

TICAD 9 Perspectives on Africa's Future

Africa, the “Young Continent,” is increasing their presence in the international community. After years of close support and leading development through TICAD since 1993, how can Japan embrace the challenges and actors and move forward together with Africa?



Maintenance services at a Toyota dealership in Kenya © Franck DUNOUAU

-Jun Karube, Executive Advisor, Toyota Tsusho Corporation

-Keiichi Shirato, Professor, Ritsumeikan University

-Toshihiko Horiuchi, Assistant Minister and Director General for African Affairs of the Ministry of Foreign Affairs of Japan



Jun Karube

Graduated from Yokohama National University, Faculty of Engineering in 1976 and joined the Toyota Tsusho Corporation. Has held positions such as General Manager of the Logistics Department, Executive Officer (Assistant to the Head of the Business Headquarters), Senior Executive Officer (Assistant to the Head of the Machinery & Electronics Division), and others. Served as President and CEO from 2011 to 2018, and as Chairman of the Board from 2018 to 2022. Also serves as Chairman of the Africa Committee of the Japan Business Federation (Keidanren).



Keiichi Shirato

Completed a Master's program at Ritsumeikan University Graduate School of International Relations in 1995. Worked as a reporter for the Mainichi Shimbun, serving as correspondent in Johannesburg and Washington, D.C. Later served as Head of the EMEA Department at Mitsui & Co. Strategic Studies Institute, among other roles. Specializes in African studies and international relations. Author of books such as *"Reportage: Resource Continent Africa — Poverty and Prosperity Bound by Violence"* and *"Seeing Africa, Viewed from Africa."*



Toshihiko Horiuchi

Graduated from Waseda University School of Political Science and Economics in 1990 and joined the Ministry of Foreign Affairs. Served at Embassies in Senegal, Zambia, and France (as Minister). Served as Ambassador to the African Union (AU) delegation from 2020 to 2023.

—The Ninth Tokyo International Conference on African Development (TICAD 9) will be held in Yokohama this August. Global interest in Africa is also growing.

Shirato: I believe the international community's interest in Africa can be broadly categorized into three areas. The first is stabilizing Africa by ending conflicts and building and maintaining peace. If a country collapses, it leads to serious humanitarian crises, increased risks of

infectious diseases, and large numbers of refugees crossing borders, sometimes even reaching developed countries. These issues extend beyond Africa and have global implications.

The second point is the growing expectations for Africa's development, driven by its rapidly increasing population. Africa's current population is approximately 1.5 billion, and is projected to reach 2.5 billion by 2050. That means one in four people on Earth will be African. Economic growth will expand Africa's middle class and their potential as a market. The key question is how to leverage the opportunities of that growth. Japan's TICAD has recently focused on economic and business perspectives. While Africa is important as a source of resources such as rare earth elements and natural gas, its expanding role as a market is what draws the most attention.

The third point is Africa's growing presence in international politics. Of the 193 member states of the United Nations, 54 are African countries. Their presence is too significant to ignore when it comes to shaping global public opinion. If we aim to promote and establish liberal values such as democracy, human rights, and international law will be essential. This is evident in the way countries responded to UN General Assembly resolutions regarding the Russia's aggression against Ukraine.

Interest is also growing in African culture, such as their fashion and music.

Karube: As we approach TICAD 9, understand that there have been two major changes since TICAD 8 in Tunisia in 2022. The first is the end of the COVID-19 pandemic and a return to normal daily life. Future outbreaks of infectious diseases remain a possibility, so prevention and preparedness will continue to be critical issues. The second is the emergence of the second Trump administration. We must carefully assess its impact, but it could present opportunities for Japan to expand its business presence in Africa. As Professor Shirato pointed out, Africa's importance as a source of critical resources such as rare metals and natural gas and the explosive population growth and the rise of the middle class are making the continent increasingly attractive as a market.

Horiuchi: At the Ministry of Foreign Affairs, we hope to respond to the business needs of Japan and Africa through the TICAD process and other efforts. From a diplomatic perspective, expanding business ties is important to "build more partnerships." Japanese companies creating job opportunities in Africa contribute to the stabilization of African societies and builds greater trust with Japan. Business has become a mainstream in the TICAD process.

—What are the specific efforts of the government?

Horiuchi: There are three key factors expected of the public sector. First is information sharing. We will utilize our network of overseas diplomatic missions to provide valuable

information to support business activities. Second, risk mitigation through public funding. We want to minimize uncertainties and create a business-friendly environment. Part of this initiative is the amendment to the JICA Act. Third, matchmaking functions. Events like trade fairs organized by JETRO are demonstrably effective. We will continue enhancing these catalytic and intermediary roles through the TICAD process.

The goal of diplomacy is to increase the number of Japan's allies and partners. As Professor Shirato pointed out, gaining the trust and support of the African people is important. What concerns us is how African countries voted in the series of UN resolutions concerning Russia's aggression against Ukraine. Among Africa's 54 UN member states, there was a significant split between those condemning Russia, those leaning toward Russia, and those remaining neutral. It was quite a shock to us.

If an incident were to occur in East Asia in the future, we might not be able to count on African support. That is why we must engage with Africa on multiple levels and work to build strong, trusting relationships. The economy is one of the most important tools.

A “Blame-Oriented” Mindset That Hinders Economic Activity

—Japanese companies do not seem interested in doing business in Africa.

Shirato: In response to that issue, I would like to introduce the research of Professor Masahiro Okada, a management scholar at Keio University. Professor Okada conducted interviews with managers at major Japanese companies, asking them, “Why doesn't your company do business in Africa?” He found that many of their responses reflected what he calls a “blame-oriented mindset.” There is a strong tendency to place the blame on external factors, such as that Africa is unsafe, plagued by corruption, or lacking in compliance. Japanese firms are particularly prone to this kind of thinking. They focus on risks and fail to see the opportunities that lie beyond those challenges. What is being called into question now is the need for a shift in mindset on the Japanese companies' side.

Karube: That is a sharp observation. Japanese companies, especially large ones, tend to be risk-averse. In markets like Africa, which require long-term commitments of 10 to 20 years, management must have a system in place that allows for challenges. I often reach out to Japanese companies, but those that respond with “Let's give it a try” are usually owner-run businesses or companies where the president has had a long tenure.

One example is India's automobile market, which now sees annual sales of 5.2 million vehicles, making it the third largest in the world. But in the early 2000s, that number was only 840,000. Suzuki was one of the first companies to foresee India's potential in the 1980s and entered the market early. At the time, Suzuki sensed that “India's market will grow eventually” and took the plunge. They now command 42% of the passenger car market in India. I believe

something similar will eventually happen in Africa. Whether it is automobiles or other sectors, we cannot afford to fall behind in tapping into Africa's growing markets.

Shirato: But achieving results takes time. Many non-owner presidents simply do not have the patience to wait.

Karube: Even after top management decides, it's not unusual for it to take ten years of trial and error—visiting the region, researching the market, identifying competitors, and even changing the target country or city. When it comes to doing business in Africa, it really requires leaders who can think in the long term. Owner-run companies or those with long-serving presidents are often better suited to take on these challenges.

It is also crucial to choose appropriate partners. Initially we were doing business in English-speaking countries in southern and eastern Africa, such as South Africa and Kenya. But in 2012, we brought the French trading company CFAO under our umbrella. This move expanded our business into French-speaking regions, and we are now doing business in all 54 African countries.

—Mr. Karube, you have been involved in African business for many years.

Karube: At Toyota Tsusho, we have been operating in Africa for decades. Our primary business activities include the sales and after-service of Toyota vehicles. In the infrastructure sector, we focus on renewable energy, engaging in projects such as wind and geothermal power plant construction.

We have recently expanded into areas like the production and supply of pharmaceuticals in 24 African countries, as well as retail ventures such as supermarkets. In addition to Business to Government (BtoG) and Business to Business (BtoB), we are increasingly involved in Business to Consumer (BtoC) businesses, serving individual consumers directly.

We partner with Japanese companies and European firms as we continue to expand our operations across the African continent.

—How do you view the changes on the African side?

Shirato: After African countries left colonial rule in the 1960s, development donors were mainly former colonial powers until the 1980s. Dictators appeared in Africa and took advantage of the Cold War, and aid often failed to improve the lives of citizens. This resulted in “aid fatigue” across Europe and the United States, so Japan started TICAD in 1993.

At that time, African leaders often blamed others, believing that their poverty was a lingering effect of colonialism. In response, Japan called on Africa to embrace a mindset of “developing through their own efforts,” and the African side accepted this as a sense of *ownership*. This was a landmark achievement in Japan's diplomatic history. Only five countries sent heads of

state to the first TICAD, but that number later expanded to nearly forty.

Horiuchi: The political and economic situation in Africa is improving. Despite the historical and structural burdens of slavery and colonization, African countries have utilized support from the international community, and indicators such as infant mortality rates have clearly improved.

But what has been concerning recently is the emergence of a slight tendency toward externalizing blame among African countries. For instance, in multilateral negotiations such as the Loss and Damage Fund at the UN Climate Change Conference (COP) or discussions over the Pandemic Treaty, developing countries have been strongly asserting the responsibility of developed countries, often bringing the conversation back to financial issues and funding contributions.

Shirato: One of the underlying issues behind "turning everything into a financial matter" might be the underdeveloped tax collection systems in many African countries. Due to inheriting borders drawn by colonial powers, many African states still lack fully-functioning administrative systems across their territories. Poverty also prevents many people from engaging in formal economic activity, making tax collection difficult. This results in a lack of domestic resources for policymaking and reliance on aid. This is a lingering legacy of the colonial era and explains why the "victim narrative" continues. Therefore, building an effective taxation system is an important challenge for African countries. Here, Japan's experience after the Meiji Restoration could offer valuable lessons.

Karube: Despite these structural challenges, we are seeing many signs of positive change in Africa. For example, there is a growing number of top government leaders who want to learn from successful foreign models and apply that knowledge to develop their own countries. Ministers and bureaucrats are getting younger, and many have studied abroad in the U.S. and Europe.

Shirato: Africa's middle class is clearly expanding. These people pay taxes through formal economic activities, which fosters a sense of citizenship and leads to better governance. This makes taxation systems critically important.

Karube: Japan, which has consistently stood by Africa through the TICAD framework, used to be a unique presence. But now countries like Russia, China, and Indonesia are approaching Africa with similar frameworks. In this situation, it is only natural that African countries try to "cherry-pick the best deals." The question now is how Japan can showcase its uniqueness. I hope that we in the private sector, together with the government and related institutions, can work together to build momentum toward TICAD 9.

Impacts of Trump's Tariffs

—There has been an increasing tendency for African countries to emphasize the responsibility of “developed countries,” and discussions are often reduced to issues of money and financial contributions.

Shirato: It is unlikely that the Trump tariffs will devastate the African economy. There are exceptional cases like Lesotho, which exports large quantities of jeans to the U.S. and was hit with a 50% tariff. The U.S. primarily imports oil and mineral resources from Africa, and the Trump administration has treated many of these as duty-free items.

Horiuchi: However, the reduction of USAID is a “shockwave.” Some view this as a “wake-up call,” that continued dependency on aid is not sustainable. But domestic taxation must be strengthened to secure independent financial resources. This dilemma may be creating ambivalent feelings toward aid.

Shirato: This “wake-up call” was also a shock to the international community. Japan’s security rests on the Japan-U.S. alliance, and Japan’s peace and prosperity have been maintained by the strong political and economic relationship of selling and producing goods in the U.S. market. However, it is uncertain how dependable the U.S. will be in the future. Trump’s administration will not last long, but American society has shifted such that similar leaders have garnered support from seventy million people.

If the strong Japan-U.S. relationship is considered “Plan A,” it may be time to consider a “Plan B.” How do we ensure Japan’s security and prosperity in a tough security environment when we are surrounded by China, Russia, and North Korea? Japan must invest more in building relations with Southeast Asia and Europe and correct its excessive dependence on the U.S. Africa will likely be one of the regions with which Japan will strengthen cooperation.

Horiuchi: What we fear is that African countries might close themselves off. Maintaining an open attitude, focusing on what can be absorbed from outside, and how to expand networks with external partners will be key points. For Japan, understanding the complex emotions within Africa and engaging carefully with each country one by one, while promoting a form of open regionalism and co-creating with them, is our role. I believe this approach will be the “winning strategy” of TICAD.

A Strong Demand for a Free Trade Environment

— What should Africa do regarding their future development?

Shirato: First and foremost, employment. As Takahiro Fukunishi discussed in “How to Engage with the Young Continent—Key Issues at the 9th Tokyo International Conference on African Development” (in this magazine, issue 90), the transformation of the industrial structure is a critical challenge. Half of Africa’s young population is still working in agriculture, but productivity there is extremely low. Even in countries like Tanzania, where conditions are

improving, work efficiency remains below the global average, and the yield per hectare of staple grains is only about two tons, compared to five to six tons in Japan.

Given this, Japan through TICAD must foster manufacturing, such as support for industrial policy. It is neither possible nor meaningful to compete with China financially. Rather, it is important to provide Africa with Japan's postwar experience of economic growth, tailored to the African context.

Public opinion surveys in African countries show that while basic human needs (BHNs) such as maternal and child health, food, clothing, housing, education, health care, and employment are met, an overwhelming majority identify lack of employment as a major issue. We should support forming industrial policies and creating employment similar to what the Japanese government and companies did in the 1970s and 1980s in the Asian NIEs (Newly Industrializing Economies) such as South Korea, Taiwan, Hong Kong, and Singapore, as well as Southeast Asian countries.

Horiuchi: The second priority is the African Continental Free Trade Area (AfCFTA). This initiative abolishes tariffs within Africa and standardizes trade rules, which they view as a game-changer. Since the rise of the Trump administration, the significance of maintaining the free trade system has become even greater. Japan must defend free trade while inviting the 54 countries and 1.5 billion people of Africa to "work together." At TICAD 9, we also want to advance cooperation regarding AfCFTA.

Shirato: Job creation, manufacturing development, tariff elimination, and free trade are important, but the latter only becomes effective once the former is in place. AfCFTA cannot function unless each country has goods and services to trade. At this stage, national industrial policies are more important than tariff elimination within the region. There are large economic disparities between African countries, but some such as Kenya (where many Japanese companies such as Toyota Tsusho operate) seem to be capable of implementing industrial policies.

Karube: From our own experience, many government leaders recognize the importance of manufacturing industries that create jobs. We often hear requests like "We want to manufacture cars, so please build factories and invest," but accurate information has not yet been fully conveyed. For example, we must explain the basics, such as the two types of automobile manufacturing: simple Semi-Knock Down (SKD) and complex Complete Knock Down (CKD). We then explain step-by-step what size of market is needed to sustain each production method and what kinds of tax incentives make it easier to enter the market.

Getting production on track takes a long time, so it is important that we respond to their requests with patience. A long-term commitment is required to work together to develop talented personnel and advance capacity-building. For example, we established the "Toyota

Kenya Academy” in cooperation with Japan International Cooperation Agency (JICA), which offers training courses to prepare personnel to build Toyota vehicles but also to maintain and repair other companies' automobiles.

If such an ecosystem is built, even though currently only 1.2 million cars are sold on the African continent, the market may eventually grow to 5 to 7 million cars like India. I also would like to emphasize that Japanese manufacturers have long been engaged in human resource development and capacity building in Africa, not limited to automobiles, from a long-term perspective.

Horiuchi: After talking with many people across different countries, I feel that the source of Japan's diplomatic power is due to its economic strength. The trust in the “Japan brand” is because the Japanese business community built honest and solid business foundations. Borrowing from Mr. Ken Shibusawa of the Keizai Doyukai's Japan-Middle East/Africa Relations Committee, Japan still has a lot to offer Africa through “Made with Japan” products, services, ideas, and skills that attract people in Africa.

Karube: One thing I would like to add is that recently, collaboration with third-country companies from Europe, India, and Asia has started to yield results. For example, in Senegal's seawater desalination plant project currently under construction, the technology and pumps we provided by Japanese companies, engineering was handled by Indian companies, and construction was carried out by French companies. Incorporating the strengths of companies from different countries and cooperating in this way will accelerate development in Africa.

African Development Leads to Global Growth

— Finally, can you share your expectations for TICAD 9 and Japan's mid-to long-term diplomacy?

Shirato: Nationalism and self-centered policies are spreading among developed countries, and aid to developing countries is no longer a given. Right-wing extremist parties are gaining strength in Europe, but what stands out most is the dismantling of USAID under the Trump administration. As the middle-class fractures and more people face real hardships, there is a strong base of Trump supporters who believe that if there is money to be spent, it should be used for themselves rather than poured into Africa.

The social situations in Western countries and Japan differ, but it will become increasingly difficult for Japanese society to understand a commitment to Africa. Japanese internet and social media are already saying things like, “Why should we spent money on Africa when Japan is struggling?” The risk of such sentiments spreading politically is not small.

That is why governments, companies, researchers, and experts must explain the significance

of engaging with Africa to both specialists and the wider public. With Japan's shrinking market due to their declining birthrate and aging population, Japanese companies must invest abroad, earn profits, and return those benefits to Japanese society. From a mid- to long-term perspective, this is in Japan's national interest and benefits the lives of Japanese people. This viewpoint must be repeated in journals like *Gaikō* and other channels. Otherwise, support for and understanding of Africa will not hold.

Karube: I agree. For example, take infectious diseases. We do not know where the next outbreak will start, but it is quite possible that an event far away could impact Japan. Supporting developing countries thus helps reduce such risks. As businesspeople, we must logically and clearly explain this point.

Horiuchi: From the perspective of the international community as a whole, continuing to have regions that remain vulnerable to external shocks such as infectious diseases are not only ethically problematic but also poses geopolitical risks. That is why Japan must remain engaged with Africa. This was a central concern within the Japanese government when TICAD was launched.

Nowadays, many countries have established their own partnership forums with Africa, and TICAD is just one among many. However, TICAD still has the potential to stand out in addressing global challenges such as infectious diseases and climate change.

In the past, Africa was often positioned as a victim. In the future, it must take on the role of a key actor in addressing such issues. Japan's and TICAD's role are to engage with Africa as an equal partner. Whether in development, business, or responses to global issues, Japan's goal is to strengthen its partnership with Africa through TICAD process.

Another distinctive feature of TICAD is inclusiveness. It is important to include international organizations, third-country partners, civil society organizations, academia, and local governments to help bridge government and society. This inclusive approach is essential to TICAD's success.

Karube: TICAD has significant meaning in business. It provides a rare opportunity to meet directly with heads of state and government to discuss business. You might wonder if presidents or prime ministers talk business, but direct discussions with them have resulted in orders for one hundred motorcycles or have pushed stalled projects forward. Using TICAD as an opportunity to sign Memoranda of Understanding (MOU) for businesses or projects is extremely important. TICAD is held every three years and is a key milestone to reflect on what has been achieved so far and what can be done in the future.

To maximize TICAD's impact, we must encourage participation by African heads of state. For this, commitment from the top leadership in Japan is crucial. I hope Prime Minister Ishiba will demonstrate leadership and hold bilateral meetings with as many heads of state as

possible. I also want him to promote TICAD as an opportunity to the business community.



TICAD being held in Japan marks the first time in six years since TICAD7 in 2019

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