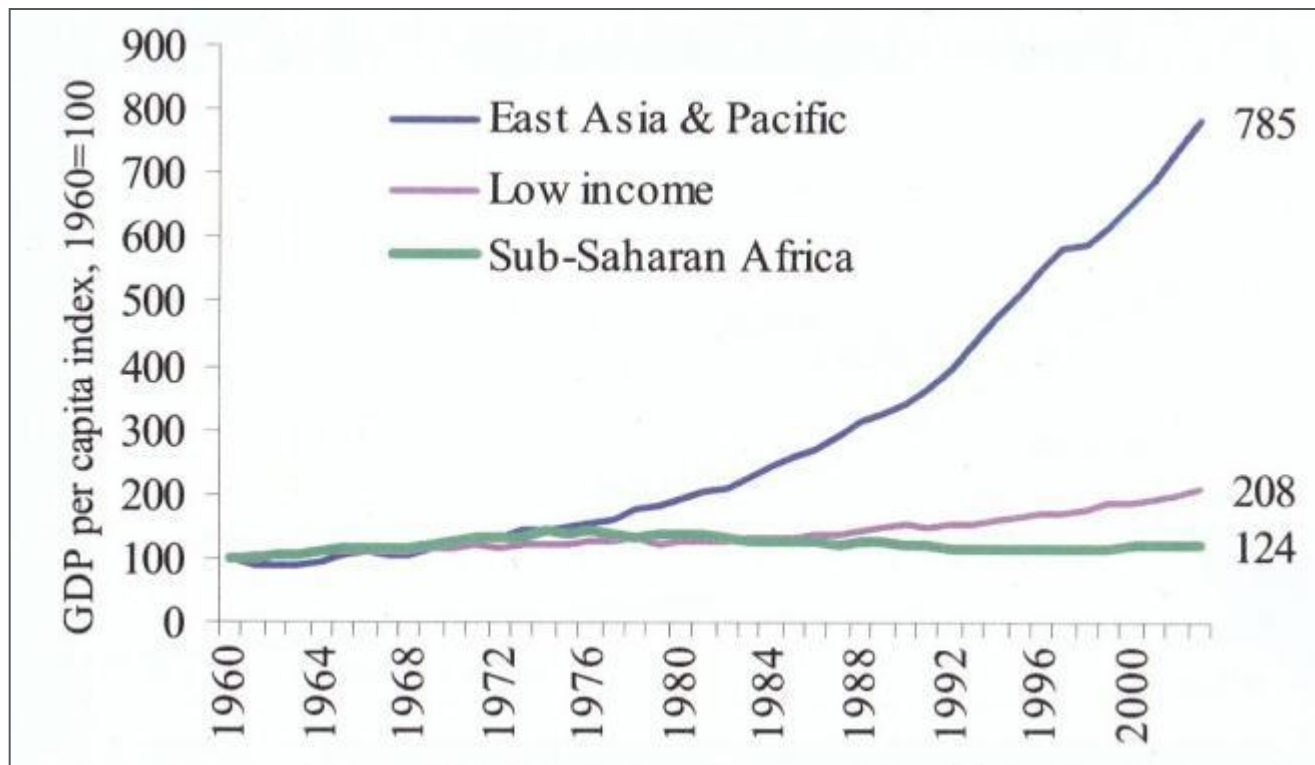




Why JAPAN?

Africa has fallen behind
as Japanese FDI to ASIA/Pacific expanded dramatically from 1971

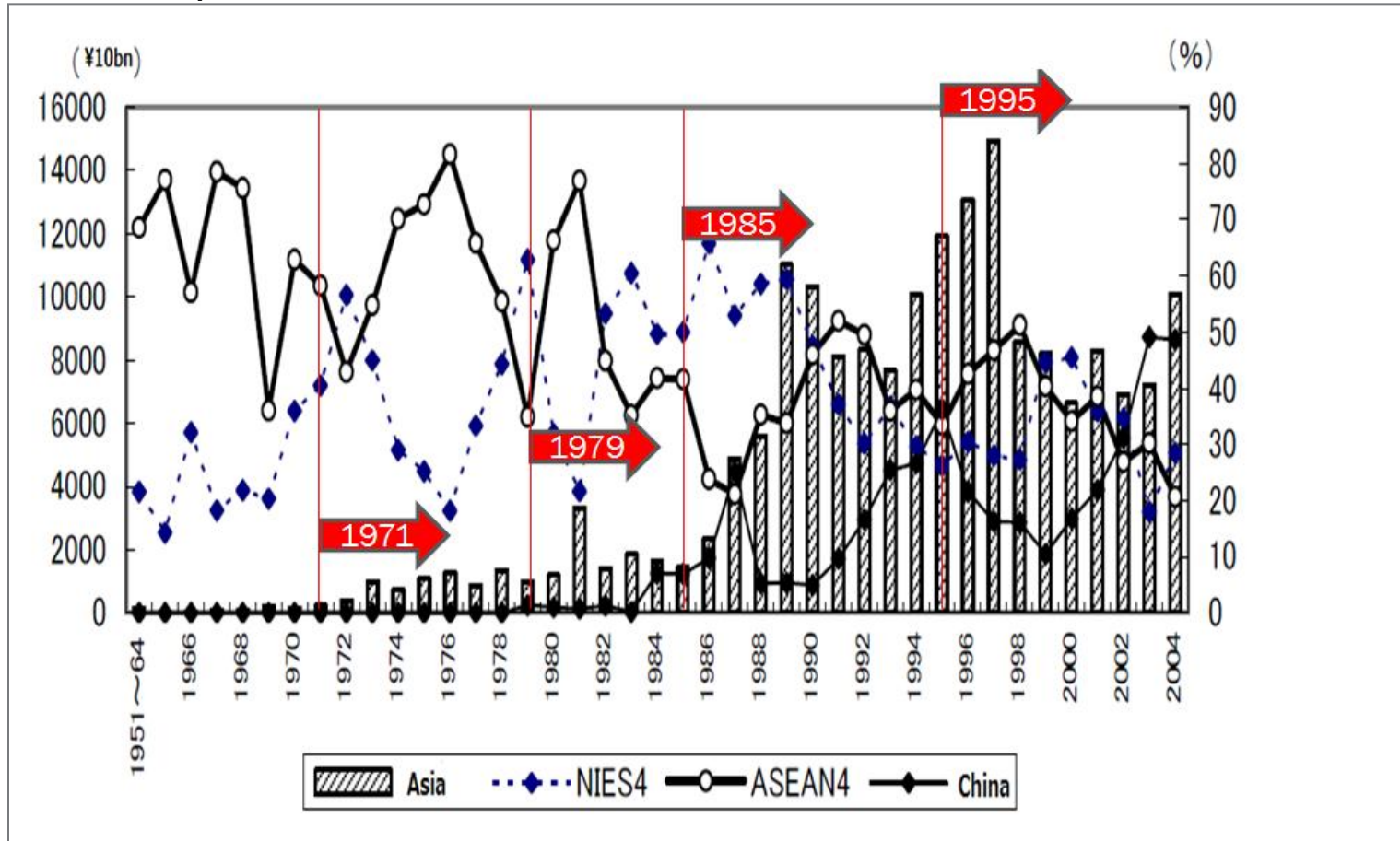
Comparative per capita income growth paths:
Sub-Saharan Africa vs. Other Regions



Source: Benno Ndulu et al, Challenges of African Growth: opportunities, constraints and strategic directions, The World Bank, 2007

Why JAPAN?

Japanese FDI to South East Asia/Pacific countries



Source: KRA, Based on graph from Institute for International Policy Studies , IIPS Policy Paper 316J. Tokyo

Why JAPAN?

Japanese FDI to East Asia/Pacific countries

□ 1971- First Wave

- Deregulation of FDI
- Monetary easing
- Appreciation of Yen

□ 1979- Second Wave

- Excess Capital for FDI
- Rising labour cost inside Japan
- Further Appreciation of Yen
- Trade war with other developed countries
- Deregulation of foreign inward-investment to Japan

□ 1985- Third Wave

- Unprecedented Appreciation of Yen after the Plaza Agreement
- US-Japan trade war
- Property investment abroad
- Low cost production in Asia
- Asian countries' policy inviting Japanese FDI

□ 1995- Fourth Wave

- Collapse of “bubble” economy in Japan
- Appreciation of Yen from 1993
- High growth rate in Asian economies

Why JAPAN?

Japan is still the world's **2nd** largest economy (real GDP basis)

as late as end of 2011 (latest figures)

	US\$ bn	%
US	13,226	25%
Japan	4,604	9%
China	4,237	8%
Germany	3,049	6%
UK	2,381	5%
France	2,241	4%
Above 6	29,738	57%
Rest of the World	22,930	43%
World	52,668	100%

2011 Real GDP at constant 2005 price in USD

Data Source: United Nations Statistics Division

Not Necessarily True!
(Only on the Nominal basis for 2010 figures)



http://www.bbc.co.uk/news/business-12427321

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14 February 2011 Last updated at 11:19 5.9K Share f t e

China overtakes Japan as world's second-biggest economy

Source: BBC (last access 12 March 2013)

<http://www.bbc.co.uk/news/business-12427321>

Why JAPAN?

- ❑ Except Japan, Asia has huge income gap between the rich and the poor.
- ❑ Except Japan, Asia has many ethnic conflict hotspots and may experience an uprising similar to the “Arab Spring”.

Per Capita GDP (2011) *
Major developed countries vs BRICs

	US\$
United States	47,882
Japan	46,407
Germany	43,865
France	42,642
United Kingdom	38,918
Russia	13,006
Brazil	12,594
China	5,439
India	1,528
World Average	10,102

Data Source: United Nations Statistics Division
* GDP at current prices in US Dollars

Why JAPAN?

CITIES BY GDP Stark difference in economic size

PPP-adjusted GDP(\$BN)	
Tokyo	1,520
Seoul	774
Shanghai	517
Beijing	427
Hong Kong	350
Singapore	327

2012 estimate

Data Source: Brookings Institution, Global city GDP 2011

Why JAPAN?

**BUT, not many non-Japanese companies
are succeeding in Japan**

Why?

- ❖ **Lack of understanding of Japanese culture and business manners**
- ❖ **Lack of networks in Japan**