



FY 2024

# Survey on Business Conditions of Japanese-Affiliated Companies in Africa

– The ratio of companies with operating surplus is the highest ever. Investment environment is challenging, but there is a strong desire to expand business –

Japan External Trade Organization (JETRO)

Research & Analysis Department

December 12, 2024



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# Key Points of Survey Results

## The Ratio of Operating Surplus is at a Record High. Despite Challenges in Investment Environment, Motivation to Expand Business is High

### I. Operating Profit Forecast

In 2024, 59.8% of companies are expected to be profitable, a record high. By country, South Africa and Egypt maintained high levels, while Morocco recovered sharply. In the 2025 outlook, Ghana and Kenya are expected to show an improvement over the previous year. The main factors were strengthening local sales structure and increasing local demand.

### II. Future Business Outlook

Some 60% said they would expand their business in the next one to two years, counting on a local demand increase, and nearly 70% of the companies in the manufacturing sector said they would expand their business. More than half of the companies are exporting, and about 30% expect to increase exports in the next one to two years. The number of local employees is expected to increase by about 40% overall and about 60% in the manufacturing sector.

### III. Competitive Environment

More than 50% of enterprises report that their market share in the country of their location has increased since 2019, one of the highest levels in the world. More than 50% of respondents said the number of competitors in the local market had increased. Many of their competitors are local, Chinese, and European companies.

### IV. Investment Environment

As for the advantages of the investment environment, "market size and growth potential of the country of location" increased and became the most popular choice, while, as for the disadvantages, "development and implementation of regulation or legislation" increased and had the greatest number of respondents. Many cited the impact of the Israeli-Hamas clashes and Houthi attacks. As for FTA/customs union, use of the EFTA/SACU Free Trade Agreement was the highest for the third consecutive year.

### V. Promising Business Areas & Focus Countries

Nearly half of the respondents cited "resources/energy" as promising areas. In the "consumer market," the most popular category was "food," and in "new industry," the most popular categories were "EV" and "smart agriculture." In terms of focus countries, Kenya topped the list for the second consecutive year, while South Africa climbed to second place and Nigeria was third.

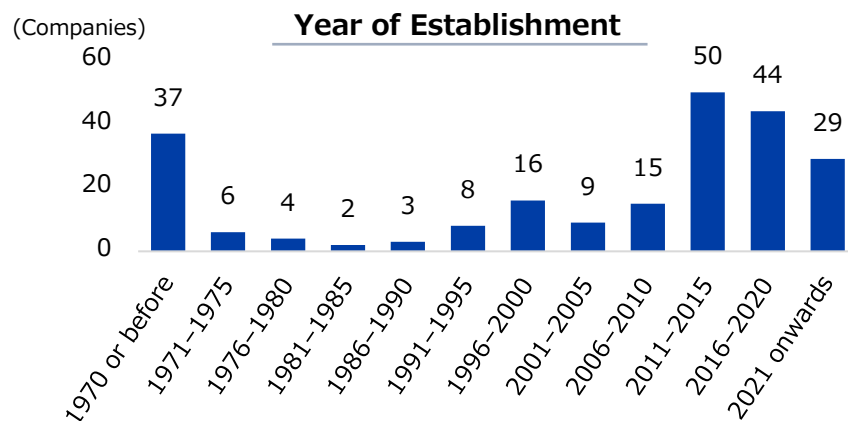
### VI. Decarbonization

More than 80% of companies said that they were working, or planning to work, on decarbonization.

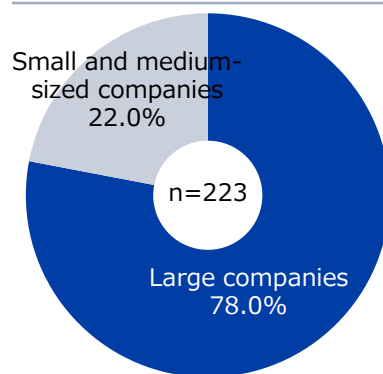
# Survey Overview & Respondent Company Profile

## Survey Overview

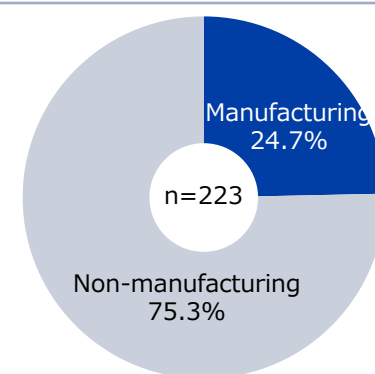
Survey period:	September 4 to September 24, 2024
Valid response rate:	83.5%
Number of companies that provided valid responses:	223 companies from 20 countries. (Note) A total of 267 companies from 21 countries were surveyed; see details on the next page.
Survey target	Japanese companies in Africa. In principle, they are local corporations with a Japanese ownership of 10% or more, and branches and representative offices of Japanese companies.



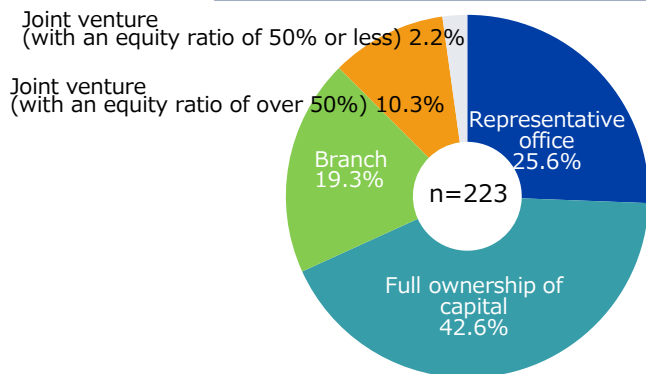
### Classification of Japanese Headquarters



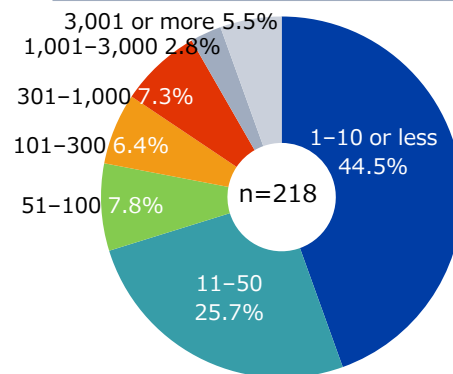
### Industry (Manufacturing/Non-manufacturing)



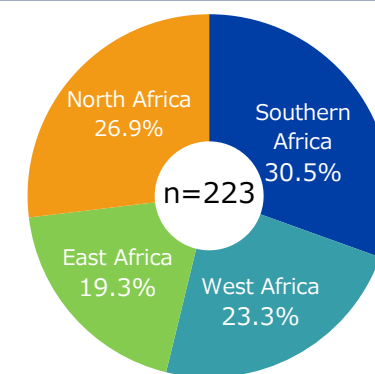
### Type of Operation in Middle East



### Total Number of Employees



### Respondent Companies by Region



(Note 1) Some companies that responded to the questionnaire did not respond to all of the questions.

(Note 2) For the results of the global survey, refer to "JETRO FY 2024 Survey on Business Conditions of Japanese-Affiliated Companies Overseas: Global Edition". Copyright © 2024 JETRO. All rights reserved.

(Note 3) All years in this report refer to calendar years.

# Valid Responses Received from 223 Companies (in 20 Countries)

	Number of companies surveyed	Number of companies that provided valid responses:		Valid response rate:
		Number of valid responses; ( ) = Manufacturers	% share	
<b>Total count</b>	267	223(55)	100.0	83.5
<b>North Africa</b>	65	60(16)	26.9	92.3
Morocco	21	19(6)	8.5	90.5
Egypt	37	35(9)	15.7	94.6
Algeria	5	5(1)	2.2	100.0
Tunisia	2	1(0)	0.5	50.0
<b>West Africa</b>	75	52(13)	23.3	69.3
Nigeria	29	21(8)	9.4	72.4
Ghana	15	12(3)	5.4	80.0
Cote d'Ivoire	16	11(0)	4.9	68.8
Senegal	14	7(1)	3.1	50.0
Burkina Faso	1	1(1)	0.5	100.0
<b>East Africa</b>	54	43(11)	19.3	79.6
Kenya	42	35(9)	15.7	83.3
Tanzania	4	3(1)	1.4	75.0
Ethiopia	4	2(0)	0.9	50.0
Uganda	3	3(1)	1.4	100.0
Rwanda	1	0(0)	0.0	0.0
<b>Southern Africa</b>	73	68(15)	30.5	93.2
South Africa	54	49(13)	22.0	90.7
Mozambique	10	10(1)	4.5	100.0
Madagascar	4	4(0)	1.8	100.0
Angola	2	2(0)	0.9	100.0
Zambia	1	1(0)	0.5	100.0
Mauritius	1	1(0)	0.5	100.0
Eswatini	1	1(1)	0.5	100.0

(Note 1) The component percentages in the tables and charts have been rounded off to the 2nd decimal place. Therefore, the sum of the percentages of each answer may not be 100%.

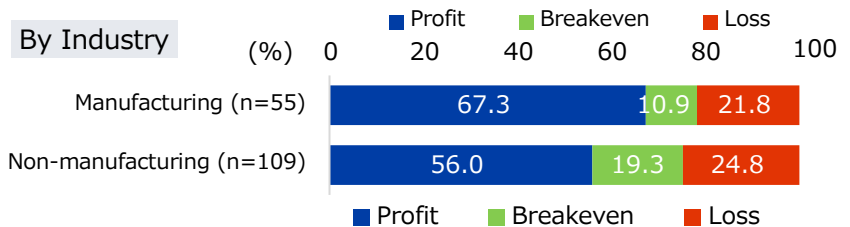
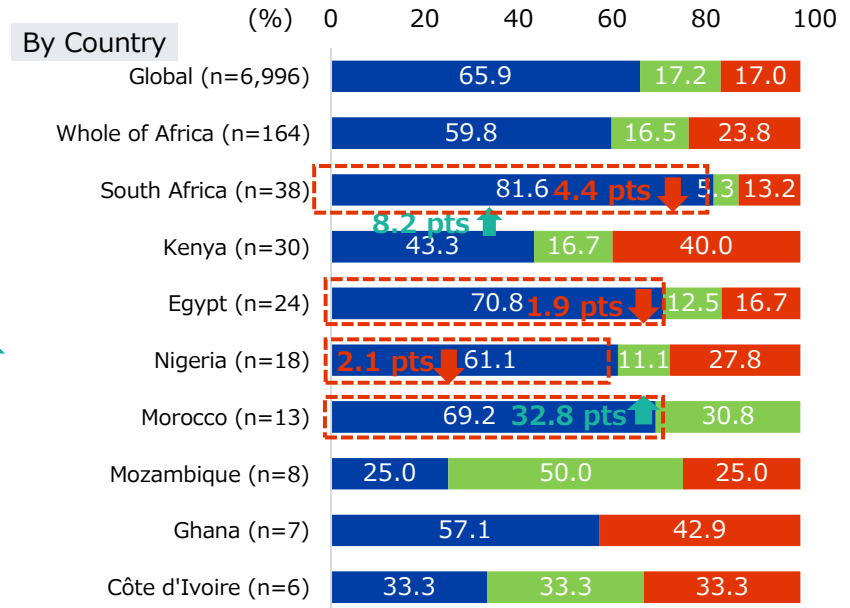
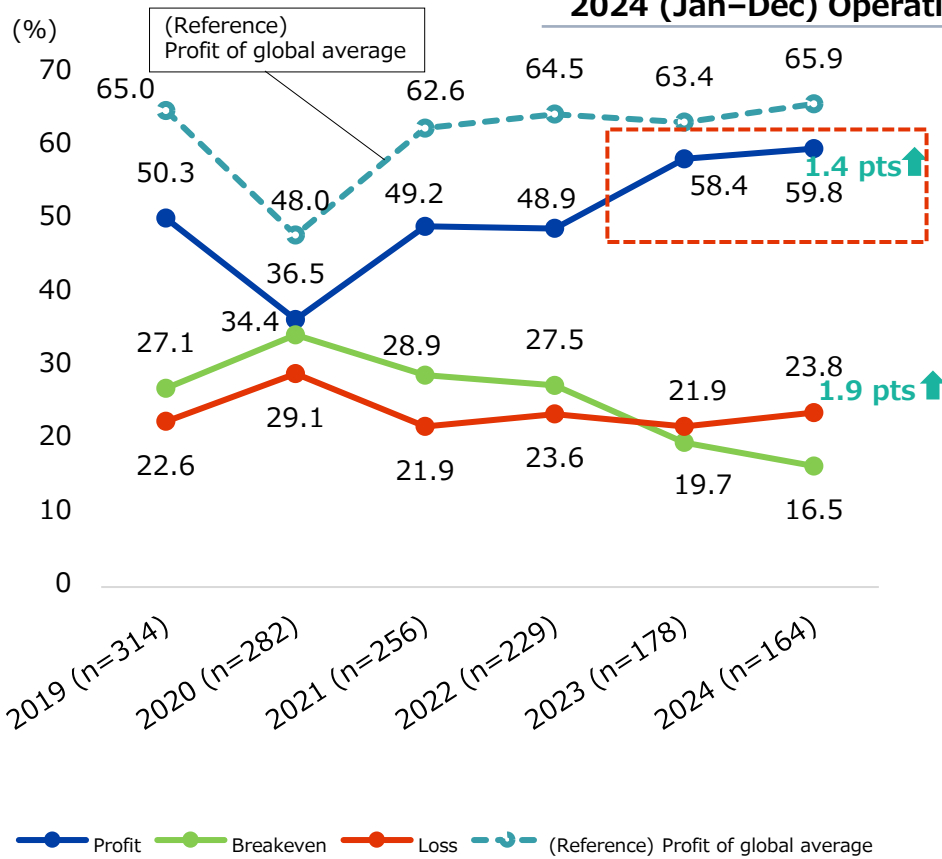
(Note 2) "n" written in the report is the number of valid responses.

# I. Operating Profit Forecast

# 1 | 2024 Operating Profit Forecast (Overall Trend/by Country)

- **The number of companies that expect profits in Africa as a whole rose 1.4 percentage points to 59.8%, a record high\*.** This is below the global average of 65.9%. The number of companies expecting to lose money rose 1.9 percentage points to 23.8%. \*Comparable figures since 2013.
- By country, 81.6% of respondents in South Africa, 70.8% in Egypt, and 61.1% in Nigeria answered that they were in surplus. They remained at a high level although they decreased from the previous year. Morocco's surplus surged to 69.2% from a year earlier, when the majority of respondents said they were in the red.

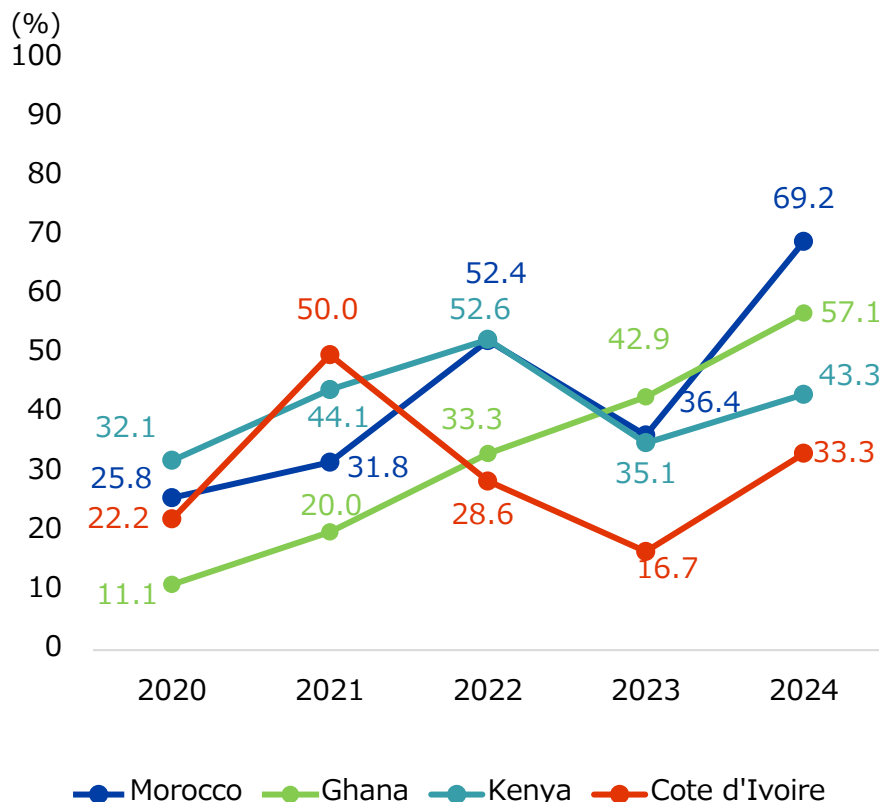
2024 (Jan–Dec) Operating Profit Forecast



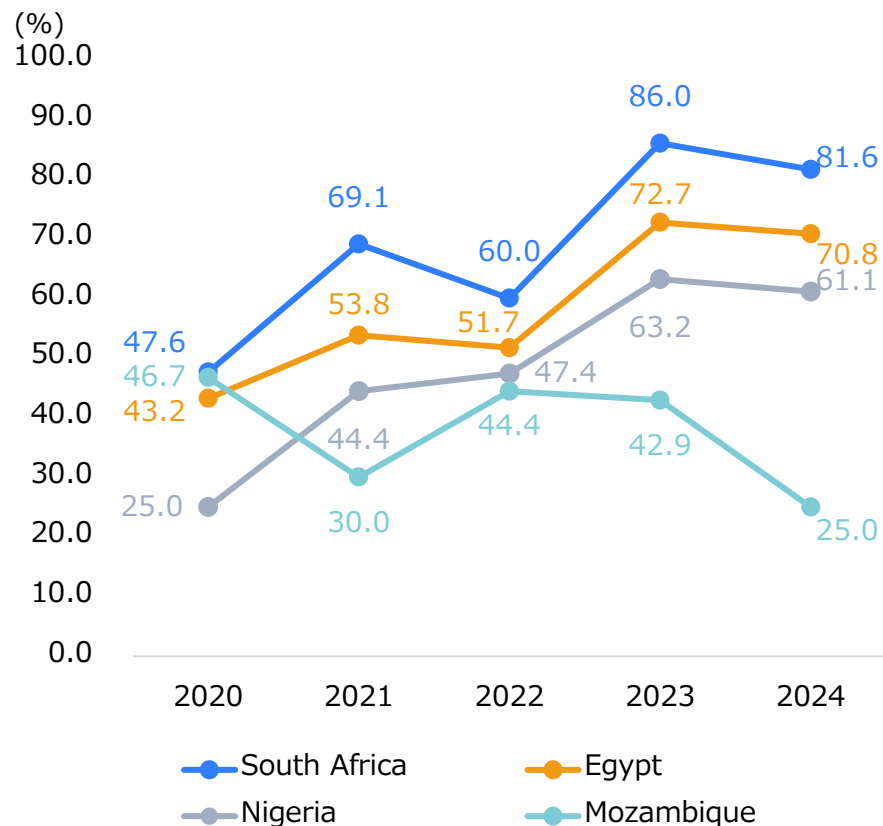
# 2 | 2024 Operating Profit Forecast (by Country/Trends in Percentage of Companies Expecting Profit)

- The proportion of firms expecting a surplus rebounded in Morocco, Kenya, and Côte d'Ivoire in 2024 after falling a year earlier. The trend in Morocco was particularly strong. In Ghana, it has consistently increased since 2020 and will exceed 50% in 2024.
- South Africa, Egypt, and Nigeria saw their surpluses shrink slightly in 2024, reversing large gains the year before. Mozambique saw a second consecutive year of decline, with the pace of decline accelerating.

**Trends in the Percentage of Companies Expecting Profit in Major Countries (Where Profit Expected to Increase from Previous Year)**



**Trends in the Percentage of Companies Expecting Profit in Major Countries (Where Profit Expected to Decrease from Previous Year)**



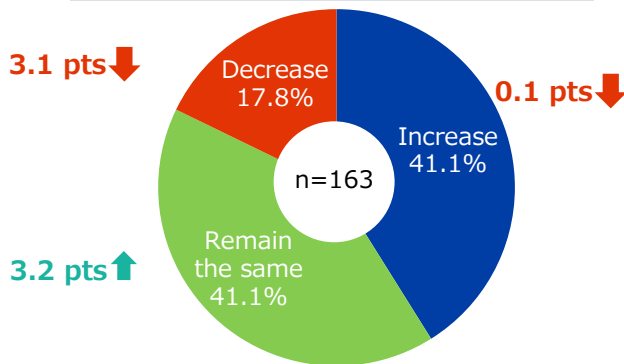
(Note) In the survey, since 2023, representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.



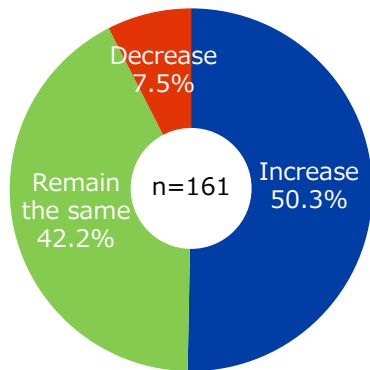
# 3 | 2024 Operating Profit Forecast and 2025 Outlook (Compared to Previous Year/Trends)

- For Africa as a whole, 41.1% of respondents said their 2024 operating profit forecast will improve compared to the previous year. **The ratio of "increase" and "remain the same" exceeded 80%**, while "decrease" declined 3.1 points to 17.8% and "remain the same" increased by 3.2 points.
- In 2025, the outlook for "increase" rose 9.2 percentage points to over 50%**. The number of respondents who answered "remain the same" also increased slightly by 1.1 points. The respondents of "decrease" dropped sharply 10.3 points to a low level of 7.5%.

**2024 Operating Profit Forecast (Compared to Previous Year)**



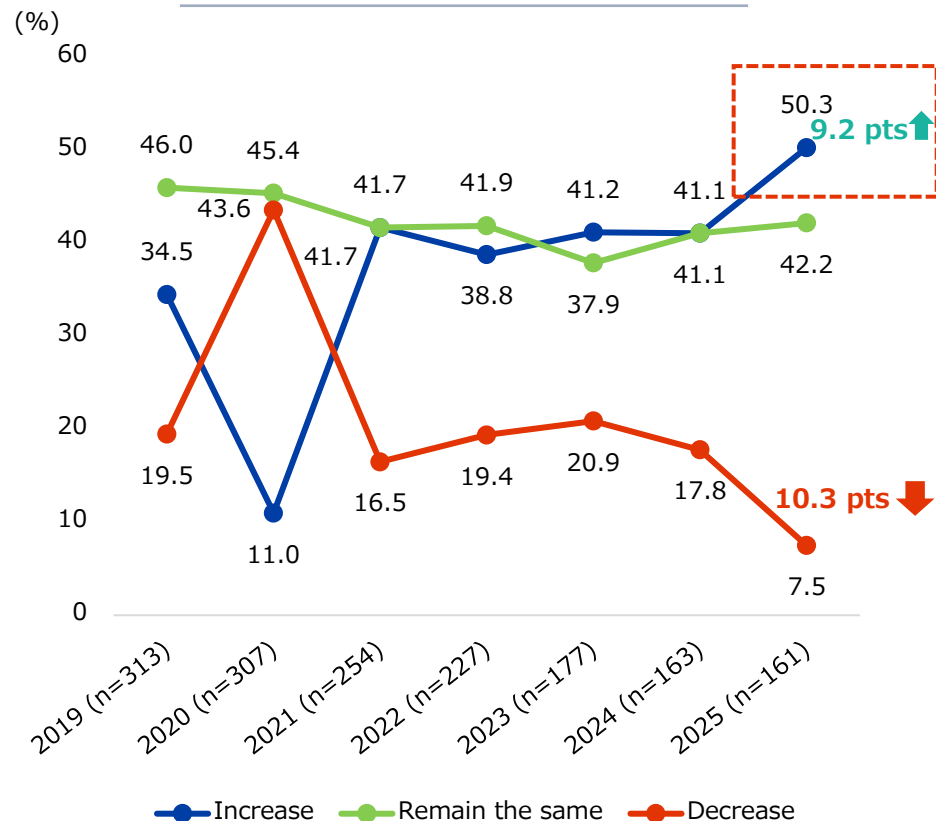
**2025 Operating Profit Outlook**



Year-on-year: ↑ Up ↓ Down

(Note) Representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

**Trends in Operating Profit Forecast**



(Note 1) Forecast for 2019–2024; outlook for 2025.

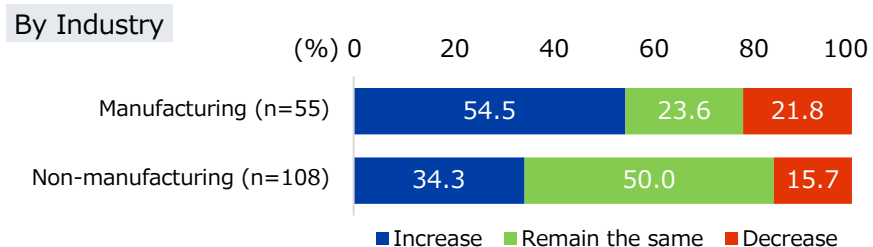
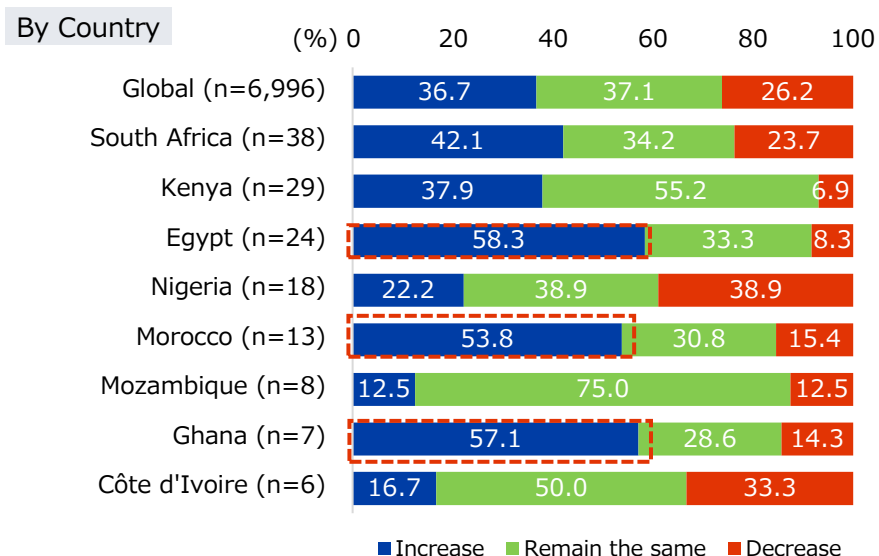
(Note 2) The range of change shown in pt is a comparison between the 2024 forecast and the 2025 outlook.

(Note 3) In the survey, since 2023, representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

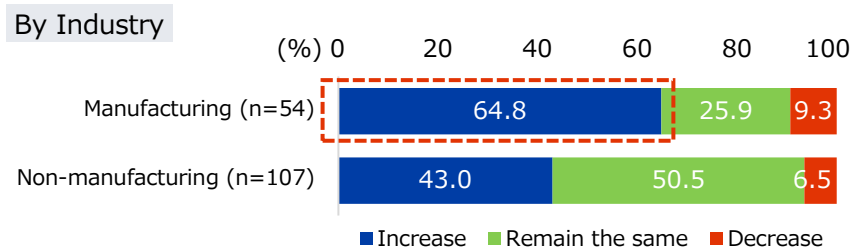
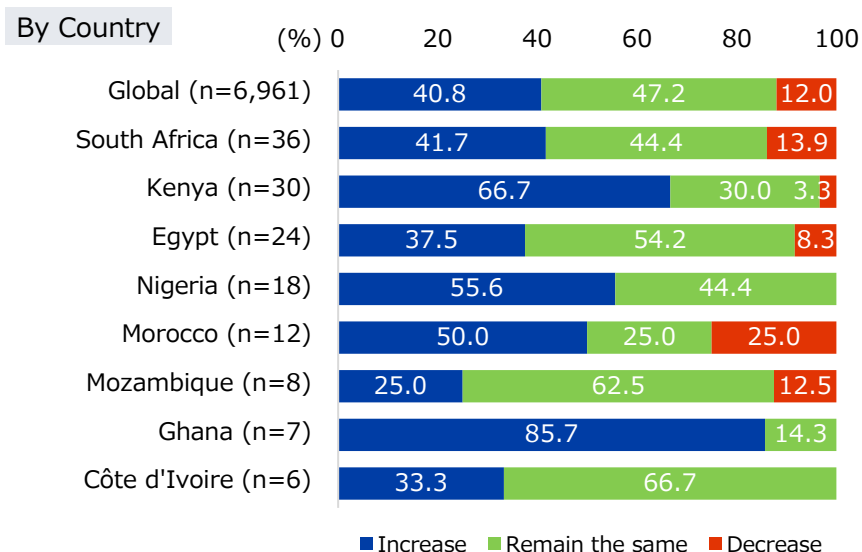
# 4 | 2024 Operating Profit Forecast and 2025 Outlook (by Country/by Industry)

- **More than 50% of companies in Egypt, Ghana, and Morocco expected their profit to increase in 2024 from the previous year.** As for 2025 outlook, more than 80% in Ghana, more than 60% in Kenya, and more than 50% in Nigeria and Morocco answered "increase," respectively.
- By industry, **compared to the previous year, the ratio of "increase" rose in both manufacturing and non-manufacturing from 2024 to 2025,** while the ratio of "decrease" declined. **64.8% companies in the manufacturing sector are expected to post a surplus in 2025 showing good shape,** while 50% companies in the non-manufacturing sector are expected to remain the same.

**2024 Operating Profit Forecast (Compared to Previous Year)**



**2025 Operating Profit Outlook**



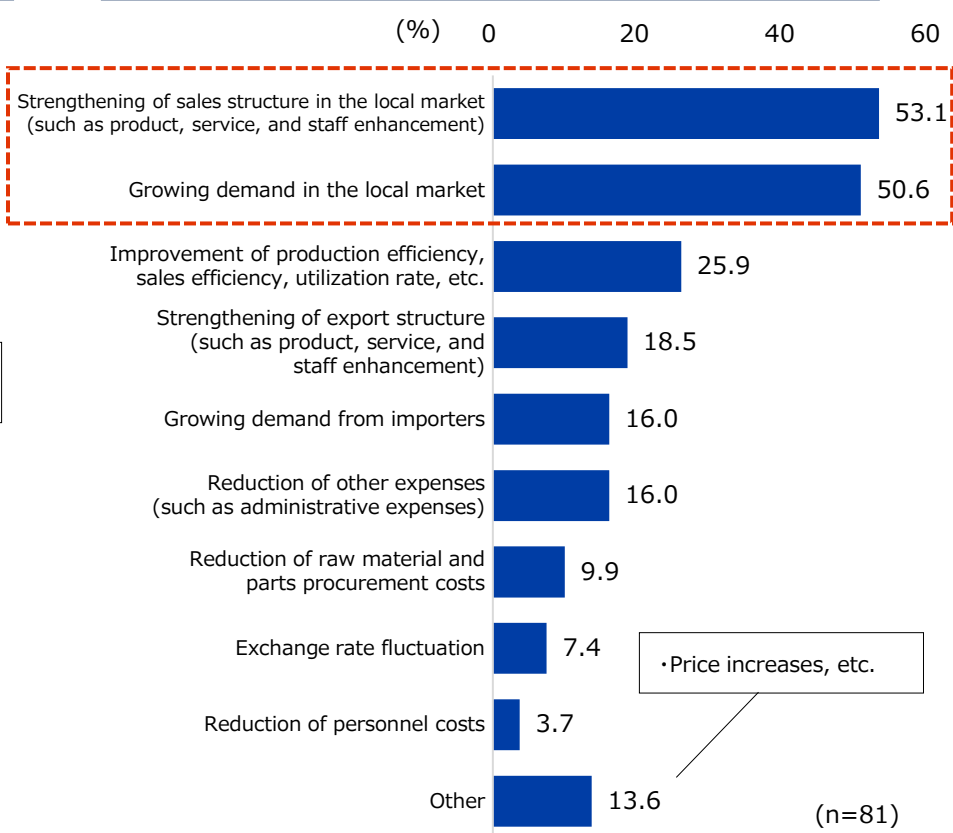
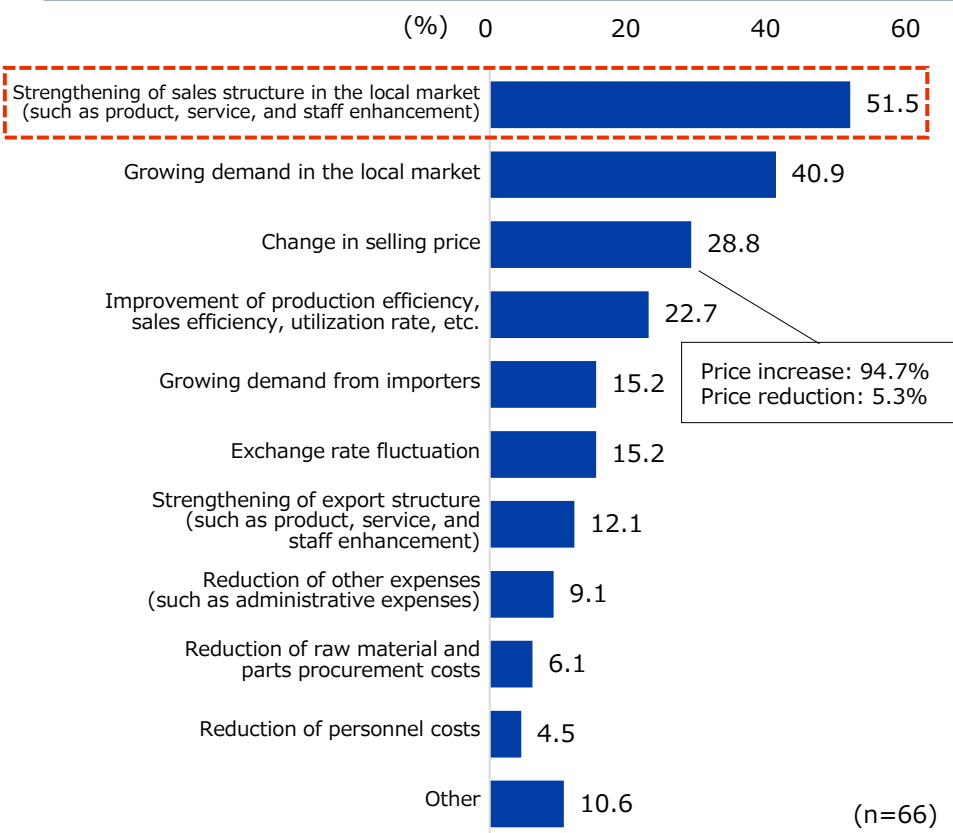
(Note) Representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

# 5 | 2024 Operating Profit Forecast and 2025 Outlook (Reasons for Increase)

- For Africa as a whole, the top reason for the improvement in operating profit in 2024 was "strengthening of sales structure in the local market" with a sharp increase to 51.5% from the previous year. This was followed by "growing demand in the local market" and "change in selling price."
- Major reasons for the expected increase in operating profit in 2025 to remain the same, namely "strengthening of sales structure in the local market," and "growing demand in the local market," were cited by more than 50% of companies.

Reasons for Expected Increase in Operating Profit in 2024 (Compared to Previous Year) <Multiple Answers>

Reasons for Expected Increase in Operating Profit in 2025 <Multiple Answers>



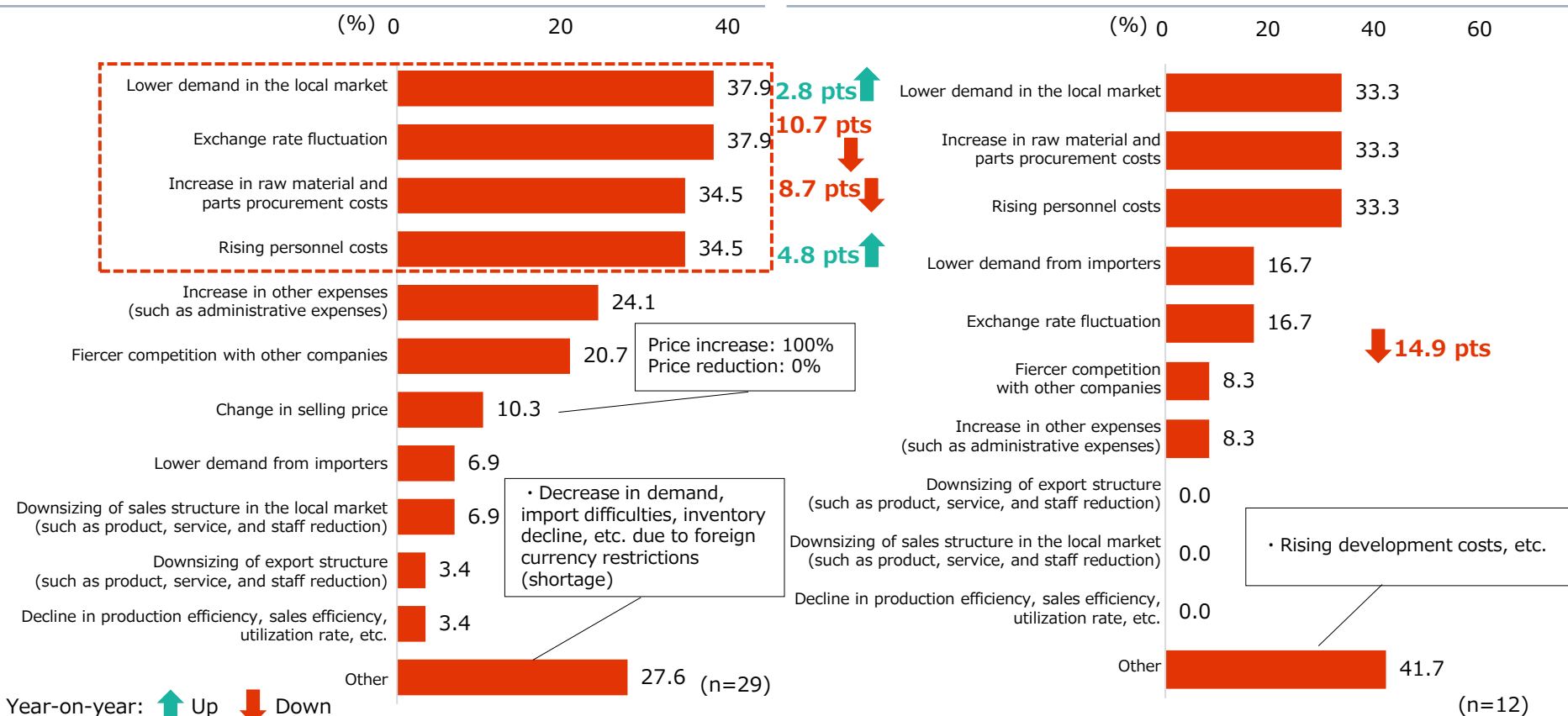
(Note) Representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

# 6 | 2024 Operating Profit Forecast and 2025 Outlook (Reasons for Decrease)

- Among the reasons for the deterioration in Africa's operating profit in 2024, "lower demand in the local market" and "rising personnel costs" were cited by more respondents than the previous year as the main reasons for the decrease, while respondents of "exchange rate fluctuation" and "increase in raw material and parts procurement costs," which were more than 40% in the previous year, declined.
- Also, in 2025, many companies cited "lower demand in the local market," "increase in raw material and parts procurement costs," and "rising personnel costs" as decrease factors (33.3% in each case), while those who cited "exchange rate fluctuation" were further halved.

Reasons for Expected Decrease in Operating Profit in 2024 (Compared to Previous Year) <Multiple Answers>

Reasons for Expected Decrease in Operating Profit in 2025 (Compared to Previous Year) <Multiple Answers>



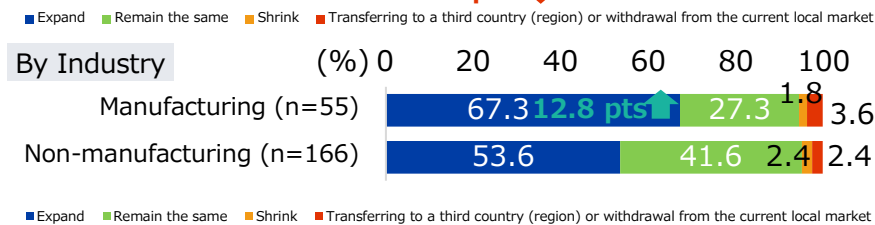
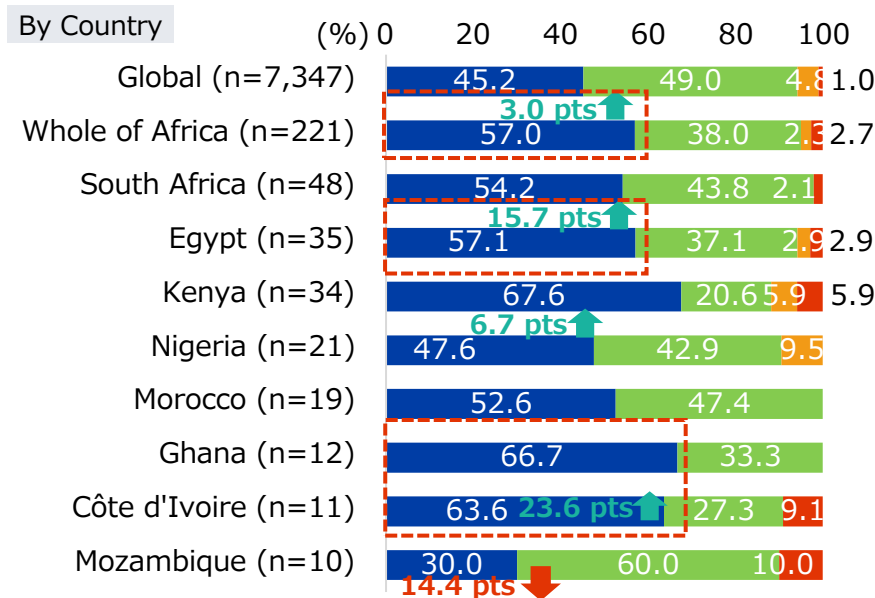
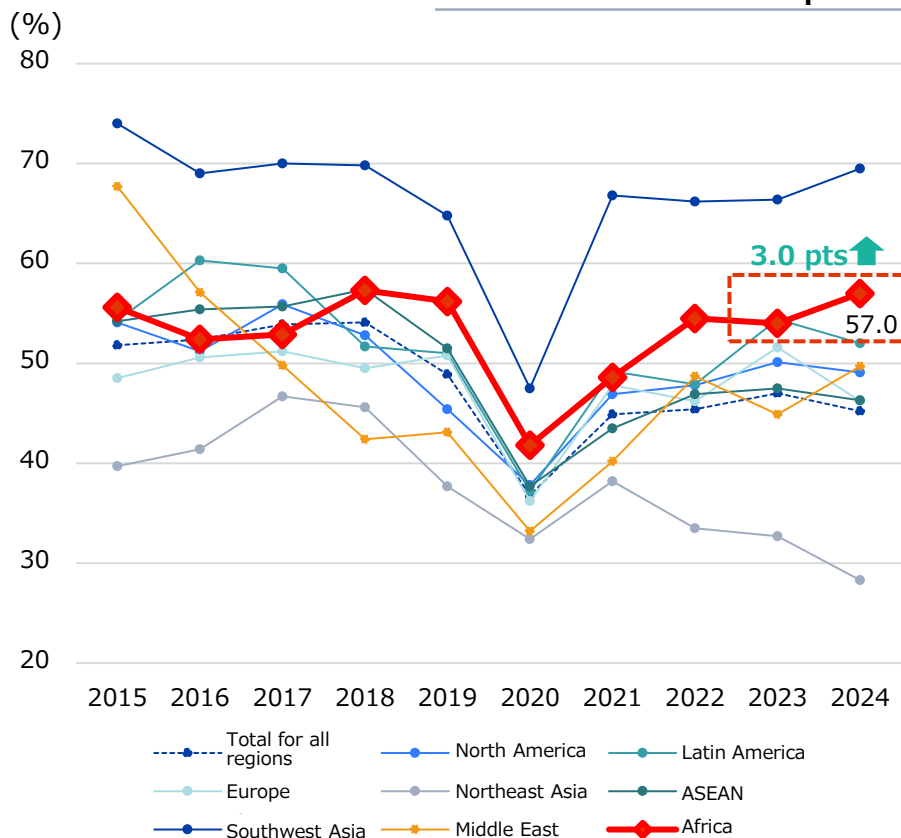
(Note) Representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

## **II. Future Business Outlook**

# 1 | Direction of Business Operations in the Next One to Two Years (Africa as a Whole/by Country)

- In Africa as a whole, **57.0% of companies answered that they would expand their business in the next one to two years, up 3.0 points from the previous year.** It is the second highest in the world, after Southwest Asia. In the manufacturing sector, respondents of "expand" increased by 12.8 points to about 70%.
- More than 60% of respondents in Kenya, Ghana, and Côte d'Ivoire answered "expand." Respondents in Egypt also got close to 60%, which was less than half in the previous year.

**Direction of Business Operations in the Next One to Two Years**



Year-on-year: ↑ Up ↓ Down

(Note) For the definition of each region and the details of the global survey results, refer to "JETRO FY 2024 Survey on Business Conditions of Japanese Companies Operating Overseas (Global)."

# 2 | Direction of Business Operations in the Next One to Two Years (Reasons for Expansion)

- **The most common reason for business expansion is "expansion of local market needs," which was voted for by more 60% of companies.** Respondents of "strong advantage over competitors" was also close to 30%.
- More than 40% of respondents in Morocco and South Africa cited "increase in exports."

**Reason for Business Expansion <Multiple Answers>**

(%)	Expansion of local market needs	Strong advantage over competitors	Increase in exports	High receptivity for high value-added products/services	Great talent advantage	Expansion of preferential treatment	Deregulation	Other
<b>Whole of Africa (n=122)</b>	<b>65.6</b>	<b>27.0</b>	<b>23.8</b>	<b>14.8</b>	<b>9.0</b>	<b>2.5</b>	<b>1.6</b>	<b>14.8</b>
South Africa (n=25)	44.0	36.0	40.0	8.0	8.0	0.0	4.0	20.0
Kenya (n=23)	91.3	30.4	4.3	21.7	8.7	4.3	0.0	0.0
Egypt (n=20)	70.0	25.0	20.0	20.0	5.0	0.0	0.0	10.0
Nigeria (n=10)	80.0	10.0	20.0	0.0	0.0	10.0	0.0	20.0
Morocco (n=9)	44.4	11.1	44.4	11.1	33.3	0.0	0.0	11.1
Ghana (n=7)	57.1	28.6	28.6	28.6	14.3	14.3	0.0	42.9
Côte d'Ivoire (n=7)	71.4	42.9	28.6	28.6	0.0	0.0	0.0	0.0
Mozambique (n=3)	66.7	0.0	0.0	0.0	0.0	0.0	0.0	33.3

(Note) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more. Copyright © 2024 JETRO. All rights reserved.

# 3 | Direction of Business Operations in the Next One to Two Years (Functions to Be Expanded)

- About 70% of companies stated that they would expand "sales" function.
- More than 30% of respondents in Morocco, Egypt, and Nigeria stated they would expand their production (general purpose goods) function.

Function to Be Expansion<Multiple Answers>

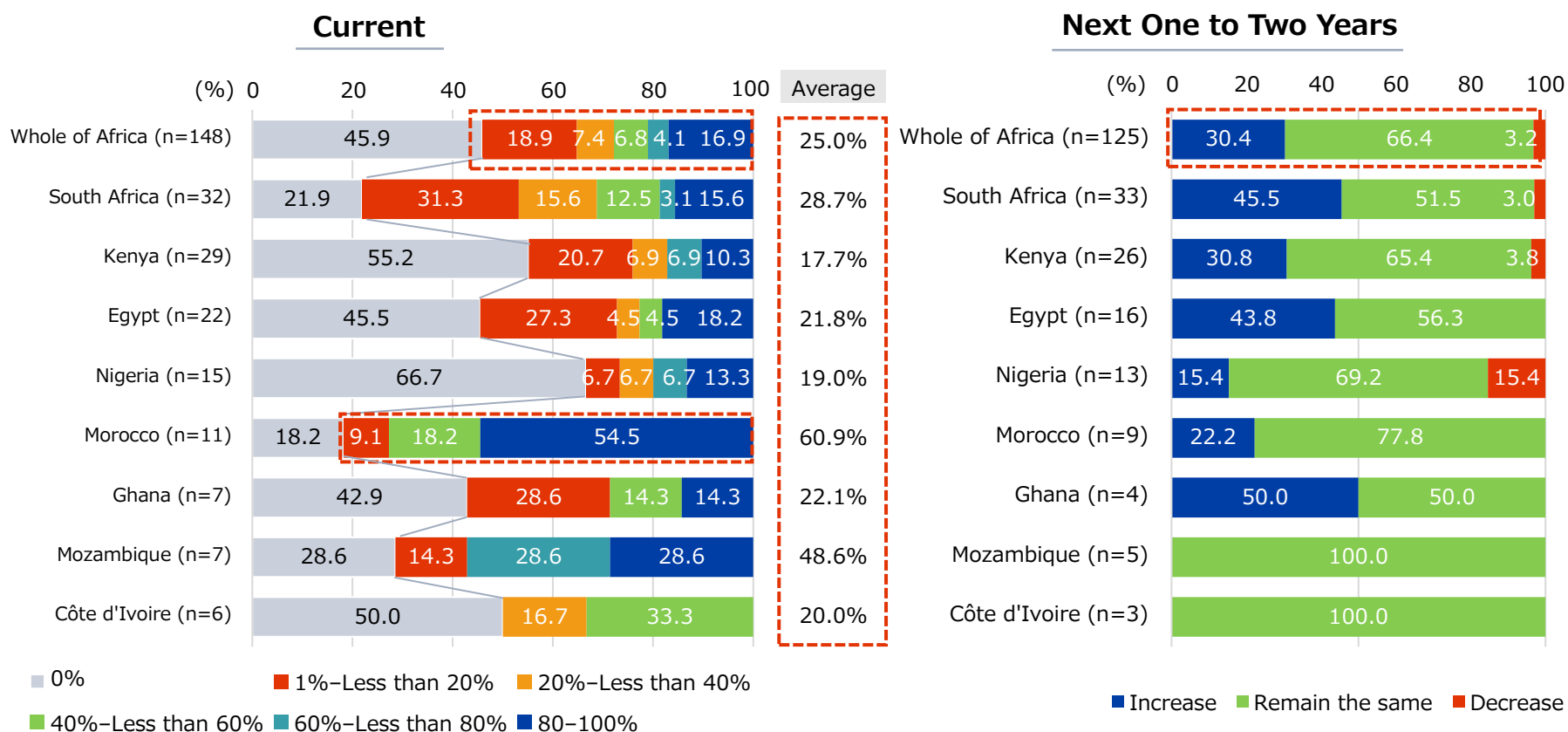
(%)	Sales	New business development	Customer service	Production (general purpose goods)	Production (high value-added products)	Regional control function	R&D	Other
<b>Whole of Africa (n=125)</b>	<b>68.8</b>	<b>32.0</b>	<b>24.0</b>	<b>16.0</b>	<b>10.4</b>	<b>9.6</b>	<b>4.0</b>	<b>12.0</b>
South Africa (n=26)	73.1	26.9	23.1	7.7	3.8	0.0	3.8	15.4
Kenya (n=23)	78.3	30.4	34.8	0.0	17.4	17.4	0.0	8.7
Egypt (n=20)	65.0	30.0	25.0	35.0	10.0	15.0	5.0	5.0
Nigeria (n=10)	80.0	20.0	20.0	30.0	0.0	10.0	0.0	10.0
Morocco (n=9)	44.4	11.1	11.1	44.4	11.1	0.0	11.1	22.2
Ghana (n=8)	87.5	37.5	37.5	12.5	25.0	25.0	12.5	12.5
Côte d'Ivoire (n=7)	57.1	71.4	14.3	14.3	14.3	14.3	0.0	14.3
Mozambique (n=3)	33.3	66.7	0.0	33.3	0.0	0.0	33.3	0.0

(Note) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more. Copyright © 2024 JETRO. All rights reserved.



# 4 | Exports-to-total Sales Ratio (Current/Outlook for the Next One to Two Years)

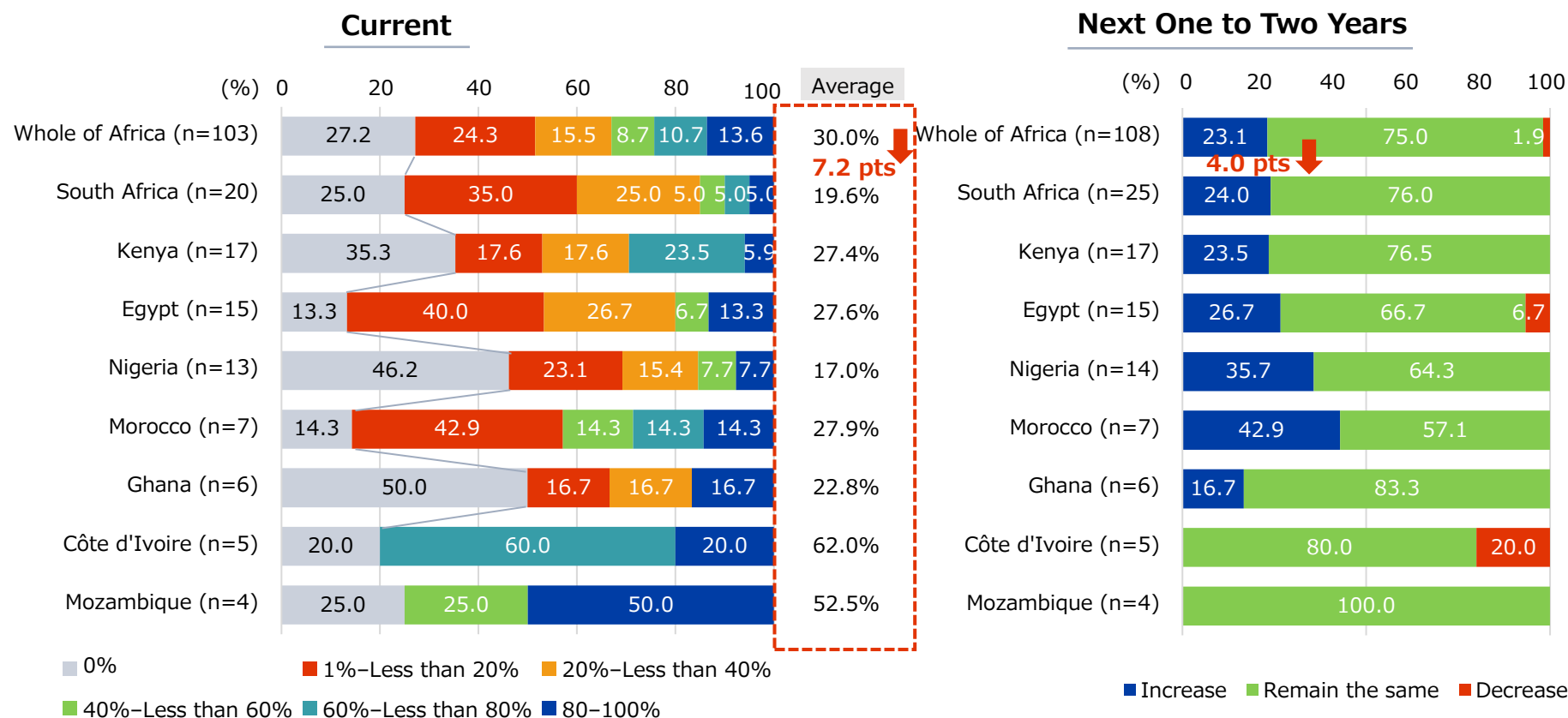
- More than half of companies export. More than 80% in Morocco and more than half in South Africa, Egypt, Ghana, Mozambique, and Cote d'Ivoire engage in export.
- As for the outlook for the next one to two years, about 70% of companies said that their export ratio would remain the same, while about 30% said that it would expand.



(Note 1) Calculated ratio of exports (overseas sales) with sales of 100 on a monetary basis.  
 (Note 2) Representative offices that do not generate operating profit are excluded from the survey.  
 (Note 3) Actual answers ranged from 0% to 100%, and the average was calculated.

# 5 | Local Procurement Rate (Current/Outlook for the Next One to Two Years)

- The average current local procurement rate in Africa remained at 30.0%, a decrease of 7.2 percentage points from the previous year.
- As for the outlook for the next one to two years, 23.1% of companies said that their local procurement rate would increase, indicating down 4.0 points from the previous year.



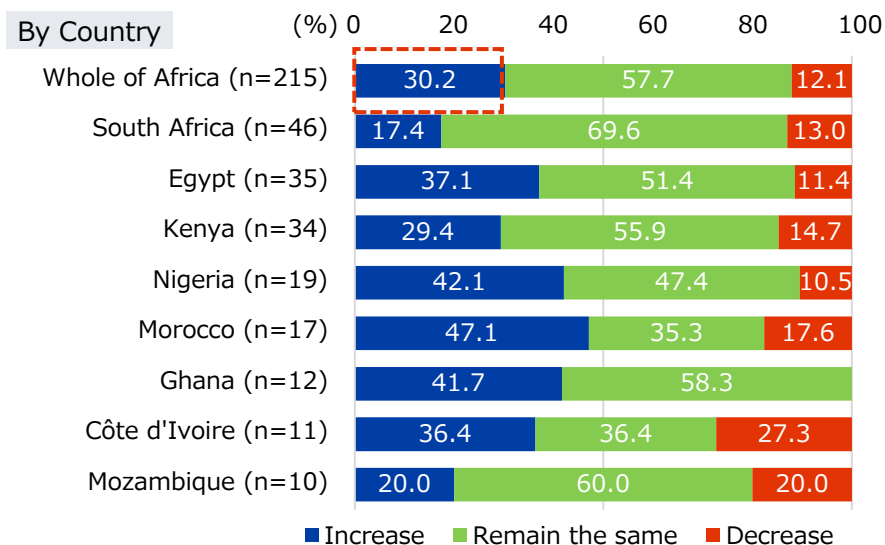
Year-on-year: ↑ Up ↓ Down

(Note 1) Calculated on a monetary basis.  
 (Note 2) Representative offices that do not generate operating profit are excluded from the survey.  
 (Note 3) Actual answers ranged from 0% to 100%, and the average was calculated.

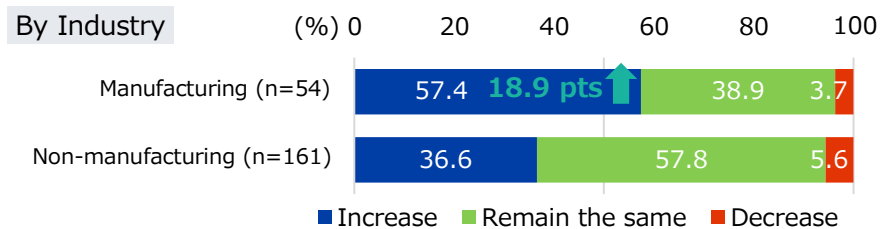
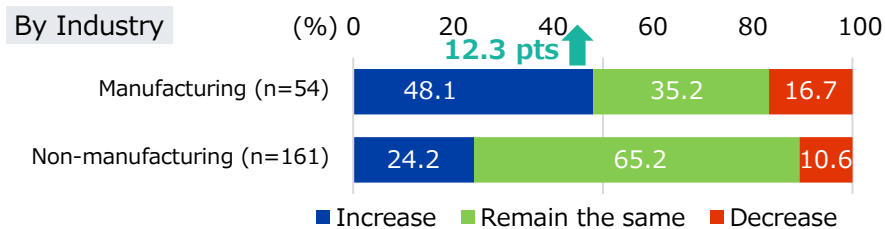
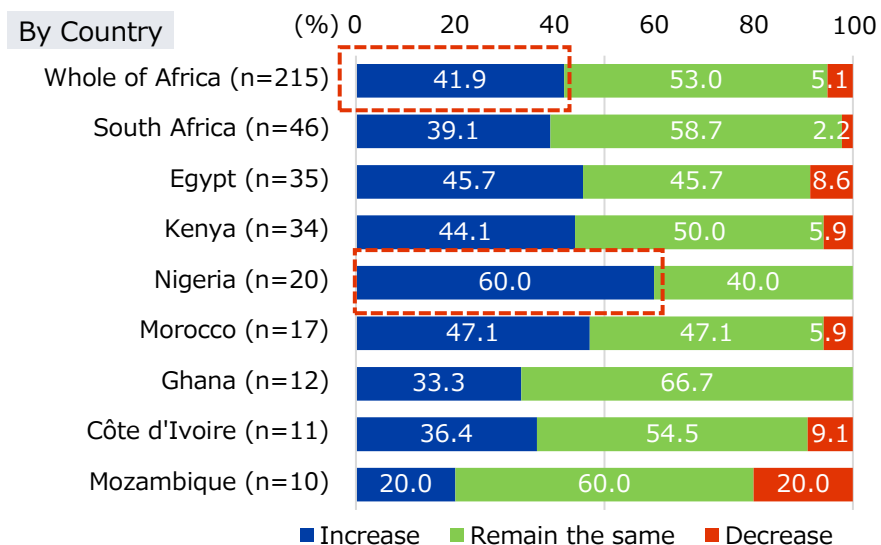
# 6 | Number of Local Employees (Changes in the Past Year and Future Plans)

- **30.2%** of companies said that the number of local employees had increased over the past year, higher than 12.1% of companies that said it had decreased.
- **More than 40% of companies expect an increase going forward.** Among companies in **Nigeria, the percentage is particularly high at 60%.** In the manufacturing sector, the percentage increased by 18.9 percentage points from the previous year, approaching 60%.

[Local Employees] Changes in the Past Year



[Local Employees] Future Plans

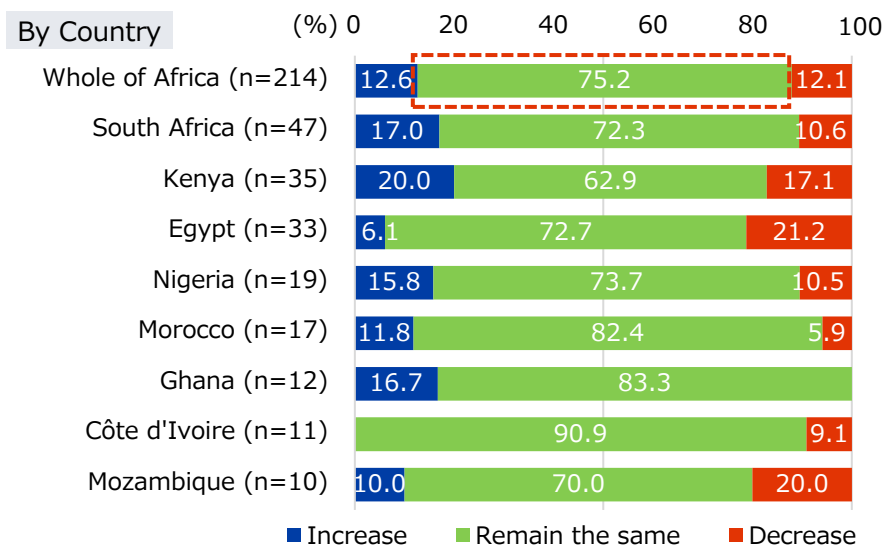


Year-on-year: ↑ Up ↓ Down

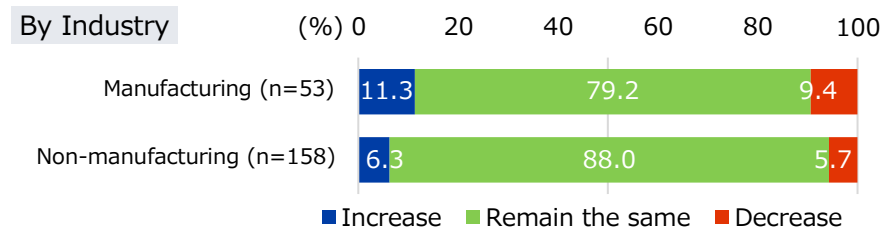
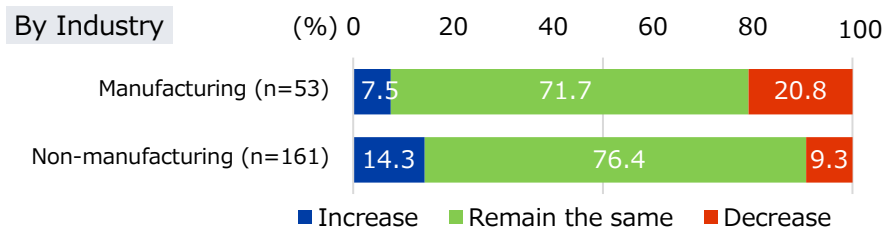
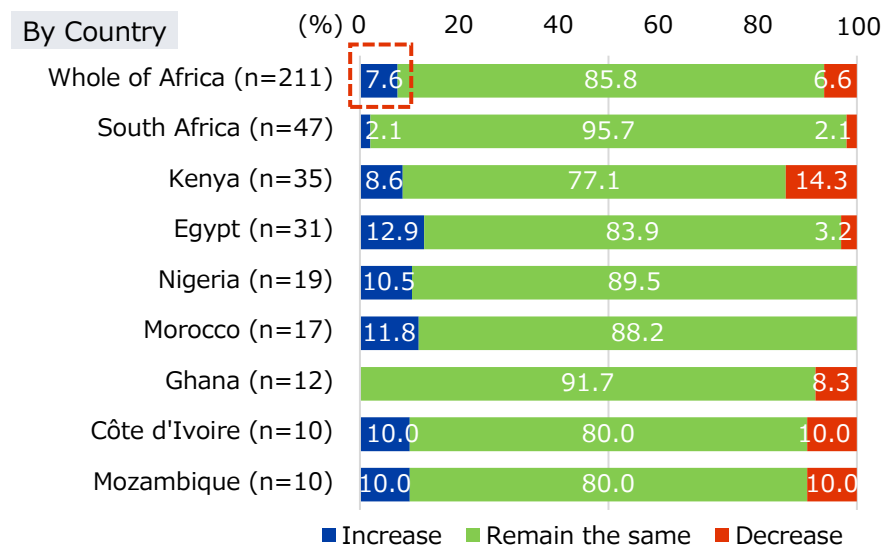
# 7 | Number of Japanese Expatriates (Changes in the Past Year and Future Plans)

- Majority of companies (75.2%) said that the number of Japanese expatriates had remained the same in the past year, while the percentage of companies that said it had increased is 12.6%, slightly higher than 12.1% that said it had decreased, reversing the previous year's rank.
- Future plans show the same trend, and the percentage of companies planning to increase (7.6%) exceeds that planning to decrease (6.6%).

**[Japanese Expatriates] Changes in the Past Year**



**[Japanese Expatriates] Future Plans**



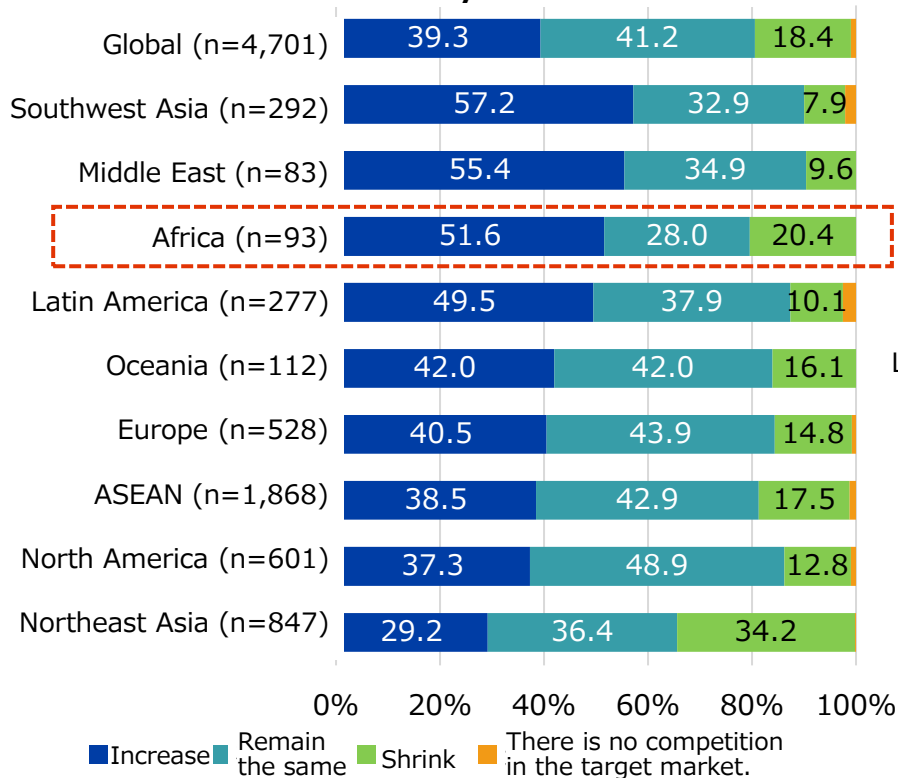
# III. Competitive Environment

# 1 | Changes in the Competitive Environment (Market Share/Number of Competitors)

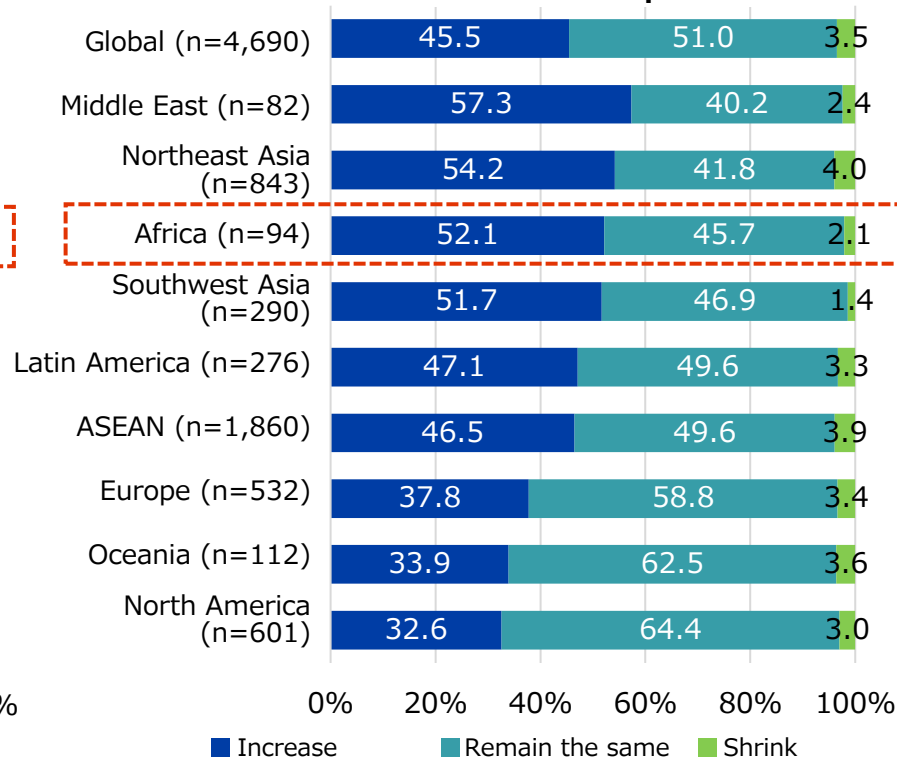
- **A majority of companies in Africa said they had increased market share for key goods and services in the country of location, compared with 2019.** By region, the figure is the third highest after Southwest Asia and the Middle East, far surpassing the global figure of 39.3%. On the other hand, the percentage of respondents who said they had shrunk was also over 20%, higher than the global average of 18.4 percentage points.
- **More than 50% of respondents said the number of competitors in their overseas markets had increased,** surpassing the global average of 45.5%.

**Changes since 2019 in the Competitive Environment of Overseas Operation (by Major Region)**

**Market Share of Key Products and Services**



**Number of Competitors**



(Note 1) Representative offices that do not generate operating profit are excluded from the survey.  
 (Note 2) For the definition of each region and the details of the global survey results, refer to "JETRO FY 2024 Survey on Business Conditions of Japanese Companies Operating Overseas (Global)."

## 2 | Efforts to Strengthen Competitiveness (Africa as a Whole/by Country)

- **More than 40% of enterprises, the biggest respondent group, cited "diversification of products and services" as a measure to enhance competitiveness.** The figure is particularly high in South Africa, at 51.5%.
- **In the upper 30% range, "strengthening sales and public relations" and "expansion of sales channels" followed as measures.** Egypt and South Africa have a high proportion of the former, and Nigeria and Egypt have a high proportion of the latter.

### Measures being Taken with Particular Emphasis on Competition in Markets of Overseas Operation <Multiple Answers>

(%)	Diversification of products and services	Strengthening sales and PR	Expansion of sales channels	Cost reduction	Collaboration and cooperation with local companies	Price reductions	Development of products and services	Collaboration and cooperation with foreign companies	Narrowing down products and services	Review and restructuring of sales network	Increase of added value (e.g. considerations for ESG, etc.)	Use of government incentives	Restructuring and downsizing of sales channels	Other	No action taken
<b>Whole of Africa (n=117)</b>	<b>41.0</b>	<b>38.5</b>	<b>35.9</b>	<b>31.6</b>	<b>27.4</b>	<b>23.1</b>	<b>23.1</b>	<b>17.9</b>	<b>16.2</b>	<b>16.2</b>	<b>10.3</b>	<b>9.4</b>	<b>2.6</b>	<b>9.4</b>	<b>0.9</b>
South Africa (n=33)	51.5	48.5	33.3	30.3	27.3	30.3	21.2	21.2	12.1	15.2	9.1	9.1	0.0	6.1	0.0
Kenya (n=22)	27.3	36.4	36.4	31.8	27.3	13.6	13.6	18.2	13.6	22.7	4.5	9.1	4.5	18.2	0.0
Egypt (n=15)	46.7	53.3	60.0	33.3	40.0	26.7	40.0	13.3	20.0	13.3	13.3	0.0	6.7	13.3	0.0
Nigeria (n=14)	21.4	35.7	64.3	21.4	35.7	28.6	21.4	21.4	21.4	7.1	0.0	0.0	0.0	7.1	0.0
Morocco (n=6)	33.3	33.3	33.3	33.3	33.3	50.0	33.3	16.7	0.0	0.0	16.7	33.3	0.0	0.0	0.0
Ghana (n=5)	40.0	20.0	20.0	60.0	20.0	0.0	0.0	20.0	40.0	40.0	20.0	40.0	0.0	0.0	0.0
Mozambique (n=4)	25.0	0.0	0.0	50.0	25.0	25.0	25.0	50.0	25.0	0.0	0.0	50.0	0.0	25.0	0.0

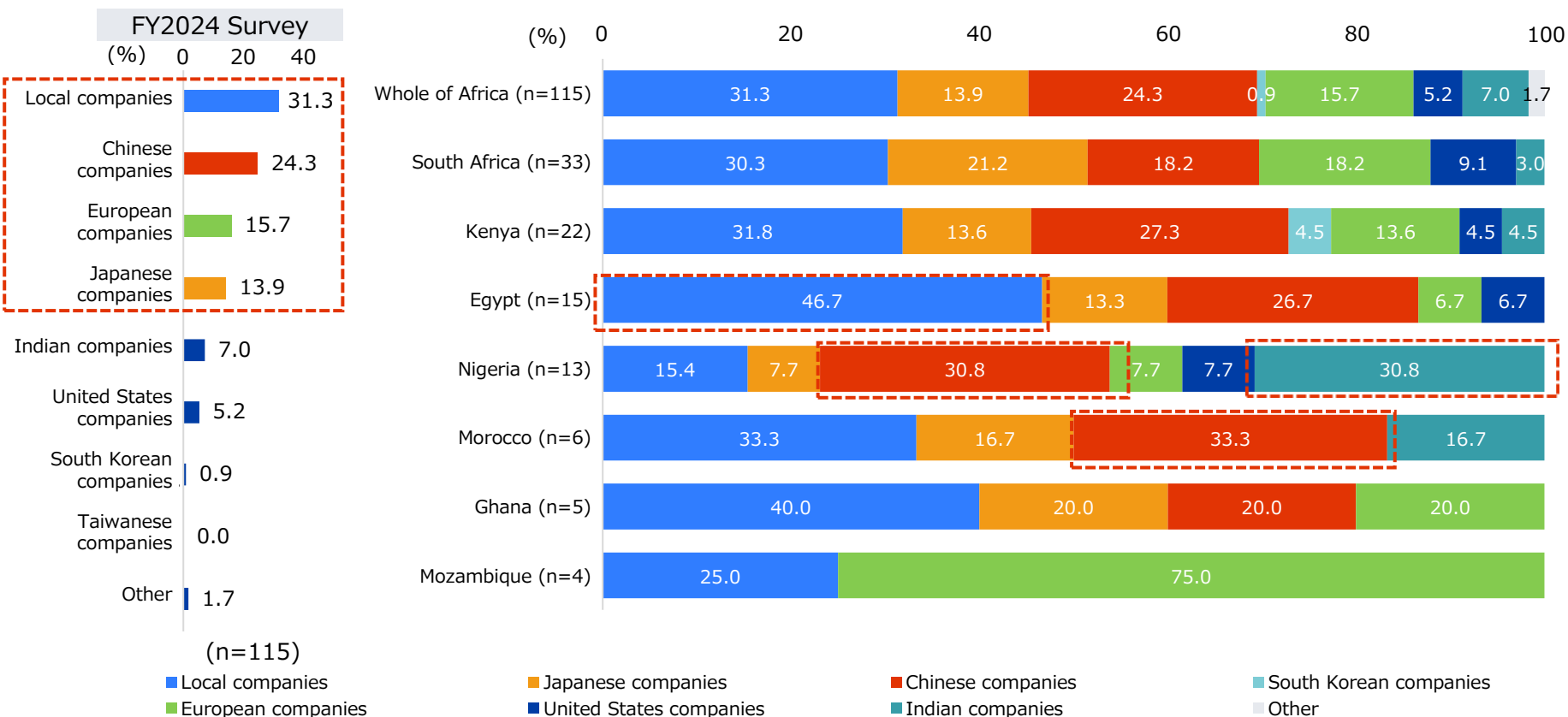
(Note 1) Representative offices that do not generate operating profit are excluded from the survey.

(Note 2) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.

# 3 | Company Regarded as the Most Competitive (Africa as a Whole/by Country)

- Local companies account for 31.3%, the most respondents, of the total competitors in the overseas market. Followed by Chinese, European, and Japanese companies.
- By country, competition from local firms is particularly high in Egypt, at 46.7%, and is also the largest percentage in South Africa and Kenya. Competition ratio with Chinese companies is high in Morocco and Nigeria, and that with Indian companies is high in Nigeria.

Company Regarded as the Most Competitive in Their Target Market



(Note) Representative offices that do not generate operating profit are excluded from the survey.



# 4 | Company Regarded as the Most Competitive (Reasons)

- As for why they think their competitors are strong, "cost competitiveness" was prominent at over 60%. This was followed by "sales network" and "brand and name recognition" at around 40%.
- By country, most respondents cited "cost competitiveness" of Chinese and Indian companies, and a certain percentage cited "difference in compliance." United States and European companies are competitive in terms of "brand and name recognition."

Company Regarded as the Most Competitive in the Target Market and the Reasons <Multiple Answers>

(%)	Cost competitiveness	Sales network	Brand and name recognition	Capability to develop products and services appropriate to local market needs	Strong sales skills	Speed of decision making	Collaboration and partnering with local companies	Difference in compliance	Differences in privilege and incentives by local and/or foreign government	Technical level of products and services	Collaboration and partnering with foreign companies, including Japanese companies	Speed of delivery	Competitiveness in hiring human resources	Differences in regulations by local and foreign governments	Other
<b>Whole of Africa (n=115)</b>	<b>64.3</b>	<b>40.9</b>	<b>37.4</b>	<b>29.6</b>	<b>27.8</b>	<b>22.6</b>	<b>21.7</b>	<b>20.0</b>	<b>18.3</b>	<b>17.4</b>	<b>12.2</b>	<b>10.4</b>	<b>7.8</b>	<b>5.2</b>	<b>6.1</b>
Local companies (n=36)	63.9	47.2	22.2	19.4	22.2	27.8	22.2	13.9	22.2	8.3	13.9	8.3	5.6	8.3	5.6
Chinese companies (n=28)	<b>92.9</b>	21.4	7.1	21.4	10.7	21.4	10.7	<b>35.7</b>	10.7	3.6	3.6	14.3	7.1	3.6	7.1
European companies (n=18)	33.3	55.6	<b>72.2</b>	38.9	38.9	16.7	38.9	11.1	27.8	33.3	22.2	0.0	16.7	11.1	0.0
Japanese companies (n=16)	62.5	50.0	62.5	43.8	37.5	18.8	31.3	6.3	18.8	43.8	18.8	12.5	6.3	0.0	6.3
Indian companies (n=8)	<b>87.5</b>	37.5	37.5	37.5	37.5	37.5	12.5	<b>37.5</b>	12.5	12.5	0.0	25.0	0.0	0.0	12.5
United States companies (n=6)	16.7	33.3	<b>100.0</b>	50.0	33.3	16.7	16.7	16.7	16.7	33.3	16.7	16.7	16.7	0.0	16.7
South Korean companies (n=1)	0.0	100.0	100.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Taiwanese companies (n=0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Others (n=2)	50.0	0.0	0.0	50.0	100.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

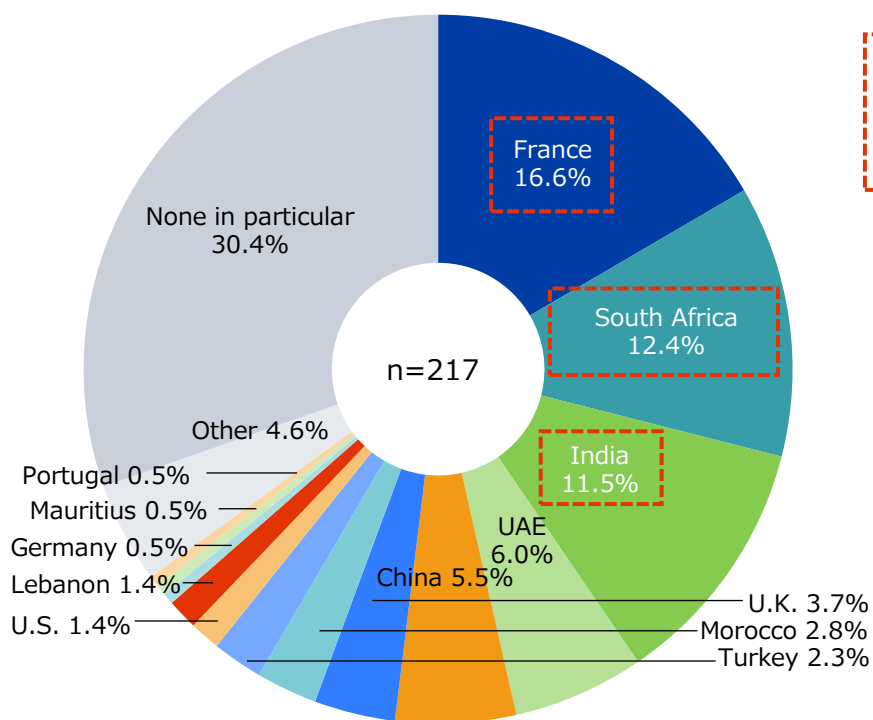
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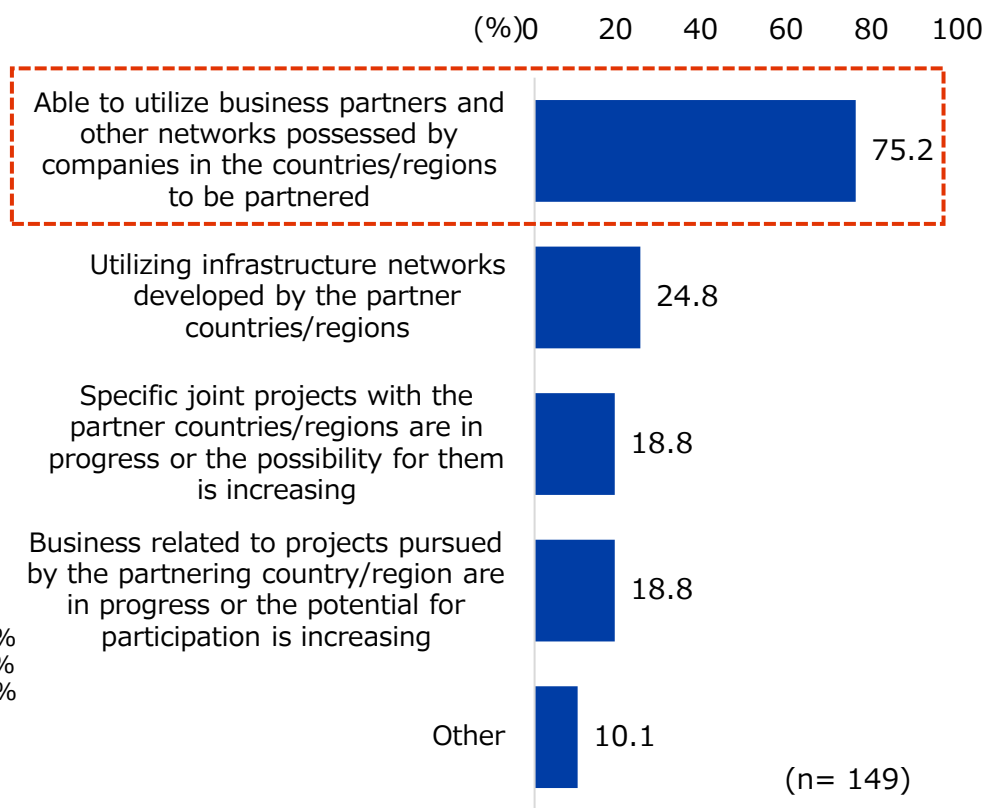
# 5 | Collaboration with Companies in Third Countries

- **Companies in France are the top** third country partners for business expansion in Africa, followed by companies in South Africa and India.
- As for opportunities and advantages brought about by the partner, more than 70% of companies cited "partner's business partner network," which is prominent.

**Third Countries Where Potential Partners Operate**



**Companies in Partner Countries Bring to the Africa Opportunities and Advantages<Multiple Answers>**

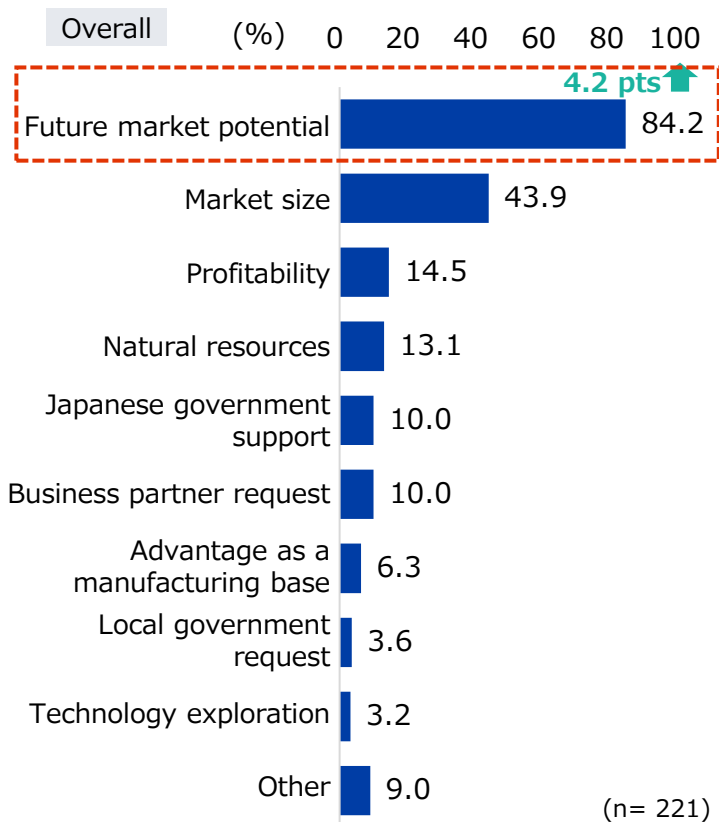


# IV. Investment Environment

# 1 | Reasons for Maintaining Presence in Africa (Africa as a Whole/by Country)

- **The most common reason for setting up a base in Africa is "future market potential," as was the case in the previous year**, up 4.2 percent points from the previous year. The percentage of companies citing this reason is the highest in all countries surveyed.
- **In Egypt, Kenya, and Nigeria, "market size" accounted for more than 50% of respondents.** In Cote d'Ivoire and Mozambique, "Japanese government support" exceeded the overall average by more than 20 percentage points.

Reasons for Maintaining Presence in Africa <Multiple Answers>



By Country	Future market potential (%)	Market size	Profitability	Natural resources	Japanese government support	Business partner request	Advantage as a manufacturing base	Local government request	Technology exploration	Other
<b>Whole of Africa (n=221)</b>	<b>84.2</b>	<b>43.9</b>	<b>14.5</b>	<b>13.1</b>	<b>10.0</b>	<b>10.0</b>	<b>6.3</b>	<b>3.6</b>	<b>3.2</b>	<b>9.0</b>
South Africa (n=49)	83.7	30.6	12.2	16.3	2.0	18.4	6.1	0.0	0.0	10.2
Egypt (n=35)	85.7	62.9	22.9	5.7	11.4	5.7	8.6	5.7	0.0	0.0
Kenya (n=35)	97.1	60.0	8.6	5.7	11.4	5.7	2.9	2.9	2.9	5.7
Nigeria (n=21)	100.0	57.1	9.5	14.3	0.0	4.8	4.8	0.0	0.0	9.5
Morocco (n=17)	70.6	17.6	23.5	5.9	5.9	17.6	17.6	0.0	5.9	23.5
Ghana (n=12)	91.7	33.3	16.7	25.0	8.3	8.3	0.0	8.3	16.7	8.3
Côte d'Ivoire (n=11)	72.7	27.3	9.1	9.1	36.4	18.2	0.0	18.2	0.0	9.1
Mozambique (n=10)	80.0	20.0	0.0	30.0	30.0	10.0	10.0	10.0	10.0	0.0

(n = 221)

(Note) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.

## 2 | Attractiveness in Terms of Investment Environment (Africa as a Whole/by Country)

- The largest proportion of companies (70.1%) voted for "market size and growth potential of the country of location" as the main attraction for investing. The second largest proportion of companies (37.0%) cited "market size and growth potential of neighboring countries."
- By country, "political and social stability" was cited by over 70% of respondents in Morocco and Ghana, while "fewer difficulties in language and communication" was cited by over 60% in Kenya and Ghana.

### Attractiveness of the Investment Environment of the Country of Location <Multiple Answers>

(%)	Market size and growth potential of the country of location	Market size and growth potential of neighboring countries	Political and social stability	Fewer difficulties in language and communication	Sufficient infrastructure	Good living environment for Japanese expatriates	Positive image regarding Japan	Stable finance and exchange rate	Easy to hire or retain high-skilled employees	Formation of local industrial clusters (ease in procuring local goods)	Well-established system to encourage investment and tax incentives	Quick administrative procedures	Formation of local industrial clusters (ease in procuring local goods)	Other
<b>Whole of Africa (n=211)</b>	<b>70.1</b>	<b>37.0</b>	<b>28.4</b>	<b>28.0</b>	<b>21.8</b>	<b>19.9</b>	<b>16.1</b>	<b>15.2</b>	<b>14.7</b>	<b>10.4</b>	<b>4.7</b>	<b>2.4</b>	<b>1.9</b>	<b>7.6</b>
South Africa (n=45)	77.8	53.3	15.6	31.1	11.1	13.3	6.7	15.6	8.9	20.0	0.0	2.2	0.0	8.9
Kenya (n=35)	68.6	54.3	14.3	60.0	28.6	34.3	14.3	11.4	17.1	8.6	2.9	0.0	2.9	2.9
Egypt (n=34)	82.4	41.2	23.5	17.6	32.4	20.6	29.4	11.8	20.6	8.8	8.8	2.9	2.9	0.0
Nigeria (n=19)	94.7	10.5	0.0	21.1	0.0	0.0	5.3	0.0	0.0	15.8	0.0	0.0	0.0	5.3
Morocco (n=17)	47.1	29.4	76.5	17.6	58.8	17.6	11.8	41.2	41.2	11.8	23.5	17.6	11.8	11.8
Ghana (n=12)	25.0	16.7	75.0	66.7	41.7	58.3	25.0	8.3	8.3	8.3	8.3	0.0	0.0	8.3
Côte d'Ivoire (n=11)	63.6	36.4	45.5	0.0	27.3	36.4	9.1	36.4	18.2	0.0	0.0	0.0	0.0	0.0
Mozambique (n=9)	66.7	33.3	11.1	0.0	11.1	22.2	0.0	0.0	0.0	11.1	0.0	0.0	0.0	11.1

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# 3 | Challenges in the Investment Environment (Africa as a Whole/by Country)

- "Development and implementation of regulation or legislation," which topped the list of challenges in the previous year, was cited by 66.2% of companies, and "financial affairs, financing, or foreign exchange" was cited by 60.7% of companies. Both of them continued to be cited by the greatest number of respondents.
- More than 70% of the respondents in South Africa, Kenya, and Nigeria cited "political or social instability," while more than 70% of the respondents in South Africa and Nigeria cited "poor infrastructure."

**Challenges in the Investment Environment of the Country <Multiple Answers>**



(n = 219)

By Country	Development and implementation of regulation or legislation (%)	Financial affairs, financing, or foreign exchange (%)	Political or social instability (%)	Poor infrastructure (%)	Trade regulation (%)	Hiring and workforce issues (%)	No special problems (%)
<b>Whole of Africa (n=219)</b>	<b>66.2</b>	<b>60.7</b>	<b>58.4</b>	<b>47.0</b>	<b>39.3</b>	<b>37.4</b>	<b>4.1</b>
South Africa (n=48)	58.3	45.8	91.7	75.0	27.1	37.5	2.1
Egypt (n=35)	62.9	80.0	37.1	25.7	28.6	22.9	11.4
Kenya (n=35)	71.4	60.0	77.1	37.1	45.7	31.4	0.0
Nigeria (n=21)	76.2	76.2	95.2	76.2	57.1	57.1	0.0
Morocco (n=16)	43.8	31.3	6.3	12.5	37.5	18.8	25.0
Ghana (n=12)	66.7	83.3	16.7	25.0	50.0	41.7	0.0
Côte d'Ivoire (n=11)	81.8	36.4	9.1	45.5	27.3	54.5	0.0
Mozambique (n=10)	90.0	70.0	30.0	40.0	40.0	50.0	0.0

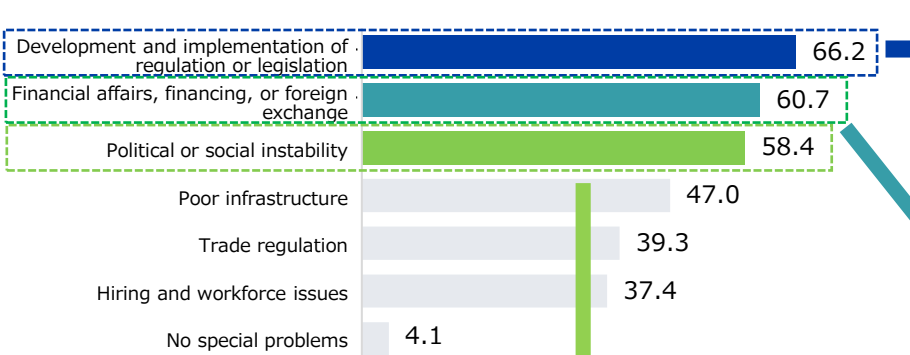
(Note) Dark red indicates a response rate of 70% or more, red indicates a response rate of 50% or more but less than 70%, and light red indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.

# 4 | Challenges in the Investment Environment (by Aspect ①)

- Among issues concerning "development and implementation of regulation or legislation," "**complicated administrative procedures**" topped the list of challenges as in the previous year, voted for by 73.7% of companies.
- In "financial affairs, financing, or foreign exchange," "**unstable exchange rate**" was the top answer at about 70%, as in the previous year. In "political or social instability," "**political risk**" and "**public order**" were the top answers, as in the previous year.

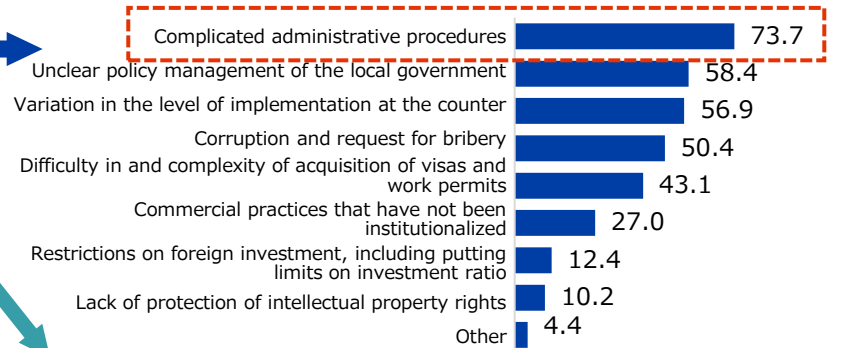
**Challenges in the Investment Environment in the Country <Multiple Answers>**

(%) 0 20 40 60 80



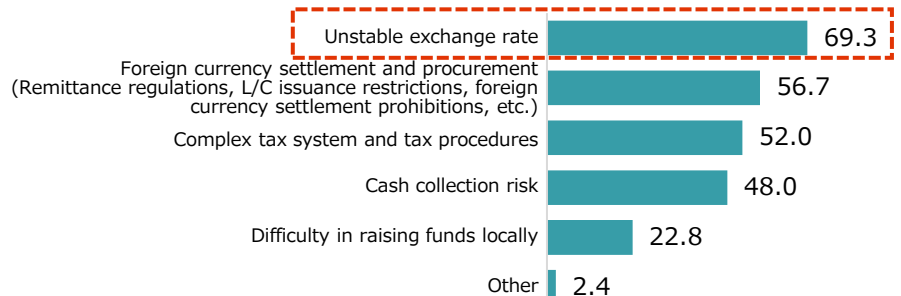
**Development and Implementation of Regulation or Legislation (Multiple Answers)**

(%) 0 20 40 60 80 100



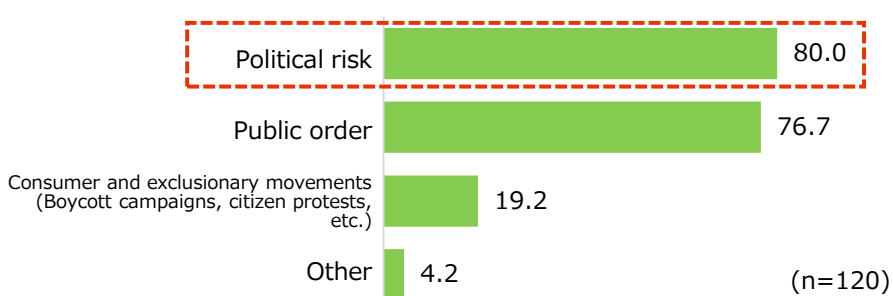
**Financial Affairs, Financing, or Foreign Exchange (Multiple Answers)**

(%) 0 20 40 60 80



**Political or Social Instability (Multiple Answers)**

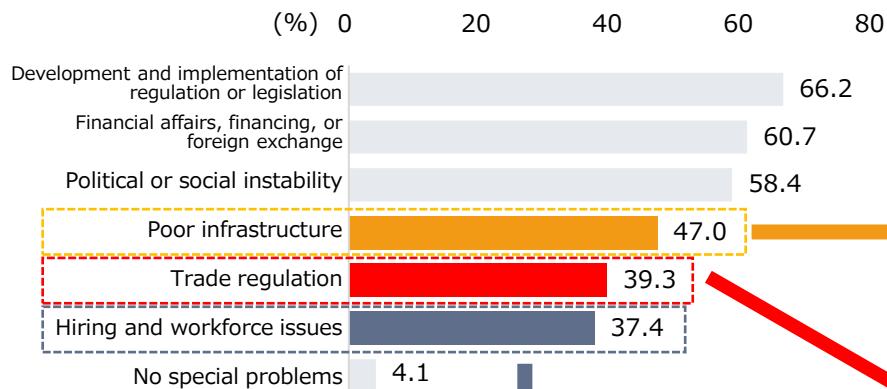
(%) 0 20 40 60 80 100



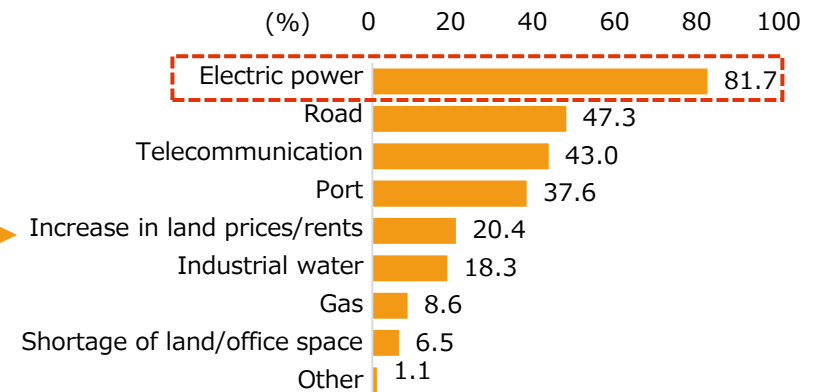
# 5 | Challenges in the Investment Environment (by Aspect ②)

- As for the "poor infrastructure," the most cited answer was "**electricity**" (81.7%), as in the previous year, and for the "hiring and workforce issues," the most cited answer was "**securing human resources**" (69.3%) as in the previous year.
- In terms of "trade regulation," "**complicated customs clearance and other procedures**" is the most common challenge (61.1%), followed by "**time required for customs clearance**" (59.7%).

Challenges in the Investment Environment in the Country <Multiple Answers>

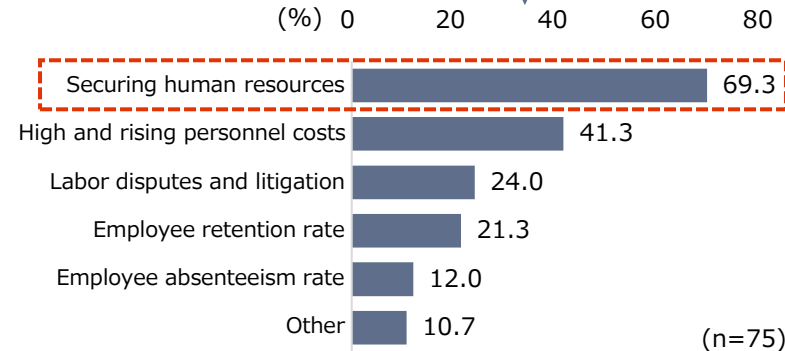


Poor Infrastructure (Multiple Answers)



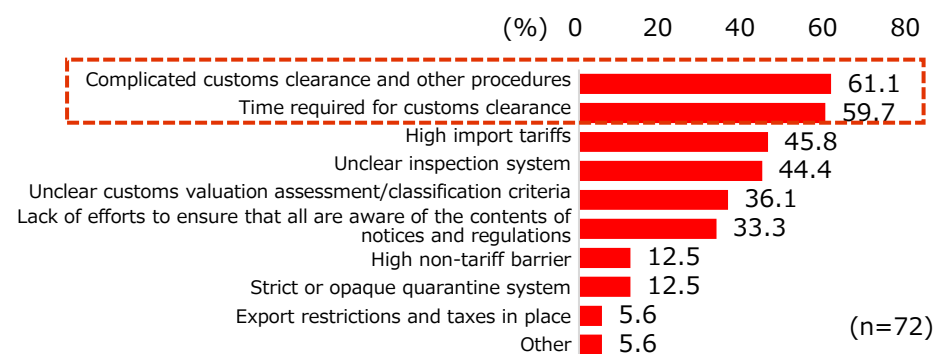
(n= 219)

Hiring and Workforce Issues (Multiple Answers)



(n=75)

Trade Regulation (Multiple Answers)



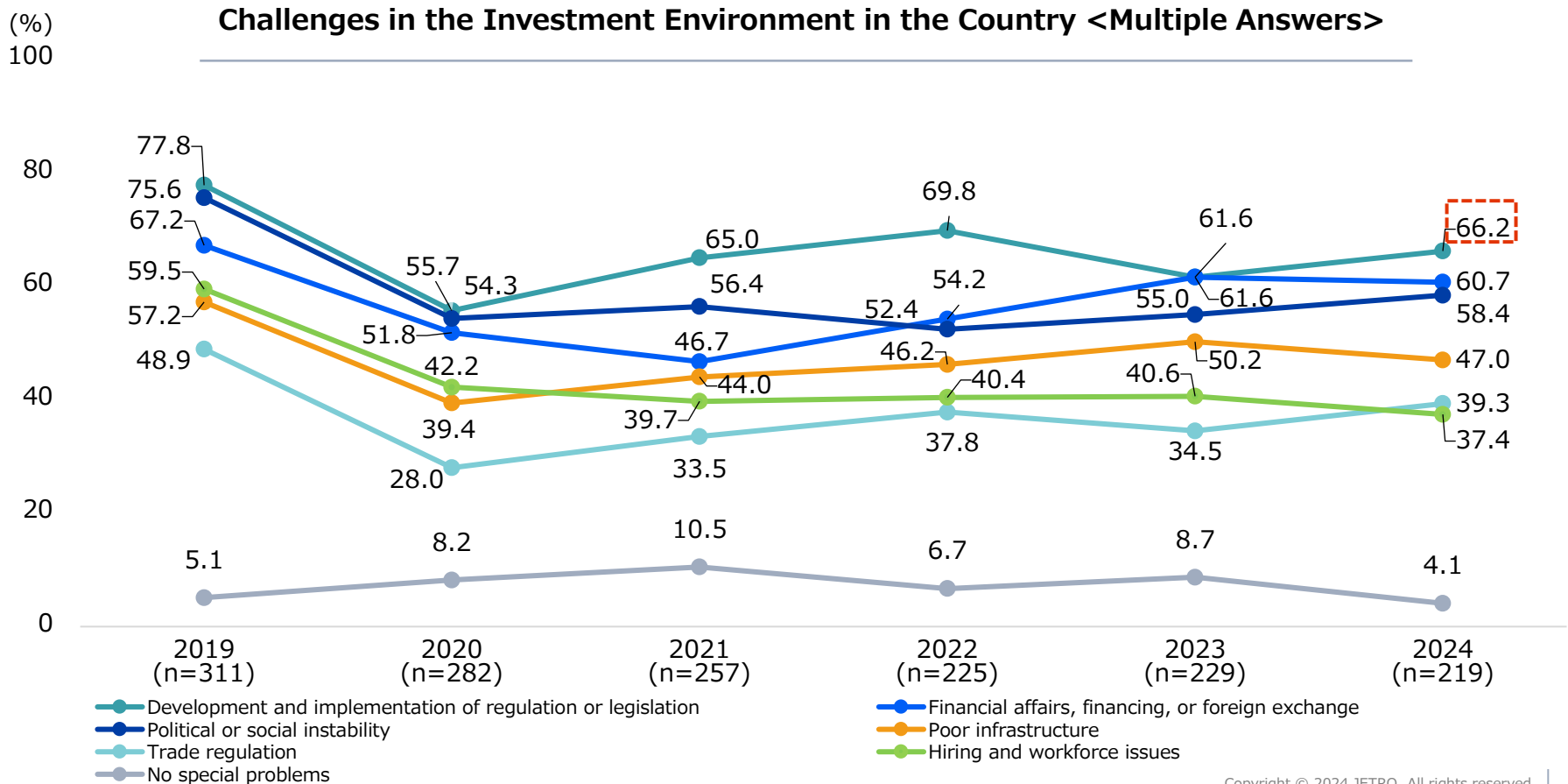
(n=93)

(n=72)



# 6 | Challenges in the Investment Environment (Trends by Aspect)

- The number of respondents who cited "development and implementation of regulation or legislation" increased again by 4.6 points to 66.2%, and became the highest figure after it had declined in the previous year.
- Issues related to the "trade regulation" increased by the sharpest degree of 4.8 percentage points from the previous year.

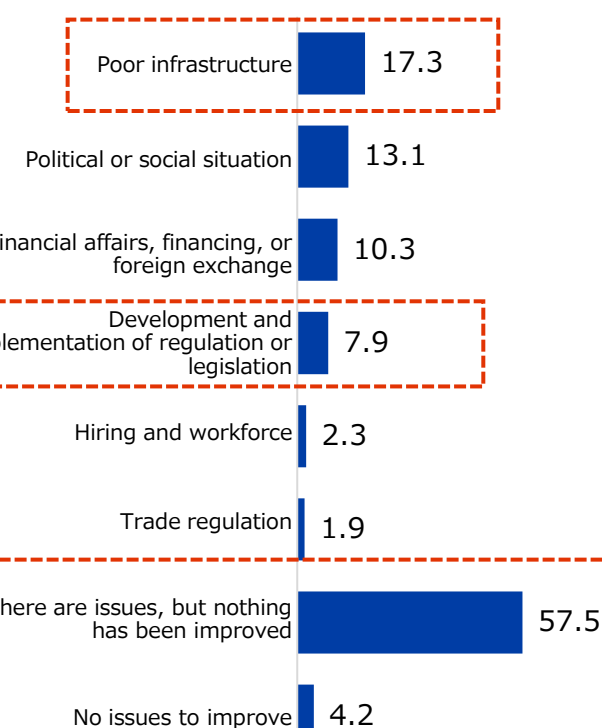


# 7 | Aspects of the Investment Environment That Have Been Improved (Africa as a Whole/by Country)

- The most popular response was "there are issues, but nothing has been improved" at 57.5%, down 6.2 points from the previous year. The percentage of companies that chose "no issues to improve" also decreased by 6.6 percent points from the previous year to 4.2%.
- The number of "development and implementation of regulation or legislation" which had indicated the highest figure (10.8%) of improvement in the previous year, fell to 7.9%. The most popular answer this time was "poor infrastructure" at 17.3%, up 7.0 points from the previous year.

Aspects of the Investment Environment of the Country of Location That Have Been Improved over the Past Year <Multiple Answers>

Overall (%) 0 20 40 60 80 100



By Country	Poor infrastructure	Political or social situation	Financial affairs, financing, or foreign exchange	Development and implementation of regulation or legislation	Hiring and workforce	Trade regulation	There are issues, but nothing has been improved	No issues to improve
<b>Whole of Africa (n=214)</b>	<b>17.3</b>	<b>13.1</b>	<b>10.3</b>	<b>7.9</b>	<b>2.3</b>	<b>1.9</b>	<b>57.5</b>	<b>4.2</b>
South Africa (n=44)	47.7	29.5	6.8	9.1	0.0	2.3	38.6	0.0
Kenya (n=35)	5.7	5.7	5.7	0.0	0.0	0.0	82.9	2.9
Egypt (n=34)	17.6	14.7	38.2	5.9	0.0	2.9	38.2	2.9
Nigeria (n=21)	4.8	4.8	4.8	9.5	9.5	0.0	71.4	4.8
Morocco (n=17)	5.9	0.0	0.0	5.9	5.9	11.8	52.9	23.5
Ghana (n=12)	0.0	0.0	8.3	8.3	8.3	0.0	75.0	8.3
Côte d'Ivoire (n=11)	36.4	9.1	9.1	9.1	9.1	0.0	45.5	0.0
Mozambique (n=9)	11.1	11.1	0.0	22.2	0.0	0.0	55.6	0.0

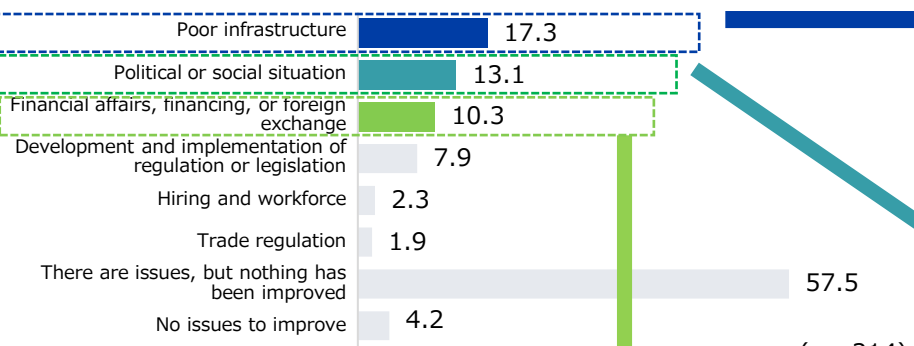
(n= 214) (Note) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.

# 8 | Aspects of the Investment Environment That Have been Improved (by Aspect ①)

- In terms of "poor infrastructure," **"electricity"** accounted for the largest share at 75%, up **50.0 points from the previous year**.
- In terms of "political or social situation," **"political risk"** remained at the top with about 90% improvement, and also in terms of "financial affairs, financing, or foreign exchange," **"exchange"** remained at the top with about 60% improvement.

Improvements in the Investment Environment in the Country <Multiple Answers>

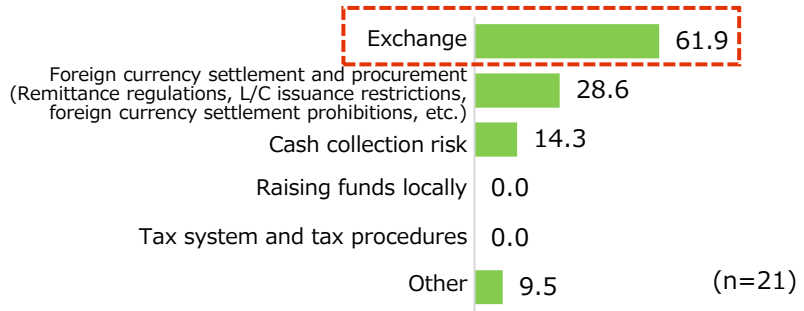
(%) 0 10 20 30 40 50 60 70



(n= 214)

Financial Affairs, Financing, or Foreign Exchange (Multiple Answers)

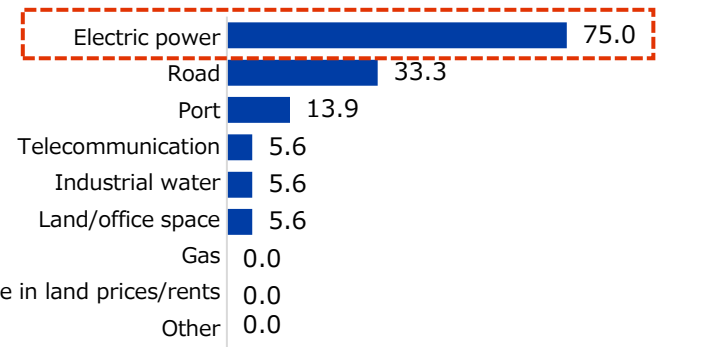
(%) 0 20 40 60 80 100



(n=21)

Poor Infrastructure (Multiple Answers)

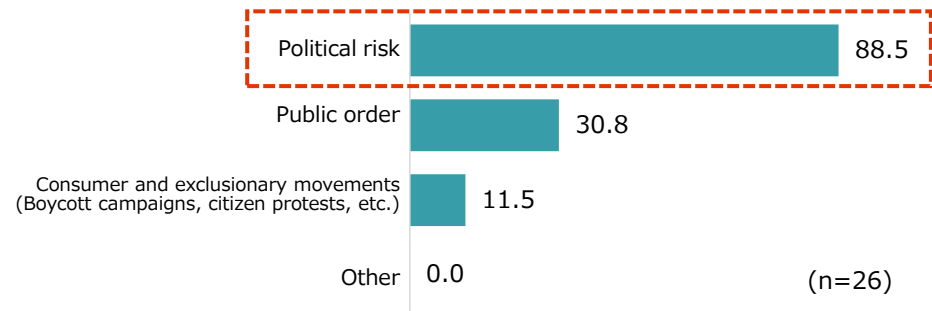
(%) 0 20 40 60 80 100



(n=36)

Political or Social Situation (Multiple Answers)

(%) 0 20 40 60 80 100



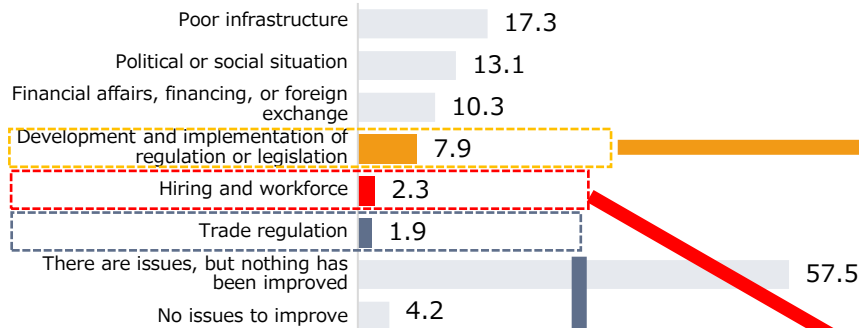
(n=26)

# 9 | Aspects of the Investment Environment That Have Been Improved (by Aspect ②)

- In the "development and implementation of regulation or legislation" category, **the most popular response was "policy management of the local government," which increased by 22.2 points from the previous year,** replacing "complexity of acquisition of visas and work permits" in the previous year.
- As for "hiring and workforce," "securing human resources" accounted for the largest as in the previous year and increased to 100.0%. In terms of "trade regulation," "time required for customs clearance," which had been the most common response in the previous year, topped the list along with "customs clearance and other procedures," each receiving votes from 50% of companies.

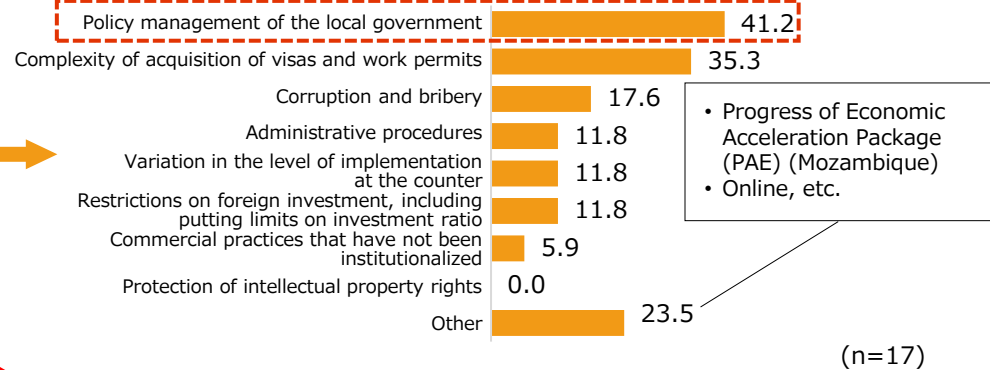
**Improvements in the Investment Environment in the Country <Multiple Answers>**

(%) 0 10 20 30 40 50 60 70



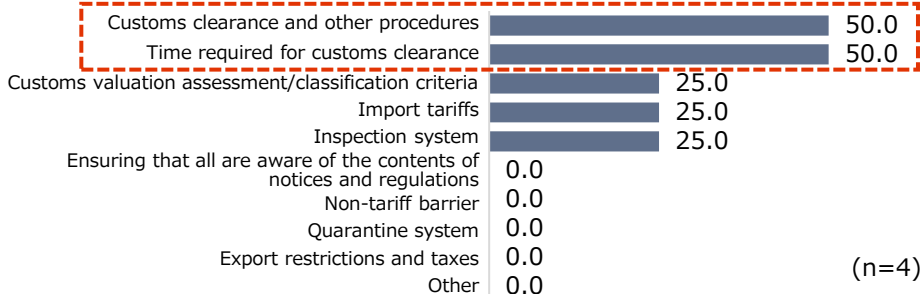
**Development and Implementation of Regulation or Legislation (Multiple Answers)**

(%) 0 20 40 60 80



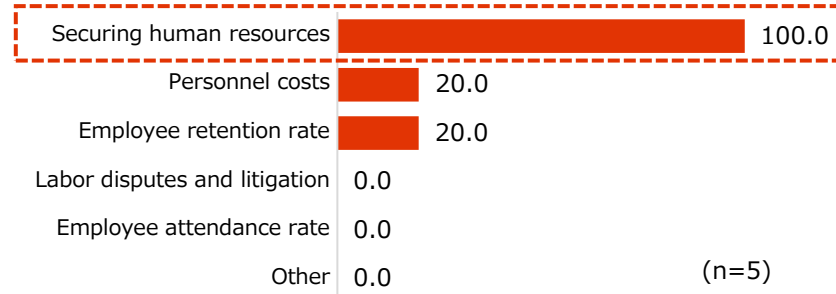
**Trade Regulation (Multiple Answers)**

(%) 0 20 40 60



**Hiring and workforce (Multiple Answers)**

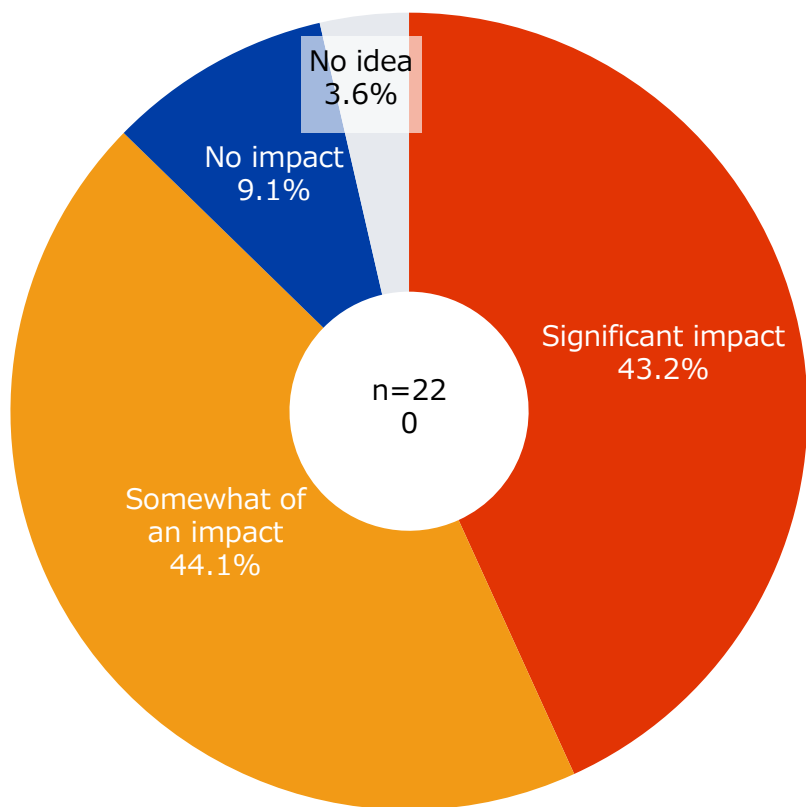
(%) 0 20 40 60 80 100



# 10 | Impact of Geopolitical Developments

- The total of those who said "significant impact" and those who said "somewhat of an impact" was 86.4%.
- While many companies cited the impact of **the Israeli-Hamas clash and Houthi attacks in the Red Sea**, many also attributed the impact to **Russia's invasion of Ukraine**, which began in 2022.

**Political and Diplomatic Developments Affecting Company's Business**



**Geopolitical Developments and Their Implications Having an Impact on Corporate Activities (from Open-ended Responses)**

Geopolitical Developments	Major Impact
<b>Israeli-Hamas clash, Houthi attack in Red Sea</b>	Strained demand for ships, increased transportation costs, extended or delayed transportation days, supply chain disruptions, and obstacles to new investment.
<b>Russia's military invasion of Ukraine</b>	Inflation of high energy and resource (raw material) prices, contraction of existing businesses, and stagnation of new businesses.
<b>Severance of diplomatic relations between Morocco and Algeria</b>	Restrictions on travel, import, and export.
<b>Coup d'etat</b>	Increased transaction risks due to travel restrictions, insecurity in public order, communication restrictions, sudden institutional changes, and a decline in the country's creditworthiness.
<b>China's Belt and Road Initiative to Support Africa</b>	Debt to China has worsened the fiscal situation of African countries, and Chinese companies and products have entered the market.
<b>Monetary policies of the United States, Europe, and countries of location</b>	Foreign exchange losses and large fluctuations in foreign and local currency rates.

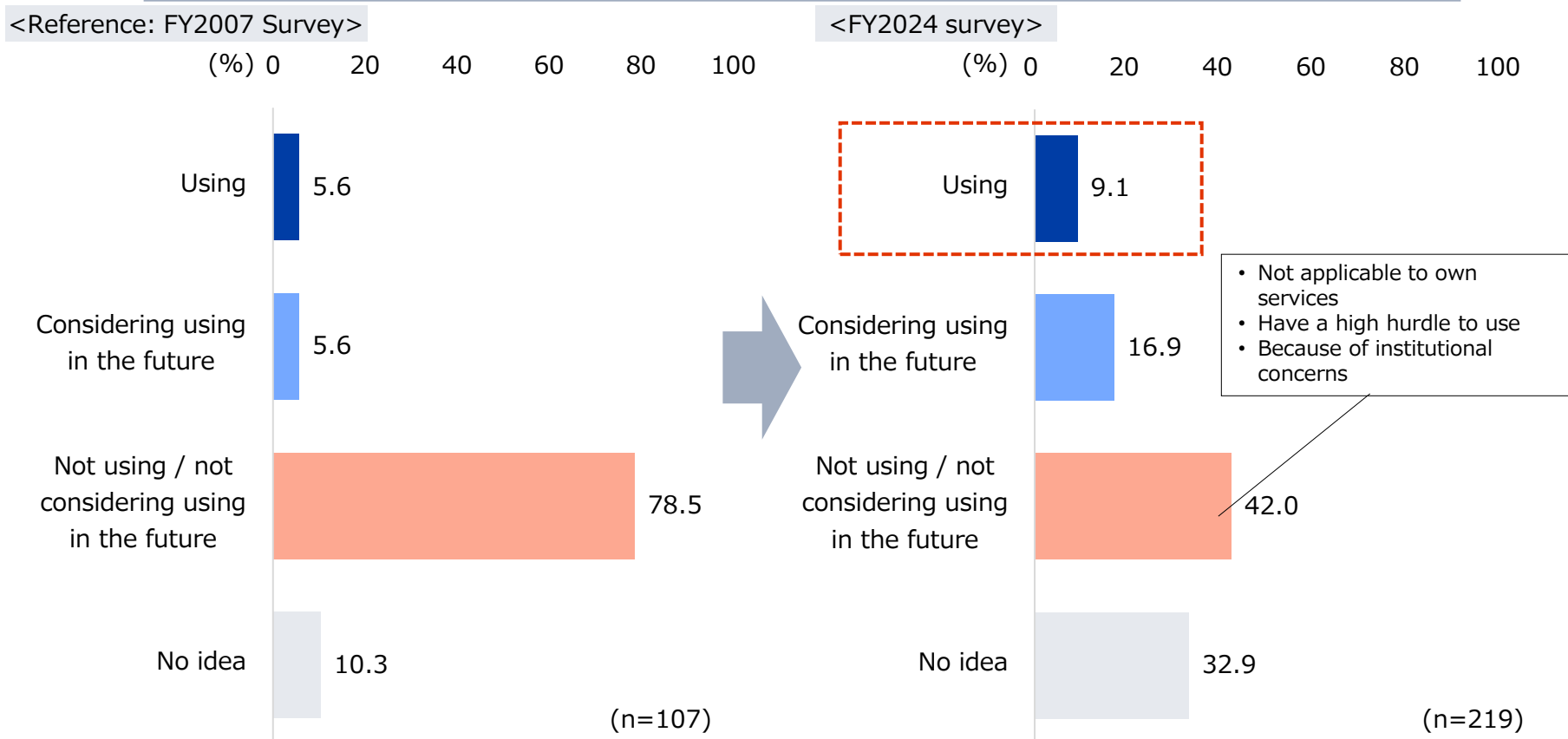
(Note 1) The survey results are as of September 2024.

(Note 2) In order to clarify the intent of the response, the open-ended response has been amended to the extent that it does not undermine the intent of the original text.

# 11 | Usage of FTAs and Customs Unions (Whole of Africa)

- The percentage of companies using FTAs and customs unions was 5.6% in 2007, 8.3% in the previous year, and 9.1% this year. The percentage of companies that are considering using FTAs and customs unions in the future was 5.6% in 2007, 15.8% in the previous year, and 16.9% this year.
- The percentage of companies that are not using FTAs and customs unions now or not considering doing so was 78.5% in 2007, 42.5% in the previous year, and 42.0% this year.

## Status of Use of Free Trade Agreements (FTA), Economic Partnership Agreements (EPA), and Customs Unions <Multiple Answers>

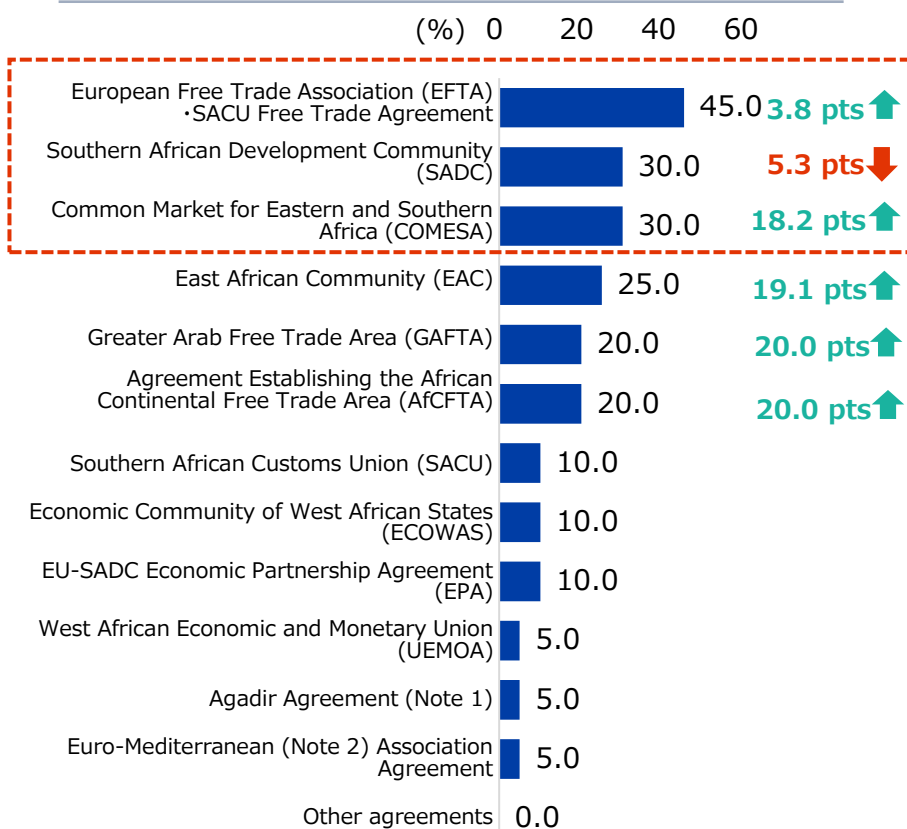


(Note) Including early harvest (early tariff reduction for certain products).

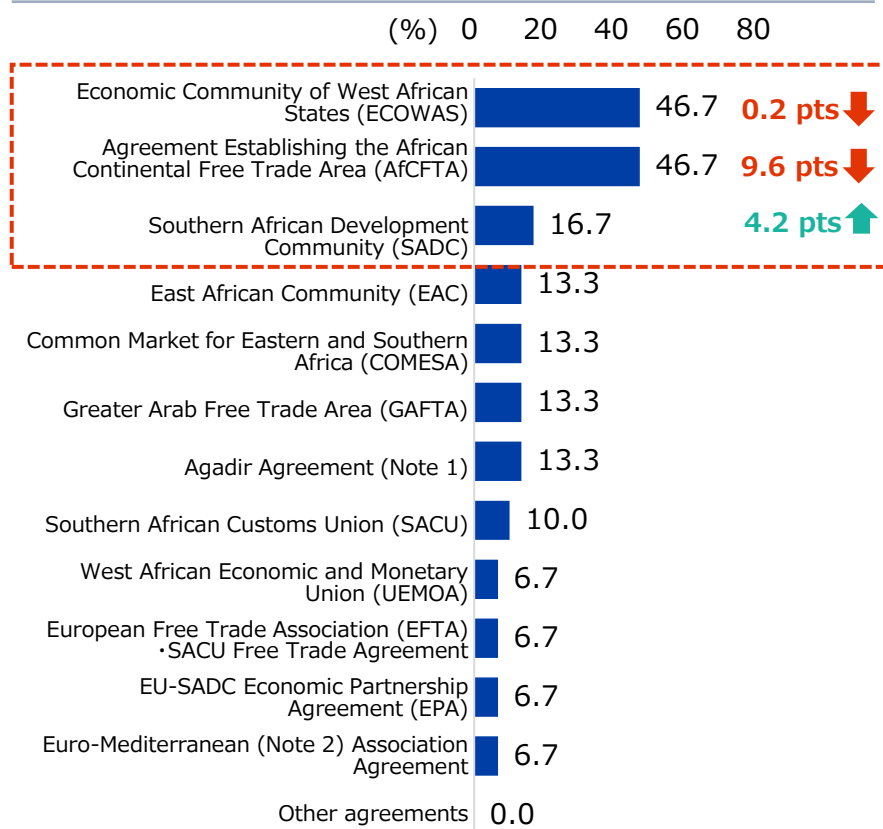
# 12 | Usage of FTAs and Customs Unions (by Agreement/Union)

- As for the FTAs, etc. they currently use, EFTA and SACU Free Trade Agreements were cited the most as in the previous year, up 3.8 points to 45.0%. SADC remained in second place, while COMESA, which had been in fourth place in the preceding year, rose 18.2 points to tie for second place.
- Among FTAs under consideration, ECOWAS and AfCFTA share the top place. SADC rose to third place.

**FTAs, EPAs, and Customs Unions Currently in Use <Multiple Answers>**



**FTAs, EPAs, and Customs Unions You Are Considering Using <Multiple Answers>**



Year-on-year: ↑ Up ↓ Down

(n=20)

(n=30)

(Note 1) Egypt, Tunisia, Morocco, Jordan  
 (Note 2) Egypt, Tunisia, Algeria, Morocco, etc.

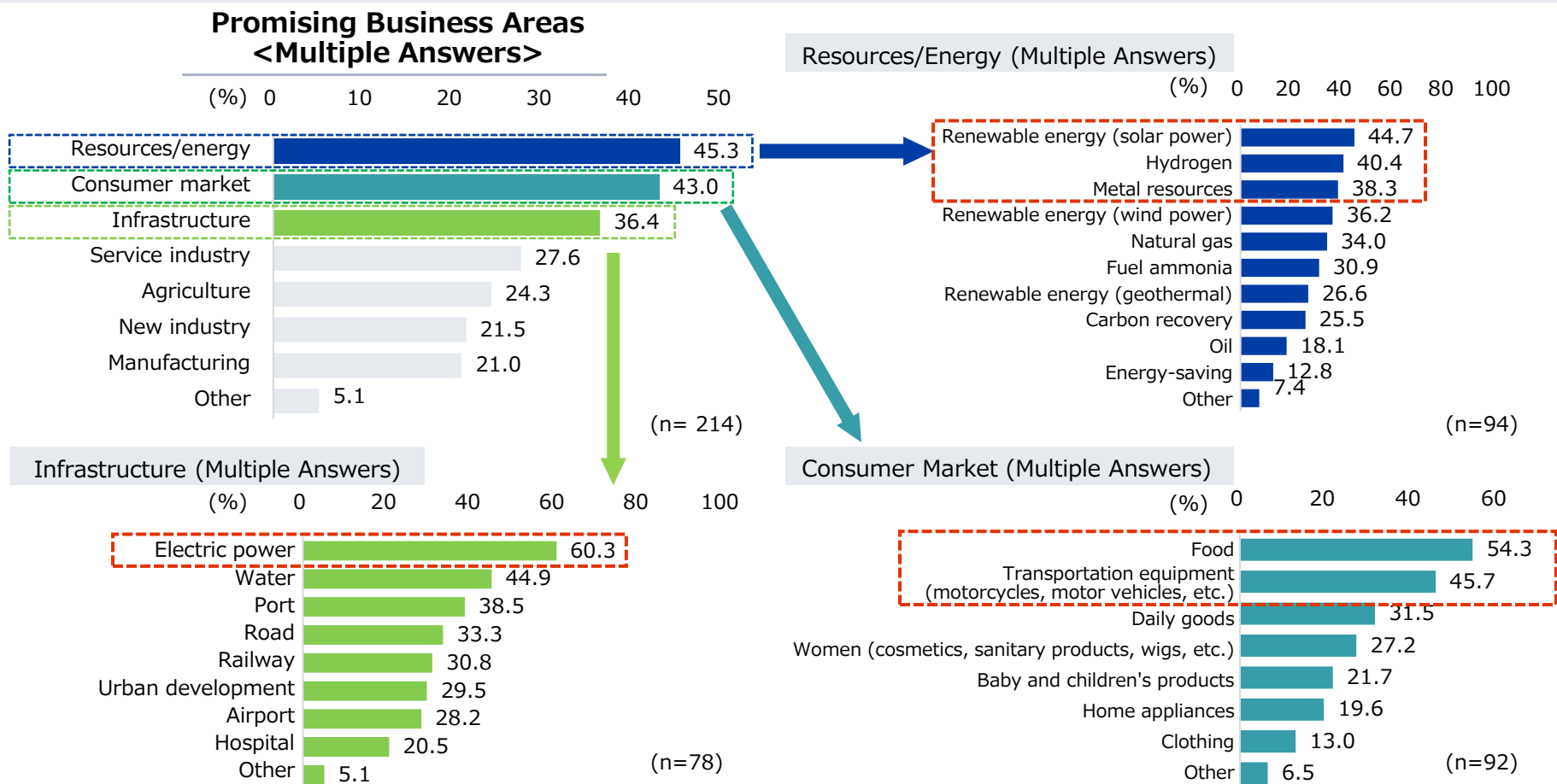
(Note 1) Egypt, Tunisia, Morocco, Jordan  
 (Note 2) Egypt, Tunisia, Algeria, Morocco, etc.

# V. Promising Business Areas & Focus Countries



# 1 | Promising Business Areas (by Area ①)

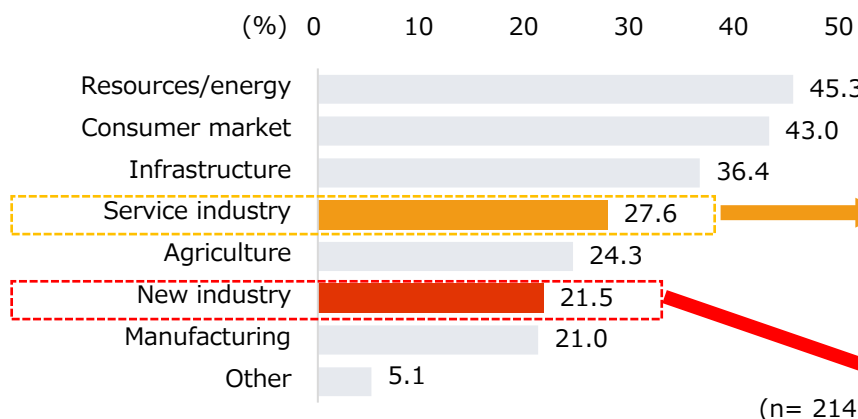
- The most promising business area in Africa was "resources/energy." Of these, "solar power" is the most promising. "Hydrogen" and "metal resources" increased from the previous year.
- "Consumer market" and "infrastructure" are also promising. In the consumer market, "food" and "transportation equipment (motorcycles, motor vehicles, etc.)" are regarded as promising as in the previous year. Among infrastructures, "electricity" is regarded as promising.



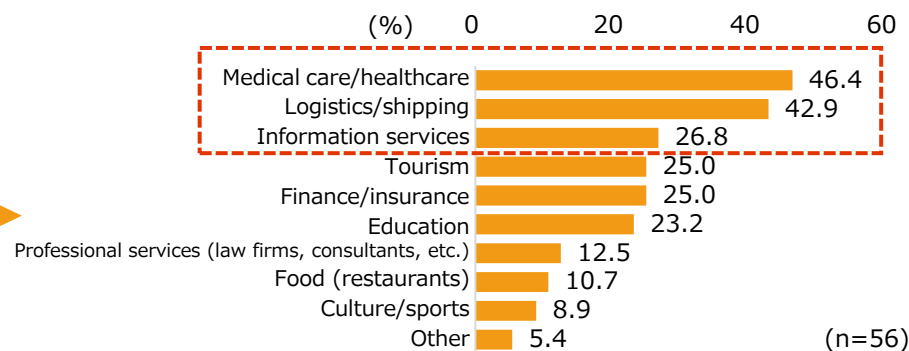
## 2 | Promising Business Areas (by Area ②)

- As for "service industry," the **"medical care/healthcare"** is considered to be the most promising, followed by **"logistics/shipping,"** and **"information services"**, as in the last year. "Tourism" climbed, ranking at the same level as "finance/insurance."
- In the "new industry" category, the percentage of companies citing **"EV"** and **"smart agriculture"** was the highest.

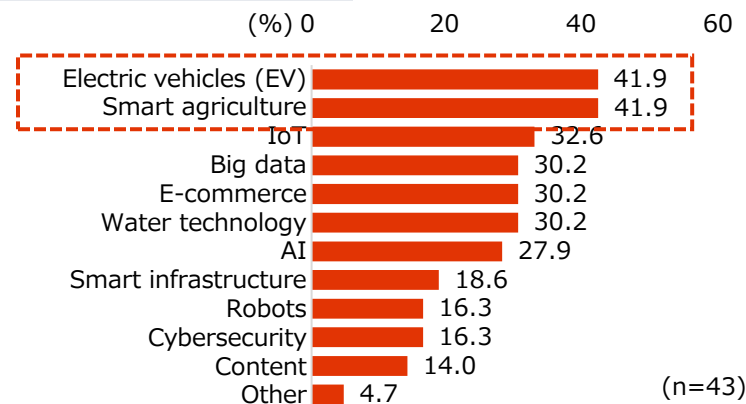
**Promising Business Areas <Multiple Answers>**



**Service Industry (Multiple Answers)**



**New Industry (Multiple Answers)**



- <Agriculture>**
- Fertilizers, pesticides, etc.
  - Grains, vegetables, and fruits (Cacao, sesame, rice, etc.)
- <Manufacturing sectors and products>**
- Automotive industry, textiles (clothing)
  - Chemicals (processed), pharmaceuticals, medical equipment, etc.

### 3 | Promising Business Areas (by Country)

- By country, **resources and energy are regarded promising in South Africa, Morocco, Mozambique, etc.**
- "Consumer market" in Nigeria, "infrastructure" in Côte d'Ivoire, "agriculture" in Ghana, "service industry" in Kenya, and "manufacturing industry" in Egypt are seen as promising relative to other countries in the region.

#### Promising Business Areas in Country of Location or in Africa <Multiple Answers>

(%)	Resources/energy	Consumer market	Infrastructure	Agriculture	Service industry	New industry	Manufacturing	Other
<b>Whole of Africa (n=214)</b>	<b>45.3</b>	<b>43.0</b>	<b>36.4</b>	<b>24.3</b>	<b>27.6</b>	<b>21.5</b>	<b>21.0</b>	<b>5.1</b>
South Africa (n=45)	53.3	44.4	33.3	20.0	24.4	20.0	24.4	6.7
Kenya (n=35)	28.6	45.7	40.0	17.1	40.0	31.4	14.3	2.9
Egypt (n=34)	38.2	38.2	38.2	23.5	26.5	23.5	38.2	5.9
Nigeria (n=20)	40.0	70.0	20.0	40.0	30.0	20.0	10.0	5.0
Morocco (n=16)	56.3	43.8	37.5	12.5	25.0	12.5	12.5	0.0
Ghana (n=12)	25.0	41.7	16.7	41.7	16.7	8.3	25.0	8.3
Côte d'Ivoire (n=11)	45.5	18.2	72.7	27.3	9.1	27.3	27.3	0.0
Mozambique (n=10)	70.0	20.0	60.0	20.0	50.0	20.0	10.0	0.0

(Note) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.

# Promising Business Areas (Solar Power Generation/Hydrogen)

- According to the International Renewable Energy Agency (IRENA), Africa's solar PV capacity rose 6.1% to 13.5 GW in 2023 (North Africa accounts for about 20% of Africa's total).
- According to a 2022 projection by the International Energy Agency (IEA), some countries and regions in Africa could produce hydrogen for less than 1.5 dollars per kilogram in 2030. JETRO is also sponsoring hydrogen-related projects.

## Potential of Solar Power in Individual African Countries

Country	Solar radiation amount on the horizontal plane
Egypt	6.259
Ethiopia	5.850
Kenya	5.780
South Africa	5.629
Morocco	5.563
Nigeria	5.436
Mozambique	5.382
Ghana	5.096
Cote d'Ivoire	5.055
(Reference) United States	4.498
(Reference) China	4.127
(Reference) Japan	3.614

(Note) The amount of long-term solar resources available on the Earth's horizontal surface. Unit: kWh/m<sup>2</sup>  
Source: Solar Atlas Group (World Bank)



"South Africa Hydrogen Business Mission" held in February 2024 (hosted by JETRO)

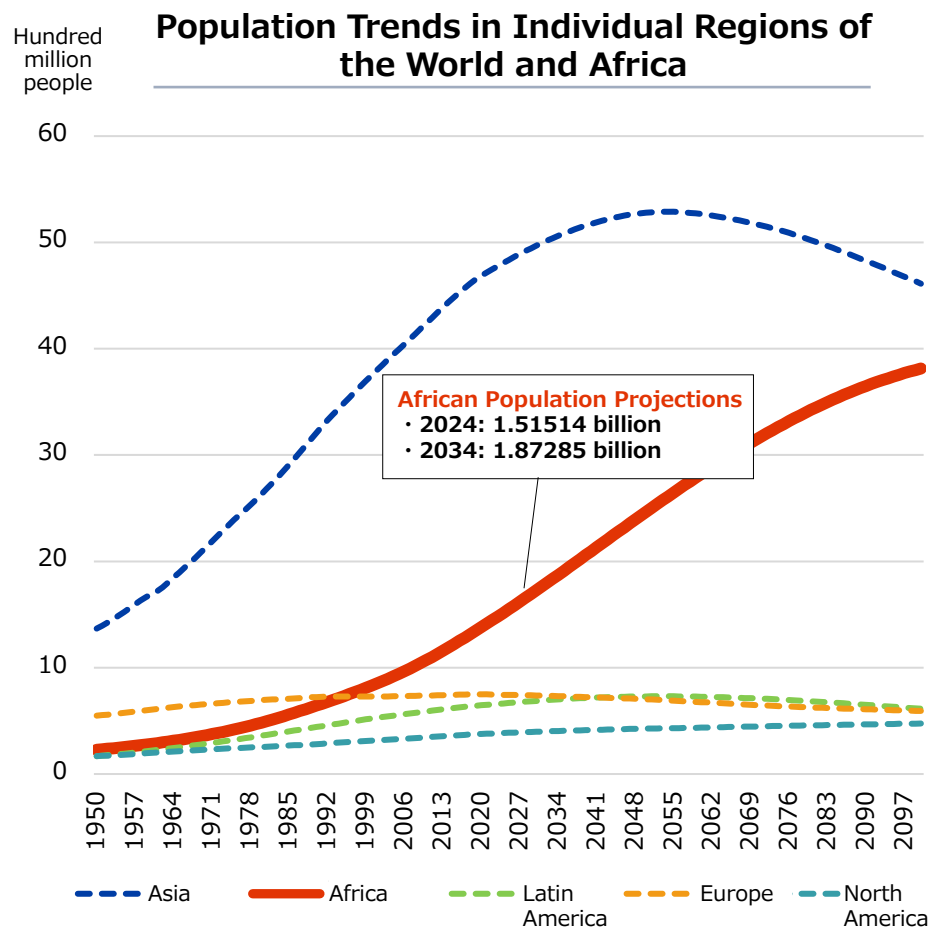


Egypt Renewable Energy, Hydrogen, and Water Infrastructure Mission held in September 2024

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# Reference | Promising Business Areas (Food)

- **Africa's population** is expected to reach **2.46665 billion in 2050**, accounting for **1/4 of the world's population**. The food sector is also considered promising.
- As lifestyles change, awareness of Japanese food is gradually increasing. **The approximate number of Japanese restaurants in Africa (Ministry of Agriculture, Forestry and Fisheries research) increased from approximately 300 in 2015 to approximately 690 in 2023.**



Source: Prepared by JETRO based on UN Population Projections



Japanese food section at a Nigerian supermarket (Photo by JETRO)



Somen served for tasting at an event to promote Japanese foodstuffs in Morocco (From Business Briefing "First Japanese Food Promotion Event Held in Morocco")



Ramen served at a Japanese restaurant in Kenya (from the JETRO research report "Food and Beverage Market Survey in Africa (Kenya)")

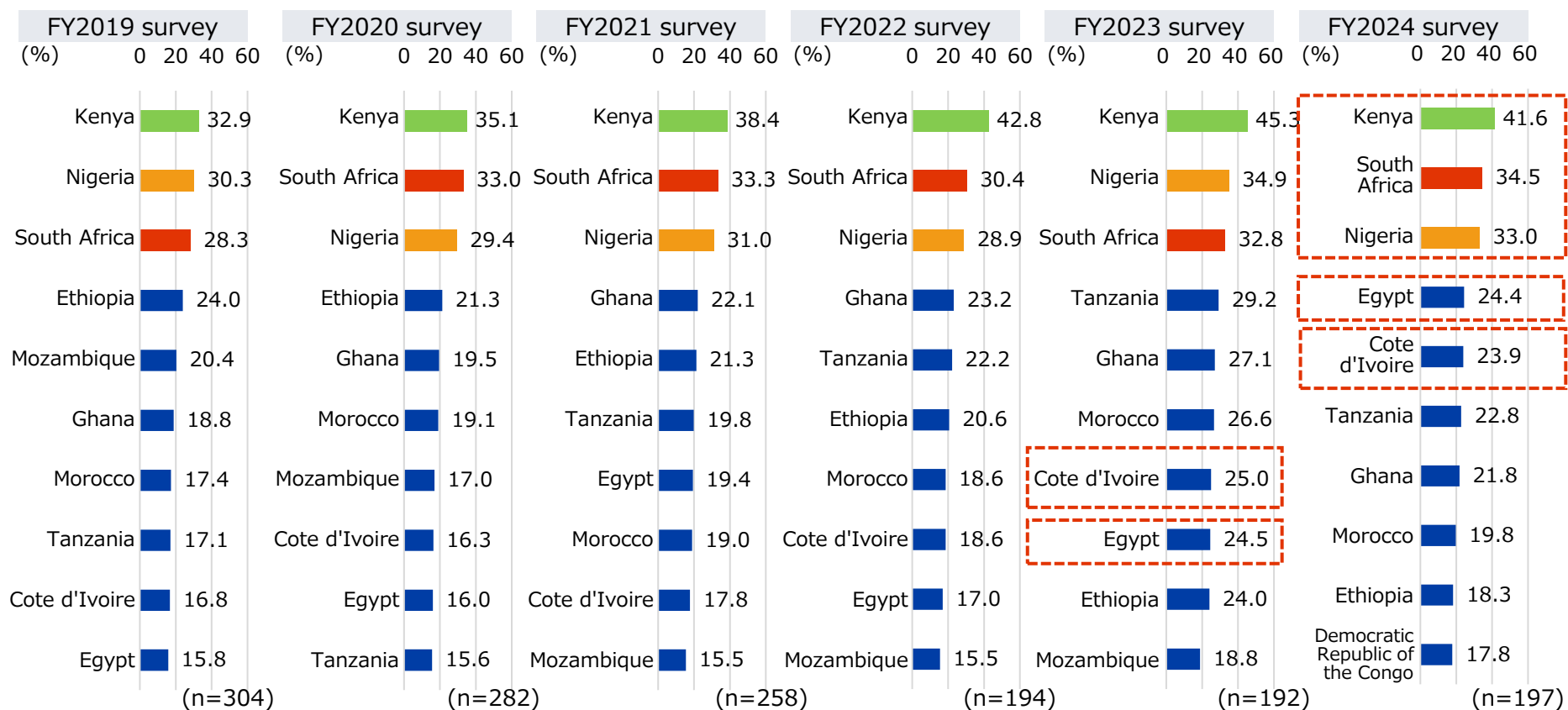
Reference articles: Possibility of Japanese Food Business in Africa  
 Food and Beverage Market Survey in Africa (Morocco, Kenya)  
 First Japanese Food Promotion Event Held in Morocco;  
 Business Briefing (Morocco, France)



# 4 | Focus Countries

- **Kenya remained the top country to watch. South Africa moved up to second place,** while Nigeria slipped to third.
- Egypt rose to fourth place from eighth last year, while Cote d'Ivoire rose to fifth from seventh.

**Changes in Top Ten Focus Countries in Africa <Multiple Answers>**



# Focus Countries

## Top 10 Focus Countries and Company Comments

### <Multiple Answers>

	Country	Percentage (%)	Focus points (company comments)	n=197
1	Kenya	41.6	Business hub in East Africa, population growth, market expansion, entry of Japanese companies, automobiles, ODA projects, coffee, electric power, digital technology, development of special economic zones, lake transportation, large-scale medical equipment	
2	South Africa	34.5	Electric power, retail, office equipment, market size, business environment, manufacturing sites, domestic demand, foreign exchange, monetary policy, underground resources, home delivery demand, healthcare, heavy industries	
3	Nigeria	33.0	Population size, market expansion, natural gas, exchange stability, English-speaking country, business revival (market recovery), motorcycles, rice, outboard motors	
4	Egypt	24.4	Population growth, automobiles, market expansion, hydrogen, renewable energy, geopolitical importance, health awareness, investment from the Middle East, home delivery demand, consumer goods (FMCG), local markets	
5	Cote d'Ivoire	23.9	Market expansion, economic growth, resource development, infrastructure development, agriculture, investment opportunities, West African hub functions, investment rating upgrades, French enterprise network, automotive policy, start-ups, ODA projects	
6	Tanzania	22.8	Population growth, resources, electric power, sewage treatment, ODA projects, natural gas development, motorcycles, Japanese cars, little competition, energy conservation regulations, economic stability, large medical equipment, lake transportation, port infrastructure	
7	Ghana	21.8	West Africa business hub, market expansion, automobiles, agriculture, infrastructure, education level, macroeconomics, less competition	
8	Morocco	19.8	Renewable energy, manufacturing, economic development, North Africa's business hub, hydrogen, automobiles, flour	
9	Ethiopia	18.3	Population size, electric power, mineral resources, market expansion, coffee (beans), consumer markets, business revival	
10	Democratic Republic of the Congo	17.8	Population growth, mineral resources, withdrawal of competitors, forest projects, infrastructure projects, ODA projects	

(Note) In order to clarify the intent of the response, the open-ended response has been amended to the extent that it does not undermine the intent of the original text.

## Focus Countries

## Focus Countries in 11th–20th Places and Company Comments &lt;Multiple Answers&gt;

Country	Percentage (%)	Focus points (company comments)	n=197
11 Mozambique	15.2	Natural gas and energy development, electric power, metal resources, economic growth, market and population size, renewable energy, ODA projects	
12 Uganda	14.2	Electric power, growth potential, ODA projects, motorcycles, Japanese cars, little competition, lake transport, infrastructure projects	
13 Zambia	13.7	Electric power, mineral resources, little competition, ODA projects, copper	
14 Angola	10.2	Potential markets, strong demand, ODA projects, power infrastructure, exit from the oil industry	
15 Algeria	8.6	Resources, cheap electricity and gas, startup ecosystems, flour	
16 Madagascar	7.6	Infrastructure, electric power, ODA projects, tourism development, metal resources, rice, exports to the United States	
16 Rwanda	7.6	Growth potential, FDI, ODA projects, underground resources, DX in agriculture	
18 Mauritius	6.6	Automobiles, location for investment in Africa, exports to the United States	
18 Zimbabwe	6.6	Mineral resources, ODA projects	
20 Cameroon	5.1	Growth potential, stable exchange rates, rice, increased sales due to product movement from Nigeria	

(Note) In order to clarify the intent of the response, the open-ended response has been amended to the extent that it does not undermine the intent of the original text.

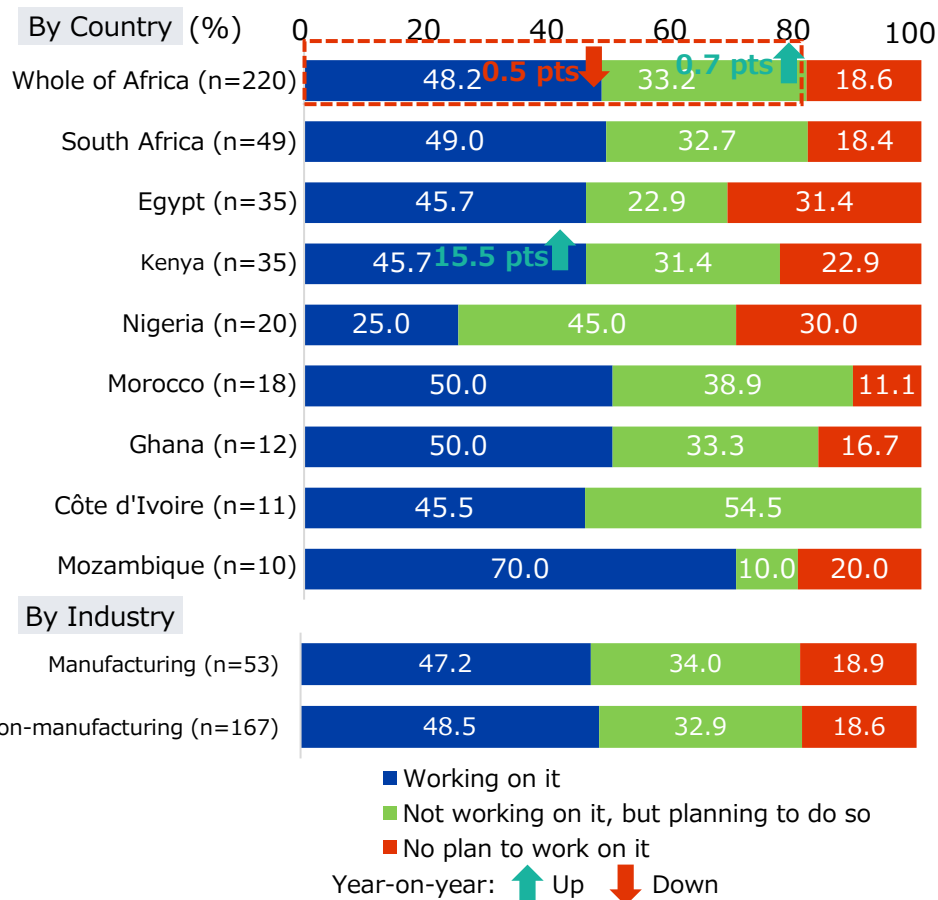


# VI. Decarbonization

# 1 | Decarbonization Efforts

- Across Africa, **more than 80%** said they were either working or planning to work on decarbonization. The percentage of respondents slightly increased by 0.2 percent points from the previous year.
- **In Kenya, the percentage of respondents who are working on it increased by 15.5 points.** In Egypt and Nigeria, 30% of companies said that they had no plan to work on it, and this was higher than that in other countries.

**Status of Decarbonization Efforts**



**Major Initiatives for Decarbonization**

- < Main initiatives (from open-ended response) >
- Development, introduction, and expansion of sales of environmentally conscious vehicles
  - Installation of solar panels and renewable energy generators
  - Priority participation in decarbonization projects
  - Use of carbon offsets
  - Use of carbon credits
  - Electrification and fuel saving of products
  - Participation in afforestation projects
  - Research and development to reduce carbon emissions and remove greenhouse gases
  - Switching to recycled packaging materials

(Note) In order to clarify the intent of the response, the open-ended response has been amended to the extent that it does not undermine the intent of the original text.

## For inquiries, please contact:

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