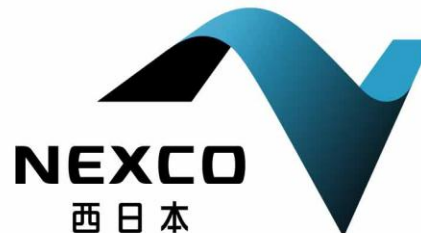


Opening Remarks

Hiroyuki Matsuyama
West Nippon Expressway Company Limited
Maputo, November 2012

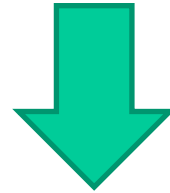


1. Background of the seminar

2. Objective of the seminar

3. Expected effects

➤ **GRIPS/NEXCO-West Project:**
Institutional Building Support for the Road Sector in Mozambique (from 2011 to 2013)



The project has **four** components

- 1) **Analysis concerning organizations and systems in the road sector in Mozambique**
- 2) **Coordination and coherence between road policies, government development plans and major development strategies**
- 3) **Analysis on coordination between organizations related to road policies and other development strategies in Mozambique**
- 4) **Key development challenge in Mozambique: Importance of building linkage**

➤ Issues worth examining in the Mozambican road sector

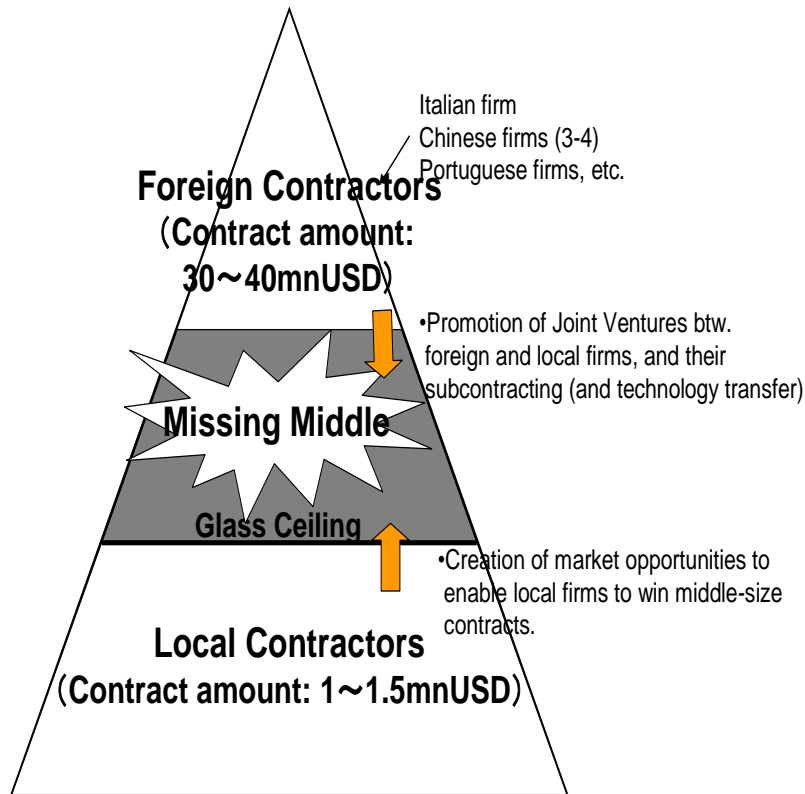
- 1) **Need to enhance policymaking ability in the Mozambican road sector from a long-term perspective**
- 2) **Need to promote technology transfer and ensure internalization of technology**
- 3) **Need to strengthen inter-agency coordination among institutions responsible for road and transportation policies, and corridor development strategies**
- 4) **Possibility of intellectual support toward inclusive corridor development(including the need to enhance the ability of local contractors in the road sector)**

(1) Building linkage in the road sector

<Present situation>



<Challenges>



- **Enhance local contractors' abilities**
- **Necessary to create new markets that are relatively easy for local contractors to penetrate**
- **Establish the system for authorizing qualifications to gain the trust of foreign companies**

(Source) The information provided by road sector experts to the GRIPS Development Forum Team in the second visit to Mozambique (Jan.-Feb. 2012)

(2) Inclusive growth with the resource sector as its key

<Present situation>

- Polarization between mega projects that support high economic growth and economic backwaters such as ordinary citizens, farmers, and local companies



“Resource-extractive economy”: Mozambique only exports natural resources without processing them

<Challenges>

- Link Mozambican natural resources to the domestic market and consistent policy intervention by the government

<Background>

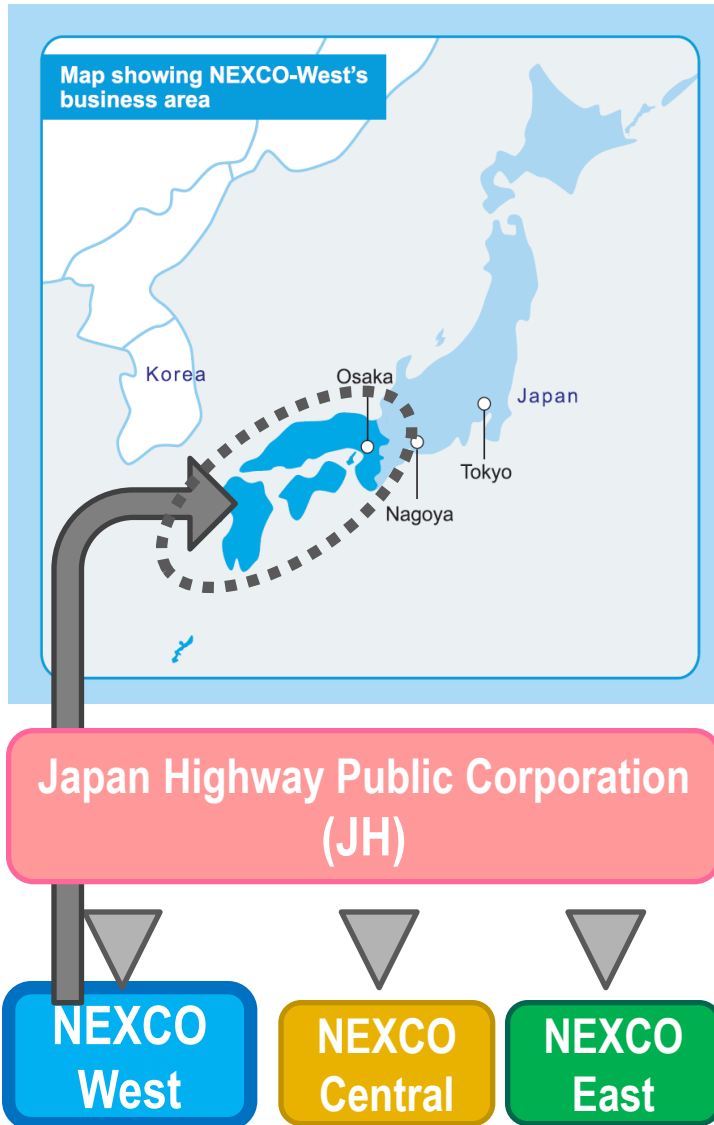
As a result of the first-year research of the GRIPS/NEXCO-West Project, one of the key challenges is to create and strengthen the linkages between mega projects and local businesses.

<Objective>

This joint seminar aims to share some experiences including East Asian perspectives, with much focus on the role of the government and some policy tools.

- Provide an opportunity for mutual learning among the various stakeholders in Mozambique and the GRIPS/NEXCO-West research team, concerning the current policy direction and tools to promote business linkages between mega projects and local businesses.

- Company name: West Nippon Expressway Company Ltd.
- Representative: President, Representative Executive Director
Yoshinari Ishizuka
- Date of establishment: October 1st, 2005
- Toll road operation: 3,375km (As of July 2011)
- Number of Traffic: 2.72 million per day (Average in FY2011)
- Shareholders' equity: 47.5 billion Yen
- Toll Revenue: 557.4 billion Yen (FY2011)
- Associated revenue: 141.4 billion Yen (FY2011)
- Employees: 2,322 (As of March 2012)
- Head office: Osaka, Japan



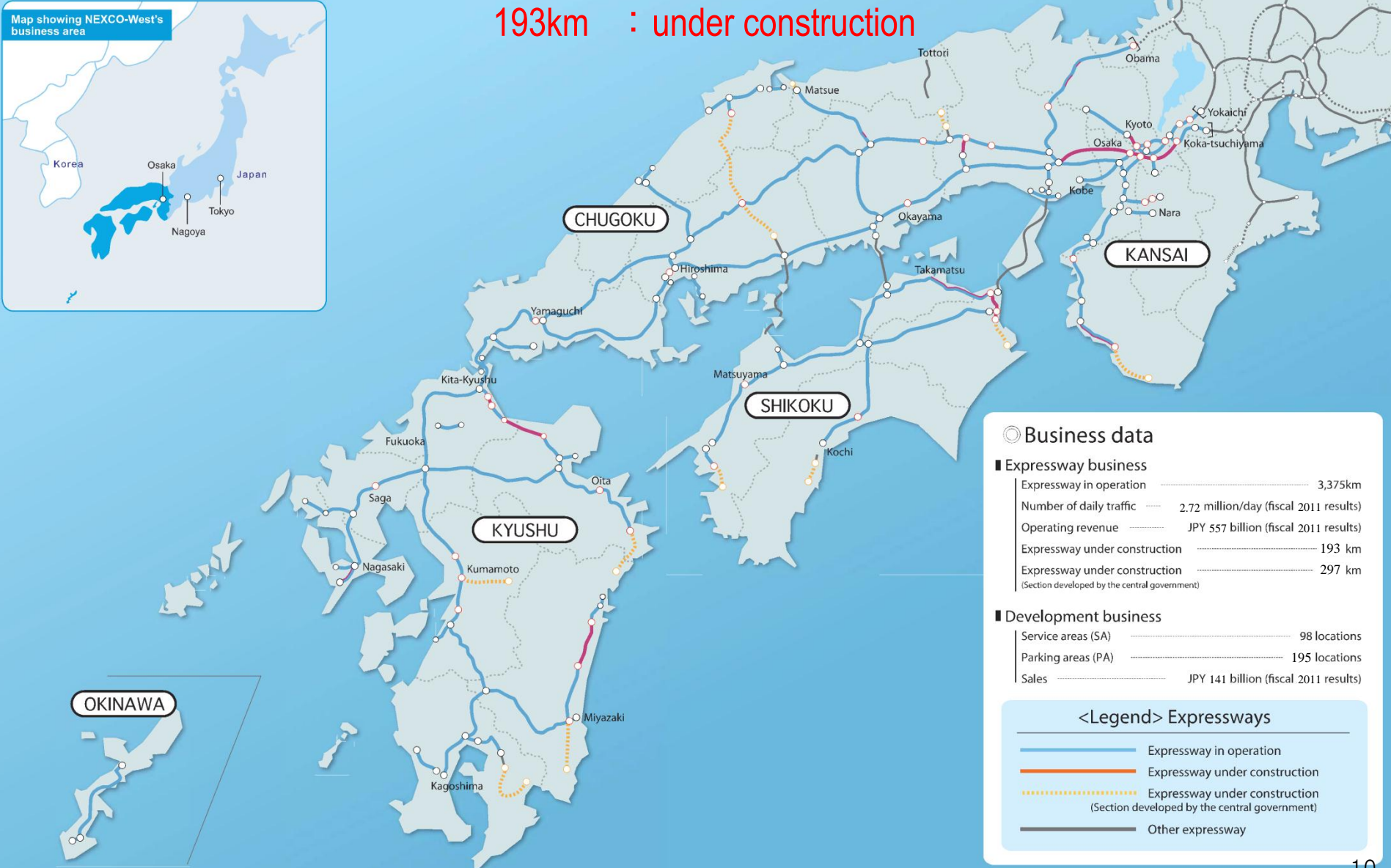
- The former Japan Highway Public Corporation (JH) was a government-backed organization, the predecessor of West Nippon Expressway Company Ltd. (Nexco-West).
- Since the establishment of JH in 1956, the company has been contributing to development of Japan's expressway network for more than half-century.
- JH was privatized in October 2005 and split into three private companies. Nexco-West was launched as one of the three companies and has been constructing and operating expressways in western Japan.

Business area of NEXCO-West

Business area (24 prefectures)



3,375km : in operation
193km : under construction



Business data

Expressway business

Expressway in operation	3,375km
Number of daily traffic	2.72 million/day (fiscal 2011 results)
Operating revenue	JPY 557 billion (fiscal 2011 results)
Expressway under construction	193 km
Expressway under construction (Section developed by the central government)	297 km

Development business

Service areas (SA)	98 locations
Parking areas (PA)	195 locations
Sales	JPY 141 billion (fiscal 2011 results)

<Legend> Expressways

- Expressway in operation
- Expressway under construction
- ⋯ Expressway under construction
(Section developed by the central government)
- Other expressway

Three business fields of NEXCO-West

(1) Construction business (193km)

- ◆ NEXCO-West is conducting study and research on the effects and feasibilities of expressway projects
- ◆ NEXCO-West manages construction of expressways in effective and efficient ways

(2) Operation and maintenance business (3,375km)

- ◆ Operate and maintain expressways for 24-hour, secure safety and reliability, and provide comfortable driving environment for road users
- ◆ O&M mainly consists of four category works: Inspection, Maintenance, Traffic operation, and Toll collection works

(3) Development business

(Rest Area Business, New Business and Overseas Business)

- ◆ Offer comfortable and convenient rest space and facilities by constructing and operating restaurants, shops and gas stations

(Construction work)



(Inspection)



(Maintenance)



(Traffic operation)



(Toll collection)



(Shops/ Restaurant)



(Gas station)

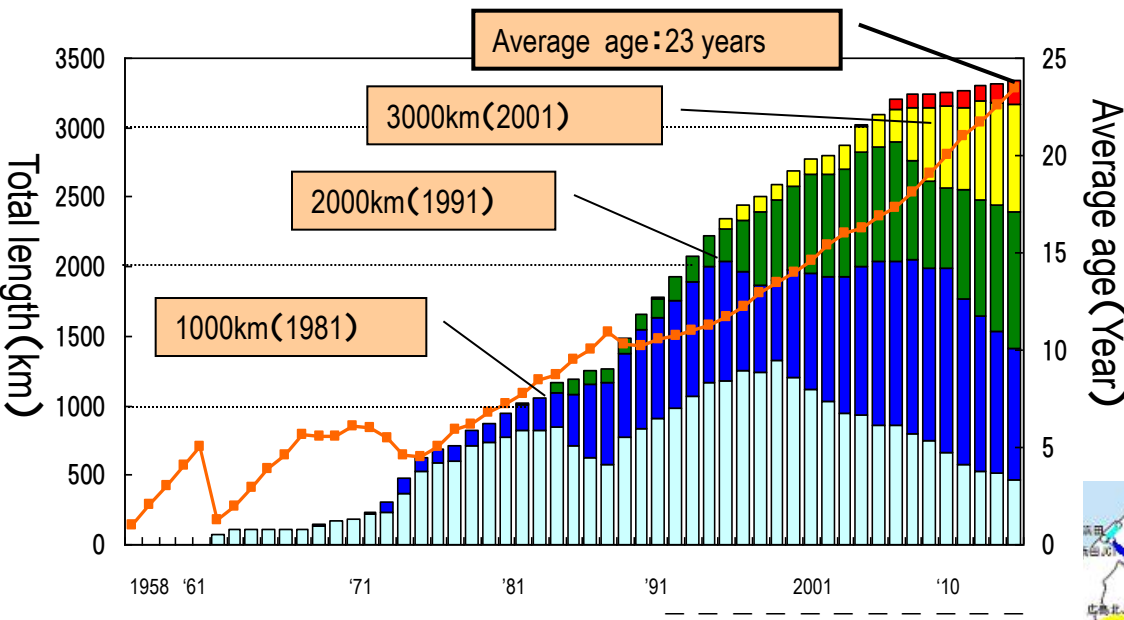


Present state of expressway network in Western Japan

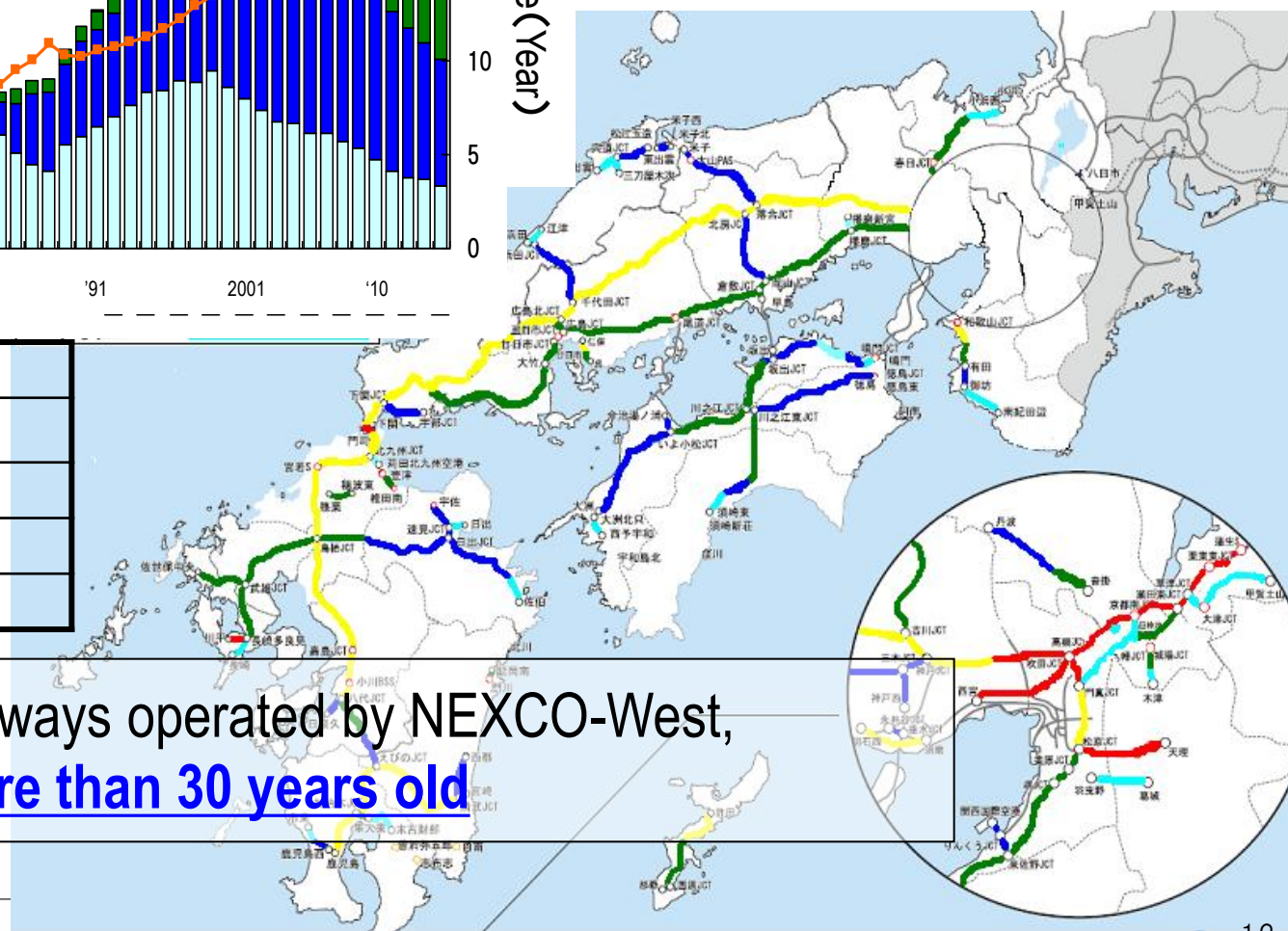
~ Aging of expressway network ~



Expressway network
As of April in 2011



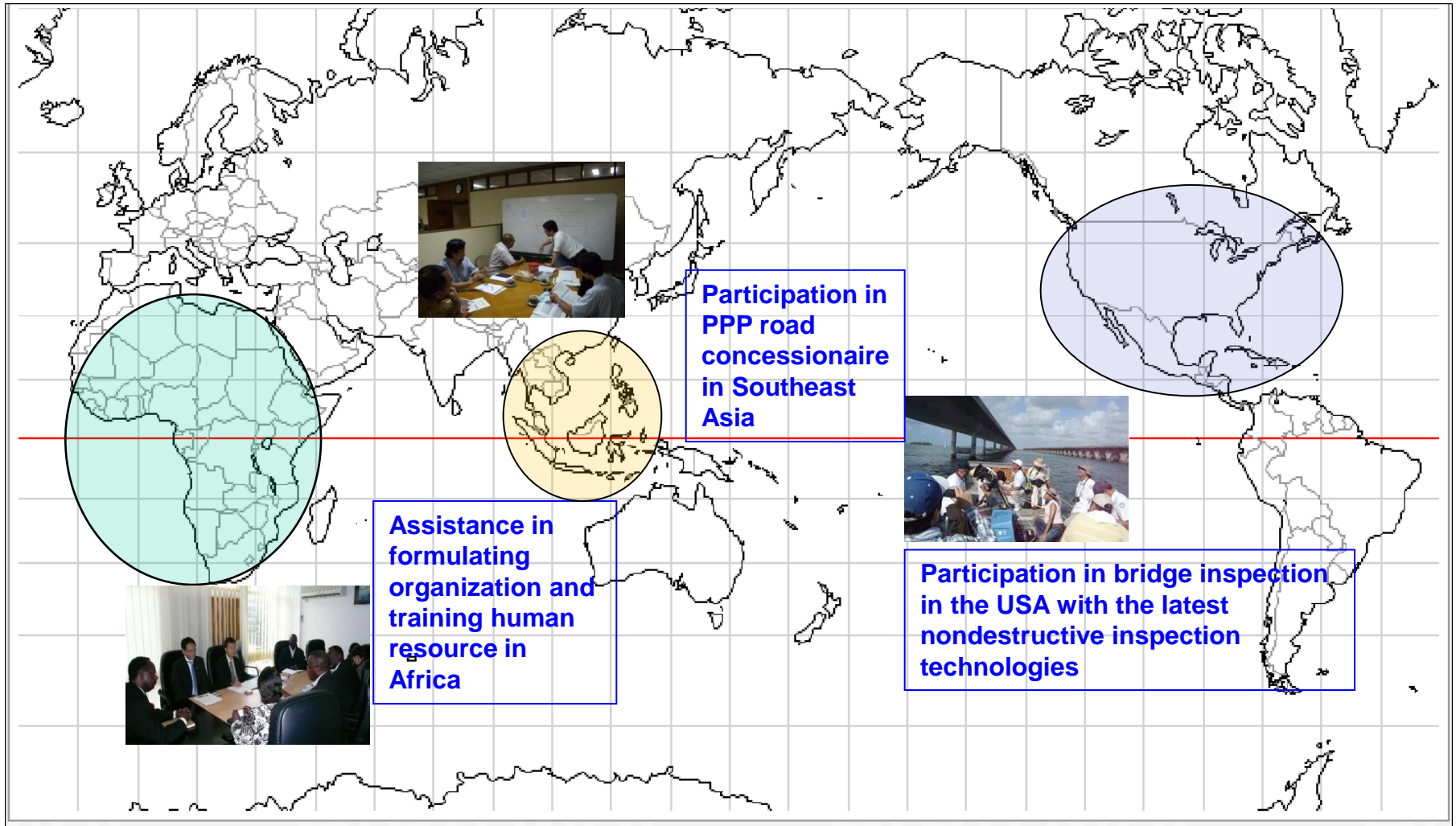
41 years or more	█	170km
31~40 years	█	780km
21~30 years	█	980km
11~20 years	█	950km
10 years or less	█	471km



In 3,375km of expressways operated by NEXCO-West, **30% (1,000km) is more than 30 years old**



Overseas Business



About GRIPS Development Forum

- A policy-oriented research unit within the National Graduate Institute for Policy Studies (GRIPS), Tokyo.
- Expertise in (1) industrial policy making, (2) development and aid policies, in Asia and Africa

