kenya's wildlife. This place is one of the most abundant places for animals in Africa and it is one of the reasons that visitors seldom miss seeing the "big five" of buffalos, elephants, leopards, lions and rhinos there. The best time to go there is between July and October because of the migration pat-

terns, making the dates around the conference perfect to enjoy the reserve.

The Mpata Safari Club was established in 1992 and designed by Japanese architect Edward Suzuki. It is included in one of the plans of Avril Travel that offers an overnight stay, but also some activities such as driving game or taking a hot air balloon safari in the Mara. It is priced at \$800 per person sharing and available for a maximum of four days (\$1,850).

One of the tour packages offered by Classic Safari is the Kenya Holidays that allows people to visit a beautiful beach and go on safari in Amboseli National Park and Tsavo West National Park. People can enjoy the pristine white sandy beach and a wide range of wildlife in the two national parks. The tour, which lasts five nights and six days, offers plenty of time to revel in Kenya's beauty, starts at \$1,566 per couple.

Another tour offered by Twiga Tours takes place on the foot of the great Mt. Kilimanjaro. The Amboseli Game Reserve is one of the best places to get close to many elephants that roam freely. People can experience both the beautiful tranquility and bustling hustle of Nairobi. The price is from \$836 (non-residents, up to six people).

Twiga Tours also offers a delight for bird watchers with a tour to Lake Nakuru. Lake Nakuru National Park boasts one of the greatest avian spectacles in the world. Visitors can enjoy views of the park surrounded by wooded and bushy grassland and a lake with a wide variety of birds. There are many animals other than birds such as zebras, rhinos

and more.

Road Package offers an opportunity to visit the Ol Pejeta Conservancy. This conservancy works to conserve wildlife and provide a sanctuary for great apes. The 90,000-acre conservancy has large numbers of wildlife such as the big five mentioned above, Grevy's zebras, cheetahs, gazelles, black-backed jackals, ostriches, baboons, waterbuck, oryx, elands and several hundred bird species. The sights are impressive and provide an unforgettable safari experience. People also can go to Nairobi, Kenya's colorful capital city, by driving south through the rich agricultural and hilly mosaic of small farms, coffee plantation and pineapples that make up one of the main parts of Kenya's economy. The one-night, two-day plan is priced at \$535.

The Mombasa two-night, three-day Flying Package also offers good value for those looking to relax. This package simply involves a trip to a great beach in Mombasa. There are a variety of hotels and rooms and the plan is perfect for visitors who prefer relaxing at a pristine beach and doing nothing. Prices for the plan start from \$616.

Furthermore, there are many activities introduced on the website, www.magicalkenya.com. It has a number of plans, including a safari that offers adventure and relaxation, natural simplicity and opulence, social experiences and solitude. Visitors who come to Kenya will be able to experience and see completely different things because the experiences are never the same twice.

Other activities outlined on the web-



site include water sports such as diving, kitesurfing, whitewater rafting and big game fishing. Also offered are safari opportunities and the chance to participate in events to experience both village life and urban culture.

One of the popular water sports is diving in the beautiful splendid sea in Watamu Marine National Parks, Mtwapa and barracuda reef and the Kisite Mpunguti Marine Reserve. Kenya is becoming more and more popular as one of the great dive destinations. The calm turquoise waters off the beaches lie in the protective shelter of reefs and diving in Kenya is great all year round.

The Maralal Camel Derby is an annual event and the best renowned.

People who come here are not only spectators, but also racers and the competition is fierce.

The cities and beaches in Kenya are of course marvelous places, but the villages are also perfect to get introduced to local cultures and lifestyles. Visitors also can spend days in the homes of ethnic communities through Village Visits. It is a wonderful experience to live in Kenyan villages and learn about people's daily lives.

Kenya has a great many places to visit and offers something for everyone.

For more information, visit <https://ticad6.net>

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Clockwise from top left: A white sandy beach in Mombasa; Tsavo National Park; Meeting local communities through a Village Visits tour; Bomas of Kenya ISTOCK/ALIAKSEL PUTAU, KYSLYNSKY, DIBROVA, VERMONTALM

TICAD VI special

Expanding business with Africa

Hiroyuki Ishige
CHAIRMAN AND CEO, JAPAN EXTERNAL TRADE ORGANIZATION

Africa is a dynamic and growing market, one that has steadily drawn the interest of Japanese companies across all major business fields in recent years. As we approach the sixth Tokyo International Conference on African Development (TICAD VI) to be held on Aug. 27 and 28 in Nairobi, I would like to use this opportunity to explain how we expect African and Japanese business to grow hand-in-hand, and where my organization, JETRO, fits in.

The Japan External Trade Organization promotes business, specifically two-way trade and investment between Japan and the rest of the world. We have 74 offices abroad, as well as 46 within Japan, including a research institute. Our offices in Africa are located in South Africa, Kenya, Nigeria, Cote d'Ivoire, Ethiopia, Egypt and Morocco.

JETRO Addis Ababa is the seventh office on the continent and it was inaugurated in a splendid ceremony on July 20 in the presence of the Prime Minister of Ethiopia H.E. Hailemariam Desalegn, and Minister of Foreign Affairs of Ethiopia H.E. Tedros Adhanom. Messages were also delivered from Prime Minister H.E. Shinzo Abe and the Minister of Economy, Trade and Industry the Hon. Motoo Hayashi.

The number of Japanese companies in Africa has steadily increased over the years. As of October, it was 687. However, given that across the globe there is a total of 71,000 Japanese companies operating internationally, that figure represents less than one percent. To give some perspective, the number in Asia is about 50,000.

Given its potential for becoming the world's next great growth market, we at JETRO believe that Japanese companies must become more involved in Africa and are fully committing efforts toward seeing this happen.

The topic of "public-private partnerships" has drawn much attention since TICAD IV and the further involvement of the private sector was called for at TICAD V. This trend has only strengthened in the lead-up to TICAD VI. It is JETRO's role to bridge companies from Japan with those overseas. And this year our goal is for TICAD VI, the first TICAD conference to be held in Africa, to be the new beginning of business between Africa and Japan.

We believe that establishing multiple relationships is necessary, from conven-



tional fields such as resources, automobiles and infrastructure to new fields such as consumer products that enhance the quality of life, food, medical care and services.

It must also be recognized that when we refer to Africa, we are referring to a region of more than 50 countries and an area that is bountiful in diversity. While JETRO currently has its offices in those countries with the highest concentration of Japanese companies, we are now expanding our activities in a manner tailored to the specific circumstances of each African country and region.

Of course there are obstacles to be overcome. Every year, JETRO conducts a survey for Japanese companies on the operational environment in Africa. The results indicate foreign exchange fluctuation is the most serious issue. This is particularly highlighted in resource-rich countries. Tax burdens and cumbersome procedures in money transfers or customs clearance are also commonly brought up. Outside of the administrative side, inadequate basic infrastructure, wage hikes and a shortage of human resources for middle management are cited as issues to be addressed.

Another pressing matter is risk management. It is known that Africa is a high-cost and high-return market, but most of the Japanese companies are simply not accustomed to managing the types of risk found in the region.

In order to support the African business of Japanese companies and to overcome these barriers, we at JETRO

rely on a strategy consisting of five pillars.

First, we facilitate investment from Japanese companies based on the concept of "African ownership," or the self-reliance of the continent. At TICAD VI, "African ownership" is a key concept. As JETRO also attaches great importance to it when promoting Japanese investment, we are going to provide African investment promotion organizations (IPOs) support so that they may proactively pursue these activities on their own.

Second, we create opportunities for business matching between Japanese and African companies, one of our most fundamental roles. Toward this end, we are holding a "Japan Fair" and an "Africa-Japan Business Conference" in tandem with TICAD VI. We plan to make these regular events in the future.

Third, we promote collaboration with third countries to reduce risks. Companies from the Middle East or Europe such as France, have abundant experience in Africa, and entering into partnerships with them is an effective way to give their Japanese counterparts a boost in entering the market. JETRO has worked together with Business France to form a framework to support activities in Africa cooperatively conducted by companies from both countries, something we intend to fully utilize.

Fourth, we promote business in infrastructure by taking advantage of Japan's rich experience in the field. In the past, Japan also struggled to overcome the problems related to rapid urbanization and pollution that Africa now faces, allowing us to accumulate effective

solutions and technologies that can still be applied today.

And fifth, we are strengthening our framework for providing information on business in Africa to Japanese companies. While we live in an era where information can, by and large, be obtained effortlessly via the internet, when it comes to business in Africa, relevant information has to be gathered in person, on the ground. Nothing less can facilitate real business results. In consideration of this, JETRO has set up both "Japan Desks" within African IPOs, and "Africa Desks" within our offices in Japan, Europe and the Middle East. Through these windows, we are ensuring that Japanese companies both within Japan and overseas have access to the knowledge JETRO works to accumulate in Africa person-to-person.

The Japan Fair and the Japan-Africa Business Conference at TICAD VI, are the first steps we are taking toward forming the new relationship between Japan and Africa. The Japan Fair will be a venue to share information on Japanese products and technologies, as well as their contribution to Africa, all under one roof. The Japan-Africa Business Conference will introduce Japanese companies' activities in Africa in the style of a forum. This year, the Japan Fair will feature exhibits by about 100 Japanese firms and will be the largest showing we have had in Africa by far.

Japanese companies are steadily shifting their gaze toward Africa. We at JETRO are honored to stand at the vanguard and lead the way to the exciting new partnerships to come.



Left: JETRO hosted an Africa Symposium at TICAD V in Yokohama in 2013; Above photos: JETRO has held Japan Fairs in Nigeria, South Africa, Ghana and other countries in Africa. JETRO

Side events offer a variety of business fairs and symposiums

The Japan External Trade Organization (JETRO), the Japan International Cooperation Agency (JICA) and the Ministry of Land, Infrastructure, Transport and Tourism are among organizations holding side events at TICAD VI, an excellent opportunity to highlight development issues of the fast-growing continent.

JETRO's side event is called the Japan Fair and will be held at the Kenyatta International Convention Centre, the same venue as TICAD VI, on Saturday and Sunday. Joined by around 100 companies and organizations from Japanese industry, state and local governments and academia, it will be one of the largest fairs JETRO has held in Africa to date, something symbolic of the growing momentum behind Africa-related business seen in Japan.

JETRO has gathered exhibitors of the Japan Fair from various fields in which Japan can be expected to contribute to Africa, such as infrastructure, food value chains, climate change and health issues,

so that they may introduce their excellent technologies, products and services.

Exhibits include a wide range of products and services that can contribute to improving the health and hygienic environment and infection control measures, including for Ebola hemorrhagic fever. In particular, many kinds of medical devices for inspection and clinic cars will be displayed.

They will propose solutions for common problems related to urbanization and fostering human resources by utilizing the country's strengths in an "all-Japan" effort that transcends the boundaries of individual fields. Other exhibits count services such as e-money and POS systems tailored to the needs of local communities, highly durable consumer goods and processed food and beverages.

The Japan Fair is supported by the Ministry of Economy, Trade and Industry, the Ministry of Foreign Affairs, the Ministry of Internal Affairs and Commu-

nications, the Ministry of Agriculture, Forestry and Fisheries and the Ministry of Land, Infrastructure, Transport and Tourism.

Exhibitors include the city of Yokohama, the city of Kobe, Chiyoda Corp., JGC Corp., Mitsubishi Corp., Toyota Tsusho Corp., Mitsubishi Heavy Industries Ltd., Ajinomoto Co., Sumitomo Corp., Marubeni Corp., NHK World, Hankyu Hanshin Express Co., Mitsui & Co., Toyota Kenya Ltd., Mitsubishi Electric Corp., Sumitomo Chemical Co., Lixil Corp. and JETRO.

Another side event of JETRO is the Japan Africa Business Conference, which is co-hosted with the Kenya Investment Authority on Friday and Sunday.

JICA will also host 18 side events, mostly panel discussions, at venues near the Kenyatta International Convention Centre such as the Sarova Panafric and Hilton hotels from Thursday to Sunday.

Such discussions include "Africa's Economic Policy Challenges Toward 2050,"

co-hosted by Centennial Group International, on Friday.

JICA and the Centennial Group International have come up with six policy papers, which update the original analyses done in 2013. Thus the event will start with a presentation of the updated policy paper "Africa 2050," and it will be followed by the interventions of high-level panelists, who will share their views on the analysis of the current situation and future prospects, along with their policy proposals to achieve the desirable future of Africa they envisage.

Speakers include JICA Vice President Hiroshi Kato, African Development Bank President Akinwumi Adesina and Centennial Group President Harinder Kohli.

Other discussion titles include "Initiative for Improvement of Forest Governance: JICA-JAXA (Japan Aerospace Exploration Agency) Early Warning System for Tropical Forests" on Saturday and "Capacity Development to Achieve the SDGs (Sustainable Development



Rendering of Japan Fair venue for TICAD VI JETRO

Goals) on Waste Management: Toward Clean and Healthy Cities in Africa" on Sunday.

The Ministry of Land, Infrastructure, Transport and Tourism's side event is called "Japan-Africa Public-Private Conference for Quality Infrastructure," to be held at the Sarova Stanley Hotel on Fri-

day and Saturday.

The conference will have speeches, panel discussions, workshops and business matching sessions. At least about 70 Japanese companies, including those involved in construction, trading, engineering, consulting, finance and other areas, will participate in the conference.

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TICAD VI special

Toward a more dynamic Japan-Africa partnership

Solomon Karanja Maina
AMBASSADOR OF KENYA

The sixth Tokyo International Conference on African Development (TICAD VI) under the theme “Advancing Africa’s Sustainable Development Agenda — TICAD Partnership for Prosperity” will be held in Nairobi on Aug. 27 and 28. African heads of state and government, as well as Prime Minister Shinzo Abe will attend the summit. In total, about 6,000 participants from Africa, Japan, summit organizers U.N. agencies, international organizations, as well as top business executives are expected to attend.

The TICAD VI agenda and program will focus on the following three areas agreed upon by the organizers. These areas are economic transformation through diversification and industrialization; promoting resilient health systems for quality of life; and promoting social stability for shared prosperity. The summit will also include approximately 60 side events in the form of seminars and symposiums on summit-related topics, exhibitions, a Japan-Africa Business forum that will host business seminars, a Japan expo, an African Pavilion and high-level dialogue between the heads of state and governments and the private sector.

Kenya, like all African countries, is enthusiastic and welcomes the fact that for the first time TICAD will be held in Africa. Hosting TICAD VI in Africa is indeed a milestone achievement that



reaffirms the dual principle of Africa’s global partnership and ownership that underpinned the formation of TICAD in 1993.

The initiative gives the continent’s ordinary citizens the opportunity to realize the sense of ownership of the TICAD process and appreciate its significance in contributing to Africa’s growth and development.

Most significantly, holding this important event in Africa is a clear recognition that Africa has come of age for

mutually profitable partnerships with Japan and the rest of the world. This is attested by a confluence of factors that have seen Africa transforming from a discredited continent to the new frontier of global trade and investment.

Indeed, today Africa is one of the continents where economic growth is remarkable, with immense investment potential and various reinforcing factors to kickoff industrialization. Several countries, including Kenya, Ethiopia, Rwanda, Ghana, Nigeria and Tanzania have managed to grow at 5 percent or more in each of the past three years.

It is important to note that some of the witnessed developments are as a result of the TICAD process, which has been critical in reshaping international discourse around the African development agenda. Being the vehicle of Japanese engagement with Africa, TICAD has since seen Japan-Africa relations steadily grow from a donor-recipient partnership to a more dynamic relationship focused on increased trade and investment, as the engine of sustainable economic growth in Africa. The process has shown great impact in African development particularly in the areas of infrastructure, logistics, agriculture, human resource development, health and poverty reduction programs on the continent.

Building on the strengths of the private sector as a key player in economic transformation, TICAD VI will be a turning point in the sense that it will be the first summit in TICAD’s history to have a

unique interactive session between the private sector and heads of state and government. This is a paradigm shift geared toward moving from official development assistance-oriented programs to private sector centered policies for increased trade and investment. The development is envisaged to strengthen a mutually beneficial business partnership between Japan and Africa and other global development partners.

With regard to the timeframe, TICAD VI will be convening three years after TICAD V. The timing gives stakeholders an excellent opportunity to evaluate the status of implementation of the TICAD V Yokohama Action Plan, build on its success and address any setbacks thereof. This will also be a momentous time to expand the TICAD dialogue on how best to address emerging threats bent to roll back gains made toward the continent’s economic security and sustainability. These include Ebola, violent extremism and social instability.

The summit also comes in quick succession of the launch of Africa Agenda 2063 framework, “The Africa We Want,” which is in line with the summit’s theme. The forum will therefore avail a platform to discuss how best the TICAD process can be synchronized with Agenda 2063 for a more strengthened and dynamic partnership between Africa and Japan.

In the end, we expect all the undertakings of the summit to culminate in the Nairobi Declaration, which is envisaged to commit all the stakeholders to



Mombasa Port expansion TOYO CONSTRUCTION CO., LTD.

specific deliverables that will ensure continued progress based on TICAD’s established strengths.

Kenya is greatly honored to have been entrusted and bestowed with the huge responsibility to host this very first TICAD summit in Africa. Indeed, Nairobi’s hosting of TICAD VI affirms Kenya’s steadfast commitment to the TICAD process of forging a stronger partnership between Africa and Japan. The honor

also underscores Kenya’s strong resolve to deepen its enduring bilateral relations with Japan and further solidify its position as the model of cooperation with Tokyo for sub-Saharan Africa.

We hope that delegates will also take some time off before and after the summit to sample and enjoy the bountiful and magnificent tourist attractions both in Nairobi and other parts of the country.

Transfer to heavy industry is critical to future expansion

Estifanos Afeworki
AMBASSADOR OF ERITREA

The significance of the industrial sector to national and regional development is very clear. Industrial enterprises diversify the economic activity of the agrarian-dominated production structure of our African countries that is mostly at a subsistence level. The share of the industrial sector, including manufacturing, mining and construction, ranges in the average of 40 to 50 percent of the GDP of most of the countries in Africa. Though the labor force deployed in this sector remains low (mostly 1 to 2 percent) compared to agriculture and other sectors, its contribution to economic growth is significantly high.

Most of the industrial enterprises in our countries are limited to food, beverages, tobacco and matches, textiles, leather and shoes, metal and woodwork, printing, nonmetallic minerals and chemicals. The colonial legacy of the concentration of economic activities in few limited centers, either in capital cities or seaports, is observed in many of the countries in Africa. Hence, the balanced industrial regional development policy, if appropriately implemented and assisted through the TICAD process, is key to social stability and employment creation on the African continent.

Most of the existing industrial enterprises in sub-Saharan Africa are mostly



small scale. The need to shift to heavy industrial scale is critical now. Therefore, meeting the demands for efficient infrastructure facilities is a key factor for the successful achievements of the African Development Agenda 2063. The clarion call of Japan and African cooperation in the sixth Tokyo International Conference on African Development (TICAD VI) being the flow of foreign direct investment (FDI), know-how and technology to the industrialization,

health and social stability of our countries, it is imperative to express and underline the fundamental mutual interest of collaboration in these key areas with Japan in this important summit being held in Africa for the first time.

Local and Japanese experts from Nippon Mining, currently known as JX Nippon Mining & Metals, revealed major sulphide deposits in the areas of Embaderho, Adi Rassi, Debarwa, Adi Nefas, Weki and other areas in Eritrea in the early seventies. Japanese companies have also made several investments in leather, cotton, housewares, aluminum and other small and medium manufacturing enterprises in Eritrea in the late sixties and early seventies.

Japan started the Overseas Economic Cooperation Fund (OECF) for Africa in the early 1970s. The first yen loan agreement was signed with Ethiopia in May 1973. This period coincides with the beginning of Nippon Mining and the above-mentioned investment activities in Eritrea. As in the past, location, business, resources and partnerships shall still be the cornerstones of the future Japan-Eritrea relations. Eritrea has an established centralized one-stop licensing center to facilitate the speedy formation of business ventures. FDI into the development and utilization of Eritrea’s rich natural and human resources is welcome. Import substituting businesses and the introduction of new technology to enhance and improve

production competitiveness and thereby optimize resource exploitation in our country, including expansion of small and medium-sized enterprises and industries, are encouraged.

Eritrea’s prospects for harnessing its natural resources, especially agriculture and fisheries (marine resources) through the enhanced participation of public and private participation of investment from Japan and other partners are most welcome.

Agriculture, industries, fisheries and marine resources, manufacturing, natural resources, tourism, transportation, infrastructure and other services such as banking and insurance are seen as priorities where Eritrea shall give support to ventures from Japan. Production of food and the export of cereals, animal products and feed, forest products, fruits, vegetables, flowers, hides and leather production, fisheries, boat construction and maintenance, tourism, telecommunications, infrastructure, conference and convention centers, sea and airports, real estate, hospitals and schools that can meet domestic, regional and international demand offer immense opportunities to Japanese companies in Eritrea.

In our preparation for TICAD VI, the African Diplomatic Corps (ADC) has successfully lobbied and solicited support from the public and private sector of Japan through its collective diplomacy. The ADC has successfully



Eritrea’s capital Asmara EMBASSY OF ERITREA

engaged itself with the co-organizers, government leaders of Japan, the African Union-Japan Parliamentary Friendship League, the House of Councilors (ODA Committee), Japan Association of Corporate Executives and the Japan Business Federation. Additionally, relationships were made with the Japan International Cooperation Agency, Japan Bank for International Cooperation, the Japan External Trade Organization, the Japan Oil, Gas and Metals National Corporation, Nikkei, the Japan Association of Travel agents, as well as

with companies, non-governmental and non-profit organizations, media, academia and the Japanese public. Hence, we expect a good quality level of activities such as diplomatic, political, economic, and cultural exchange events between Japan and African countries in Nairobi as a result.

To conclude, I sincerely hope that the Nairobi TICAD VI summit will help to make Africa and our countries one of the many economic, social, scientific and cultural destinations of Japan in the world.

Improved infrastructure key to success moving forward

Francois Oubida
AMBASSADOR OF BURKINA FASO

The Yokohama Plan of Action adopted under fifth Tokyo International Conference on African Development (TICAD V) in 2013 has centered its priorities on the development of African infrastructure, the growth of its economy and capacity building. To this end, many projects are being implemented on the ground.

In the area of infrastructure development, it was decided at TICAD V to establish 10 master plans for Africa during the 2013 to 2018 period. For West Africa, the plan will be developed around the concept of high-quality infrastructure starting with the so-called West African Growth Ring. The ring is related to the construction of highways linking the landlocked countries to the coast with a view to reducing the negative impact of this geographical handicap, facilitating trade between the countries and boosting economic activities for development. Burkina Faso will fully benefit from it.

In the economic growth sector, the key program was the empowerment of small-scale farmers. Subsequently Burkina Faso and Japan have joined hands to empower the small farmer, boosting their productivity, improving the quality of their products and helping them export overseas. Taking into consideration existing potentials, some products such as sesame, cashews and dried fruit have been selected to benefit from Japanese technical assistance and overseas development assistance. The Japan External Trade Organization is fully involved for market facilitation and some key players are regularly invited to Japan in the framework of FOODEX, which is held every year in Makuhari, Chiba Prefecture. These people are



given the opportunity to meet with businesses operating in their sectors while gaining familiarity with Japanese market requirements.

Since TICAD V, Japan has also engaged in activities aimed at promoting entrepreneurship by women. In this area, leading Burkina Faso women are regularly invited to Japan for training, together with other African women entrepreneurs.

Other projects such as the “One Border Post,” which aims to speed up the clearance of imported goods from one country to another and facilitate the flow of trade activities, are engaged through the Economic and Monetary Union of West Africa. In addition to the One Border Post, technical assistance is provided through the dispatch of Japanese counselors to the aforementioned

organization.

Regarding capacity building, Japan announced during TICAD V the “African Business Initiative,” better known as the ABE Initiative. This project is meant to bridge the information gap and prepare young Africans in support of the partnership TICAD has been calling for between Japan and Africa. Young people from Burkina Faso have been granted scholarships under the initiative and are now at Japan’s best universities studying for their master’s and doctorate degrees.

Upon graduation, they will join leading Japanese companies for hands-on training. It is the hope that they will use their stay in Japan not only to strengthen their individual capabilities, but also to build up a network both sides could use for business purposes.

Bearing in mind that the objective pursued by the programs under the TICAD process can only be achieved if every stakeholder strongly engages with concrete measures to improve the business environment and better attract foreign investors, the government of Burkina Faso, which is referred to by the World Bank’s “Doing Business” as one of the best in business facilities reform, has taken further decisions on the matter.

These decisions, rooted in a new ethic of exemplarity, responsibility and solidarity, include simplifying administrative clearance for the establishment of businesses, shrinking the handling time to 24 hours in the capital of Ouagadougou and to around three days in other cities. They encourage growth by reducing the timeframe for clearance on construction permits and provide assistance to the small and medium-sized enterprises through training, support for production of financial statements and management.

The initiatives also include the inauguration of a platform of exchange

between the One Stop Land Business Booth, the Center for Business Enterprise Clearance and the Center for Construction Facilitation in Ouagadougou and Bobo Dioulasso and the establishment of a new center in the city of Kaya. They also call for the inauguration of the platform of the Virtual Linkage System for Importation and Exportation.



Top: The presidential palace; Bottom: the prime minister inaugurates the construction of a solar energy power plant. EMBASSY OF BURKINA FASO

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GABON

Africa’s latest emerging economy goes from strength to strength

Stability provides strong foundations

Rich in natural resources and a gateway to parts of central Africa, Gabon is well on track to achieve emerging economy status by 2025

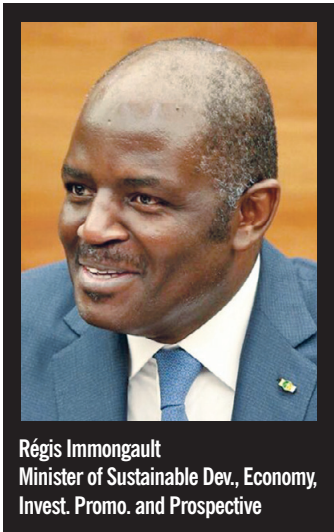
Endowed with a plethora of enviable natural resources such as oil, timber and manganese, Gabon boasts political, economic and social stability and continues to record impressive progress toward its goal of achieving emerging economy status by 2025.

Solid fiscal growth and economic diversification combined with an increasingly strong flow of foreign direct investment have kept the country of 1.8 million people in the global spotlight in recent years.

Much of this success can be attributed to the ongoing implementation of a multipronged economic development plan launched by visionary President Ali Bongo Ondimba that aims to boost living standards, create jobs, promote fiscal diversification and maximize the return on local and foreign investment.

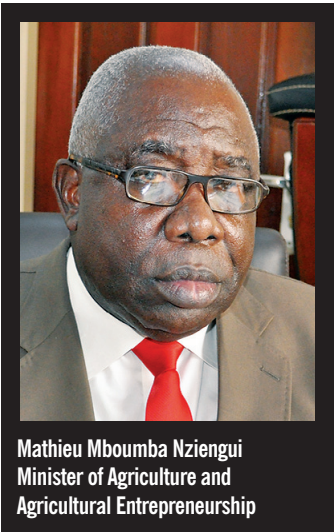
Known as the Strategic Plan for an Emerging Gabon (Plan Stratégique Gabon Emergent), the blueprint lays the foundations for a brighter future through a strong focus on three core pillars: industry, sustainable natural resource management and services.

The first component aims to transform the nation into a thriving industrial hub concentrated on the processing of abundant raw materials and the export of high-value-added products.



“What interests us more than anything is attracting Japanese businesses and boosting the capacities of our people.”

Régis Immongault, Minister of Sustainable Development, Economy, Investment Promotion and Prospective



Mathieu Mboumba Nziengui
Minister of Agriculture and
Agricultural Entrepreneurship

The second pillar looks to ensure sustainable management of the republic’s vast forests — which occupy about 80 percent of national territory — and the establishment of Gabon as a global producer and exporter of certified tropical timber.

The third pillar aims to generate a substantial service sector focused on areas such as banking and financial services, information and communications technology (ICT), education, health and ecotourism.

The government is eager for foreign investors to play an important part in the achievement of these three goals, as Ondimba outlined: “We must establish external relations with foreign investors on a win-win basis and at the same time, maintain a certain level of compatibility between Gabon’s needs and the needs of the global market.

“As we consolidate relations with our traditional partners, at the same time we must consolidate and diversify our coop-

eration in order to draw more inspiration from the experiences of the emerging and developing countries.”

Gabon certainly has a lot going for it as the country is already the continent’s second-largest producer of timber and is a leading exporter of the precious metal manganese and black gold: oil.

Foreign partners such as Japan are working closely with the public and private sectors to optimize natural and human resources in various fields.

One such example is two five-year projects involving the Japan International Cooperation Agency.

The first involves experts from Tokyo working to enhance a nationwide forestry resource inventory system that will contribute to sustainable forest management.

The second is a project that aims to launch a laboratory surveillance system for viral diseases of public health concern.

Régis Immongault, minister of sustainable development, economy, investment promotion and prospective said Japan mainly imports crude oil, but he believes they could import more minerals and fresh produce.

“Palm oil and other products from our agricultural industry are potentially strategic export products too,” he stated.

“What interests us more than anything is attracting Japanese businesses and boosting the capacities of the Gabonese people and infrastructure through their



Gabon’s portfolio of precious natural resources such as palm oil provide a wealth of business openings

knowledge and expertise. We would like to sign many deals and partnerships with Japanese enterprises.”

Immongault said many countries in Africa understand development will only be possible through the industrialization of key sectors, and Gabon is already sharing its experience of this process with other nations.

This includes the open door policy for foreign investors who wish to team up with government agencies and ministries for mutually-beneficial public-private partnerships (PPP).

“This is how we will reach the objective of the emergence of our economy, achieve more inclusive growth, create jobs and better integrate the value chain,” he stated.

As one would expect from a country fortunate enough to have very fertile soil and a favorable climate for growing cash crops, Gabon’s agricultural sector is a hugely important industry from a commercial and individual perspective, employing hundreds of thousands of workers directly and indirectly.

The importance of the indus-

try cannot be underestimated as 95 percent of the working population are involved in some aspect of the supply chain from field to table. Key crops include bananas, maize, sweet potato, ground nuts, yams and cassava.

There are more than 20 million hectares of unplanted arable land, representing huge potential for the growing of crops.

“Gabon is a developing country with a tradition of family farming and small producers,” said Mathieu Mboumba Nziengui, minister of agriculture and agricultural entrepreneurship.

“We want to develop our agro industry taking into consideration the land and its fair distribution. To have a sustainable agriculture, we will respect our environment.

“Agriculture should be at the heart of everything as it is the basis of humans’ whole existence. In Gabon we have all the conditions met for investors to come and settle down smoothly, with a particular interest in the launch of PPPs. The Agriculture Code and the Investments Charter are two fundamental tools in this regard.”

Investment in transport steers businesses into the fast lane

Substantial spending on transport infrastructure has fine-tuned the performance of road, rail, air and maritime activities and logistics

The backbone to any economy, efficient transport networks are vital if a country is to achieve its full potential and this is certainly true of Gabon, even though the republic’s high urbanization rate of around 90 percent means the majority of people live in cities rather than rural areas.

As such a vital economic link in the chain of development and flow of goods and services, the

government has invested substantial sums in modern transport infrastructure by improving highways, rolling stock, ports and airports so as to lubricate the engine of economic growth.

With a huge agricultural industry highly dependent on the efficient movement of fresh produce and livestock to local and international markets, the government has been quick to green light

transport developments, many of which have involved foreign partners. Together with the Ministry of Infrastructures, we ensure the roads sector is well developed as most of our trade is done by road” explained Transports Minister Ernest Mpouho Epigat.

“International trade happens mostly by maritime transportation and fluvial transportation helps unlock areas not easily

accessible by road or air.

“Operators can already expect a better fluidity in our road network and it is important to highlight the guideline of the Central African Economic and Monetary Community on the mobility of people and goods in the region along the Trans-African highway network.

“This highway will allow us to be connected with all our neighboring countries and there will be an intensification of trade as the network develops.

“Transportation is essential for the diversification of our economy

and when the free circulation of goods and people will be effective in the region, we will witness a boom in economic and cultural exchanges at the regional level.”

The minister is quick to highlight the success of Japanese companies in Gabon and strongly believes they can contribute more to the development of the transportation sector and the economy in general.

“The Japanese are already active in Gabon, with the example of Mitsui operating the Port of Owendo with Gabon Port Management. Also, Toyota has a subsidiary with significant turnover.

“We would like them to contribute more to the development of the transportation sector, especially in our railways where their technology could help us improve our capacities. We are open to deals with partners from



Ernest Mpouho Epigat
Minister of Transports

Franceville in the east and Libreville’s port of Owendo.

The line is operated by the Société d’Exploitation du Transgabonais (SETRAG), owned by French mining company ERAMET as part of a 30-year concession to operate the railway until 2035.

The Transgabonais currently offers up to nine daily commercial train slots, below the 16 daily slots the network could potentially accommodate if aging infrastructure, which restricts the speed of traffic, was replaced.

SETRAG is committed to restoring the Transgabonais’ maximum capacity with the help of the government, which owns the infrastructure utilized by SETRAG, as ministers have identified Transgabonais’ spare capacity as a driver for growth.

“The railway ensures the export of mining products,

especially manganese from the province of Haut Ogooué to the Port of Owendo, and the import of necessary commodities like fuel,” said SETRAG General Manager, Patrick Claes.

“We transport around 250,000 people per year and our objective is to transport 4.5 to 5 million tons of goods per year, comprising mostly manganese, logs, other goods and fuel. Our goal is to carry 22 million tons per year after a seven-year investment program that will start soon and involve extensive rehabilitation of the line.

“The Japanese are more than welcome to help us modernize our tools and technology and train our people. We know the excellent reputation of the Japanese in the railway sector and are highly interested in forging successful partnerships with our Japanese counterparts.”

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Power improvements energize the economy

Huge investment in hydroelectric dams means the vast majority of people and businesses in Gabon can easily plug into power network

As in any emerging economy with a fast-growing population, Gabon is aware it needs to invest heavily in new energy-related infrastructure to ensure national energy demand is met and capacity is sufficient to support future socioeconomic development.

Gabon starts this journey to greater energy provision from a position of strength as the country is already at the forefront of sustainable development.

Nearly nine out of ten people have access to electricity, with 46 percent of total electricity generation provided by hydroelectric plants and 54 percent by thermal plants.

However, the energy mix is likely to diversify significantly over the next decade through significant investment in environmentally friendly renewable energies such as solar and wind farms.

The ambitious goal of the government is to provide everyone in the republic with access to electricity by 2020. To hit this difficult target, there is now a strong focus on the electrification of rural areas which will see officials double installed capacities over the next few years.

Gabon has significant hydroelectric potential, ranging from 5,000MW to 6,000MW and several new dams have been constructed in recent times to harness this tremendous and infinite source of energy.

At present, the Grand Poubara dam is the most powerful in the country with a 160MW capacity.

Other hydroelectric projects currently under construction or due to start work shortly include: Ngoulmendjim Dam (115MW), Empress Eugenie Falls Dam (84MW) and FE2 Falls Dam



Guy Bertrand Mapangou
Minister of Energy
and Water Resources



Jean-Pierre Oyiba
Minister of Infrastructures, Public
Works and Territory Planning

(36MW). Because of the development of renewable energy sources, less than two-thirds of its energy comes from fossil fuels, placing Gabon in the top five of African nations in terms of energy competitiveness.

In 2025, gas-generated electricity will only represent, at most, a fifth of total production, compared with 80 percent for renewable electricity.

“Japanese investors could bring technologies to optimize our costs ... and our economic performance.”

Pierre Reteno N'Diaye, CEO, SOGARA

“The energy sector is a fundamental base from which the economy can emerge, diversify and aid the fight against poverty,” explained Guy Bertrand Mapangou, minister of energy and water resources.

“In the longer run, energy is product that will be exported, as part of the Industrial Gabon pillar. By 2020, Gabon aims to reach a competitive and reliable supply of 1,200MW by increasing

The minister added: “In rural areas, the plan is to extend existing networks and to raise the production using biomass. The geography of Gabon is a major challenge to the government’s efforts to interconnect all the regions and remote villages. Innovative solutions using the sun or hybrid systems are therefore used to improve the electrification rate in rural areas.”

This energy infrastructure

development goal is fully supported by the Ministry of Infrastructures, Public Works and Territory Planning, led by Jean-Pierre Oyiba.

Asked about the present pace of general infrastructure development in Gabon, the minister was quick to highlight some of the competitive advantages and incentives that have already attracted major international companies to many of its towns, cities and rural areas.

Key competitive advantages

“Our workforce is excellent, people are well trained, we have a very well-connected airport, a very open port, political stability, a sound banking system, and solid institutions,” he explained.

“Infrastructures always require heavy investment the state cannot finance with its own resources. It is necessary that financial institutions and investors help us in this, and that private parties come to ensure the operations of our infrastructures, as is already the case in with our ports.

“For our airports, we are thinking of adopting the ‘build-operate-transfer’ (BOT) model in the case of the airport of Libreville as it has already reached its capacity.

“This BOT offers all the guarantees against a certain number of years of exploitation of the airport. For our roads, we are actively looking for partners to operate tolls as is already done in many other countries in Africa. Traffic is heavy in Gabon as we have the highest number of automobiles per person in the entire region.”

Nowhere is the importance of excellent infrastructure involving huge sums of foreign direct investment more apparent in Gabon than in the oil sector, both in the upstream and downstream arenas.

Scores of businesses employ-



Total Gabon, working together toward an emerging Gabon

ing thousands of workers, as well as the government, rely on the continued success of the industry, although like other oil-producing nations, the recent downturn in crude oil prices has impacted output rates and derailed some future investment plans.

Refinery expansion on track

As the country’s only refinery, the importance of Société Gabonaise de Raffinage (SOGARA) to national economic well-being and development since its commissioning 49 years ago cannot be understated.

The facility transforms millions of barrels of crude oil into refined products such as petrol, diesel, gasoil, butane and kerosene.

The government holds a 25 percent stake in the facility — which supplies domestic and foreign markets — French oil giant Total 43 percent and Portofino Assets about 17 percent.

Construction of a second refinery is on the horizon, with the state-of-the-art facility due to be constructed through a public-private partnership between Gabon Oil Company and South Korean

Group Samsung.

The new refinery will boast triple the 1 million tons per year capacity of SOGARA and fully comply with the latest international standards.

Substantial investment has led to an increase of productivity during the past few years. For

“The energy sector is a fundamental base from which the economy can emerge and diversify.”

Guy Bertrand Mapangou, Minister of Energy and Water Resources

example, in 2009 SOGARA produced 110-tons/hour of products. Today, it produces nearly 160 tons/hour, but company officials are keen to form partnerships with Japanese companies so as to increase automation and further boost output.

The company refined 927,000 tons of crude oil in 2015, the second-highest production total in its history.

SOGARA CEO, Pierre Reteno N'Diaye, is eager to explain how this impressive performance was achieved and how he expects



M&P, the sustainable partner of Gabon www.maureletprom.fr

to reach the 1 million tons/year threshold in the not too distant future — a goal he hopes can be achieved with the help of Japanese technology, experience and knowledge.

“We managed these great results thanks to a higher performance of our plant and more reli-

able tools,” he said. “In 2015, the plant mostly operated 24 hours a day, seven days a week.

“For 2016, the perspective is more uncertain. We had some technical problems and have not required a major maintenance shutdown for four years, although the next one is scheduled for June 2017.

The experienced executive highlights some of the potential tie-ups with Japanese companies and investors and is keen to explore opportunities that would further improve operating rates

and streamline costs throughout the facility’s portfolio of products.

“Japanese investors could bring technologies to optimize our costs, increasing our technical capacities and therefore the economic performance,” he explained.

“They could help us build special units that would allow us to process more effectively and completely the barrels that we receive. They could also help us in the instrumentation of the refinery, as today it is semi-automated. The less human intervention you have the better it is in term of performance.”

N'Diaye continued: “Gabon is a fast growing country with great potential. Given these advantages, it is an attractive destination for Japanese investors.

“Originally heavy fuel oil was exported to the American market. Today, we are exporting far more to the Asian market where it is reprocessed to refine “noble” products. Japan is not yet a client in our portfolio. Nevertheless, we have already been in contact with Japanese trading companies interested in our products.”

Hi-tech hub displays velocity, connectivity and reliability

Gabon is proud to be regional leader in ICT as heavy investment in world-class infrastructure encourages extensive use of mobile and internet-based services.

In today’s fast moving world, instant and reliable access to high-tech communications channels are absolutely essential if businesses and entrepreneurs are to maximize commercial opportunities and connect to vendors and investment partners located at home or abroad.

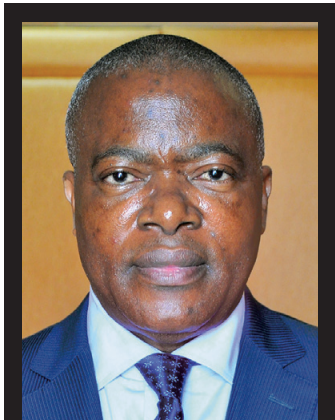
Whether it is a click of a laptop mouse, touch of a mobile phone button, swipe of a tablet screen or press on a computer keyboard, customers and suppliers require data and information as quickly as possible so as to make informed decisions.

Gabon’s regulatory framework is transparent and fair — two factors that encourage investment and innovation in the information and communications technology (ICT) sector.

In 2014, the ICT sector in Gabon generated a direct turnover of 293 billion Central African Francs (FCFA), contributed around 5 percent to the GDP and created more than 12,000 jobs.

The government passed a budget of 2.63 trillion FCFA for 2016, of which around 2 percent has been allocated to the various activities of the ministry of digital economy and posts.

The telecoms market was liberalized in 1999 when the government awarded three mobile telephony licenses and two internet service provider licenses and established an independent regulatory authority.



Pastor Ngoua N'Neme
Minister of ICT



Abderrahim Koumaa
CEO, Gabon Telecom

At the third time of asking, leading operator Gabon Telecom was privatized in 2007.

In contrast with the mobile market, Gabon’s fixed-line and internet/broadband sectors have remained underdeveloped due to a lack of competition and the resulting high prices.

“Gabon has a penetration rate of 180 percent for mobile phones, one of the highest within the region.”

Pastor Ngoua N'Neme, Minister of ICT

The country has always had sufficient international bandwidth on the SAT-3/WASC/SAFE fiber-optic submarine cable which runs from southern Europe via South Africa to several countries in West Africa.

The installation of a second

international submarine fiber-optic cable (ACE), combined with the anticipated launch of 3G and 4G mobile broadband services is expected to bring significant improvements to businesses and individuals in the short, medium and long term.

“Gabon has a penetration rate



Gabon Telecom, the Future Belongs to You www.gabontelecom.ga

the content, especially Gabonese content.

“The ICT sector is already playing an important role in other sectors of the economy. For instance, the seasons are not coherent anymore and it has become difficult to predict when it will rain.

“Supporting the objective of the country to become self sufficient with food, irrigation could be monitored by assisted-irrigation using technology when the rain is not enough.

“Telemedicine is another project in the pipeline, fitting in the e-government program. The idea is that all Gabonese, especially the ones living in the countryside, should be able to be assisted by a doctor irrespective of the distance.

“We envision the same in the

fields of education. These ideas and projects will all revolutionize the way we live and organize ourselves.”

Next generation technology

The minister wants to encourage young people to maximize their potential through the use of new technologies in the spheres of business.

“This ministry has a digital incubator program to foster entrepreneurship among the youth,” he said “We need qualified managers to develop our digital economy.

“One of the results of the last New York Forum Africa is the signing of a deal with Bharti Airtel to train 5,000 young people in ICT related jobs, in partnership with UNESCO and our ministry of national education.”

By providing widespread access to the information super-highway and a range of fixed-line telephony and mobile phone

“Most multinationals here use Gabon Telecom. We are a guarantee of trust and quality of service.”

Abderrahim Koumaa, CEO, Gabon Telecom

services, Gabon Telecom is at the heart of the country’s digital revolution and is pioneering the roll-out of the 3G/4G and 4G+ technologies in the wider region as well.

The group is 51 percent owned by Morocco Telecom and 49 percent controlled by the Gabonese government — a structure that has seen the operator transform a public entity to a

modern private company with independent management.

Gabon Telecom provides extensive coverage in 21 cities and is eager to establish partnerships with firms who can bring new technologies at competitive prices to enable the producer to offer such hi-tech services at affordable prices for the majority of people across the country.

“Most multinationals operating in Gabon use several Gabon Telecom services,” stated CEO Abderrahim Koumaa. “We are a guarantee of trust and quality of service.

“Our investment and expansion strategies have been very successful. Gabon Telecom is the most innovative company in the market. We have invested heavily in optical fiber. Foreign companies settling in Gabon discover we provide services with high-speed broadband at affordable prices.

“Some companies have lowered by 60 percent their cost

Koumaa said Gabon Telecom is attentive to all the high-tech suppliers wishing to invest in the area and wants to introduce tools and latest technologies at affordable prices in a very dynamic market.

The company has already benefitted from working with Japanese firms, as the executive explains: “We worked with a free-space optical communication (FSO) company from Japan to develop the use of optical fiber and with NEC, a company we have known for 30 years and one we have worked with very closely on the backbone transmission.

“We are very satisfied with our cooperation with Japanese companies.”

Tailor-made tech solutions

The executive is eager to repeat this success with new partners from Japan and elsewhere: “We are open to companies wishing to provide solutions to develop content directly in Gabon.

“We invite companies to contact us to develop this segment. Internally, we have developed mobile-commerce services with our Mobicash application that allows unbanked customers to have banking services tailored to their income. We have developed this very popular service throughout the country.” Koumaa concluded with a message for Japanese enterprises, “I invite investors and businesspeople from Japan to discover beautiful Gabon, a welcoming country with investment opportunities and very advanced telecommunications services that will accompany you wherever you are.”

Buried treasures entice foreign investors

Gabon's vast mineral wealth and major oil reserves remain a powerful attraction for many foreign enterprises seeking to optimize valuable natural resources for key export markets

For several decades, Gabon's economy has been heavily reliant on huge oil reserves that continue to generate substantial sums for the government despite the recent down in global oil prices that has seen multinational operators trim capital expenditure in many countries. Leading economists say the recent collapse in oil prices is a major challenge that will test Gabon's macroeconomic resilience as it has reduced growth forecasts and lowered government revenue.

The price falls also underline the need for ministers to further accelerate the implementation of Gabon's plan to diversify its economy.

Diversifying the economy is a core component of the country's agenda for change, but the oil industry will always remain a key source of foreign revenue and employment opportunities. In addition, significant gas reserves have yet to be fully exploited by local or foreign players.

Gabon is certainly being highly proactive in the face of such challenges and tackling these hurdles without hesitation.

On July 1, Gabon officially rejoined the Organization of the Petroleum Exporting Countries (OPEC) after a 22-year absence.

The country's return to OPEC followed a request by Gabon earlier this year as it believes the best way forward is strength in numbers.

The memorable occasion saw Gabon's Minister of Oil and Hydrocarbons, Etienne Dieudonné Ngoubou, visit



Martial-Rufin Moussavou
Minister of Mining and Industry



Etienne Dieudonné Ngoubou
Minister of Oil and Hydrocarbons



Rigobert Ikambouay-Ndeka
CEO, OPRAG

the Vienna headquarters of the hugely important group to discuss the collective way forward for the industry.

Ngoubou held high-level discussions about the current oil market situation, the secretary-at's main activities, and the input of Gabon into the organization.

"Gabon is delighted that it will once again be a member of OPEC after more than 20 years away," he said.

"We believe we can be an active and engaged partner in OPEC's activities, as the organization looks to meet both challenges and opportunities in the years ahead."

Acting OPEC Secretary General, Abdalla Salem El-Badri, added: "We are very happy to welcome back Gabon into the OPEC group of countries."

"We look forward to working with the minister and his colleagues in the coming years."

Promising business openings also exist in the fledgling gas sector. The flaring of gas

has been prohibited in Gabon since 2010. Since then, the sector has become more industrialized and there are investment opportunities in the latest flaring techniques.

The ban on gas flaring aims to favor new recovery and reinjection techniques, which are more ecological-friendly, more profitable and meet international commitments in terms of sustainable development.

As already highlighted, Gabon's diverse landscape contains minerals in abundance and these valuable natural resources sustain an export-oriented mining industry for commodities such as manganese, iron, gold, silver, diamonds, niobium, phosphates, lead, zinc and barite.

Long dependent on oil and gas as its main source of revenue, Gabon is mindful of the limited lifespan of these resources and is eagerly pursuing the sustainable development of other sources of natural wealth.

Already the world's second-

largest producer of high-grade manganese — of which Gabon is estimated to have reserves of around 250 million tons — there is plenty of scope for substantial investment in the mining and raw materials sector.

Priority is to add value on site Indeed, that figure is dwarfed by iron ore reserves estimated to total nearly 1 billion tons and surveys have revealed nearly 1,000 sites for potential mining operations.

The overall aim is to increase mining activities, add value on-site and enhance the economic development of the regions where these sites are located.

According to relevant section of the comprehensive Emerging Gabon Strategic Plan, the government's overall goal is for Gabon to become a "metallurgy center, with a dynamic fabric of small and medium-sized enterprises exporting iron-based products to the whole sub-region

and beyond."

The mining industry accounts for 4 percent of GDP and 6 percent of the country's exports by value. Mining operations are supported by a range of infrastructure projects in the transport and power sectors that are boosting capacities and efficiencies.

In a well-received move that reassured international investors considering exploring openings in the price-volatile industry, a new mining code was adopted in 2015 that offers greater legal protection and fairer tax rates and customs duties.

"The new mining code covers two important rules: inviolability of the mineral title, stating that none of the titles regularly attributed to an operator can be taken back, and defining the competent national jurisdictions and tribunals.

"Mining is at the core of the blueprint of our national industrialization policy," explained Martial-Rufin Moussavou, minister of mining and industry. "The ultimate goal is to maximize the exploitation of the resources and to add value.

"Specific projects include the metallurgical complex at Moanda, the iron ore project at Belinga in Ogooué-Ivindo province; the niobium and other minerals project by Maboumine and the construction of hydro-electric dams to reinforce the installed electrical capacity and raise it to 2,000MW by 2020 and to 3,000MW by 2035.

The minister is eager for Gabon to build on its excellent trade relations with Japan and increase collaboration on metals and mining industry projects and initiatives.

"Our trade relations with Japan are mostly visible with oil and manganese that Japan imports from us," he said. "Other companies need metals, paving the way for opportunities to increase our exports to Japan.

"Japanese companies most interested in working with us include Mitsubishi and Mitsui, but the cooperation could be reinforced and our country could benefit from the financing of projects and the improvement in geological expertise, training and technology transfers.

"Ideally, we would also like to see a higher level of cooperation between Japan Oil, Gas and Metals National Corporation (JOGMEC) and this ministry,



The metallurgical complex of Moanda is key to the industrialization of Gabon's mining industry

as envisioned during the fifth Tokyo International Conference on African Development (TICAD V) in 2013.

Ports are strategic gateways

With a lengthy coastline, Gabon benefits greatly from not having to rely on neighboring countries to export its substantial quantities of minerals and commodities to buyers around the world, a competitive advantage that is made possible by modern ports at Owendo and Port-Gentil.

Owendo (Libreville) is the more important of the two maritime gateways as it handles 75 percent of the country's commercial trade, while further south Port-Gentil is the primary exit

opportunities for infrastructure development. Key achievements include the acquisition of an automatic identification system and vessel traffic services system to better regulate port activities and a significant reduction in vessel waiting time through the streamlining of administrative processes.

To highlight this last point, in 2009, vessel waiting times could reach 15 days, whereas today it is 48 hours. Earlier this year, OPRAG invested in a pair of tugs to further increase productivity and efficiency.

In recognition of these achievements, OPRAG CEO, Rigobert Ikambouay-Ndeka, received a coveted prize at the prestigious

the modernization and development of infrastructure. We began modernizing the Port of Owendo with the acquisition of new cranes. We worked with the Japanese group Mitsui, our main partner in the management of the infrastructure.

"We then expanded the container terminal from 59,000 twenty-foot equivalent units (TEU) capacity in 2009 to 132,000 TEUs in 2014. We acquired new operating systems and modern hardware.

"We also built new storage capacity, warehouses and a new captaincy so the state can ensure its sovereign role of safety-security and well-managed port infrastructure."

He continued: "The port infrastructure of Port-Gentil has also been modernized and we launched major projects with the creation of a new ore terminal and a new cargo terminal through a PPP with agribusiness Olam International and a new dock in Mayumba through another PPP. "There are other projects that have not yet been achieved: such as the great port of Mayumba and the port complex of Port-Gentil with a large iron ore port for Belinga. "Another focus has been on the facilitation of administrative procedures that has seen the implementation of scanners and the creation of a one-stop shop to streamline and simplify import and export operations. OPRAG Gabon is a great vector of development."

"We focus on meeting our deadlines, respect for the environment, security and safety."

Rigobert Ikambouay-Ndeka, OPRAG CEO

point for hydrocarbons.

A deep water port at Mayumba in the south west will be built in the next few years to further boost import/export activity.

Gabon's port authority Office des Ports et Rades du Gabon (OPRAG) is tasked with regulating and supervising port operations and has overseen a steady rise in port traffic in recent years as it looks to become a regional logistics hub.

New legislation has synchronized Gabon's maritime law with global standards and prioritizes public-private partnership (PPP)

Paris Africa Port Awards.

"The results of our efforts are positive, the waiting time in the port has reduced significantly and productivity increased by 75 percent, thanks to three new cranes that have created greater profitability for shipowners," said Ndeka.

"These results enabled us to attract the world's second-most important transporter of containers to the first time. We focus on meeting our deadlines, respect for the environment, security and safety.

"We have focused heavily on



**Gabon Oil Company:
steering the energy
needs of an
emerging nation
forward to produce
the future**

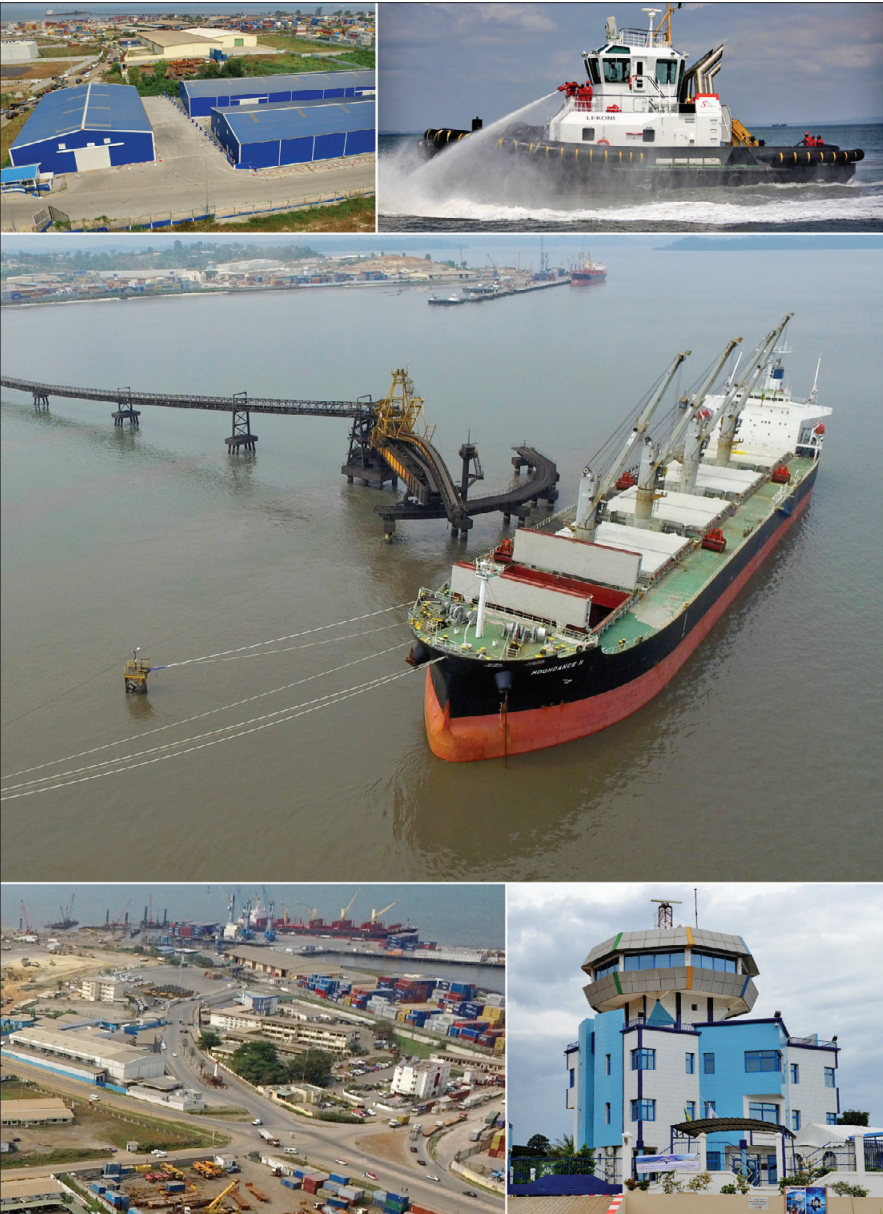
Created by Presidential decree on August 24th 2011 to ensure Gabon's most important resource is managed transparently and in-house, Gabon Oil Company is primarily an upstream-focused entity wholly owned by the Republic of Gabon. With a vision to become the flagship of the PSGE (Emerging Gabon Strategic Plan), GOC has more than 80 employees and strong partnerships with global players. A growth strategy aiming to optimize state revenue by smart acquisition of marginal fields, non-operated equity shares acquisition and robust downstream plan as Gabon's only refined products importer.



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Responsible for the development of maritime and port infrastructure and activities in Gabon since 1974, OPRAG is moving full speed ahead to improve its efficiency and standing in the region. Receiving the 2016 Paris Africa Ports Award from French trade magazine JMM shows investors and traders it is well on its way.



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Aviation sector soars with more routes

An increasingly popular route for leading international airlines, Gabon is reaping the rewards of significant investment in aviation infrastructure and services

As Gabon's economy grows and major new infrastructure projects are announced, more and more foreign investors, government officials and business executives are flocking to its bustling cities on a regular basis. Demand for seats to and from Gabon has seen a surge in passenger numbers in recent years. Many leading international airlines now include Libreville and Port-Gentil on their route networks and offer frequent services for business as well as leisure travelers.

The government is keen to take advantage of this positive trend by launching its own flag carrier, as Transports Minister, Ernest Mpouho Epigat, explained.

"We are currently setting up a national airline to reinforce our position as an aviation hub in Central Africa," the minister confirmed. "This position is already supported by the presence of many international airlines at our main international airport in Libreville."

The minister will surely hope the new airline, which has yet to be named or incorporated, will enjoy a similar success to that of other airlines born in recent years that now serve the nation.

Launched at the dawn of the millennium and with licenses to operate services to 21 countries on the continent, Afric Aviation is flying high as the leading airline in Gabon in terms of passenger numbers.

In fact, the airline carries more people than its three nearest competitors combined and is the first choice for foreign business execu-



Alfred Pierre Etouké
General Manager, Afric Aviation

tives looking to reach parts of the country underserved by regional competitors. Afric Aviation is a joint venture between Gabonese investors and Equafight Service — a Congo-headquartered airline — and Regourd Aviation, a French firm that specializes in business aircraft.

The airline operates regular services to major cities in Gabon and the wider region, including

"I am convinced there will be a boom in the aviation sector given the high growth rates of Gabon and the region."

Alfred Pierre Etouké, General Manager, Afric Aviation

Libreville, Port-Gentil, Rabi, Gamba, Franceville, Douala and São Tomé.

Highly rated by local and foreign passengers, and with an excellent safety record, main clients include major operators in the oil, gas, energy and

mining industries, including Total Gabon, Valcoo Gabon, Addax, CNR International and COMILOG.

Supporting showcase event

The successful airline will also carry the players, officials and supporters of many of the football teams playing in the next edition of the continent's showcase sporting event, the Africa Cup of Nations 2017.

"We have recently invested in two Boeing 737s that will fly to continental destinations," said Alfred Pierre Etouké, general manager of Afric Aviation. "We have also been contacted by several major operators, including Ethiopian Airlines, South African Airways and others, to evaluate the possibilities to develop code shares and synergies."

The senior executive reveals he is very interested in placing orders for the state-of-the-art Mitsubishi Regional Jet, (MRJ), a

funding. Given our development plan, we are considering ordering around 10 planes to replace our current fleet.

"Our job is very technical and training our staff represents 10 percent of our overhead. If we come to an agreement with Mitsubishi, we will negotiate a package that will include, on top of the delivery of planes, the training of pilots, mechanical engineers, technicians, and the support of Mitsubishi for two to three years before the local personnel is ready.

"Per plane, there is a need to train six pilots, 12 flight attendants, and four to five mechanical engineers. The ideal case would be that Mitsubishi establishes a maintenance center in the sub-region, the availability in technical support benefiting the sales of planes."

Turning to some of the challenges that the aviation industry faces, such as being unable to operate flights to the European Union because of safety concerns, Etouké is confident they will be overcome and the sector will continue to flourish.

"Civil aviation is not so developed in this part of the continent, but I am convinced there will be a boom in the sector given the high growth rates of the concerned countries, even despite the fall in oil prices.

"The needs are huge: the commercial exchanges and the relations among these countries have only been growing over the past years. We now even have to allow major airlines like South African Airways and RwandAir to fly from Libreville to Douala, or from Libreville to Yaoundé, for instance.

"Another important factor is that local private companies are

progressively developing and national carriers will play a more reduced role.

"With private airlines, development is visible as there are no subventions, but investment plans and a measurement of the risks taken. On top of that, we need to develop niche markets with destinations like Lagos, Port Harcourt, Abuja in Nigeria and other ones such as Pointe Noire in Congo."

Watchdog boosts safety drive

An important figure in the industry, the National Civil Aviation Agency (ANAC) is in charge of the legal framework, with responsibility for the respect of the security/safety standards and rules by the operators.

Key priorities include increasing the standards in terms of security, safety and infrastructure at regional airports and ensuring new facilities such as Port-Gentil Airport and the expansion of Libreville Airport, respect legal rules in terms of environment, safety and urban constraints. Dominique Oyinamono, ANAC general director, sees a myriad of business opportunities across the fast-growing sector.

"We need to renovate national airports and aerodromes, especially the ones in the provincial capitals, extend and upgrade airstrips, develop or build terminals, install radars, safety and security equipment and preserve the perimeter of airports and installations," he stated.

"On this last point, Gabon is a member of the Agency for the Safety of Air Navigation in Africa and Madagascar (ASECNA) which includes 17 African countries and France. ASECNA's primary mission is to ensure coverage of air navigation over



ANAC — professionalism and efficiency for safe aviation www.anacgabon.org

the airspace of these countries.

"In December, ASECNA will invest in a radar and, in time, we will equip Port-Gentil with radar as well.

We negotiated and agreed to aviation agreements with Qatar in 2013 and with the United Arab

the formalization of this declaration. We also have contacts with China and Egypt for aviation agreements."

The executive sees a lot of potential for business with Japanese firms across the spectrum of aviation services.

"Japan could help us to train staff on safety for aerodromes and aircraft navigation and so on."

Dominique Oyinamono, General Director, ANAC

Emirates in August 2015. These agreements will allow us to serve more easily Asia in the short term.

"In March, during the International Tourism Fair in Berlin, Qatar Airways announced that they would open a route to Gabon in 2016. We are waiting for

"We should develop cooperation with a developed country like Japan on many aspects, starting with an aviation agreement between the two countries.

"Gabon could then develop bilateral cooperation on staff training. Within the wider region, there is a project to create

a training school for the aerospace industry. Japan could be a partner of this project.

"Japan could also help us to train staff on safety for aerodromes and aircraft navigation, and so on. We also need equipment like firefighting vehicles, meteorological technology for our national airports, which are under-equipped at present."

Afric Aviation's Etouké is keen to have the final word on the importance of his airline and the aviation sector in general in the context of national development.

"We are contributing to the development of the air transportation sector in Gabon and to the efforts engaged in the PSGE.

"This plan is not a political one; it is an important program for the economic development of the whole country and all the sectors of the economy, including transports."

Oil sector thrives despite price volatility

As guardian of the country's oil resources, Gabon Oil Company is entrusted with optimizing revenue for socioeconomic development

Gabon's oil reserves are so substantial even the recent downturn in crude oil prices has failed to deter investors from exploring the sector's rich potential.

As already mentioned, the country's recent return to the OPEC cartel has further bolstered its reputation amid price volatility and a slowdown in fresh investment in global oil projects by foreign energy giants.

The downturn in prices has not deterred Gabon Oil Company from its aims, as the state-owned goliath looks to maintain its role of industry figurehead.

The firm is involved in every area of the upstream and downstream sectors, including research, exploration, development, distribution, transport, storage, marketing and refining. The company's importance to the national economy is enormous and its board are well aware how the group needs to perform strongly if GDP is to grow and investors are to push through with investment plans.

Arnauld Engandji, CEO of Gabon Oil Company, understands the weight of responsibility on his shoulders, but is enthusiastic about the challenges ahead and the importance Gabonese benefit from the country's most precious resource.

"For 60 years, international companies have controlled Gabon's oil sector, he stated. "Gabonese citizens do not always know who trades the oil and where all the benefits from the sector end up.

"The idea of a society based on 100 percent of public capital, created by the parliament, gives



Arnauld Engandji
CEO, Gabon Oil Company

more transparency to citizens and ensures a state company manages the most important national resource transparently.

"The creation of Gabon Oil Company creates value at every level of the oil sector and generates important new revenues for the country, revenues that are not exported, but reinvested in strategic sectors of the economy.

"We aim to take control gradually of the industry and to build expertise in all business sectors of the oil industry in order to generate added value for the national economy.

"We have a dual responsibility — a responsibility to the company and stakeholders and a responsibility to the state.

"To respect both, we try to minimize the risks by focusing on production rather than exploration, which is a very risky segment today. We are also involved in the trading, selling crude oil through a partnership agreement with Vitol, an international company.

"We recently took control of

a former Total production field. Recently, Gabon signed a partnership to import refined products, to develop storage activity, warehousing and distribution. We will begin that last activity in September of this year.

"In terms of production, we have no high corporate cost, few expatriate labor costs, thus allowing us to produce at lower cost. When we produce oil, we use 99 percent local workers and managers.

"Working on small fields of production helps our company and our teams to develop an expertise in logistics, costing and help us to master each key element of oil production.

"Today, when we work with international partners we have the 'tricks of the trade' to negotiate, which can only be acquired by taking an active part at all levels of the value chain."

Partnerships boost growth

In the near term, the company is looking to play a leading role in the setting up of a second oil refinery in Gabon with the help of local player Société Gabonaise de Raffinage (SOGARA) and Korean conglomerate Samsung. "Concerning the refining activity, we are negotiating to increase the share of the state in the capital of SOGARA, the first refinery in the country and closing negotiation for the new refinery project in partnership with Samsung. This project with Samsung should create 4,000 direct and indirect jobs."

Describing the downward spiral of oil prices over the past 18 months as a "shock to the

system," he insisted Gabon Oil Company has learned a lot from and will emerge even stronger.

"The company was recently created and two years later it crossed a major crisis in the sector. In terms of a learning curve it was very interesting for all the staff because in this type of situation every dollar invested is important, every decision counts double, good governance is key for the company to survive. The crisis gave us a real 'electric shock.'

"Gabon Oil Company has more and more responsibility in partnership with international contractors."

Arnauld Engandji, CEO, Gabon Oil Company

"Today, we have gained expertise and the state gives us more and more responsibility in partnership with international contractors, which is an indicator that we have grown and gained leadership in the sector."

Japanese companies are definitely in the crosshairs of Gabon Oil Company as the firm admires their approach to business and society and is targeting mutually beneficial partnerships with foreign enterprises.

"If I had to choose partners, then they would certainly be Japanese companies as I admire this idea of well governance and accountability," Engandji added, before quickly explaining why he holds them in such high regard.

"In Japan, the company is the heart of the city; the heart of the society. It would be good to apply this model to Gabon Oil Company as the firm has a strong public vocation."

The second-largest oil producer in Gabon is Total Gabon,

which is partly owned by the Gabonese government.

Part of the famous Total group — the world's fifth largest oil producer — Total Gabon is heavily involved in oil exploration and production, as well as distribution of petroleum products.

For the past 40 years, a mechanism has been in place that devotes a portion of the firm's oil revenues to finance actions to diversify the Gabonese economy.

This social policy has produced remarkable results in

areas such as health, education and infrastructure and benefited countless people of all ages in villages, towns and cities.

"Total Gabon production stability is the result of the investment efforts made by the company from 2010 to 2014," said Henri-Max Ndong-Nzue, managing director of Total Gabon.

"We renovated existing platforms to continue operating safely after sometimes more than 30 years of activity and added new production capacity

to maintain our production level through the drilling of new infill wells or from platforms already in place, or from the new platform commissioning in 2012."

Japanese firms blaze a trail

The executive has positive experiences of working with firms from Japan and is keen to work on more similar projects.

"In general, we have always had good relations with Japanese companies. Mitsubishi is a good example. This is a company that fulfills its role by investing in exploration.

"We also exchanged with Mitsui on gas-related opportunities. The contacts were good and there is a real will to do things together if there are business opportunities.

"These two examples show that Japanese companies are very welcome here and can bring their expertise and financial capacity to develop the oil sector in Gabon."

Among the other key players in the national oil industry is Maurel & Prom, an independent firm specialized in the extraction and production of hydrocarbons listed on Euronext Paris.

The group generates most of its business in Africa through the exploitation of onshore assets



SOGARA oil refinery at Port-Gentil

that are already well developed.

The firm's strategy is to play an active role in the consolidation of the oil and gas sector by creating a leader among European oil juniors.

Christophe Blanc, Maurel & Prom Gabon general manager, said: "In 2016, we expected to increase daily production to 28,000 barrels versus the 17,000 barrels a day seen in 2015.

"We operate one license in Gabon and have two fields where we produce, one in the south on the border with Congo where we have an oil well that has been stopped for two years, and

the field on which we currently produce, Ezanga.

"We are optimistic about the future and expect an increase in oil prices, given the perspective of the global market. This difficult period has enabled us to learn to work differently in a crisis situation.

"This allowed us to showcase our industry knowledge and to show what we can do better and more efficiently in term of technical aspects and production costs. This context allows Maurel & Prom Gabon to show its ability to be innovative to find solutions to market issues."

This report was produced by Global Insight and can also be read online at: www.japantimes.co.jp/international-reports



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City of Yokohama

(Publicity)

‘Closest City to Africa’ shares development know-how

The city of Yokohama has a deep connection with African countries, with many active exchanges of technical cooperation, as well as education and training transfers to enhance mutual understanding.

Yokohama has established technological advantages through overcoming various urban challenges such as environmental issues and the lack of infrastructure that has resulted from the rapid increase in its population. Making use of such experience, Yokohama promotes technical cooperation with Africa in partnership with the Japan International Cooperation Agency (JICA) in waterworks technologies, port and harbors management and wildlife conservation.

So far, Yokohama has introduced its waterworks technologies to more than 400 trainees from 46 African countries. Moreover, the city recently sent its staff to the United Republic of Tanzania and to the Republic of Malawi to support non-revenue water reduction.

Additionally, Yokohama Water Co. — a subsidiary of the Yokohama Waterworks Bureau — has been commissioned to work on the Nigeria Federal Capital Territory Reduction of Non-Revenue Water Project; the Preparatory Survey on Zanzibar Urban Water Distribution Facilities Improvement Project in the United Republic of Tanzania; and the Project for Strengthening Non-Revenue Water Control in the City of Kigali Water Network in the Republic of Rwanda, thereby cooperating and contributing to improve the water supply environment.

Yokohama annually accepts specialists in port management from African countries as trainees and presents information on the status of improvement, development, maintenance, management and operations of the Port of Yokohama and its efforts to increase distribution efficiency. In 2015, 63 people from 20 African countries, including guests from the Republic of Djibouti, the Republic of Kenya, and the Republic of Côte d'Ivoire, visited the Port of Yokohama.

In further cooperation, the zoological gardens in Yokohama have contributed to the Uganda Wildlife Conservation Project. Under this project, Yokohama's zoological experts visit the Uganda Wildlife Education Center to share animal husbandry techniques, veterinary skills and environmental education to conserve wildlife. Yokohama also invites the center's staff to its facilities in Yokohama to learn about and to contribute to the conservation of wildlife.

The city of Yokohama is also working on human resource exchanges with Africa at every level, ranging from political leaders and business professionals to elementary school students.

TICAD V played host to a session titled "Driving African Development Through Gender Equality and Women's Empowerment," with the participation of the President of the Republic of Liberia H.E. Ellen Johnson Sirleaf. During the session, Yokohama Mayor Fumiko Hayashi spoke about the situations of women in Africa, the support needed for them and what the international community must do to tackle the issues. She then proposed the creation of a women's network in cooperation with JICA. Since then,



A Yokohama engineer works with his African counterparts to promote leakage reduction in Malawi. CITY OF YOKOHAMA

businesswomen from African countries have visited Yokohama annually to deepen mutual understanding and exchange opinions with female entrepreneurs of Yokohama.

Additionally, Yokohama is actively working to promote an understanding of Africa among young people and to deepen mutual exchanges. During TICAD V, as part of the "One School, One Country" project, 69 elementary and junior high schools in Yokohama learned about the cultures, histories, and ways of life of 38 African countries. Students are continuing their studies on African countries such as the Republic of Benin, the Republic of Botswana and Burkina Faso.

In another example of exchange to deepen mutual understanding, the Embassy of Burkina Faso in Japan holds a national day commemorative event in Yokohama to introduce the culture and economy of the country. To promote business between Africa and Japan, Yokohama carries out the Africa Business Seminar every year in the city with JICA and the Japan External Trade Organization (JETRO). The city also welcomes African youths through the African Business Education Initiative for Youth Program (ABE Initiative) to study in universities and to participate in internships at companies within the city. Moreover, the Japan-Africa Friendship Yokohama City Council Members' League is actively engaging in exchanging opinions with ambassadors of African countries, as well as promoting

exchanges among younger generations.

Yokohama highly values and appreciates the strong connection with Africa, a continent with enormous growth potential in the coming century. The process of building the connection was definitely accelerated to a great degree after the port city hosted TICAD IV in 2008 and TICAD V in 2013. As the name suggests, Tokyo had been the host venue of the first three TICAD conferences in 1993, 1998 and 2003.

Yokohama took TICAD to a different level as TICAD IV was one of the biggest international conferences ever held in Japan at that time. Yokohama hosted more than 3,000 visitors, including 41 country leaders, celebrities and representatives from 51 African countries, 34 non-African nations, 77 international and regional organizations and many companies and nongovernmental organizations.

The leaders confirmed the importance of ownership of African countries and Japan pledged to support African development.

One noticeable trend that started in TICAD IV is that participation of the private sector had increased dramatically. Therefore, the focus of the discussion shifted from allocation of official development assistance to active corporate investment.

Many Africa-related events to accelerate the spirit of mutual prosperity between Japan and Africa were held in Yokohama. One such event was the first ceremony to present the Hideyo Noguchi Africa Prize. The Noguchi prize, awarded to people contributing to medicine, is named after the Japanese bacteriologist who died of yellow fever in Ghana in 1928 while researching the disease. Noguchi once worked at a quarantine office in Yokohama, which is currently a museum to exhibit his research.

TICAD V grew much bigger and turned out to be the largest international conference ever hosted by Japan, according to the Ministry of Foreign Affairs. It brought together at least 4,500 participants, including representatives of 51 African countries, 31 development partner countries and Asian countries. Attendees included 39 country leaders, representatives of 72 international and regional organizations, as well as people from the private sector and nongovernmental organizations.

The conference included addresses by Prime Minister Shinzo Abe and Foreign Minister Fumio Kishida, while the World Bank, the African Development Bank Group, the United Nations, the U.N. Development Programme and the African Union Commission also held sessions. Additionally, there was the second award ceremony for the Noguchi prize during the TICAD V conference.

In recent years, Yokohama has been cooperating in urban development projects in various Asian countries, and now it is expanding its support to Africa. Last year, the Governments of Japan and France announced that they would cooperate on the sustainable develop-

City committed to sharing innovative solutions

Fumiko Hayashi
YOKOHAMA MAYOR

Yokohama hosted the fourth and fifth editions of the Tokyo International Conference on African Development (TICAD) in 2008 and 2013 and has been establishing strong partnerships with African countries.

As the "Closest City to Africa" in Japan, we have been closely cooperating with ambassadors of African countries in Japan while also engaging in technical cooperation, promotion of the advancement of women in society and the development of human resources.

The city of Yokohama will continue its endeavors to further increase its cooperation with African countries on a city level. At the same time, Yokohama will positively share its experience in urban development and innovative solutions for common urban challenges



and work together for quality infrastructure development.

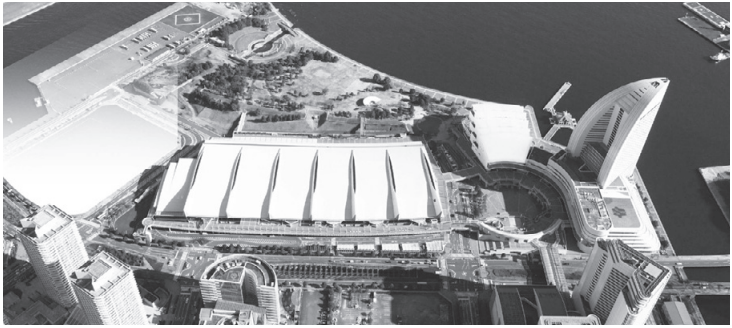


Top: Minister of Economic Infrastructure of the Republic of Côte d'Ivoire Patrick Achi visits the Port of Yokohama; Bottom: Businesswomen from African countries exchange opinions with female entrepreneurs of Yokohama. CITY OF YOKOHAMA

ment of Africa through the pilot city of Abidjan in the Republic of Côte d'Ivoire, and Yokohama is actively involved in the project. In January this year, Yokohama welcomed the Minister of Economic Infrastructure Patrick Achi, introducing its port development, municipal bus

operation systems, technologies for water supply and road development.

Yokohama will continue to commit to sharing solutions for urban development with Africa and taking concrete actions to realize mutual growth with Japan and Africa.



Yokohama is striving to be the top convention city. PACIFICO Yokohama, one of the city's MICE facilities, has ranked first for more than ten years running in Japan as hosting the greatest number of international convention participants. Furthermore, new MICE facilities will be built next to PACIFICO Yokohama.

Welcome to Yokohama! Bienvenue à Yokohama!

Yokohama, a city where urban and historic views live in harmony. Whenever you visit, you'll find different charms and excitement to cultivate your senses and excite your mind.



Yokohama Red Brick Warehouse, a complex where you can enjoy shopping and dining of every kind and, amusement facilities which offer entertainment day and night. Easy walking access from spot to spot makes the area a popular venue.



Sankeien Garden, a genuine Japanese-style garden, is beautifully, maintained and serves as a fantastic showcase of historical architecture.



Accessing Yokohama
By Train
From Narita Airport: 90min.
From Haneda Airport: 24min.
From Tokyo Station: 26min.