

## **TICAD V Ministerial Preparatory Meeting**

### **Trade and Investment in Africa – Opportunities and Challenges** **Chairperson’s Summary**

The session on *Trade and Investment in Africa – Opportunities and Challenges* was co-chaired by Fumio Kishida, Minister of Foreign Affairs of Japan, and Colin Bruce, Director of Strategy and Operations in the Africa Region of the World Bank. It was opened with an introductory presentation by Mr. Bruce and keynote addresses by Ibrahim Mayaki, Chief Executive Officer, NEPAD Planning and Coordination Agency, and Yutaka Kase, Chairman of the KEIDANREN Committee on Sub-Saharan Africa, which provided context for the discussion.

Participants engaged on a wide range of issues, shared information, and offered practical suggestions for promoting and supporting trade and investment in Africa. The following points highlight key issues raised and conclusions reached.

1. The paradigm shift in terms of Africa’s development and its relations with the rest of the world offers tremendous opportunities for increased trade and investment. The continent is increasingly characterized by good macroeconomic policies, improved governance and better business climate, growing consumer markets, and a young labor force. This is matched by reduced reliance on aid and increased use of private investment and national resources to fund development.
2. At the same time, participants recognized that a number of areas require additional attention, including infrastructure, regional integration, economic diversification, and skills development, as well as continued action to improve the business climate. They also recognized that specific measures and gender-sensitive policies are needed to increase opportunities for women.
3. Expansion of regional infrastructure, especially energy and transport corridors, is essential to facilitate increased intra-African and international trade and investment, as well as enhance the productivity of African firms. Greater regional integration is needed to harmonize policies and create larger markets, while enhanced physical infrastructure must be underpinned by effective trade facilitation measures, including reforms to remove non-tariff barriers.
4. Increased trade and investment would provide opportunities for diversification of economies. To take advantage of these opportunities, African countries, assisted by the Government of Japan and other partners, need to implement policies to develop agri-business, move up the production value-chain, and increase beneficiation of commodities.
5. There are significant opportunities for African countries, particularly coastal countries and island states, to develop the “blue economy” by expanding maritime trade and supporting sustainable fisheries. This will require actions to improve maritime security

and trade corridors, reduce shipping costs, and enhance port infrastructure. Japanese experience as a maritime trading nation could be helpful in this regard.

6. Skills development, particularly to meet the needs of the market, is required to increase employment and expand entrepreneurship. This is especially necessary to take advantage of the continent's youthful population. Such skills development would be facilitated by increased attention to science and technology, as well as technology transfer. Japanese firms could assist by implementing training and skills development programs.
7. African countries are undertaking measures to improve the environment for trade and investment, including addressing security concerns. At the same time, Africa's development partners need to recognize the changes that have taken place within the continent and respond accordingly. Models of engagement should be based on mutually-beneficial partnerships that support the development priorities of African countries and encourage and facilitate trade and investment.
8. Participants proposed a number of specific actions to promote trade and investment under the TICAD process. These included: a) an annual private sector forum involving African and Japanese companies; b) a high-level platform for dialogue between the GoJ and Japanese private sector and African governments and their private sectors; c) an AGOA-like trade agreement between Japan and African countries; d) a peer review mechanism under the auspices of the African Union Commission to monitor and report on implementation of trade and integration agreements; e) enhanced collaboration among groups of countries to accelerate harmonization of policies and procedures; and f) concerted action by African countries and their development partners to implement PIDA priority programs.