

The Prospects of Japanese Automotive Assembly in Ethiopia: Policy Issues and Concrete Problems

A Seminar by Professor Kenichi Ohno (GRIPS)
Co-organized by MOTI, JICA, GRIPS and UNIDO

Japanese automotive vehicles (including passenger cars, commercial vehicles and construction equipment) are already strongly visible in the Ethiopian market, but they are all imported units whether new or second-hand. Because of potential market size, a number of Japanese auto makers are interested in local assembly but they face some concrete problems. The Ethiopian government is actively inviting Japanese auto investors but its policies are not yet conducive to high-quality auto assembly and post-sale services. Here we see a great potential for matching the needs of both sides, and bringing Japanese car and truck production to Ethiopia to attain high quality, large volume and profitability. In fact, Isuzu has already decided to produce trucks in Ethiopia and will start test-production in early 2019. But it may face a bumpy road ahead if the current policy framework remains the same.

Prof. K. Ohno, who has led industrial policy dialogue with the Ethiopian government since 2008, will explain exactly what Japanese manufacturers want, and what concrete barriers they face in Ethiopia in comparison with other auto-promoting countries in Asia and Africa. Japanese car makers often compare Ethiopia and Kenya, so policy differences between the two countries will be presented. The study is based on repeated discussion with interested Japanese manufacturers in Tokyo, interviews with their partner companies in Ethiopia and Kenya, as well as a comparative study of auto tariffs and taxes in selected countries.

It is hoped that this seminar will deepen mutual understanding among the Ethiopian government, Japanese producers and Ethiopian partner firms that import, assembly or service Japanese vehicles.

- Time: 9:00-11:00 AM, Wednesday, February 20, 2019
Venue: Meeting Hall of the Ministry of Trade and Industry (8th floor)
Participants: Invited officials of MOTI, MIDI, related ministries and other related organizations, concerned private firms, plus Japanese participants
- 9:00-9:05 Opening remark by H.E. Mr. Yohannes Dinkayehu, State Minister for Industry
9:05-10:05 Presentation by Prof. Kenichi Ohno,
“The potential and issues in Japanese automotive assembly in Ethiopia: A Study based on producer interviews, Kenya mission and international data comparison”
10:05-10:50 Discussion chaired by H.E. Mr. Yohannes Dinkayehu
10:50-11:00 Wrap-up



Kenichi Ohno is a professor at the National Graduate Institute for Policy Studies (GRIPS), Tokyo. He was at the International Monetary Fund (Washington, DC), Tsukuba University and Saitama University before taking up his current position. He specializes in comparative research in industrialization and industrial strategy in latecomer countries. He conducts regular policy dialogue with Ethiopia and Vietnam. His recent books include *Learning to Industrialize* (2013), *The History of Japanese Economic Development* (2018) and *How Nations Learn* (forthcoming in 2019, co-edited with Arkebe Oqubay).