



A symbol of modern South African unity, Johannesburg's Nelson Mandela Bridge connecting Braamfontein to the city center has served to rejuvenate and modernize the inner city area of the country's most important financial hub.

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## The gateway to Africa: Opportunity in diversity

The land that the nation of South Africa occupies is so rich in natural resources and diversity of life that it has attracted traders and travelers alike for more than 400 years. Today, it is a modern, independent and free country that in 2014 celebrates the historic 20th anniversary of its first fully democratic elections.

Neren Rau, CEO of the South African Chamber of Commerce and Industry, said, "Our diversity offers an opportunity which you may not find in other, more homogenous, markets." Couple this asset with strong fiscal management, and it becomes clear why Japan and many other countries now look to South Africa as the foremost market on the continent.

The country's relationship with Japan goes back all the way to 1643 ... Today, Japan considers South Africa a strategic partner.

"We have one of the top-rated banking systems in the world," said Rau. South Africa's strategic geographical location makes it a vital springboard for national and

regional business — particularly for mature economies like Japan. "Africa has more than a billion consumers," Rau added. "Yes, you could find similar numbers in China or India in a more concentrated environment, but you wouldn't have the diversity that we have here."

The country's relationship with Japan goes back all the way to 1643, when the founder of Cape Town landed in Nagasaki as a representative of the Dutch East Indies Company, and full diplomatic relations between the two countries were finally established in the post-apartheid era in 1992. Today, Japan considers South Africa a strategic partner.

Yutaka Yoshizawa, the Japa-

Japanese companies are very much involved in infrastructure development in South Africa in such areas as electricity supply and transportation."

— YUTAKA YOSHIZAWA  
Japanese Ambassador to South Africa

nese ambassador to South Africa, said the recent Tokyo International Conference on African Development (TICAD) "marked a new wave of interaction between Japanese companies and African countries, including South Africa." Yoshizawa pointed out that Japanese investment in the country is once again increasing.

"Japanese companies are very much involved in infrastructure development in South Africa in such areas as electricity supply and transportation," Yoshizawa said.

Today, South Africa is poised to take full advantage of new Japanese confidence in its economic development. "There will be more in the years to come," he predicted. ♦

## South African — Japanese partnership is ideal platform for growth in Africa

The South African chemical industry continues to be a powerhouse of the South African economy — contributing 25 percent of all manufacturing sales. A unique partnership has progressed to regional production with a view to adding value to products distributed in sub-Saharan markets.

The polymer additives producer, Sun Ace, started local production of PVC heat stabilizers in Johannesburg just over 10 years ago. Technology from overseas markets was transferred to the South African entity — positioning it well to take advantage of the ongoing local market transformation to more sustainable chemistry. Today, Sun Ace enjoys more than a 50 percent market share in South Africa, thereby adding value back into group operations.

Sun Ace South Africa is a subsidiary of Sun Ace Singapore, whose shareholders are Japanese and European companies. Sun Ace Corporation has its headquarters in Kanagawa Prefecture, and invested in the Singapore company over 30 years ago. The group embraces regional growth through multicultural partnerships in international markets. Mitsubishi Corporation, together with European market leader, Reagens S.p.A., are also shareholders in Sun Ace Singapore.

"The group executive commit-



Toasting to Sun Ace Singapore's 30th anniversary, from left to right: Ryo Sasaki, Sun Ace Group CEO; Gary van Eyk, Sun Ace South Africa managing director; Ian Lilja, Sun Ace Australia managing director; and Dr. Ettore Nanni, Sun Ace Singapore executive board member

tee comprising regional heads from all manufacturing operations meets several times a year to report on developments, progress, challenges and opportunities, fostering a strong management team and developing strategy globally," said Gary van Eyk, managing director of Sun Ace South Africa.

Van Eyk has been with the company since it started in 1996. He feels that Sun Ace's Asian work ethic, combined with an excellent local management team, has ensured the company enjoys customer respect and market prowess. In fact, collaboration is at the forefront of Sun Ace's global management philosophy. Within the group, this philosophy is exemplified by the example set by Sun Ace's Group CEO, Ryo Sasaki.

Van Eyk feels the key for success in the developing world is for investors to be proactive in their operations, providing a technological edge whenever possible and developing local management teams who understand the market

dynamic better.

"When Sun Ace invested in local production, it allowed us to respond promptly to market needs," he explained. "This initiative, combined with our group's technology in heavy metal-free additives, ensured that rapid market growth."

Sun Ace South Africa has been active in export markets in the rest of Africa for over 10 years. In 2013, it established a locally staffed technical service center in Nairobi. Central and West African markets are also serviced from this location. In the future, key markets as far north as Ethiopia are firmly in the company's sights.

Back home, Sun Ace South Africa continues to set an example in community work, in view of the country's difficult past. Several programs are now in place: from developing local entrepreneur Terrence Ndaba, to facilitating computer education in a rural community for primary school children. ♦ [www.terriesaxi.co.za](http://www.terriesaxi.co.za) [www.sunace.co.za](http://www.sunace.co.za)

## The write way to Africa's heart

Pentel has been a player in South Africa's stationery industry for over 30 years. In fact, Pentel South Africa is the Japanese writing instrument maker's base of operations for sub-Saharan Africa, headed by Tetsuro Shinoda.

"Pentel in Japan realizes the importance of the African market, and we are dedicated to serving our consumers with the best quality writing instruments," said Shinoda, managing director of Pentel South Africa and an 18-year veteran of the group.

While Pentel is well established in South Africa, it also has a solid presence in Namibia, Botswana and Mozambique. "We are already present in countries neighboring South Africa and are looking into even more of the sub-Saharan countries," Shinoda explained. "West Africa seems to have the

most potential, so it is likely that Ghana, Angola and Nigeria will be our next areas for expansion."

South Africa was chosen as the location of Pentel's African headquarters because it is the hub of competence for the region, with the continent's strongest econo-



my. "One of the best things about the South African market is that its consumers appreciate quality products like Pentel and are extremely loyal," he noted.

As Africa's economy continues to get more dynamic, Pentel has adopted new strategies. "We have

been looking to expand our product line for more affordable quality products for our lower income consumers," said Shinoda.

"Pentel's motto is 'Spirit of Wonder,' and we deliver products that excite our users with quality they can appreciate," he explained. Its 'EnerGel' line of gel-ink pens; 'Maxiflo' white boards, permanent markers and correction pens are just some of the many household names in the South African market that are already on its best-performing lines.

Pentel South Africa also has an active corporate social responsibility profile, donating a percentage of the sales of each pen to CANSA, the Cancer Association of South Africa.

"We are committed to the South African market," Shinoda said. "We believe that our experience, in collaboration with the Johan-



Some of Pentel's best-selling and well-known products in the South African market

nesburg Chamber of Commerce and JETRO, can help make the environment for future Japanese

entrants into the market much easier." ♦ [www.pentel.co.za](http://www.pentel.co.za)

## Talking about investment from an African perspective

In Africa, PwC is the largest provider of professional services with close to 450 partners and over 8,500 people in 33 countries. Suresh Kana, PwC Africa senior partner, stated, "We are heavily invested in the region and deeply rooted in the local communities and our employees."

In his position as the Africa senior partner Kana reflected on the region's tremendous growth. "Although South Africa is no longer the gateway into Africa, it is at this stage the continent's hub and it's most developed country," he said.

Kana talks about PwC's involvement in social investment in the region, explaining that "Our involvement in these activities will create a sustainable environment in the region, which is critical to our overall business strategy."

"The most important factor for Africa will be skills development and investing in people," he continued. "It is important to help develop and grow our existing human capital as this will not only uplift the African nations, but also foster a sense of personal responsibility and pride."

PwC South Africa maintains close ties to Japan and Simon Venables, deals leader for Africa, was recently invited to speak at an event jointly hosted by PwC and the Institute of Developing Economies-JETRO ahead of the most recent pre-TICAD (Tokyo International Conference on African Development) conference, highlighting the importance of the African continent.

"A key issue for Japanese investors keen to participate in Africa's growth — in a competitive environment where a variety of newcomers are successfully entering the market — is to differentiate their approach," said Venables. "The Japanese investment model, which has at its core quality, skills development, good governance and a long-term outlook, is precisely



Suresh Kana, PwC Africa senior partner

what Africa requires."

"Japan sees the importance of the African continent," Kana stressed. "The high-tech expertise and quality focus of Japanese companies blends well with the rise of globally-influenced megatrends in South Africa, specifically for our growing youth population and the resulting rise in urbanization. We believe this will lead to a continued and increasingly fruitful relationship between the two countries."

Today, PwC is helping lead the way for more Japanese investment into Africa, specifically in sectors such as infrastructure and logistics. With Japanese companies investing heavily in Africa, PwC can help maximize both their effectiveness and the return on these investments.

"Africa is the last real untapped market," concluded Kana. "We look forward to working with Japanese companies and the Japanese government as new investment enters new markets in Africa." ♦ [www.pwc.co.za](http://www.pwc.co.za)

## Sakata Seed grows in Africa

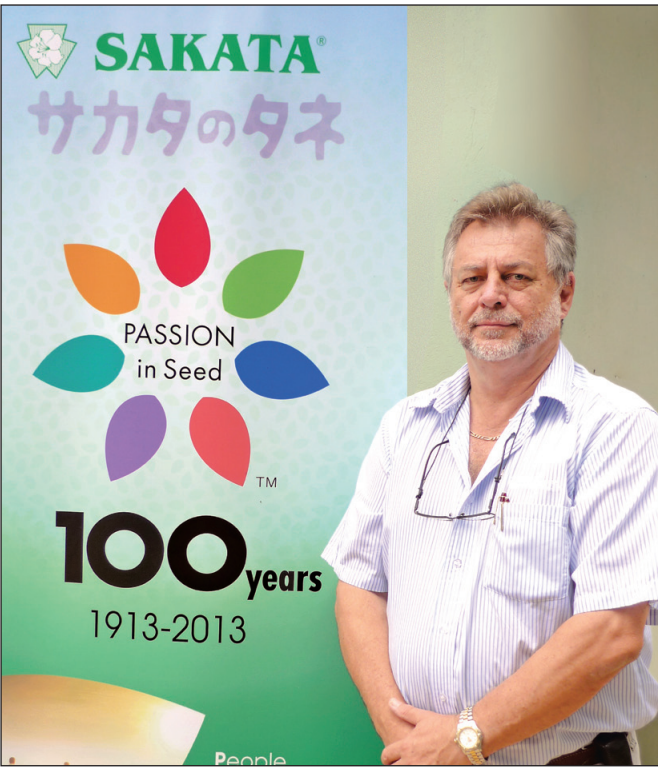
Agriculture is predicted to be the next key area of growth in South Africa. Citing the country's huge arable tracts of land and beneficial climate, potential business investors have no shortage of reasons to believe in South Africa's agricultural industry.

Yokohama-based Sakata Seed is one Japanese company that has decided to capture some of that growth. Sakata Seed's South African origins go back to 1931 and a small family owned company called MayFord Seeds. Passing from generation to generation, MayFord grew to a sizeable volume, but at the cost of accumulating shareholder debt.

MayFord had maintained a relationship with Sakata as a customer, purchasing products from Japan and reselling them in Africa. In 1999, MayFord approached Sakata, which had international offices in Europe, North and South America, but no real presence yet in Africa. In December of that same year, MayFord was purchased by Sakata Seed Corporation and mandated with overseeing overall growth of the Sakata business in the Sub-Saharan region, excluding French-speaking countries.

"The support and relationship we have maintained with Japan since then has been tremendous," said Lindsay Campleman, the company's managing director. "We have grown 20 percent every year since entering the Sakata Seed family."

"Sakata Seed fully financed the MayFord company and began investing in R&D and production,



Lindsay Campleman, Sakata Seed's managing director

which has allowed us to concentrate and expand our business in Africa," said Campleman. The company is currently represented in 15 countries in the southern Africa region, and its biggest selling seeds are varieties of cabbage and squash.

"About 85 percent of our turnover comes from South Africa, and we are currently exploring ways of expanding the business into more parts of Eastern Africa," he added. "Despite debt challenges in the region, which often

eliminate the possibility of trading on credit, it's hard to deny the immense potential that lies there still untapped."

The President of Sakata Seed, Hiroshi Sakata, personified his company's belief in the continent's potential in his visit to the South Africa operations last year. As the Sakata Seed Corporation celebrated its 100th Anniversary in 2013, its African operations continue to shine as an important avenue for future growth. ♦ [www.sakata.co.za](http://www.sakata.co.za)

## Japanese quality drives a South African market leader

Nashua South Africa is one good example of the synergy between Japanese quality and technology and South Africa's huge potential.

"We are the largest independent distributor of Ricoh printing equipment in the world, and attribute much of our success to our partnership with Ricoh Japan," said Dave Hallas, acting CEO of Nashua South Africa.

Nashua celebrated its 30th anniversary last year, and has been a market leader in the office automation industry for almost 25 years. Hallas credits its market-leading position to several significant factors: "Not only do we have the highest quality products from Ricoh, we also provide customers with end-to-end solutions," he said. "We have marketed ourselves well to create strong brand equity."

Over the years, the company has evolved from being product-led to being service-led. In this respect, it has expanded its services to include printing and document solutions. "We offer free office assessments to companies because we know that — once we show them how much time and money they can save — they will enlist with us," said Hallas. "We just recently worked with Avis Fleet Services — a subsidiary of Barloworld Limited — on its printing and document solutions, and increased the company's efficiency by 75 percent."

Nashua currently has 3,500 employees in South Africa spread over 10 holdings and 27 franchises. "We can cover any part of the South African market," he commented. "It doesn't matter which region companies are in, we can still offer our services."

Another major development in the company's business model is ensuring



Dave Hallas, acting CEO of Nashua South Africa

environmentally friendly business. "Not only do we make sure that our own business is green," Hallas explained, "we also help our clients to reduce their electric consumption and the amount of printed paper they use, while maintaining a high level of efficiency."

Working with the local community, the company has also established the Nashua Children's Charity Foundation. "This consolidated all of our social corporate investments, and allowed us to provide over 360,000 meals to about 12,000 children every month," he said.

"We are so fortunate to have an incredible partner like Ricoh," concluded Hallas. "Our relationship provides great mutual benefits and Ricoh's quality is world-class. Ricoh works closely with us to see where the market is heading and how we can accommodate it the best and we truly appreciate our relationship." ♦ [www.nashua.co.za](http://www.nashua.co.za)