

(Fact sheet)

Japan's engagement with MENA countries

I Priorities in our support to MENA countries' reform

The Government of Japan (GOJ) will support Middle Eastern and North African (MENA) countries' reform and transition efforts by working in close partnership with our private sector, as well as with relevant government-affiliated agencies such as the Japan International Cooperation Agency (JICA), the Japan External Trade Organization (JETRO), the Japan Bank for International Cooperation (JBIC), the New Energy and Industrial Technology Development Organization (NEDO) and the Japan Foundation (JF).

1 Fair political process and government

- (1) Electoral assistance: GOJ is prepared to support elections in Tunisia and Egypt, which are both in the processes of transition, with such means as the dispatch of experts to assist with management of their respective electoral processes.
- (2) Support for good governance: GOJ is prepared to support MENA countries in their respective efforts to establish fair and effective government. As part of this effort, GOJ welcomes MENA countries' participation in training courses for governmental officials to be organized by JICA. GOJ is also prepared to respond positively to requests by MENA countries to send Japanese experts to support the activities of their government agencies. In addition, GOJ is committed to supporting the enhancement of civil society and media in the region. As part of this effort, GOJ is currently implementing a project to assist Tunisia's national TV broadcasting center by providing necessary equipment and training courses for its engineers.
- (3) Addressing disparity and enhancing stability: GOJ is supporting MENA countries in their effort to address disparity and enhance stability of their respective societies, by implementing aid projects in such areas as rural

development, poverty reduction, water resources development and disaster prevention. As part of this effort, the yearly average of Japanese grant aid to MENA countries during the past 5 years has amounted to about US \$250 million/year. GOJ has also been supporting the Middle East Water Desalination Research Center, while providing technical cooperation to MENA countries in various ways, as well as yen loans to build necessary infrastructure such as water supply facilities. A variety of training courses, expert-dispatch programs, as well as government-to-government policy dialogues are being conducted with the aim of sharing Japanese experience and expertise in such fields as disaster prevention and water management (including desalination procedures) with MENA countries. GOJ is also supporting the enhancement of counter-terrorism capabilities in the region, including the provision of border-control equipment to be used in an airport.

2 Human resource development

- (1) Development of vocational training and other educational facilities: GOJ has been supporting the development and improvement of vocational training facilities and schools in MENA countries. During the past 5 years, on a yearly average, about 20,000 school-children/year, and about 1,200 trainees/year benefited from Japanese grant aid projects for schools and vocational training facilities. GOJ has also granted a total of ¥160 million (about US\$ 2 million) in grants to five universities in the region, including Yemen and Syria.

- (2) Capacity building of industrial engineers: GOJ has been promoting the implementation of programs aimed at strengthening expertise of industrial personnel in MENA countries, through various schemes sponsored by such bodies as JICA, JETRO, JCCME and JCCP. These include invitation of trainees and dispatch of experts, as well as holding of seminars and workshops, designed to train MENA personnel in productivity improvement, energy conservation, new energy and petroleum refining, and other relevant subjects. To this end, during the past 5 years, JICA has accepted on average over 2,500 trainees/year from MENA countries while dispatching about 350 experts/year.

- (3) Higher education in science and technology: GOJ has been promoting higher education in science and technology in MENA countries by actively engaging in industry-government-academia cooperation. This includes Japanese engagement in Egypt's E-JUST project (Egypt-Japan-University of Science and Technology), as well as the Science and Technology Park project in Tunisia.

3 Job creation, Fostering of Industries

- (1) Continuing infrastructure development: In order to foster industries and create jobs in MENA region, GOJ has been engaging in the development of necessary infrastructures in the region, including through the provision of yen loans. The yearly average of the amount of yen loans committed by GOJ to MENA countries during the past 5 years is about \$1.5 billion per year. GOJ will disburse approx. \$2.5 billion to implement on-going yen-loan projects, while it will continue to consider new proposals. NEDO-sponsored pilot-projects are also underway, including its solar thermal power generation project in Tunisia as well as its solar power generation project in Morocco.
- (2) Industry diversification (including SMEs), improvement of investment environment: GOJ has been supporting MENA countries in their effort to generate jobs by promoting industry diversification (including SMEs), through such vehicles as government-to-government policy dialogues, as well as dispatch of business missions to the region to promote international "business matching". For example, GOJ has dispatched to the region business missions focusing on energy conservation and new energy to coincide with previous rounds of the World Future Energy Summit that are held annually in UAE. A mission comprising of government and business personnel has also recently visited Iraq. Japan-Saudi Business Opportunities Forum, which will be convened in the near future in Japan, will be another such occasion. GOJ, welcoming MENA countries' initiatives to improve their respective investment environments, is considering ways to support these efforts.
- (3) Sharing Japanese experience and know-how: GOJ is promoting the transfer of Japanese experience and expertise in such areas as the

improvement of productivity in the manufacturing sector, trade promotion, renewable energy and energy conservation. Japanese experts are dispatched to MENA countries and trainees are invited from those countries.

II Forging multi-layered relationships between Japan and MENA countries: Advancing economic relationships and mutual understanding with MENA countries

GOJ will continue to consolidate and expand the multi-layered relationships that exist between Japan and MENA countries. Such development is expected to create a positive environment for our support to MENA countries' reform and transition process as described above. To this end, GOJ will promote economic diplomacy, people-to-people exchange and intellectual dialogue, while enhancing our engagement with MENA countries in the area of natural resources. GOJ will also forge a network of personal contacts in the MENA region through a variety of activities, including our human resources development programs.

1 Economic Diplomacy

- (1) Economic treaties: GOJ will advance the process of concluding economic treaties with MENA countries. To date, GOJ has initiated a preparatory negotiation to conclude an investment treaty with Algeria while a full-fledged negotiation on a free trade agreement with GCC is underway. Our negotiation on an investment treaty with Kuwait has already been concluded. While our tax convention with Kuwait will take effect after ratification by the Kuwaiti parliament, GOJ is working on swift ratification of a tax convention with Saudi Arabia, which has already been signed by both parties.

- (2) Promoting business-to-business relationships: GOJ, working in close partnership with our private sector, has been actively encouraging the strengthening of business activities between Japan and MENA economies. This aspect is becoming all the more significant with the increased importance of securing the supply of fuel. At the Second Meeting of the

Japan-Arab Economic Forum, which was convened in Tunisia last year in December, the participants agreed on priority areas for governments and businesses of both Japan and MENA economies that should receive special focus. These areas included solar energy, water, infrastructure (including railway and satellite infrastructure), human resource development/education, science and technology and finance. The next meeting of the Forum will be held in Japan in 2012. GOJ is also supporting the strengthening of relationships between Japanese business organizations and their counterparts in the MENA region. These include such ties as the one between JETRO and the Arab League, between JCCP and the Organization of Arab Petroleum Exporting Countries, and between JCCME and the General Union of Arab Chamber of Commerce Industry and Agriculture. GOJ is also supporting such frameworks of business-to-business dialogue as the Joint Meeting of Japanese-Kuwaiti Businessmen Committee, the Japan-Saudi Business Council, the Abu Dhabi-Japan Economic Council and the Japan Cooperation Forum for the Middle East, which will meet in Istanbul for this year's session.

2 Forging people-to-people relationships and dialogues

- (1) Expanding the network of personal contacts in the MENA region through our human resources development activities: GOJ will forge and expand the network of personal contacts in the MENA region through such activities as our training programs and dispatching of experts.
- (2) Promoting the understanding of Japanese culture and society in the MENA region: To arouse interest in Japan among the younger generation in the MENA region, Japan provides materials for TV programs containing episodes relevant to socio-economic development of MENA countries, introduces Japanese pop-culture, and assists TV stations in the region to produce programs featuring Japan. A Japanese exhibition pavilion was set up during the Janadriyah Festival in Saudi Arabia this April.
- (3) “Dialogue for the Future between Japan and the Islamic World”: This year in March, Zayed University of the United Arab Emirates hosted the

first meeting of the “Dialogue for the Future between Japan and the Islamic World”, which brings together the younger generation and intellectuals from both Japan and the Islamic world with the aim of deepening mutual understanding. This was the first one of the three meetings that would be held. The next meeting will be hosted again by an Islamic country and will focus on education.

- (4) People-to-people exchange for the next generation: GOJ will increase mutual visits between Japan and the MENA countries this year to over one hundred persons per year. Japan Foundation will implement such visit programs which cover members of the media, intellectuals and cultural figures.
- (5) Government-sponsored scholarships: GOJ has sponsored a total of 514 students from MENA countries to study in Japan during the past 5 years.

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