

JICA's Approach on Private Sector and Development (East Asian Experience and Future Challenges)



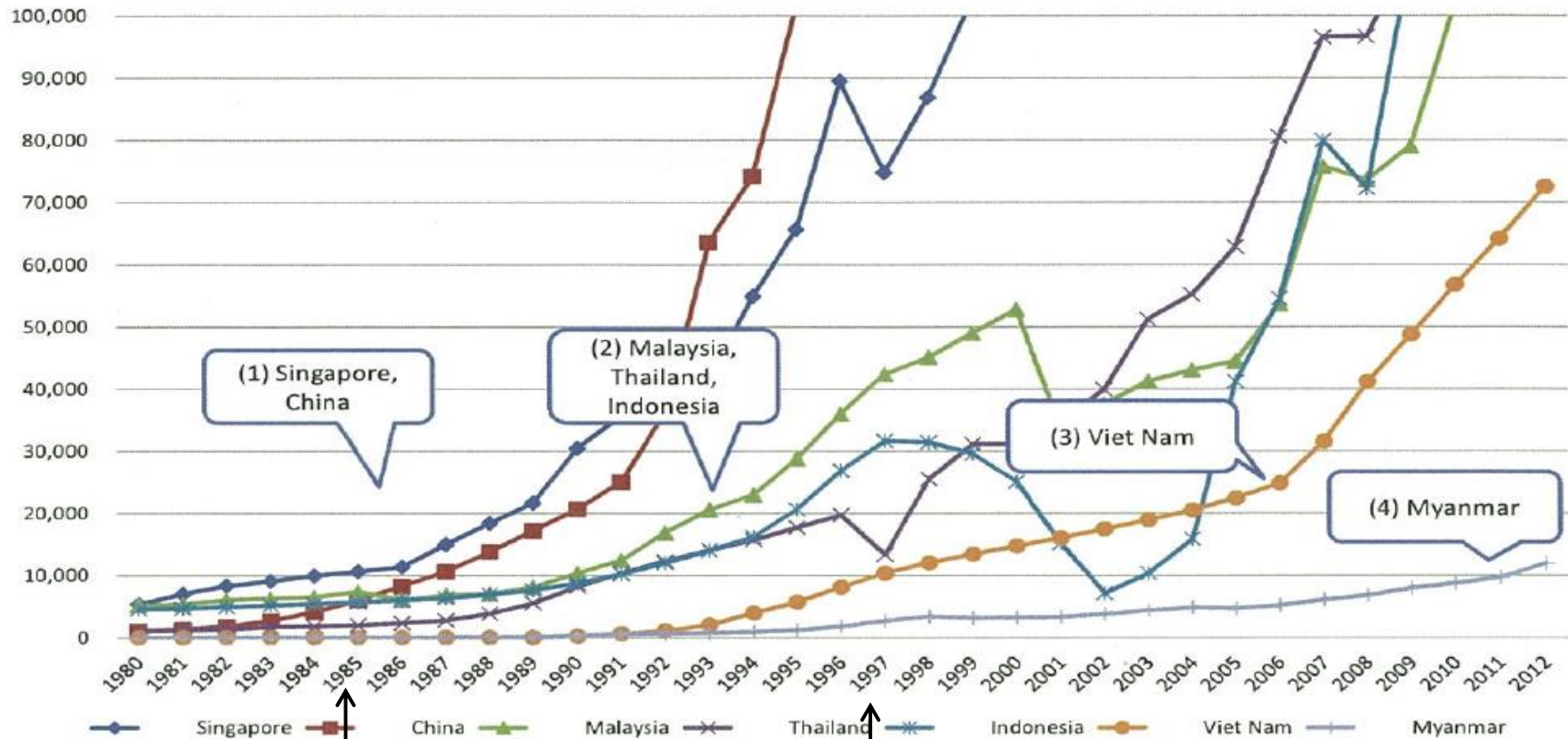
2016.3.1

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FDI Stock in Asian Economies

(USD at current prices and current exchange rate in millions)



Source: UNCTADSTAT (<http://unctadstat.unctad.org/ReportFolders/reportFolders.aspx>)

Plaza Accord

Asian Financial Crisis

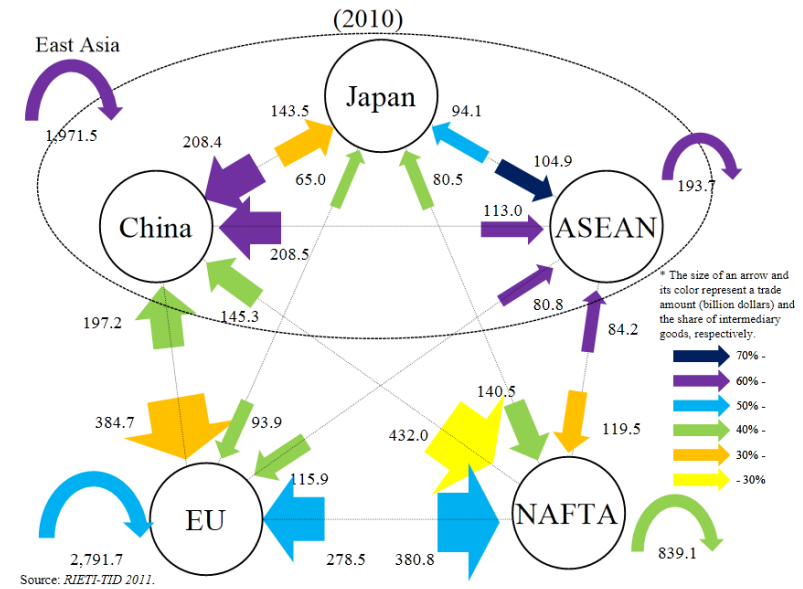
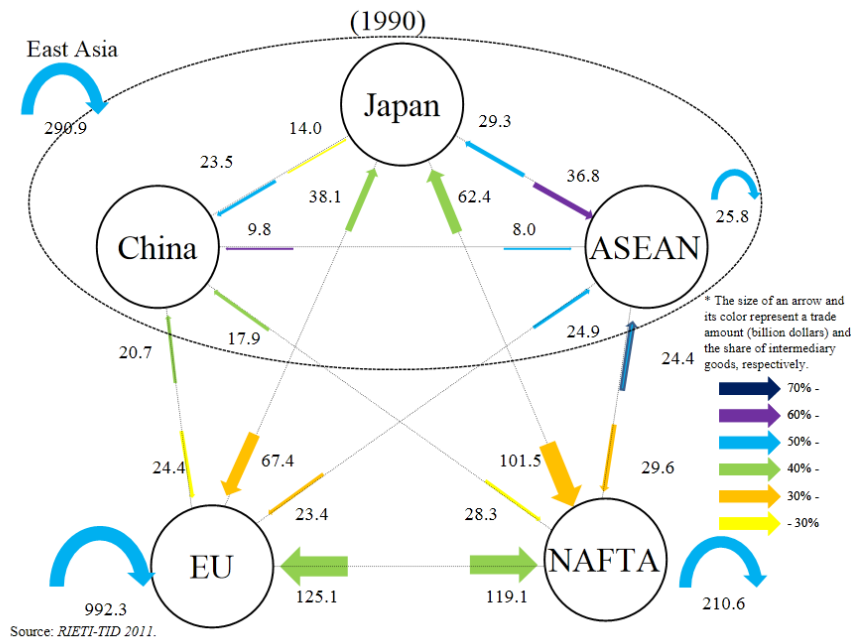
New Aid Plan
FDI, Trade, Aid

Linkage Industry & SME Dev.

ASEAN
Connectivity

International Trade (1)

- ✓ Within East Asia, volume of trade expanded significantly and “Intermediary Goods” became the major trade goods → East Asia is becoming “one factory”
- ✓ Size of arrow: Trade volume
- ✓ Color of arrow: Share of intermediary goods. (Darker the higher)

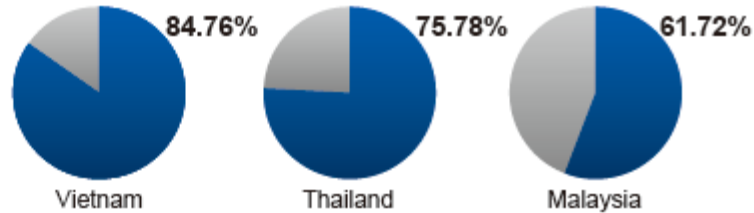


Flow of Trade Between Major Regions (unit: billion USD)

Transport

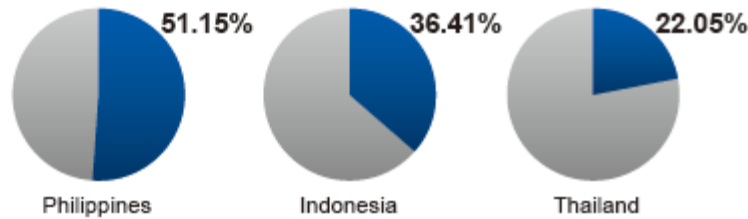
Airport

Passengers
(Number/Day)



Railroad

Railroad
(km)

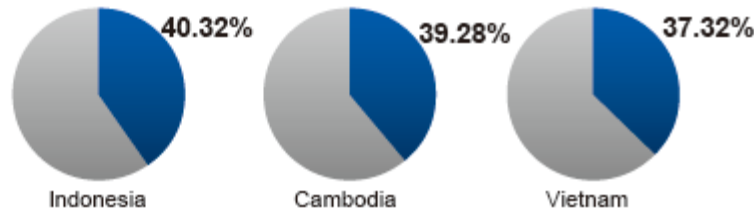


Port and Harbor

Container Freight
(TEU/Day)



Cargo Handling
(t/Day)



Suvarnabhumi International Airport in Thailand



The Jakarta Fishing Port in Indonesia



JABODETABEK Urban Transportation in Indonesia

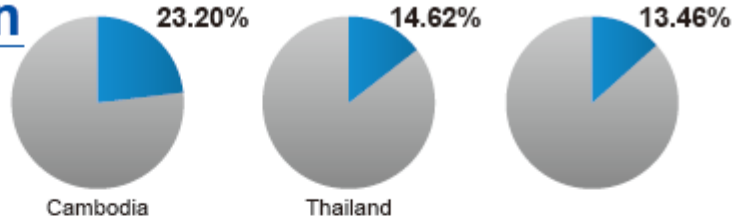
Source: JICA, base data 1970-2009

Note: The percentages shown in the pie charts indicate JICA's contribution in the selected sector.

Photo : Thailand (Yasuhiko OKUNO) , Indonesia (Shinichi KUNO)

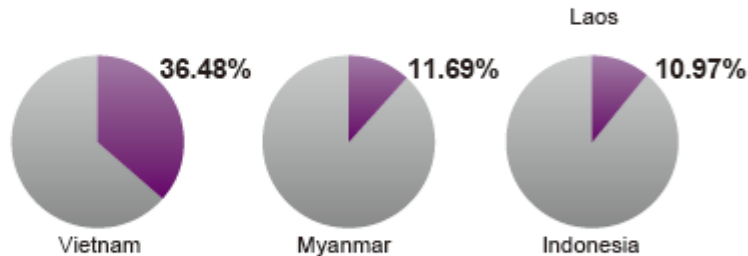
Communication

Communication
Circuit Switch
(Line)

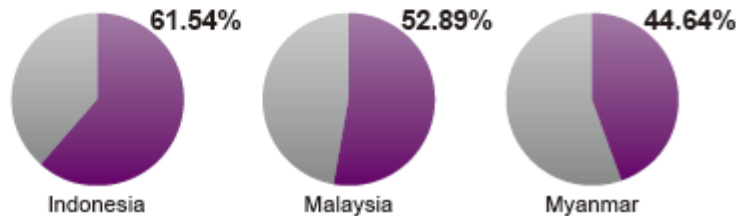


Electricity

Thermal Power
Power Generation
(GWh/Year)



Hydraulic Power
Power Generation
(GWh/Year)



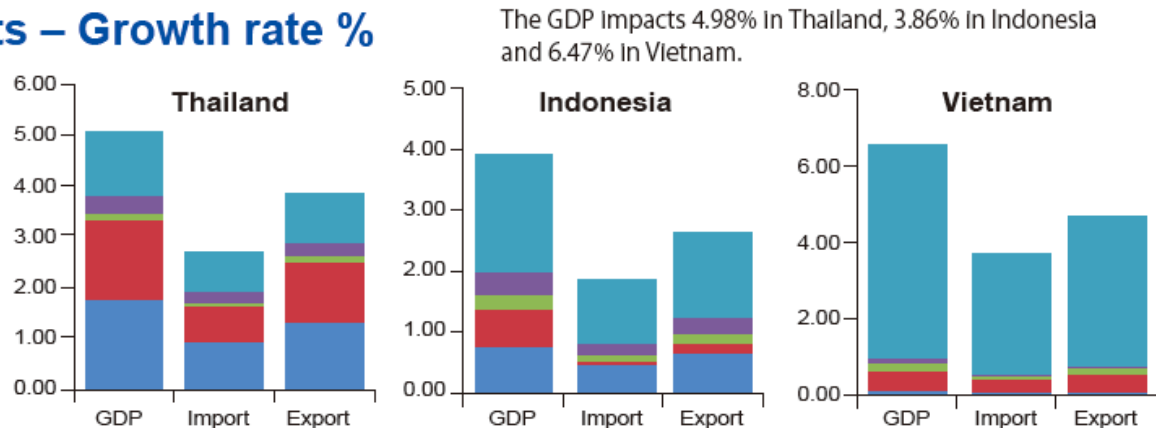
O Mon Thermal Power Plant in Vietnam



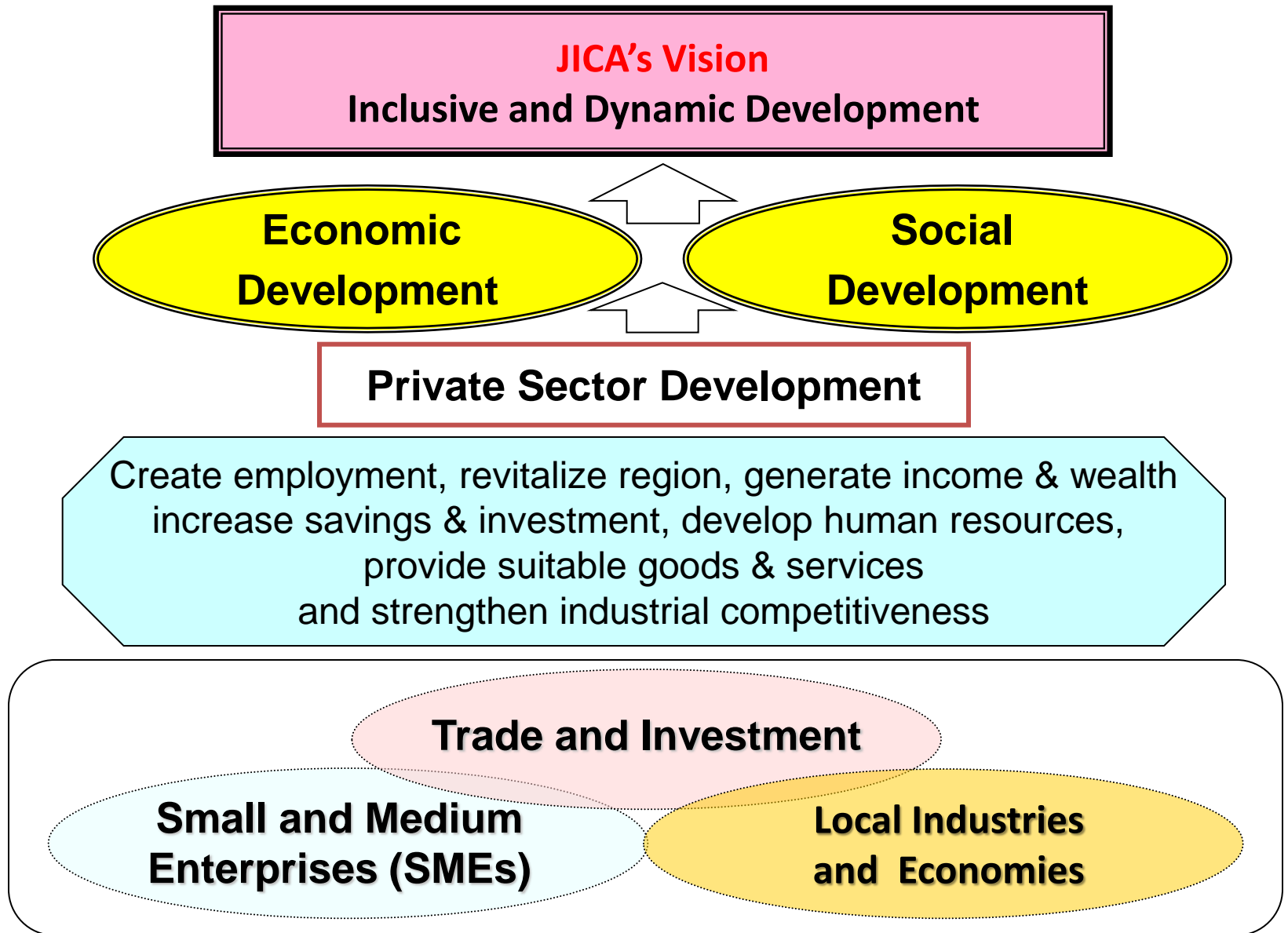
The Nam Ngum I Hydropower Station in Laos

Economic Impacts – Growth rate %

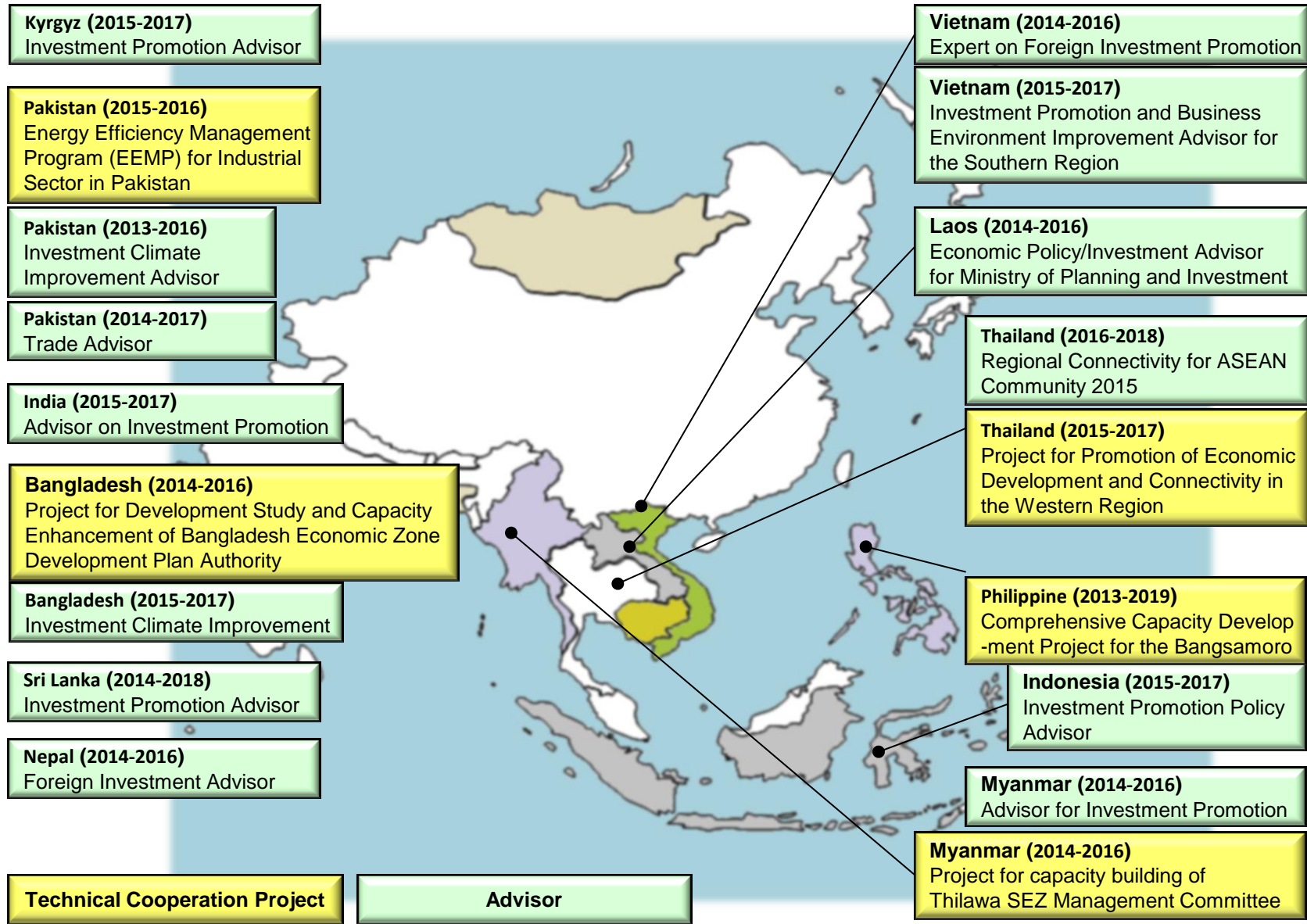
- Land Transport
- Water Transport
- Electricity
- Air Transport
- Communication



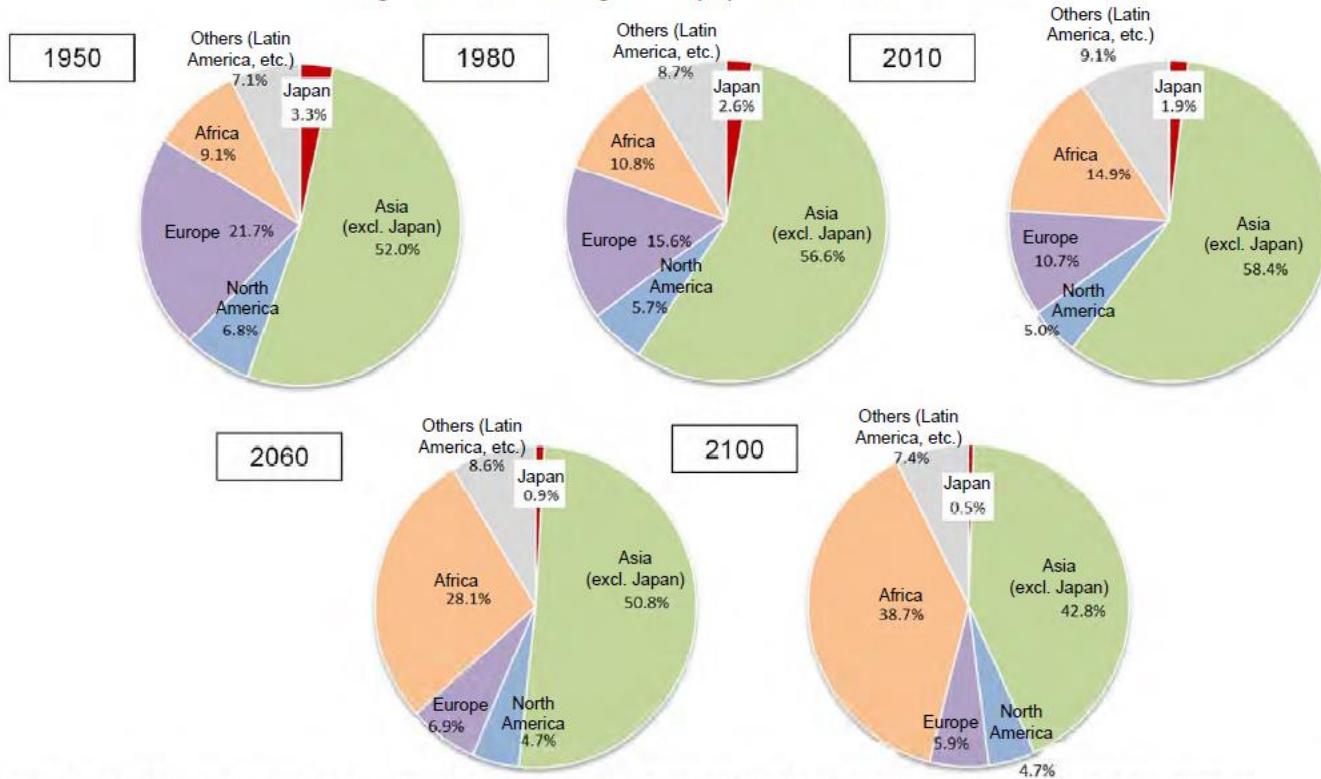
Private Sector Development for JICA's Vision



JICA's On-going Projects in Trade/Investment in Asia *(*including Investment Promotion Advisors)*



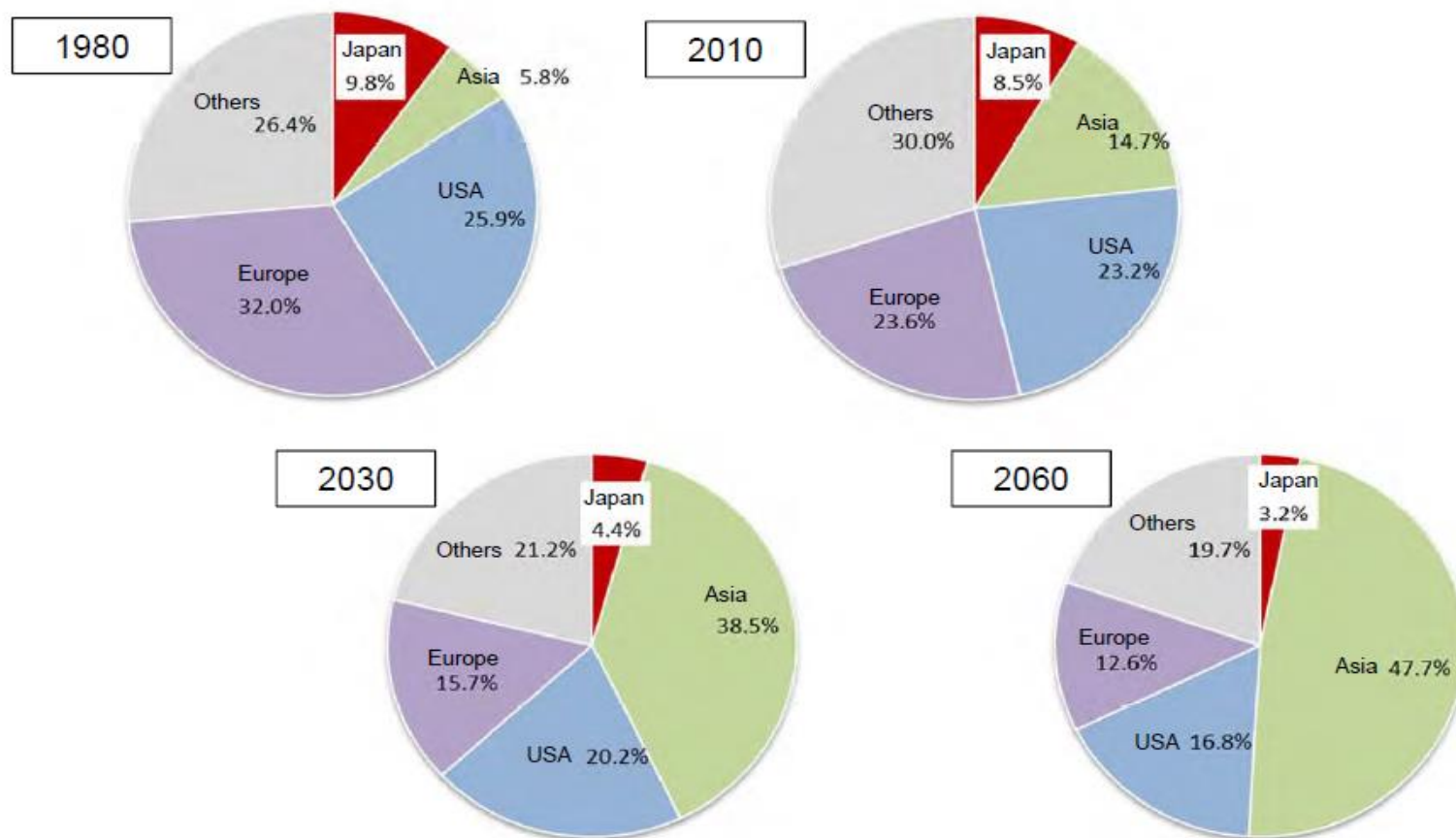
Changes in shares of regions in population around the world



(Note) Adapted from United Nations "World Population Prospects: The 2012 Revision (Medium Variant)," MIAC "Population Census Report" and "Annual Report on Current Population Estimates," and the National Institute of Population and Social Security Research "Population Projection for Japan (January 2012)" (medium projection)

(Source: Cabinet Office of Japan, Nov. 14, 2014)

Changes in shares of countries and regions in the world economy (GDP)



(Note) Adapted from IMF "World Economic Outlook Database, October 2014" and OECD "Economic Outlook (May 2014)"

* Asia includes four countries below: South Korea, China, India, and Indonesia.

* Europe includes 15 countries below: Ireland, United Kingdom, Italy, Austria, the Netherlands, Greece, Sweden, Spain, Denmark, Germany, Finland, France, Belgium, Portugal, and Luxembourg.

(Source: Cabinet Office of Japan, Nov. 14, 2014)

The Way Forward

For “The Asian Century” (ADB, Asia 2050)

Industrial Human Resource Development

Regional Cooperation

Beyond East Asia: South Asia and Africa

“Kaizen” and Africa Business Education Initiative for Youth (ABE Initiative)

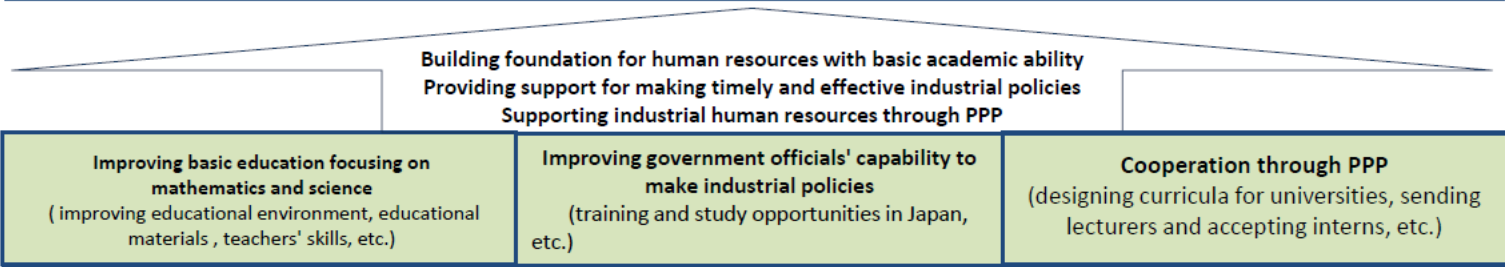
Investment & Trade Promotion

Private Sector Partnership Scheme

Industrial Human Resource Development Cooperation Initiative (Support Plan)

Through public-private-academia collaboration, Japan will support the cultivation of industrial human resources that contributes to sustainable growth by meeting the needs of each country through dialogues.

Practical Technical Skills	Design and Product Development Skills	Innovation Capability	Management and Planning Skills
<p>Experienced technical experts and skilled workers as an engine for manufacturing</p> <ul style="list-style-type: none"> • Japanese-style vocational training programs (e.g.: Promotion of the transfer of skill-evaluation systems) • capacity building courses for educational training for technical experts • Human resources and skills development in key industries in Japan or target countries, etc. <p>(Example)</p>  <p>Project on Enhancement of Metalworking Capacity for Supporting Industries of Construction Machinery</p>	<p>Engineers as a drive for infrastructure development and product design and development</p> <ul style="list-style-type: none"> • expanding an education model of KOSEN (colleges of technology) • capacity building for engineers at colleges, universities, and graduate schools • technology transfer for the designing, operation, and maintenance of quality infrastructure • training and study opportunities in Japan, etc. <p>(Example)</p>  <p>Thai - Nichi Institute of Technology</p>	<p>Human resources for research and development as a drive for innovation</p> <ul style="list-style-type: none"> • capacity building for human resources for research and development at colleges, universities, and graduate schools • promoting science and technology cooperation by establishing collaborative research institutes • Strengthening partnership among universities, including promotion of joint research and industry-academia cooperation • training and study opportunities in Japan • human exchanges in the field of science and technology, etc. <p>(Example)</p>  <p>AUN/SEED-Net</p>	<p>Middle management personnel as a proactive actor for the company's management and planning</p> <ul style="list-style-type: none"> • utilizing and improving "Japan Center" to share Japanese-style management skills • training in Japan and target countries (e.g.: sharing know-how on quality infrastructure operation and project management), etc. <p>(Example)</p>  <p>Project for Capacity Development of Business Persons through Vietnam-Japan Human Resources Cooperation Center</p>



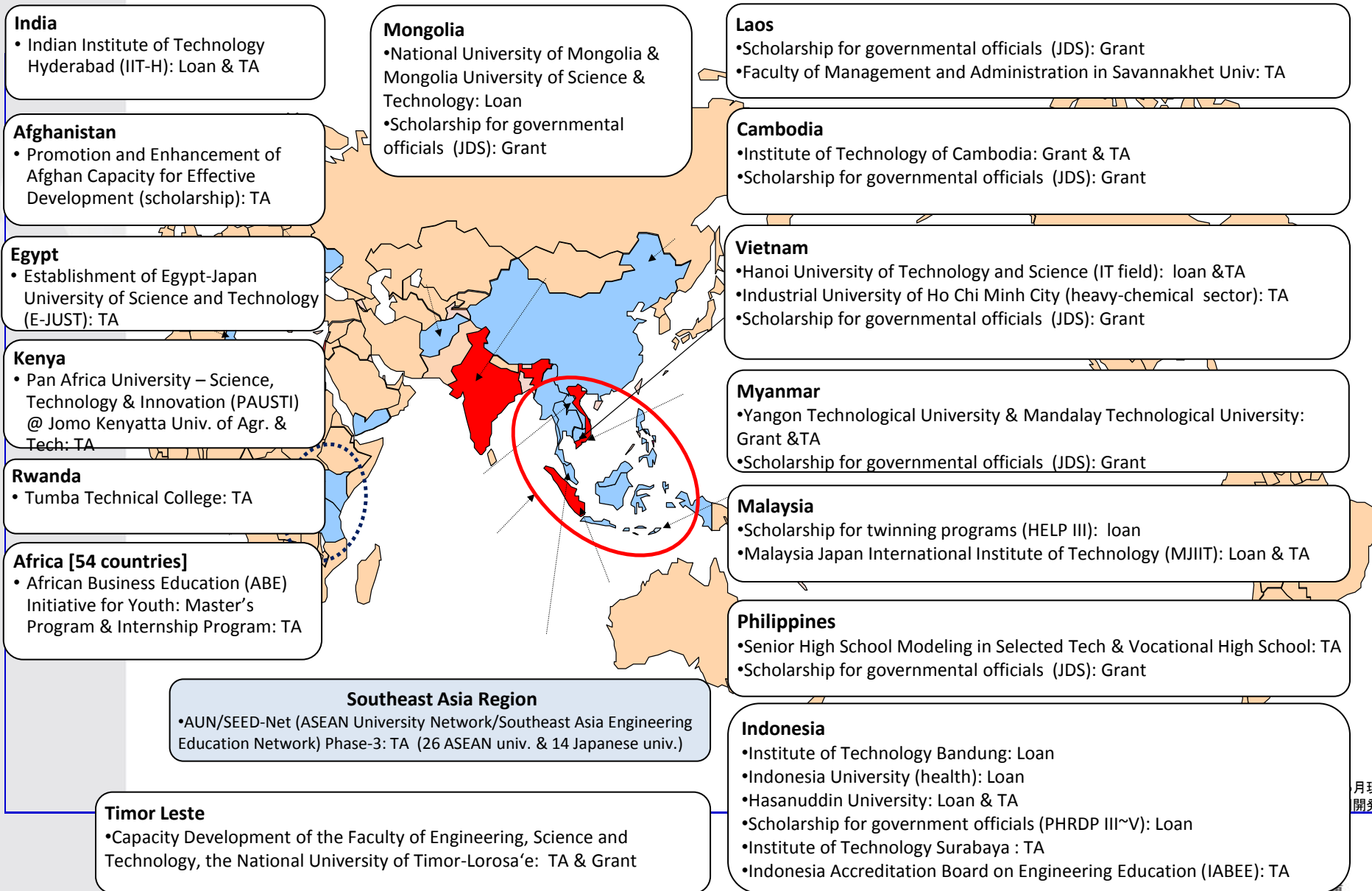
(Source: Ministry of Foreign Affairs of Japan, 2015)

JAPAN CENTER

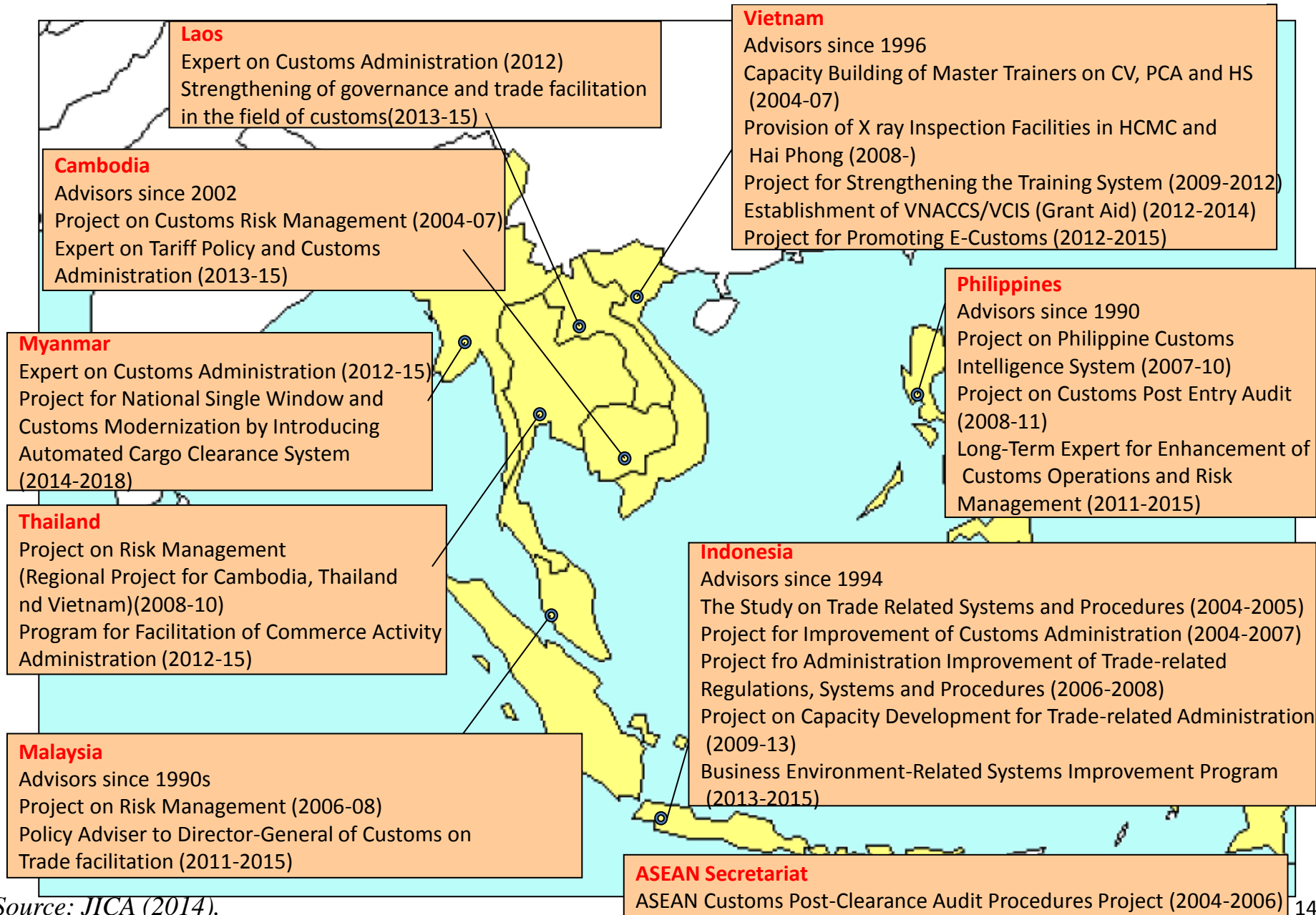
Developing Human Resources and Promoting Exchanges with Japan

- Japan Center was conceived in 1998 as a means to highlight Japan's ODA activities and to serve as a base for developing human networks.
- 10 centers have been established in 9 countries on East, Central and Southeast Asia.
- Japan Centers implement 1) Development of Local Business Human Resources, 2) Formulation of human-based network between Japanese enterprises and management personnel.





JICA's On-going Projects in Customs Administration in ASEAN (as of 2014)



Source: JICA (2014).

- **Policy Dialogue of Industrial Development in Ethiopia**

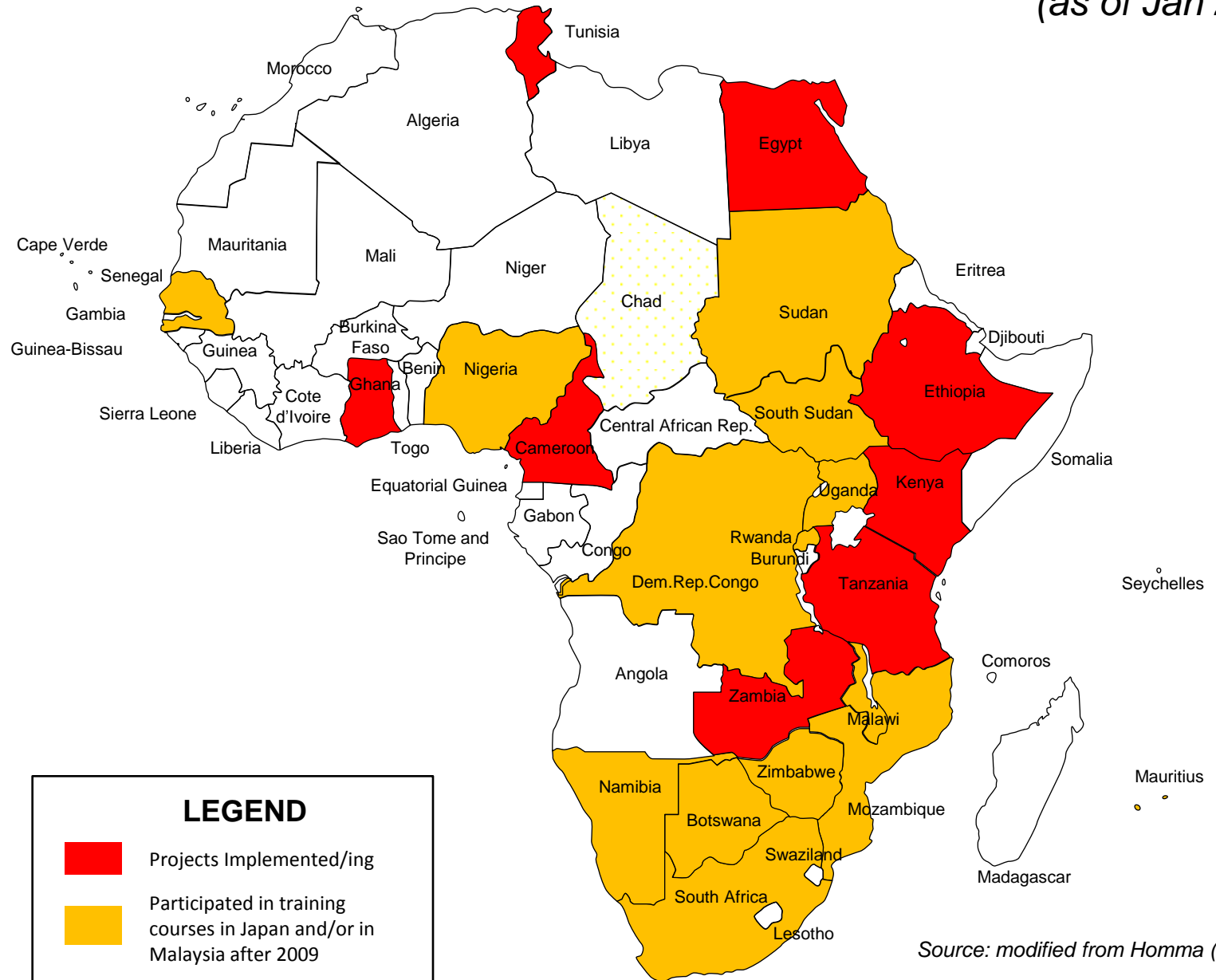
- ✓ Fill the knowledge and experience gap of Ethiopia, and assist in the implementation of the Growth and Transformation Plan 2010/11-2014/15 (GTP) and the planning of the next 5 year plan (GTP2).

Three layers of Dialogue with Ethiopia



Productivity Improvement (KAIZEN) Project in Africa

(as of Jan 2016)



Target Countries

- FY2014~2017 54 African Countries (10 large batch countries)

Target Participants

- ① Private Sector Personnel Persons who should play a guiding role to strengthen the tie between Japan and Africa 60%
- ② Government Official Young Officers who are in key positions for Industrial Development 30%
- ③ Academic Personnel Instructors of higher education institutions who contribute to the development of future industrial personnel 10%

3 months

3
mths

2weeks

2~3 years

2 wks~half year

Application Process

Selection Process

Orientation Program

Master's degree Course

Company Visit

Internship

Leave Japan

Nomination by
- Recipient Government
- Japanese Companies
- JICA
- Japanese Embassy

① Written Exam, ② Document Screening
③ Interview

- Company Visit
- Basic Japanese Course

● Management
● Agriculture
● Engineering etc.

Summer Internship

Leave Japan

Feature

- Combination of Master's course and Internship
- Development of African Industrial Personnel who have deep understanding on Japanese Society after the long stay in Japan

- **Strengthening Network between African Industrial Personnel and Japanese Private Sector**
- **Possibility of Recruitment by Japanese Companies**
- **Capacity Development of African higher education Institutions developing Industrial Personnel**

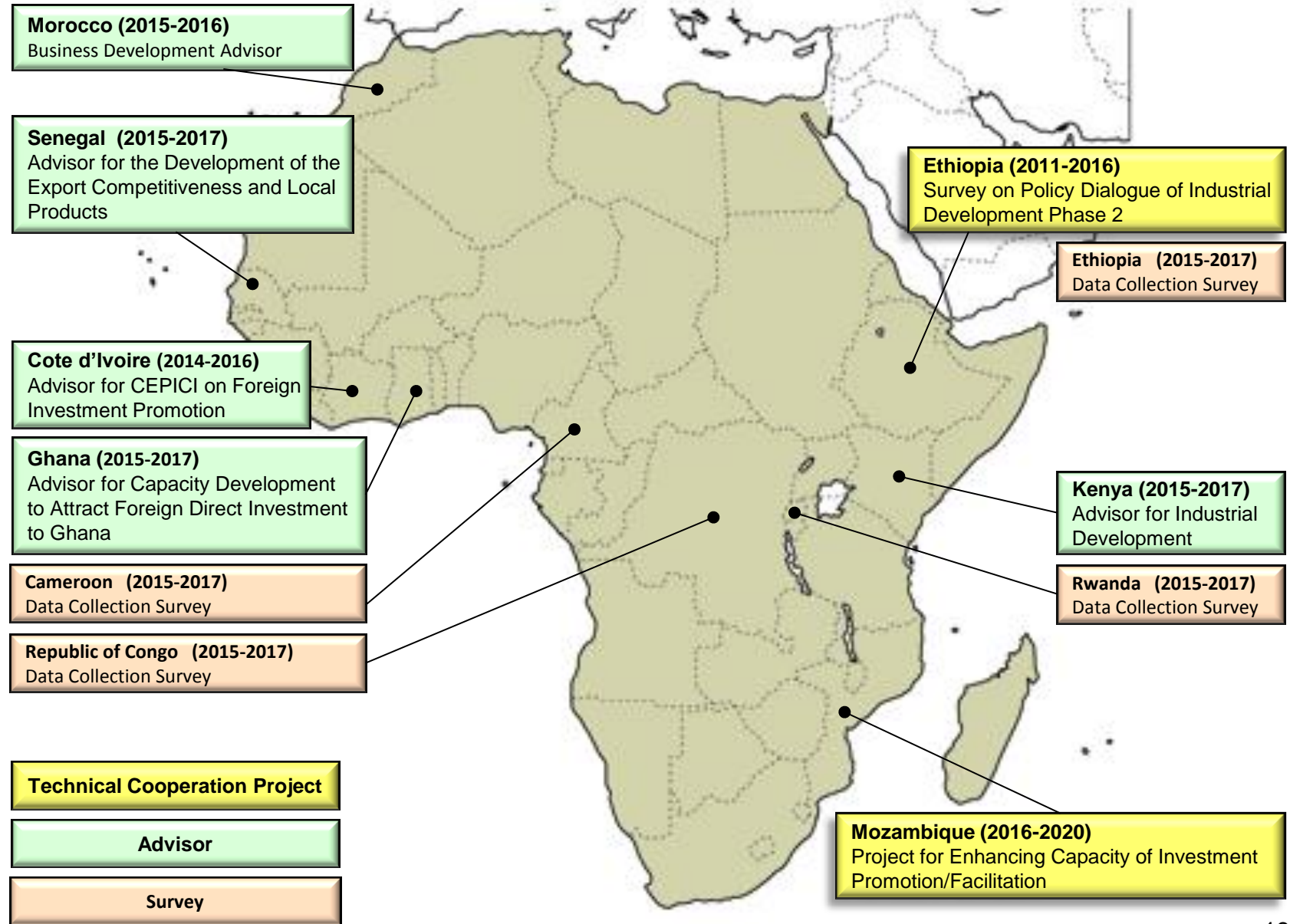
Contribution to Industrial Development by making use of the vitality of Japanese Private Sector

Implementation Structure

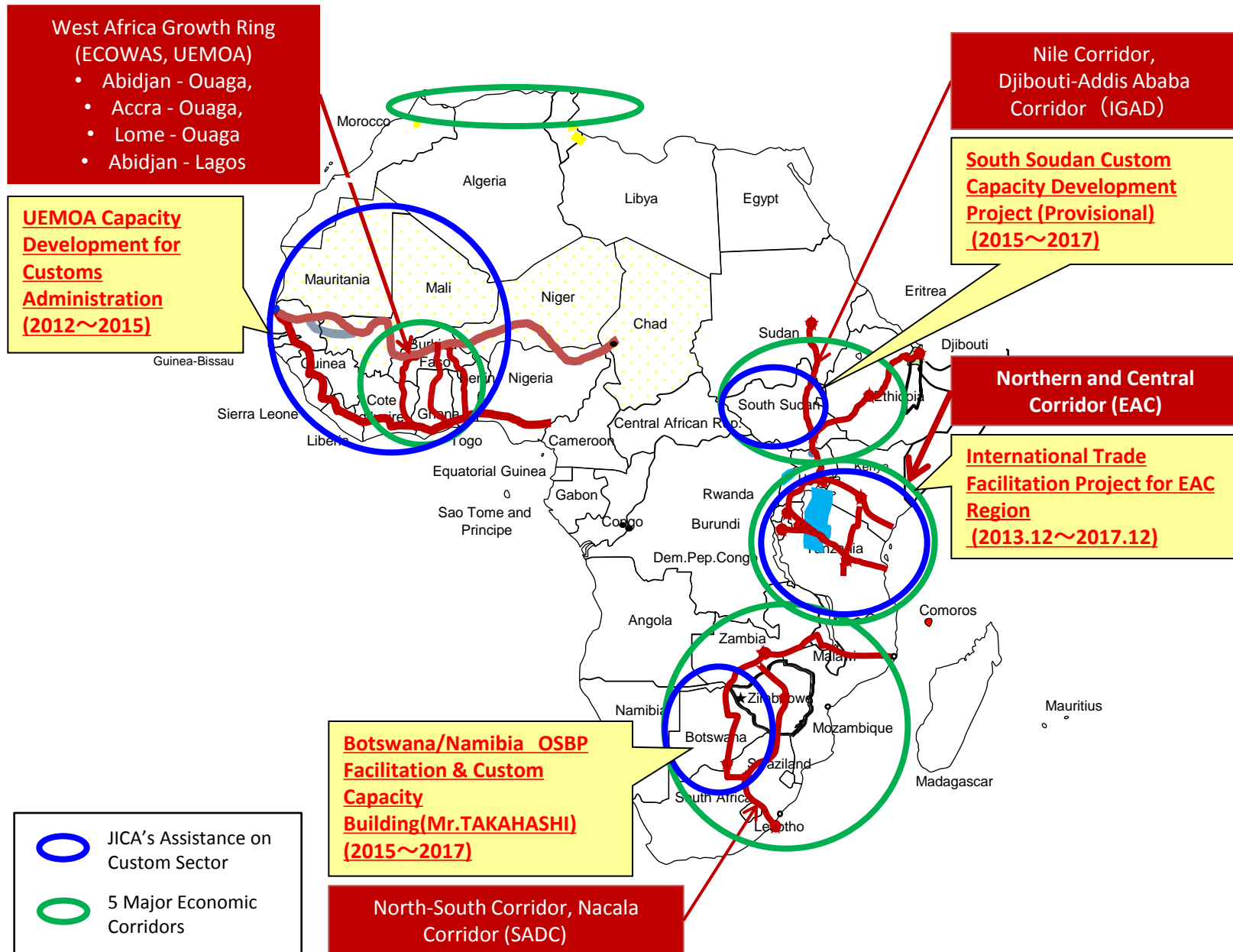
1. Advisory Committee (Tokyo • Once a year) : MOFA, MEXT, METI, KEIDANREN, JICA
2. Steering Committee (each country) : Japanese Embassy, JETRO, Japan Chamber of Commerce, Recipient Country, JICA
3. Secretariat : JICA
4. Support Organization : Support Organization (agency) will be recruited by JICA

JICA's On-going Projects in Trade/Investment in Africa

(*including Investment Promotion Advisors)



One Stop Border Post (OSBP) in Africa



JICA's Schemes based on proposals by Private Sector

Information Collection/Study



SME Partnership Promotion Survey

- To support Japanese SMEs that seeks to conduct new business which responding to development challenges .
- Up to 8.5 mil JPY

Feasibility Study with the Private Sector for Utilizing Japanese Technologies in ODA Project

- To examine the potential use of Japanese companies' products and technologies for Japanese ODA projects.
- Up to 30 mil JPY or 50 mil JPY

Preparatory Survey for BOP Business Promotion

- To promote private sector BOP business (inclusive business) which responding to development challenges .
- Up to 50 mil JPY

Preparatory Survey for PPP Infrastructure Projects

- To support companies that seek to conduct PPP infrastructure projects in developing countries.
- Up to 150 mil JPY

JICA's Schemes based on proposals by Private Sector

Verification/Promotion of Product

Verification Survey with the Private Sector for Disseminating Japanese Technologies

- To verify the usefulness of selected Japanese products and technologies through actual installation and operation of products.
- Up to 1 mil JPY

Collaboration Program with the Private Sector for Disseminating Japanese Technology

- To introduce products, techniques, know-hows and systems of the Japanese private sector through inviting relevant officials to Japan and holding workshops/seminars in developing countries for the future adaptation
- Up to 20 mil JPY

