Africa Day 2009 Symposium

Session II: Panel Discussion

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At UN University

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The Bank of Tokyo-Mitsubishi UFJ
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A. Macro economic situation of Africa and Japan

B. On Japanese private sector investments

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(1) Power Sector

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A. Macro economic situation of Africa and Japan
1. Economic outlook of major countries and regions

% p.a. Change of Output

- **Germany**: 0.1 (2007) 0.1 (2008) 0.4 (2009) 2.5 (2010)
- **France**: 0.4 (2007) 0.7 (2008) 0.7 (2009) -3.0 (2010)
- **UK**: 0.4 (2007) 0.7 (2008) 0.7 (2009) -4.1 (2010)
- **Japan**: 0.5 (2007) 0.0 (2008) 13.0 (2009) -6.2 (2010)

IMF WEO 4/09, p.10
2. Economic outlook of SSA

Figure 1.13. Sub-Saharan Africa: Economic Outlook, 2009–10

GDP Growth
Growth is projected to decline in 2009 and to recover mildly in 2010...

(Percent)

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<th>'09</th>
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<tbody>
<tr>
<td>Africa</td>
<td>2.3%</td>
<td>4.0%</td>
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<tr>
<td>SSA</td>
<td>1.4%</td>
<td>3.8%</td>
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(AfDB/OECD, AEO, 5/09)

- GDP: Middle income and oil exporters badly affected

IMF REO/SSA, 4/09, p.14
3. Capital flows

- FDI: back to 2006 level
- Aid: projected to increase
- 2009 Portfolio investment: return to positive
4. Fiscal and External Balance

2 critical elements (budget and current account):
- Oil exporting countries being badly affected

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<tr>
<td>SSA</td>
<td>-8.6%</td>
<td>-8.4%</td>
</tr>
<tr>
<td>Africa</td>
<td>-5.3%</td>
<td>-5.4%</td>
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IMF REO/SSA, 4/09, p.14

(AfDB/OECD, AEO, 5/09)
5. Fiscal Balance of major OECD countries

Government Balance
(1980 – 2010)

% / GDP  France  Germany  Japan  United Kingdom  United States

(source) IMF WEO, May 2009
6. Government debt accumulation by major OECD countries

Government Net Debt vs GDP
(1980 – 2010)

France, Germany, Japan, United Kingdom, United States

(source) IMF WEO, May 2009
B. On Japanese private sector investments

- There are already investments made by Japanese companies, those investments having made economic sense to the investors
- More investments may require gaining familiarity and encouragements
  - Institutional framework
    - JBIC and NEXI
    - JBIC concluding MoU with AfDB covering various areas
  - Information
    - a Japanese Ambassador’s initiative
    - ADC’s initiative
    - dissemination by emails
  - pulling and pushing
    - BoP Market
    - Renewable Energy Development
C. On some specific areas for cooperation

(1) Power Sector
  • Regional projects
  • Domestic projects

(2) Financial Sector
  • for contribution to local business and economic development
  • short term lending
    ⇒ longer term loans
      with long term funding