Recommendations by Japan-Africa Business Forum 2021 Tokyo Principles on "Integrate Africa" for enhancing mutual trade and investment between Japan and Africa



1. Trade and Investment

- 1.1. African governments need to make **concrete efforts** to realize the principles of the African Continental Free Trade Area (AfCFTA)
- 1.2. African governments must **prioritize specific fields** namely, customs regulations, for efficient customs clearance systems; effective border operations through AUDA-NEPAD MoveAfrica One-Stop-Border-Post Initiative; quality Infrastructure development, to advance value chains to enable export development and diversification; trade finance; energy; and IT, to contribute to major economic growth and development of Africa.
- 1.3. Regional FDI should be developed based on the successful experience of ASEAN countries which would **enhance regional trade and investment**.
- 1.4. Japanese companies should consider bilateral investments and investments beyond national borders leading to regional trade and investment.
- 1.5. African companies and corporations should become part of **Japan's innovation and entrepreneur** ecosystem.
- 1.6. As Japanese companies are affected by the weak trade facilitation in the Continent, **tariff liberalization and harmonization** are essential.
- 1.7. African Governments should make effective interventions to **boost intra-African trade** through both industrial and non-industrial products, utilizing tax reduction specifically outside of its regional economic zones.

2. Regional Integration

- 2.1 The creation of a platform for increased involvement by the Regional Economic Communities (RECs) are essential for the achievement of **greater integration** and the attainment of the objectives of AfCFTA through increased efficiency and effectiveness of the regional economies.
- 2.2 African countries need to design a mechanism to **integrate**, **coordinate**, **cooperate and align** their development agenda with the relevant RECs with the view to achieving regional integration.
- 2.3 African Countries should **legitimatise trade**, by Introducing protective measures to enable effective supply chain processes, to eradicate security breaches by criminal and terrorist organizations.
- 2.4 Through the lessons learnt from the COVID-19 pandemic, and the experiences during Japan's Meiji era in successfully industrializing and modernizing the Japanese society, African Industries can adapt to emerging **building regional strategies for industrialization** without the dependence of external powers for its subsistence in the areas of agro-processing, mining, pharmaceuticals, consumer and capital goods and services.
- 2.5 Through **market expansion** with the growth of population and expectations for the African Continental Free Trade Area (AfCFTA), there is a need for **improved business infrastructure conditions** such as the AUDA-NEPAD One-Stop-Border Post initiative and its Traffic Light System (TLS) **for efficient and effective cross-border facilitation and clearance**, to enable ease of doing business by Japanese companies in Africa.

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3. Japan/Africa Relations

- 3.1 Japanese companies should be a steady, long-term partner for Africa's industrial and commercial development for **regional expansion and promote innovation**.
- 3.2 Through the expertise of existing and potential Japanese businesses in Africa, the **role of remanufacturing** parts is essential to supply parts using appropriate pricing and lead time and **maximize production of natural resources** in Africa.
- 3.3 The need to **explore opportunities to manufacture goods** are important for Continental market access to better reallocation of raw material and intermediary goods.
- 3.4 In order for Japanese companies to be able to expand their business and engage in the AfCFTA, African governments need to focus on **improving the business environment** conducive to increased trade and investment, taking into consideration the regional dimensions.
- 3.5 Public-Private Partnership (PPP) through the TICAD process is an important modality to make African governments aware of **the requirements of Japanese companies**.
- 3.6 Japan should continue and even enhance her commitment to advancing trade and investment opportunities, as well as innovation and entrepreneurship between the African private and public sectors.

4. Trade Policies

- 4.1 There is the need for preparation of **evidence-informed research** that help inform government negotiations.
- 4.2 Effective Japan-Africa **Economic Dialogues** require strong coordination among governments, state institutions, and the private sector.
- 4.3 The **simplification of trade and investment policy** is needed to influence industrial and private sector development for growth, jobs, and wealth redistribution.
- 4.4 It is essential to Involve and equip the private sector to participate in consultations on policies that affect them.
- 4.5 There is a need for **strengthened border management systems** in Africa and AfCFTA to consider building a specific task force to discuss illegal trade issues and introduce countermeasures against counterfeit products.
- 4.6 The governments and other relevant authorities should make every effort to **create the barriers to eliminate illegal commodities** such as tobacco and medicine trade, through collective measures by industry and sector associations, to enhance the cooperation and collaboration with competent authorities such as the Customs Administration.
- 4.7 A **Continental Simplified Trade Regime** should be established in support of informal cross-border trade for women and youth. Job creation for them is essential for vigorous economic growth and development in African countries. Such business opportunities and job creation should be **beyond the national requirement** and the free movement of these populations should be encouraged through the AfCFTA processes.