JICA’s Approach on Private Sector and Development (East Asian Experience and Future Challenges)
FDI Stock in Asian Economies
(USD at current prices and current exchange rate in millions)


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)

Impact on Major Sectors (1)

**Transport**

**Airport**
- **Passengers (Number/Day)**
  - Vietnam: 84.76%
  - Thailand: 75.78%
  - Malaysia: 61.72%

**Railroad**
- **Railroad (km)**
  - Philippines: 51.15%
  - Indonesia: 36.41%
  - Thailand: 22.05%

**Port and Harbor**
- **Container Freight (TEU/Day)**
  - Cambodia: 72.84%
  - Indonesia: 48.29%
  - Thailand: 21.61%

- **Cargo Handling (t/Day)**
  - Indonesia: 40.32%
  - Cambodia: 39.28%
  - Vietnam: 37.32%

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)

Suvanabhumi International Airport in Thailand
The Jakarta Fishing Port in Indonesia
JABODETABEK Urban Transportation in Indonesia
Impact on Major Sectors (2)

**Communication**
- Circuit Switch (Line)
  - Cambodia: 23.20%
  - Thailand: 14.62%
  - Laos: 13.46%

**Electricity**
- Thermal Power
  - Vietnam: 36.48%
  - Myanmar: 11.69%
  - Indonesia: 10.97%
- Hydraulic Power
  - Indonesia: 61.54%
  - Malaysia: 52.89%
  - Myanmar: 44.64%

**Economic Impacts – Growth rate %**
- Land Transport
- Water Transport
- Electricity
- Air Transport
- Communication

The GDP Impacts 4.98% in Thailand, 3.86% in Indonesia and 6.47% in Vietnam.

Source: Economic Impact Assessment of the Official Development Assistance (ODA), JICA (2011)
Private Sector Development for JICA’s Vision

JICA’s Vision
Inclusive and Dynamic Development

Economic Development

Social Development

Private Sector Development
Create employment, revitalize region, generate income & wealth increase savings & investment, develop human resources, provide suitable goods & services and strengthen industrial competitiveness

Trade and Investment

Small and Medium Enterprises (SMEs)

Local Industries and Economies
JICA’s On-going Projects in Trade/Investment in Asia (*including Investment Promotion Advisors)

- Pakistan (2015-2016) Energy Efficiency Management Program (EEMP) for Industrial Sector in Pakistan
- Pakistan (2013-2016) Investment Climate Improvement Advisor
- Pakistan (2014-2017) Trade Advisor
- India (2015-2017) Advisor on Investment Promotion
- Bangladesh (2014-2016) Project for Development Study and Capacity Enhancement of Bangladesh Economic Zone Development Plan Authority
- Bangladesh (2015-2017) Investment Climate Improvement
- Nepal (2014-2016) Foreign Investment Advisor
- Technical Cooperation Project

- Vietnam (2014-2016) Expert on Foreign Investment Promotion
- Myanmar (2014-2016) Advisor for Investment Promotion
- Myanmar (2014-2016) Project for capacity building of Thilawa SEZ Management Committee
- Thailand (2016-2018) Regional Connectivity for ASEAN Community 2015
- Thailand (2015-2017) Project for Promotion of Economic Development and Connectivity in the Western Region
- Myanmar (2014-2016) Advisor for Investment Promotion
- Nepal (2014-2016) Foreign Investment Advisor

Bangladesh (2014-2016) Project for Development Study and Capacity Enhancement of Bangladesh Economic Zone Development Plan Authority

Thailand (2015-2017) Project for Promotion of Economic Development and Connectivity in the Western Region


Myanmar (2014-2016) Advisor for Investment Promotion

Myanmar (2014-2016) Project for capacity building of Thilawa SEZ Management Committee
Changes in shares of regions in population around the world

(1950 - 1980 - 2010 - 2060 - 2100)


(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)
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

The Way Forward
### 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.

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<tr>
<td>Experienced technical experts and skilled workers as an engine for manufacturing</td>
<td>Engineers as a drive for infrastructure development and product design and development</td>
<td>Human resources for research and development as a drive for innovation</td>
<td>Middle management personnel as a proactive actor for the company's management and planning</td>
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<td>- Japanese-style vocational training programs (e.g.: Promotion of the transfer of skill-evaluation systems)</td>
<td>- expanding an education model of KOSEN (colleges of technology)</td>
<td>- capacity building for human resources for research and development at colleges, universities, and graduate schools</td>
<td>- utilizing and improving “Japan Center” to share Japanese-style management skills</td>
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<tr>
<td>- capacity building for courses for educational training for technical experts</td>
<td>- capacity building for engineers at colleges, universities, and graduate schools</td>
<td>- promoting science and technology cooperation by establishing collaborative research institutes</td>
<td>- training in Japan and target countries (e.g.: sharing know-how on quality infrastructure operation and project management), etc.</td>
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<tr>
<td>- Human resources and skills development in key industries in Japan or target countries, etc.</td>
<td>- technology transfer for the designing, operation, and maintenance of quality infrastructure</td>
<td>- Strengthening partnership among universities, including promotion of joint research and industry-academia cooperation</td>
<td>(Example)</td>
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<tr>
<td>(Example)</td>
<td>- training and study opportunities in Japan, etc.</td>
<td>- training and study opportunities in Japan</td>
<td>Project for Capacity Development of Business Persons through Vietnam-Japan Human Resources Cooperation Center</td>
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<tr>
<td>Project on Enhancement of Metalworking Capacity for Supporting Industries of Construction Machinery</td>
<td>Thai - Nichi Institute of Technology</td>
<td>Human exchanges in the field of science and technology, etc.</td>
<td>(Example)</td>
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### Building foundation for human resources with basic academic ability

Providing support for making timely and effective industrial policies by supporting industrial human resources through PPP

- Improving basic education focusing on mathematics and science (improving educational environment, educational materials, teachers' skills, etc.)
- Improving government officials' capability to make industrial policies (training and study opportunities in Japan, etc.)
- Cooperation through PPP (designing curricula for universities, sending lecturers and accepting interns, etc.)

(Source: Ministry of Foreign Affairs of Japan, 2015)
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 Profile in Engineering Higher Education

India
- Indian Institute of Technology Hyderabad (IIT-H): Loan & TA

Afghanistan
- Promotion and Enhancement of Afghan Capacity for Effective Development (scholarship): TA

Egypt
- Establishment of Egypt-Japan University of Science and Technology (E-JUST): TA

Kenya
- Pan Africa University – Science, Technology & Innovation (PAUSTI) @ Jomo Kenyatta Univ. of Agr. & Tech: TA

Rwanda
- Tumba Technical College: TA

Africa [54 countries]
- African Business Education (ABE) Initiative for Youth: Master’s Program & Internship Program: TA

Mongolia
- National University of Mongolia & Mongolia University of Science & Technology: Loan
- Scholarship for governmental officials (JDS): Grant

Laos
- Scholarship for governmental officials (JDS): Grant
- Faculty of Management and Administration in Savannakhet Univ: TA

Cambodia
- Institute of Technology of Cambodia: Grant & TA
- Scholarship for governmental officials (JDS): Grant

Vietnam
- Hanoi University of Technology and Science (IT field): loan & TA
- Industrial University of Ho Chi Minh City (heavy-chemical sector): TA
- Scholarship for governmental officials (JDS): Grant

Myanmar
- Yangon Technological University & Mandalay Technological University: Grant & TA
- Scholarship for governmental officials (JDS): Grant

Malaysia
- Scholarship for twinning programs (HELP III): loan
- Malaysia Japan International Institute of Technology (MJIT): Loan & TA

Philippines
- Senior High School Modeling in Selected Tech & Vocational High School: TA
- Scholarship for governmental officials (JDS): Grant

Indonesia
- Institute of Technology Bandung: Loan
- Indonesia University (health): Loan
- Hasanuddin University: Loan & TA
- Scholarship for government officials (PHRDP III~V): Loan
- Institute of Technology Surabaya: TA
- Indonesia Accreditation Board on Engineering Education (IABEE): TA

Southeast Asia Region
- AUN/SEED-Net (ASEAN University Network/Southeast Asia Engineering Education Network) Phase-3: TA (26 ASEAN univ. & 14 Japanese univ.)

Timor Leste
- Capacity Development of the Faculty of Engineering, Science and Technology, the National University of Timor-Lorosa’e: TA & Grant

As of July 2014
JICA’s On-going Projects in Customs Administration in ASEAN (as of 2014)

**Laos**
Expert on Customs Administration (2012)
Strengthening of governance and trade facilitation in the field of customs (2013-15)

**Cambodia**
Advisors since 2002
Project on Customs Risk Management (2004-07)
Expert on Tariff Policy and Customs Administration (2013-15)

**Thailand**
Project on Risk Management (Regional Project for Cambodia, Thailand and Vietnam) (2008-10)
Program for Facilitation of Commerce Activity Administration (2012-15)

**Myanmar**
Expert on Customs Administration (2012-15)

**Vietnam**
Advisors since 1996
Capacity Building of Master Trainers on CV, PCA and HS (2004-07)
Provision of X-ray Inspection Facilities in HCMC and Hai Phong (2008-)
Project for Strengthening the Training System (2009-2012)
Establishment of VNACCS/VCIS (Grant Aid) (2012-2014)
Project for Promoting E-Customs (2012-2015)

**Philippines**
Advisors since 1990
Project on Philippine Customs Intelligence System (2007-10)
Project on Customs Post Entry Audit (2008-11)

**Indonesia**
Advisors since 1994
The Study on Trade Related Systems and Procedures (2004-2005)
Project for Improvement of Customs Administration (2004-2007)
Project for Administration Improvement of Trade-related Regulations, Systems and Procedures (2006-2008)
Project on Capacity Development for Trade-related Administration (2009-13)

**Malaysia**
Advisors since 1990s
Project on Risk Management (2006-08)
Policy Adviser to Director-General of Customs on Trade facilitation (2011-2015)

**ASEAN Secretariat**
ASEAN Customs Post-Clearance Audit Procedures Project (2004-2006)

**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).

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**Three layers of Dialogue with Ethiopia**

- **Dialogue with Prime Minister**
- **High Level Forum With Ministers and State Ministers**
- **Operational Level**

**Policy Dialogue**

1. **Policy Visions**
   - Democratic Developmentalism, Agriculture Development-led Industrialization (ADLI)
2. **Five Year Development Plans**
   - PASDEP (05/06-09/10), GTP (10/11-14/15)
3. **Sector Policies/Strategies**
4. **Cross-cutting Issues**
   - MSE Development Strategy
   - Policy Making Process and Organizations
   - National Movement of Productivity
   - Export Promotion and Investment promotion

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**Japan**

- **EOJ**
- **GRIPS**
- **JICA**

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**National Graduate Institute for Policy Studies**
Project: Productivity Improvement (KAIZEN) Project in Africa
(as of Jan 2016)

Legend:
- Red: Projects Implemented/ing
- Yellow: Participated in training courses in Japan and/or in Malaysia after 2009

Source: modified from Homma (2013)
Africa Business Education Initiative for the Youth (ABE Initiative)
Master’s Degree and Internship Program

**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%

**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

**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 Sector
- Capacity Development of African higher education Institutions developing Industrial Personnel
- Contribution to Industrial Development by making use of the vitality of Japanese Private Sector
JICA’s On-going Projects in Trade/Investment in Africa
(*including Investment Promotion Advisors)

- **Morocco (2015-2016)**  
  Business Development Advisor

- **Cote d’Ivoire (2014-2016)**  
  Advisor for CEPICI on Foreign Investment Promotion

- **Senegal (2015-2017)**  
  Advisor for the Development of the Export Competitiveness and Local Products

  Advisor for Capacity Development to Attract Foreign Direct Investment to Ghana

- **Cameroon (2015-2017)**  
  Data Collection Survey

  Data Collection Survey

- **Ethiopia (2011-2016)**  
  Survey on Policy Dialogue of Industrial Development Phase 2

- **Ethiopia (2015-2017)**  
  Data Collection Survey

  Advisor for Industrial Development

  Data Collection Survey

- **Mozambique (2016-2020)**  
  Project for Enhancing Capacity of Investment Promotion/Facilitation
One Stop Border Post (OSBP) in Africa

West Africa Growth Ring (ECOWAS, UEMOA)
- Abidjan - Ouaga,
- Accra - Ouaga,
- Lome - Ouaga
- Abidjan - Lagos

UEMOA Capacity Development for Customs Administration (2012〜2015)

Botswana/Namibia OSBP Facilitation & Custom Capacity Building (Mr. TAKAHASHI) (2015〜2017)

North-South Corridor, Nacala Corridor (SADC)

Nile Corridor, Djibouti-Addis Ababa Corridor (IGAD)

South Soudan Custom Capacity Development Project (Provisional) (2015〜2017)

International Trade Facilitation Project for EAC Region (2013.12〜2017.12)
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