

# **JBIC finance and Africa (centered on SADC region)**

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**March 14, 2012**



# JBIC's Profile

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JBIC is the international wing of Japan Finance Corporation (JFC) established on October 1, 2008, and will be separated from JFC on April 1, 2012, as a new JBIC.

**□Office**

4-1 Ohtemachi 1-chome, Chiyoda-ku, Tokyo 100-8144, Japan

**□Capital**

¥ 1,091billion\*

**□Outstanding Loan and Other Financing**

¥ 8,467billion\*

**□Outstanding Guarantees**

¥ 2,443.2billion\*

**\* March 31, 2011, Account for JBIC Operations in JFC.**



# The mission of JBIC

JBIC is tasked with the following four missions.

Promoting overseas development and acquisition of strategically important **natural resources** to Japan

Maintaining and improving the **international competitiveness of Japanese industries**

**Responding to disruptions in financial order** in the international economy

Promoting overseas projects for **conserving global environment**, such as mitigating global warming

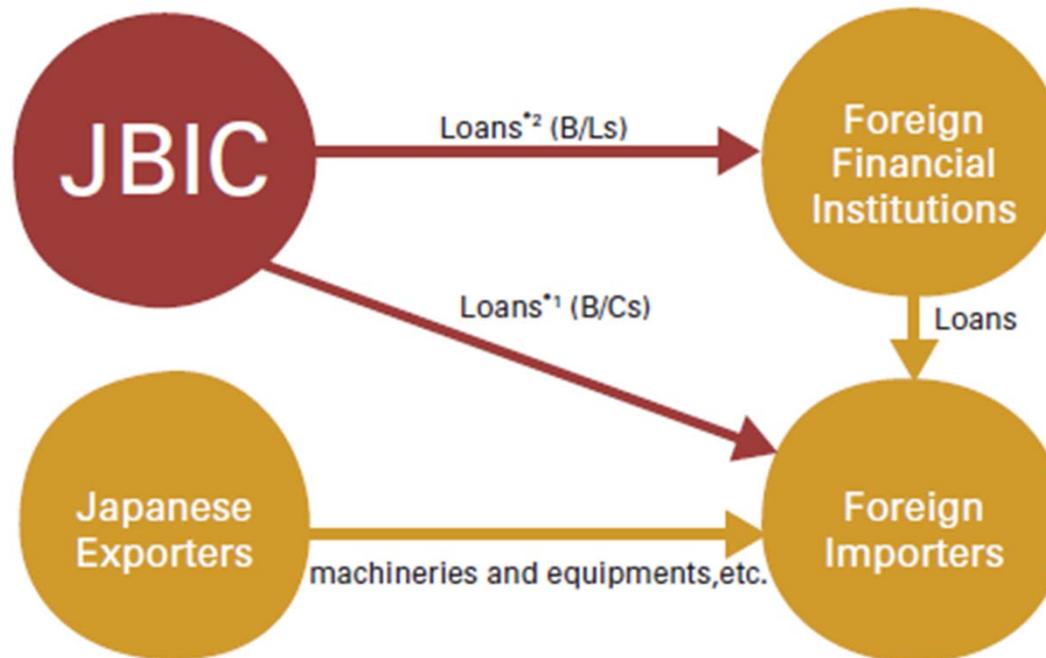
JBIC's activity under this mission added in April 2010 is called "**GREEN**", Global Action for Reconciling Economic growth and Environment conservation.



# Introduction of JBIC Facility (Export Loan)

Direct Loans to Foreign Buyers and Financial Institutions  
(Buyer's Credit (B/C) and Bank-to-Bank Loan (B/L))

Export Loan Scheme



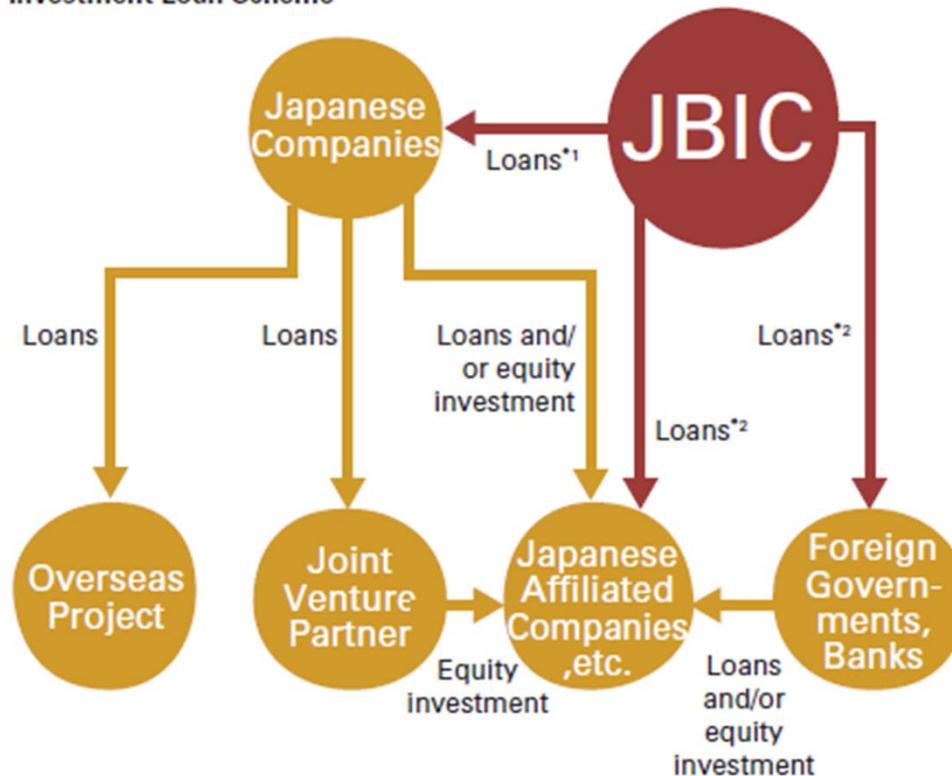
\*1. Loans to foreign importers (Buyer's Credits or "B/Cs").

\*2. Loans to foreign financial institutions (Bank-to-Bank Loans or "B/Ls").



# Introduction of JBIC Facility (Overseas Investment Loan)

Investment Loan Scheme



Direct and indirect financing which is provided for the projects undertaken by the firms incorporated in developing countries and regions in which Japanese firms have equity shares.

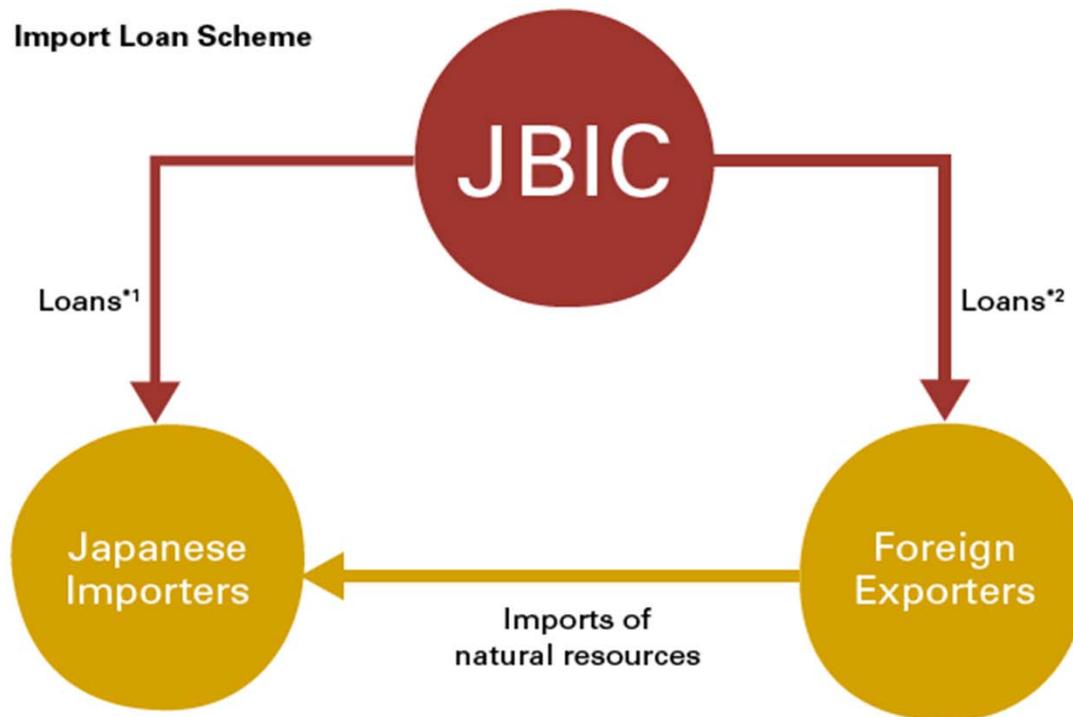
\*1. Loans to Japanese investors (limited to SMEs).

\*2. Loans to Japanese joint ventures, or to foreign governments, banks or other institutions that provide loans or invest in them.



# Introduction of JBIC Facility (Import Loan)

Financing for the import of strategically important materials to Japan, such as mineral and energy resources for Japanese.



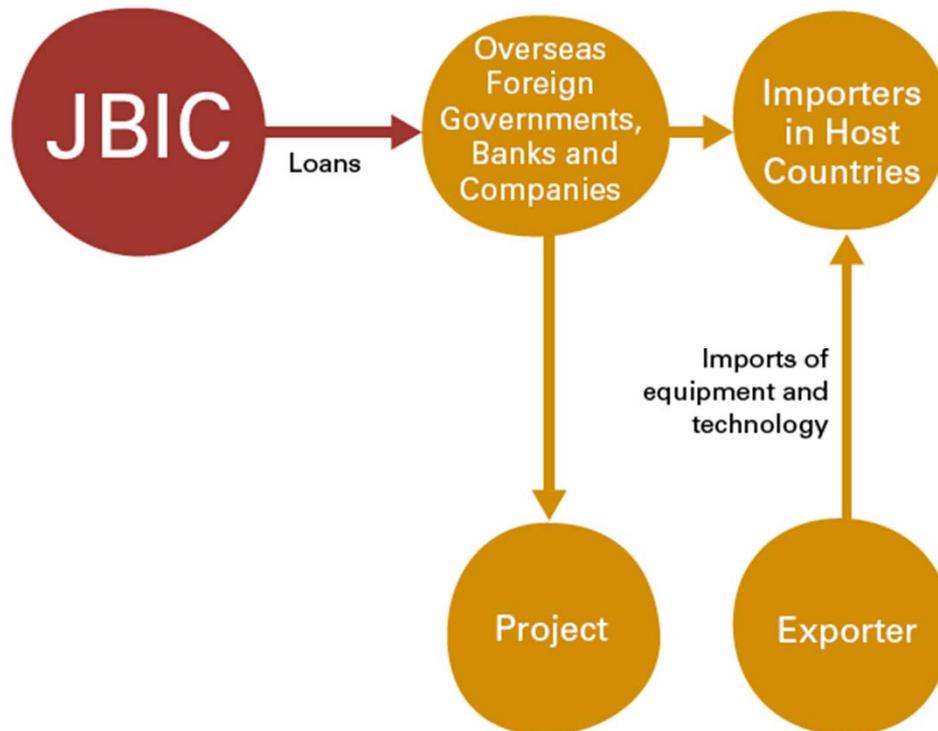
\*1. Loans to Japanese importers of materials strategically important to Japan.

\*2. Loans to foreign exporters of materials strategically important to Japan.



# Introduction of JBIC Facility (Untied Loan)

Business Development (Untied Loan) Scheme



## Requirement:

- Substantial benefit for Japanese Companies
- Preservation of the global environment



# Structure and Functions of Finance Group of JBIC

Finance Group	Department	Designated Business	Designated Countries
Energy, Natural Resources and Environment Finance Group	Oil and Gas Finance Department	Development, imports and investments in oil, oil gas and natural gas	Canada, Norway, UAE, Iran, Qatar, Kuwait, Saudi Arabia, Other Middle Eastern countries, Papua New Guinea, Russia, Algeria, Nigeria, Venezuela, Brunei, Turkmenistan, Azerbaijan, Equatorial Guinea
	Mining and Metals Finance Department	Development, imports and investments in strategically important resources other than oil, oil gas and natural gas	Madagascar, Mozambique, Argentina, Chile, Peru, Bolivia, Australia, New Zealand, Brazil, Uruguay
	Nuclear and Renewable Energy Finance Department	Nuclear power; renewable energy, including solar and wind power; other energy related business including integrated coal gasification combined cycle (IGCC), carbon capture and storage (CCS), other energy-related business, and carbon trading	UK, France, Spain, Turkey, Other European countries, Kazakhstan, Uzbekistan, Mongolia, China, Egypt, Tunisia, Jordan, Niger
Infrastructure Finance Group	Power and Water Finance Department	Power generation; transmission and distribution network; and water business, including water supply, sewage systems and industrial water.	Indonesia, Malaysia, Philippines, Vietnam, Singapore, Pakistan, Other Asian countries, Mexico, Jamaica, Panama, Colombia, Other Latin American countries
	Transportation and Telecommunication Finance Department	Urban transportation, high-speed rail way, roads, ports, airports, and telecommunications networks, etc.	US, India, Bangladesh, Sri Lanka, Maldives, Other countries in Oceania, Angola, Botswana, DRC, Lesotho, Malawi, Mauritius, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Zambia, Zimbabwe, other African countries
Industry Finance Group	Global Manufacturing Finance Department	Exports of products in major manufacturing industries; and overseas local production and sales	Korea, Hong Kong, Taiwan, Thailand
	New Technology and Industry Finance Department	Cutting-edge technologies for supporting next generation industries, ships, aircraft, satellites, and the overseas business of small and medium enterprises; securitization; equity investment in funds	



## TICAD IV and JBIC

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### US\$2.5 billion Commitment by JBIC at TICAD IV

- At TICAD IV in May 2008, the Japanese Government announced JBIC's financial support (in loans, equity investments and guarantees) for Africa in the total amount of US\$2.5 billion over the next five years.

Since then through, JBIC has made an overall commitment equivalent to about US\$ 2.2 billion of financial commitments for infrastructure development and natural resource related projects that would support Japanese business activities and economic growth in African countries.

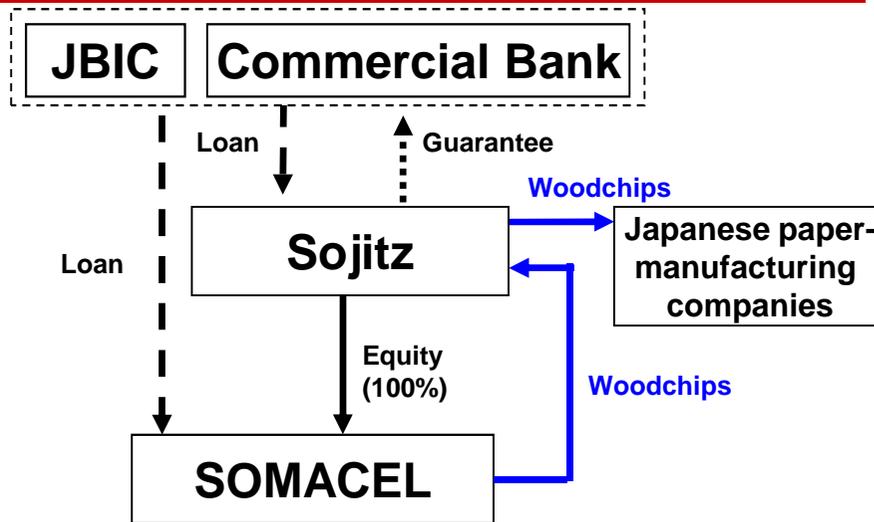


# JBIC Loans to Africa: Major Projects since TICAD IV

Signing Date	Country	Project Name	Amount
Jul 9, 2008	South Africa	Untied Loan for Eskom (Power Transmission & Distribution)	Loan 4,500 mil JPY Guarantee 3,000 mil JPY
Aug 15, 2008	Madagascar	Overseas Investment Loan for Ambatovy Nickel Project	Loan 400 mil USD
Sep 25, 2008	Egypt	Overseas Investment Loan for Natural gas related project	Loan 270 mil USD
Mar 26, 2009	South Africa	Untied Loan for Transnet (Port Expansion)	Loan 21,000 mil JPY Guarantee 14,000 mil JPY
Aug 9, 2010	Egypt	Buyer's Credit for Energy Refinery Project (Project-Finance Based)	Loan 540 mil USD
Sep 2, 2010	Egypt	Buyer's Credit for the National Authority for Tunnels (Metro Construction)	Loan 7,900 mil JPY
Nov 24, 2010	Angola	Buyer's Credit for the Government of Angola (Textile Plant Rehabilitation)	Loan 11,590 mil JPY
June 30, 2011	Mozambique	Overseas Investment Loan for Woodchip Production and Manufacturing Project	Loan 4.8 mil USD



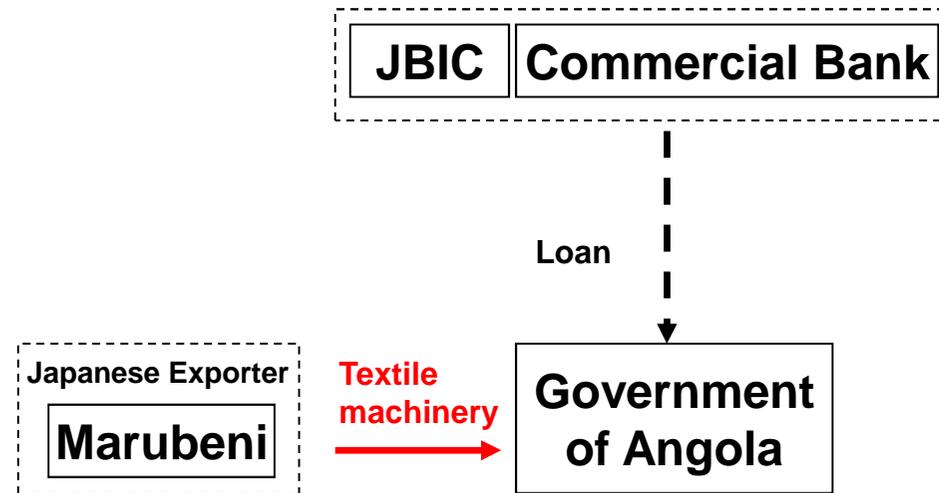
# Case Study: Overseas Investment Loan for Woodchip Production and Manufacturing Project



- ❑ This loan will finance a woodchip production and sales project to be undertaken by Sojitz Maputo Cellulose, Limitada (SOMACEL), a wholly-owned subsidiary of Sojitz Corporation Group (Sojitz).
- ❑ The woodchips produced will be sold to Japan through Sojitz and be used as a raw material of paper production.
- ❑ As this projects provides a new supply source of woodchips to Japan, it has a significant implication for securing a stable supply of woodchips.



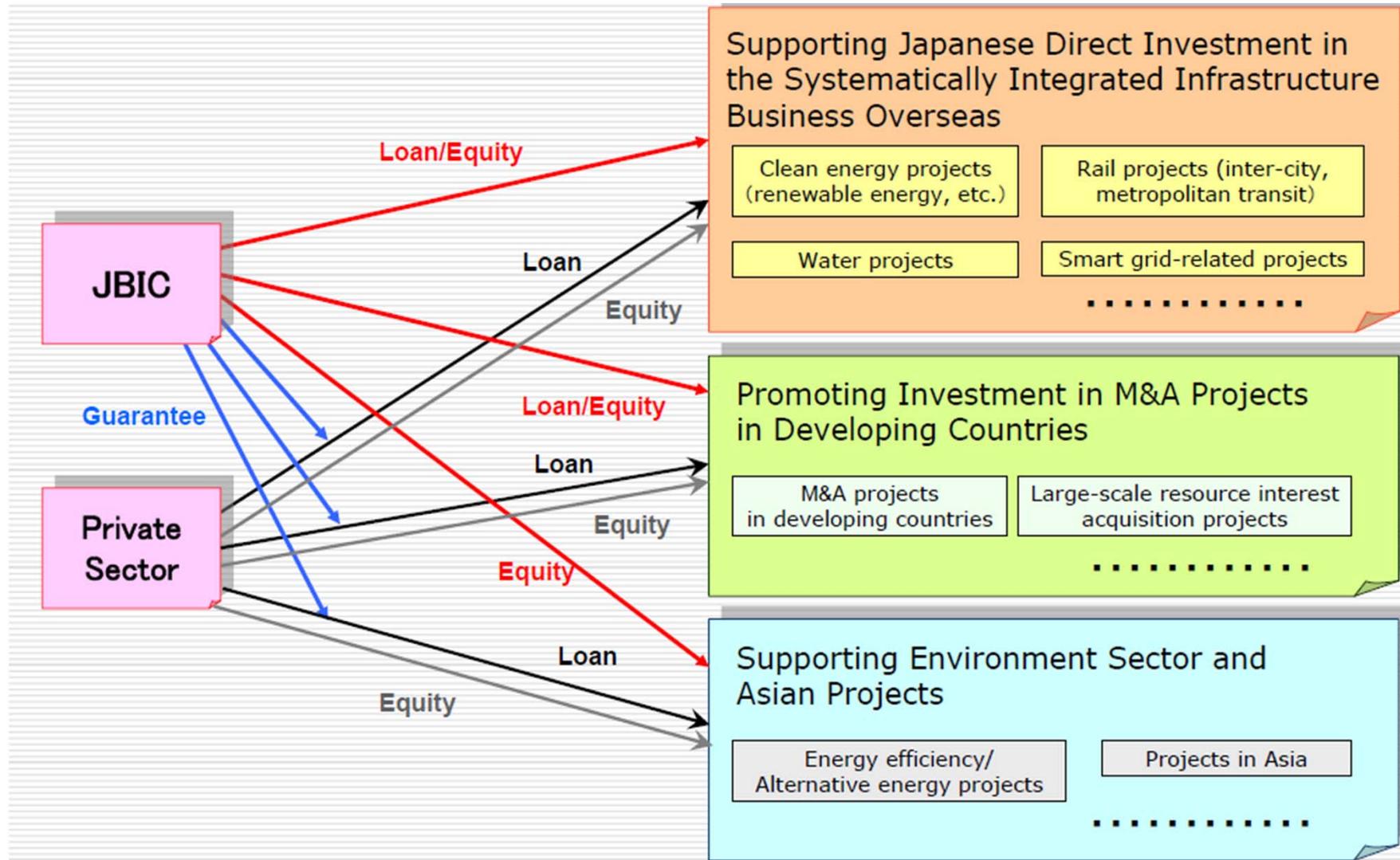
## Case Study: Buyer's Credit for the Government of Angola (Textile Plant Rehabilitation)



- As the Angolan Ministry of Geology, Mines and the Industry implements the state-owned textile plant rehabilitation project, this loan will finance procurement of a textile production facility from Marubeni Corporation for the project by the Ministry.
- The textile machinery and equipment to be installed in this transaction are manufactured by Toyota Industries Corporation and Murata Machinery, whose exports benefits from JBIC's financial support.
- This project marks the first step for the recovery of the Angolan textile industry, and is expected to lead to increased business opportunities for Japanese firms exporting textile machinery and equipment.



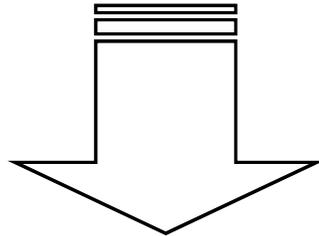
# JBIC Enhanced Facility for Global Cooperation in Low Carbon Infrastructure and Equity Investment: E-FACE





# GREEN

African  
Government / Agency



Environmental  
preservation projects

JBIC



Loans

**G** Global Action for  
**R** Reconciling  
**E** Economic Growth and  
**EN** Environmental Preservation

## Eligible Projects

Specific projects and programs supported by GREEN need to aim at preserving global environment such as mitigating global warming, and in principle to meet the following two requirements:

1. The project has a favorable impact on the preservation of global environment, such as significantly reducing GHG emissions; and
2. With regard to the impact on the preservation of global environment mentioned above, the project proponent measures the level of impact (Measurement), reports the result of this measurement (Reporting), and allows either JBIC or a JBIC-designated third party entity to verify the result (Verification).

# Thank you

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