FY 2025

Survey on Business Conditions of Japanese-Affiliated Companies in Africa

– The ratio of companies with operating surplus is the highest ever for two consecutive years, and the desire to expand business is high due to the increase in local demand –

Japan External Trade Organization (JETRO)
Research & Analysis Department
December 18, 2025

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Key Points of Survey Results

The ratio of companies with operating surplus is the highest ever for two consecutive years, and the desire to expand business is high due to the increase in local demand

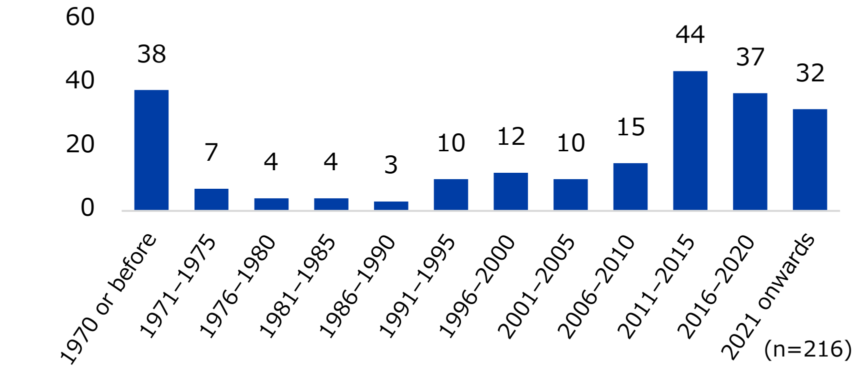
I. Operating Profit Forecast	In 2025, 61.6% of companies are expected to be profitable, a record high. By country, South Africa and Egypt maintained high levels, while Côte d'Ivoire saw a sharp increase. While local demand increased, competition with other companies intensified. In the 2026 outlook, more than 50% of companies in Kenya, Morocco, Ghana, and Côte d'Ivoire are expected to improve.
II. Future Business Outlook	54.0% of companies expect to expand their business in the next one to two years. This is the second highest percentage globally, after Southwest Asia. Especially in the manufacturing sector, more than 70% of companies expect to expand. The most common reason is "expansion of local market needs," which was cited by 81.6% of companies. In terms of function to be expanded, the most companies (about 70%) expect to expand sales. In addition, new business development is expected to be expanded by about 40% of companies, up 9.7 percentage points from the previous year.
III. Investment Environment	While the "future market potential" continues to be the most attractive factor as an investment destination, "development and implementation of regulation or legislation," "financial affairs, financing, or foreign exchange" and "political or social instability" are issues. Among FTAs under consideration, the African Continental Free Trade Area (AfCFTA) was examined by the most companies, with an increase from the previous year.
IV. Employment Environment	About 30% of companies reported an increase in the number of local employees over the past year, and around 40% expect this number to rise in the future. Regarding the situation of securing human resources, about 10% said that it has deteriorated and about 60% said that it has remained unchanged. Compared with other regions, a larger share of respondents in Africa reported deterioration in securing specialist and managerial personnel, citing rising demands for wages and working conditions as the reason.
V. Impact of Global/Regional Situations and Additional U.S. Tariffs	80.5% of companies said that political and diplomatic developments affected their business activities. Among the respondents, the largest share (49.8%) said the additional U.S. tariffs would have "no impact," while 41.4% said they have "no idea at this point." 49.3% of the respondents said they had no specific countermeasures.
VI. Promising Business Areas & Focus Countries	The largest share of respondents said "resources/energy" was the promising business area. In particular, "natural gas" increased by 9.5 percentage points from the previous year, tying with "renewable energy (solar power)" for the top position. "Consumer market" and "infrastructure" areas were also regarded as promising areas. As for the country to watch, Kenya ranked first, as in the previous year, followed by Nigeria, South Africa, and Côte d'Ivoire.

Survey Overview & Respondent Company Profile

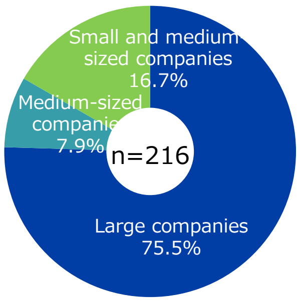
Survey Overview

Survey period:	September 1 to September 22, 2025
Valid response rate:	78.8%
Number of companies that provided valid responses:	216 companies from 18 countries. (Note) A total of 274 companies from 19 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.

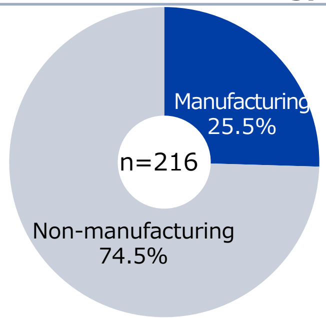
Year of Establishment



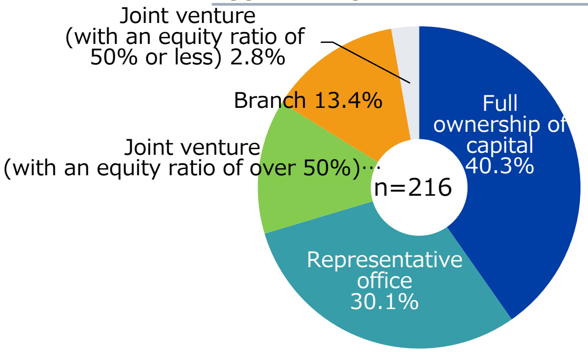
Classification of Japanese Headquarters



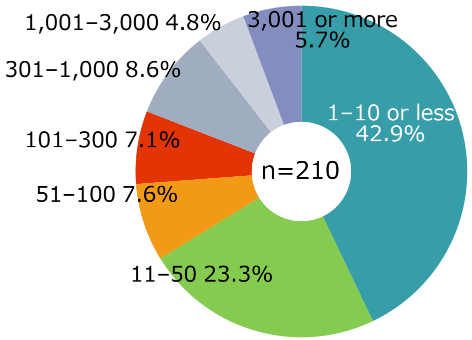
Industry (Manufacturing/ Non-manufacturing)



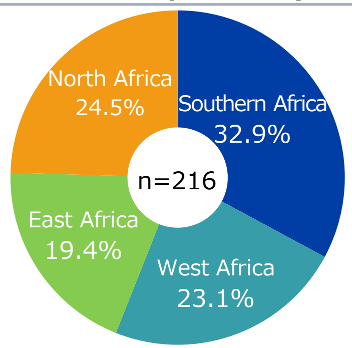
Type of Operation in Africa



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 2025 Survey on Business Conditions of Japanese-Affiliated Companies Overseas: Global Edition."
(Note 3) All years in this report refer to calendar years.
(Note 4) Classification of Japanese Headquarters is based on the definitions in the "Small and Medium-Sized Enterprise Basic Act" and the "Act for Partial Revision of the Act on Strengthening Industrial Competitiveness, etc. for the Purpose of Promoting the Creation of New Businesses and Investment in Industries."
(Note 5) 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.
(Note 6) 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%.

Valid Responses Received from 216 Companies (in 18 Countries)

	Number of companies surveyed	Number of companies that provided valid responses: Number of valid responses; ( ) = Manufacturing	% of total	Valid response rate (%)
Total count	274	216(55)	100.0	78.8
North Africa	70	53(16)	24.5	75.7
Morocco	21	16(7)	7.4	76.2
Egypt	40	30(7)	13.9	75.0
Algeria	5	5(1)	2.3	100.0
Tunisia	4	2(1)	0.9	50.0
West Africa	67	50(9)	23.1	74.6
Nigeria	26	21(6)	9.7	80.8
Ghana	16	11(2)	5.1	68.8
Côte d'Ivoire	13	11(1)	5.1	84.6
Senegal	11	7(0)	3.2	63.6
Burkina Faso	1	0(0)	0.0	0.0
East Africa	51	42(11)	19.4	82.4
Kenya	40	32(8)	14.8	80.0
Tanzania	3	3(1)	1.4	100.0
Ethiopia	5	4(1)	1.9	80.0
Uganda	3	3(1)	1.4	100.0
Southern Africa	86	71(19)	32.9	82.6
South Africa	67	54(17)	25.0	80.6
Mozambique	11	9(1)	4.2	81.8
Madagascar	4	4(0)	1.9	100.0
Angola	2	2(0)	0.9	100.0
Mauritius	1	1(0)	0.5	100.0
Eswatini	1	1(1)	0.5	100.0

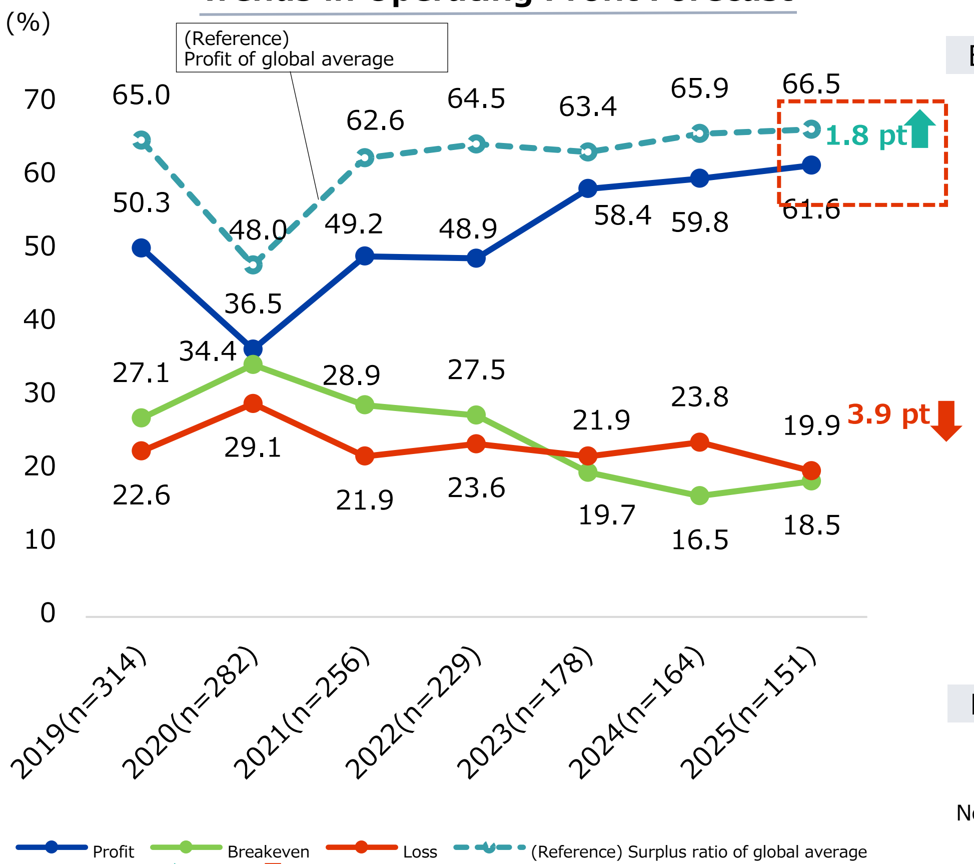
(Note 1) The component percentages in the tables and charts have been rounded off to the 2nd decimal place. Therefore, the sum of the percentages of each answer may not be 100%.
(Note 2) "n" written in the report is the number of valid responses to each question.

I. Operating Profit Forecast

1 2025 Operating Profit Forecast (Overall Trend/by Country)

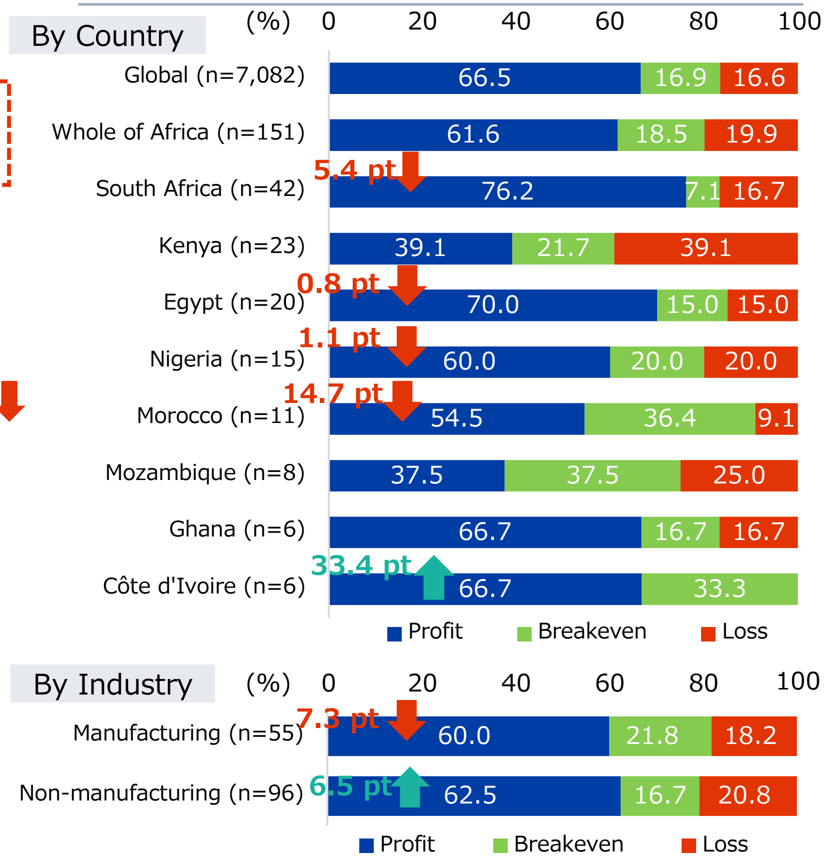
- The share of companies expecting profits in 2025 **across Africa rose 1.8 percentage points to 61.6%, a record high***, although below the global average of 66.5%. The proportion expecting losses fell by 3.9 percentage points to 19.9%. *Comparable figures since 2013.
- By country, 76.2% of respondents in South Africa and 70.0% in Egypt reported being in surplus, remaining at high level despite a decline from the previous year. In Côte d'Ivoire, the share of surplus companies rose sharply. In Kenya, the proportion of expecting losses was high at 39.1%. Non-manufacturing companies posted an increase in surplus ratio.

Trends in Operating Profit Forecast



Year-on-year: Up Down

2025 (Jan–Dec) Operating Profit Forecast

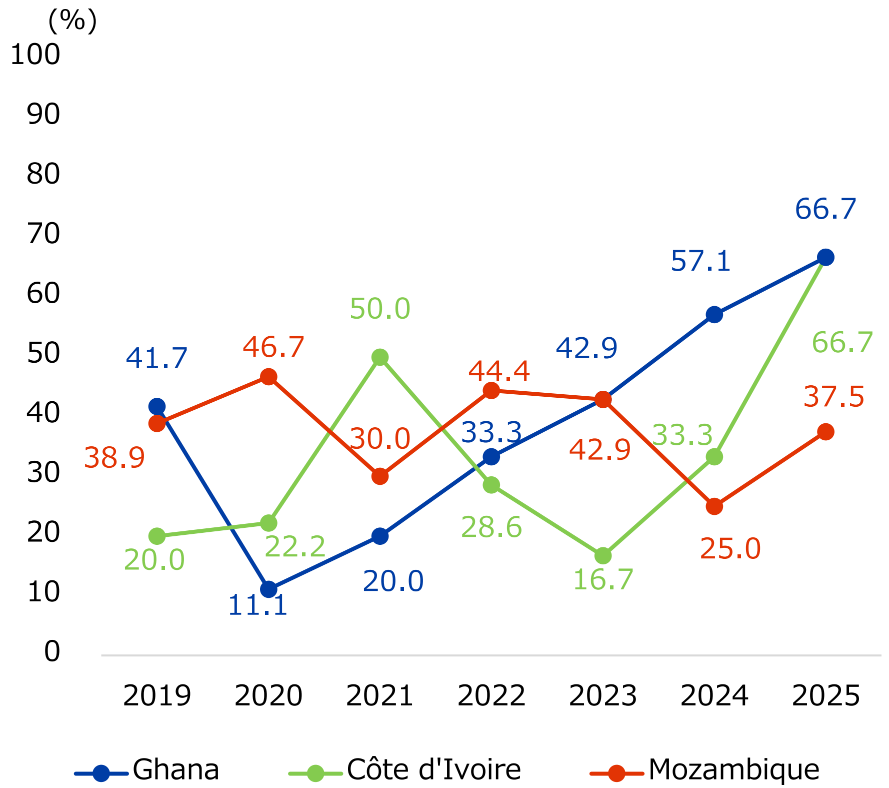


(Note) In the survey since 2023, representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

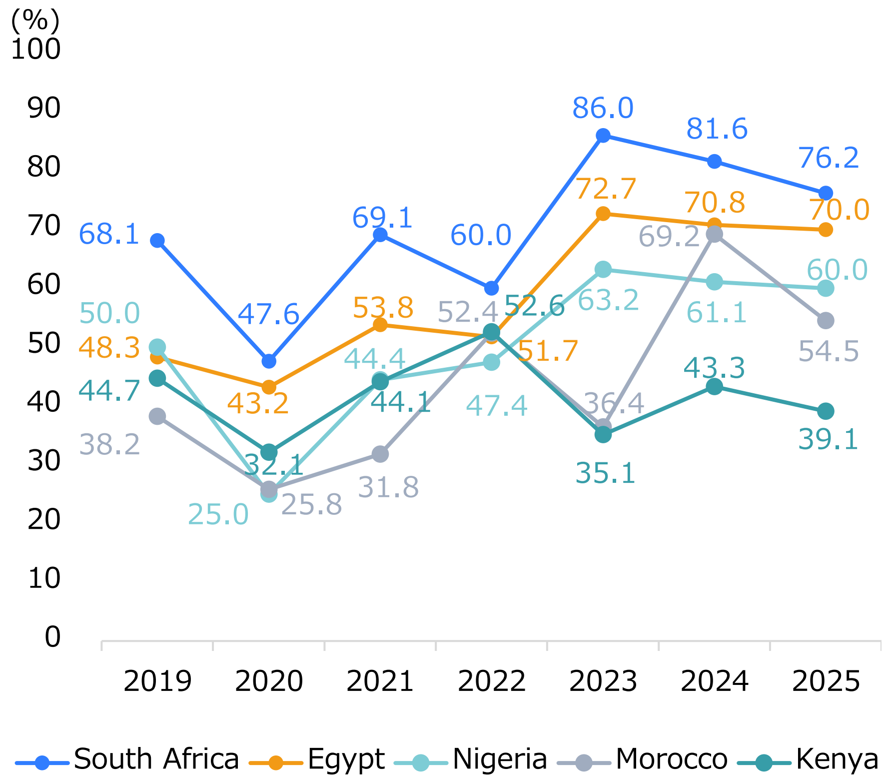
2 | 2025 Operating Profit Forecast (by Country/Trends in Percentage of Companies Expecting Profit)

- The proportion of companies expecting profits **in Ghana has increased for the fifth consecutive year**. **In Côte d'Ivoire, the proportion rose sharply from a year earlier, while in Mozambique it rebounded compared with the previous year**.
- In South Africa and Egypt, the proportion of profitable companies declined slightly from a year earlier but remained high. In Morocco, the proportion fell slightly after surging the previous year, while in Kenya it remains at around 40%.

Trends in the Percentage of Companies Expecting Profit in Major Countries (Year-on-year Increase)



Trends in the Percentage of Companies Expecting Profit in Major Countries (Year-on-year Decrease)

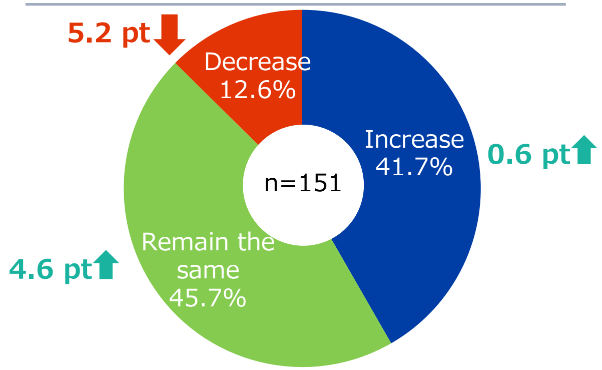


(Note) In the survey since 2023, representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

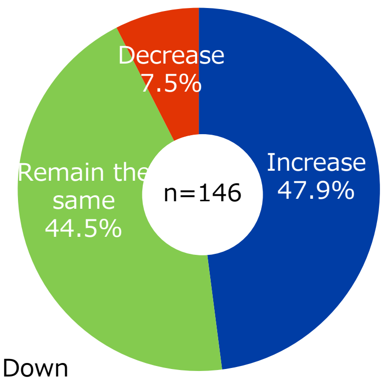
3 Operating Profit: 2025 Forecast and 2026 Outlook (Compared with Previous Year/Trends)

- For Africa as a whole, 41.7% of respondents said their 2025 operating profit forecast will improve compared with the previous year. The share of respondents expecting a "decrease" was 12.6%, down 5.2 percentage points from the previous year, while the proportion expecting profits to "remain the same" rose by 4.6 points.
- **As for the 2026 operating profit outlook (compared to the 2025 forecast), the share of respondents expecting an "increase" rose by 6.2 points to close to 50%. The proportion of expecting a "decrease" dropped by 5.1 points, and the combined share of "increase" or "remain the same" exceeds 90%.**

2025 Operating Profit Forecast (Compared to Previous Year)



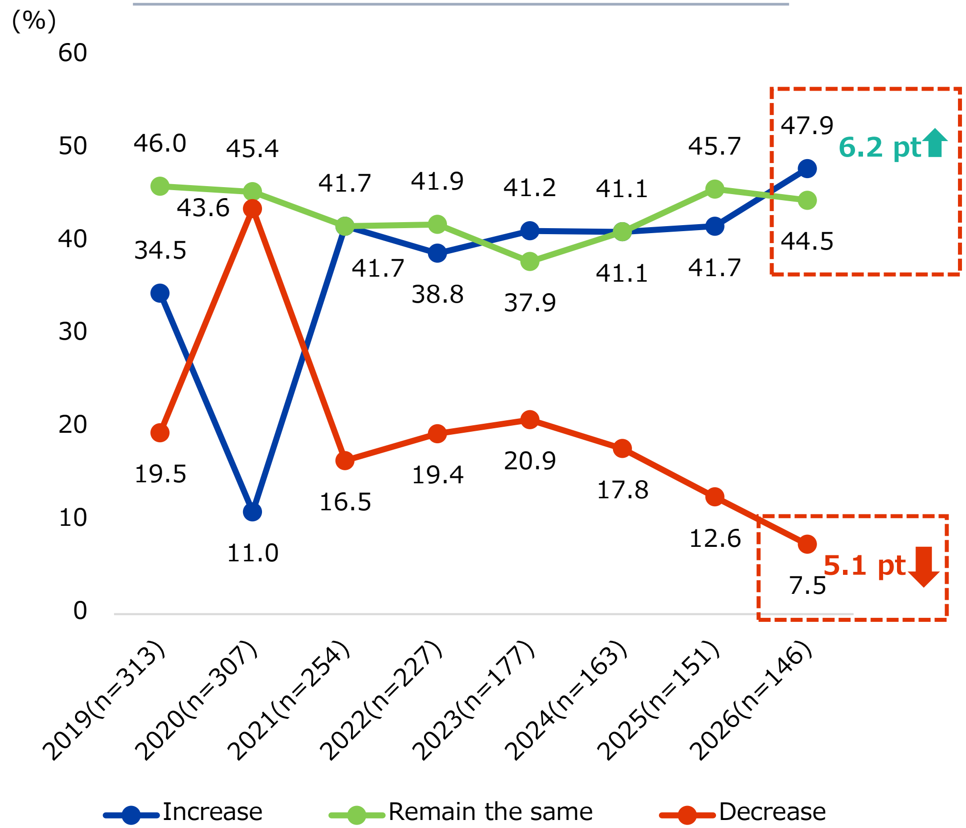
2026 Operating Profit Outlook



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

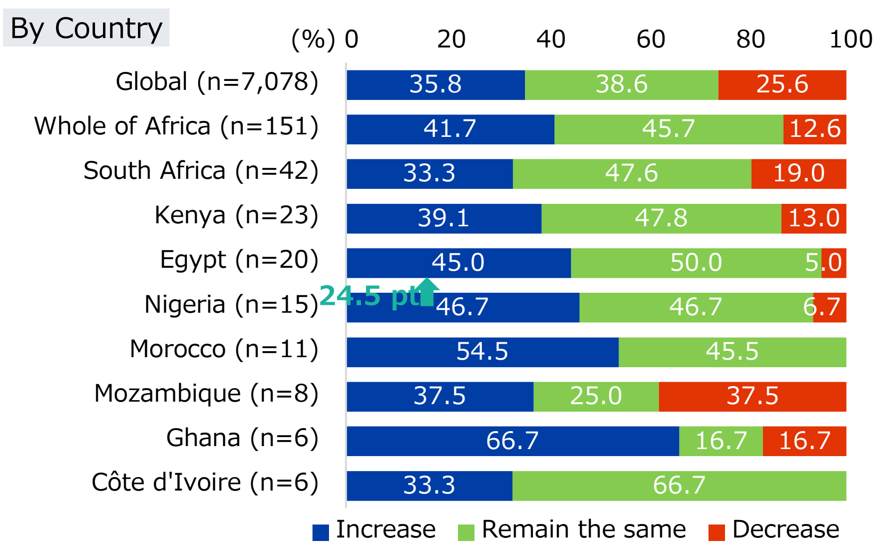


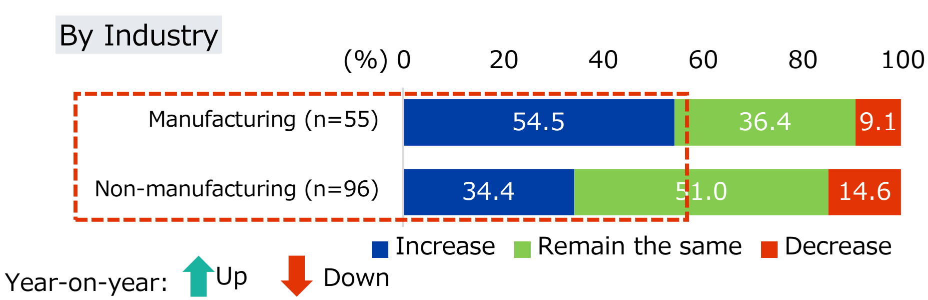
(Note 1) Forecast for 2019–2025; outlook for 2026.
(Note 2) The range of change shown in pt is a comparison between the 2025 forecast and the 2026 outlook.
(Note 3) In the survey since 2023, representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

4 Operating Profit: 2025 Forecast and 2026 Outlook (by Country/by Industry)

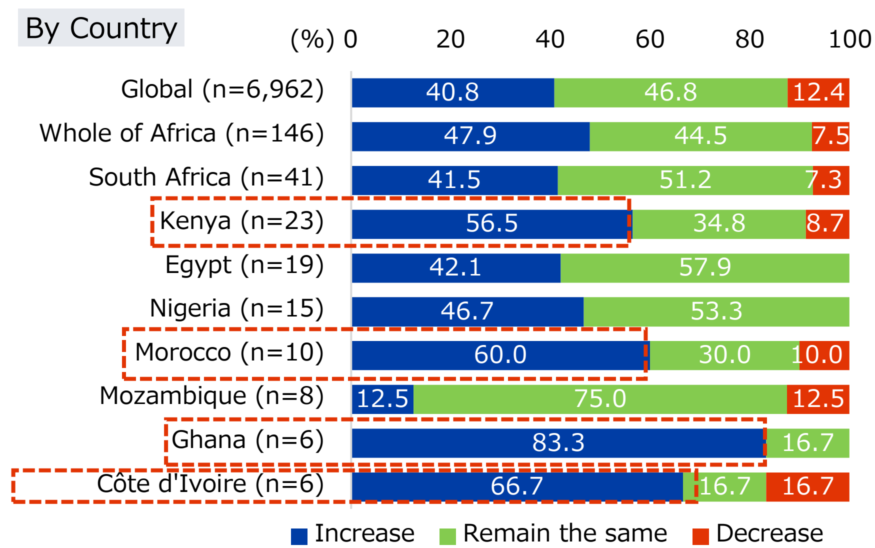
- In Nigeria, nearly 50% of companies forecast their operating profit in 2025 will "increase", up 24.5 percentage points from the previous year. **Regarding the 2026 outlook, more than 50% of respondents in Kenya, Morocco, Ghana, and Côte d'Ivoire expect profits to "increase."**
- **The share of manufacturing companies in Africa expecting an "increase" exceeds that of non-manufacturing in both the 2025 operating profit forecast and the 2026 outlook. It also surpasses the corresponding global manufacturing companies' figures (36.7% in 2025 and 40.3% in 2026)**.

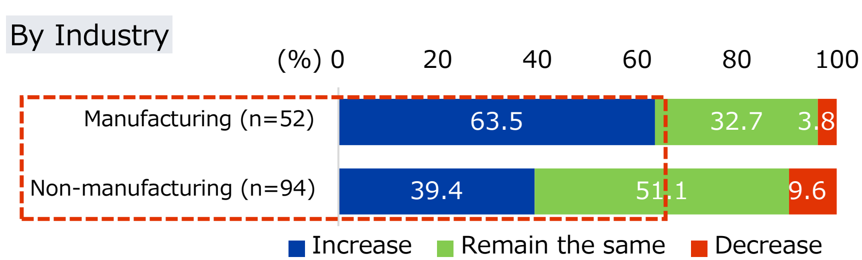
2025 Operating Profit Forecast (Compared to Previous Year)





2026 Operating Profit Outlook



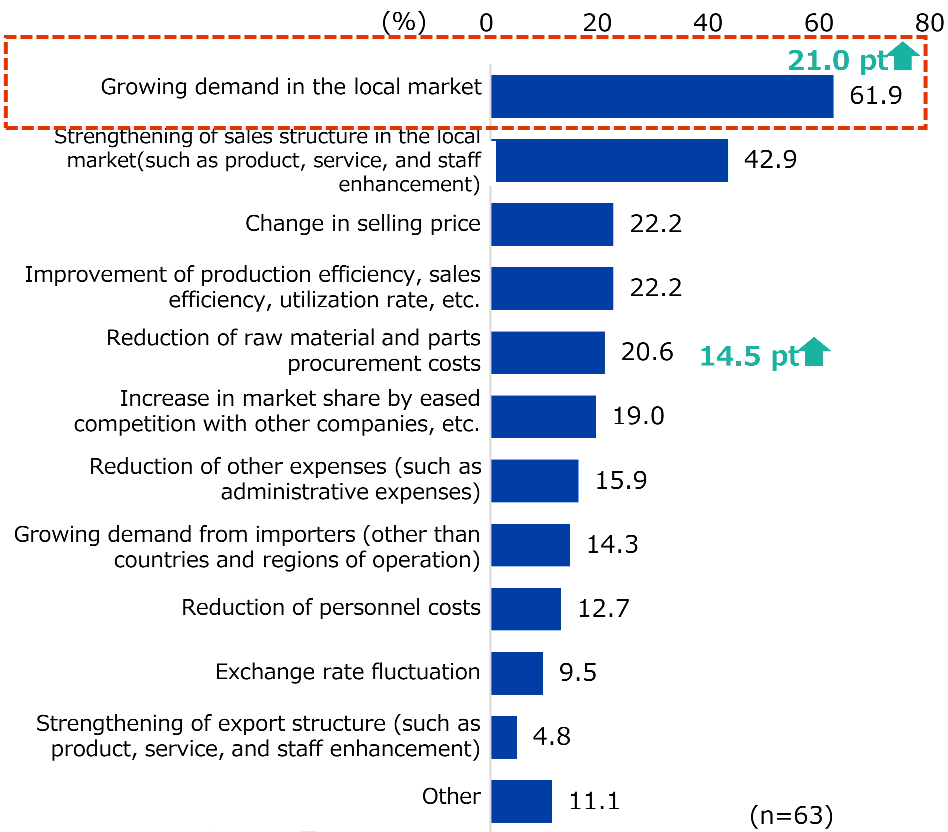


(Note) Representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

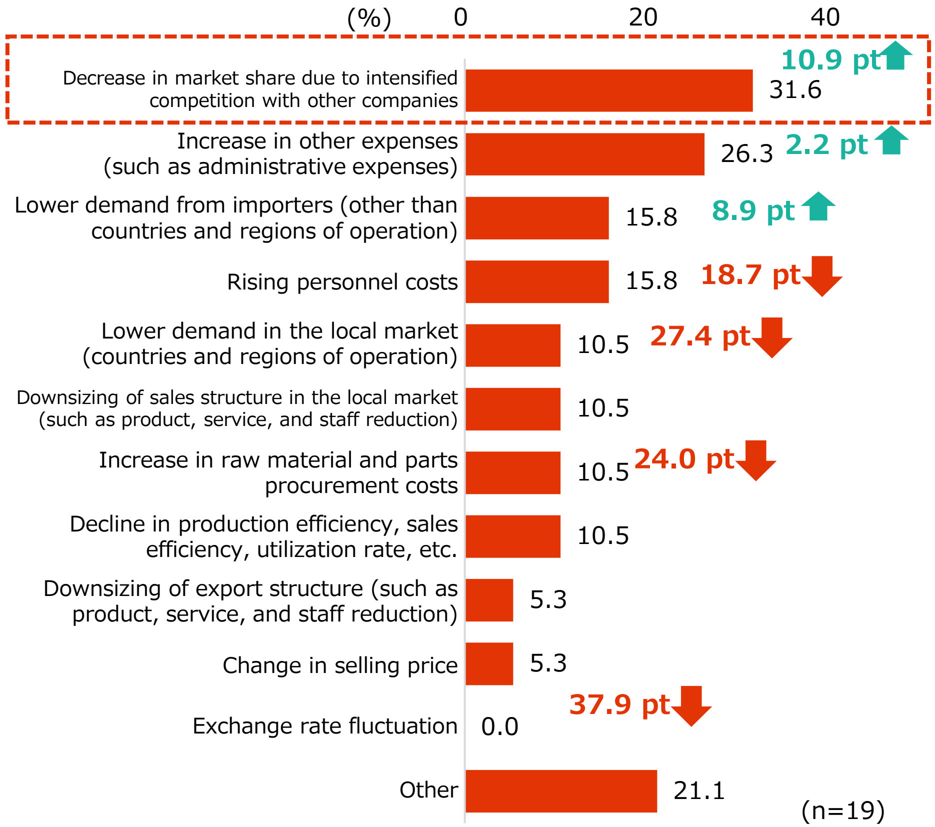
5 | 2025 Operating Profit Forecast (Reasons for Increase/Decrease)

- For Africa as a whole, **the top reason for the improvement in operating profit in 2025 was "growing demand in the local market," up 21.0 percentage points from the previous year to 61.9%.** "Reduction of raw material and parts procurement costs" also increased significantly, by 14.5 percentage points.
- **The top reason for the decline in operating profit was "decrease in market share due to intensified competition with other companies," with an increase of 10.9 points**. "Exchange rate fluctuation," the most common reason last year, fell sharply.

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



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



Year-on-year: ⬆ Up ⬇ Down

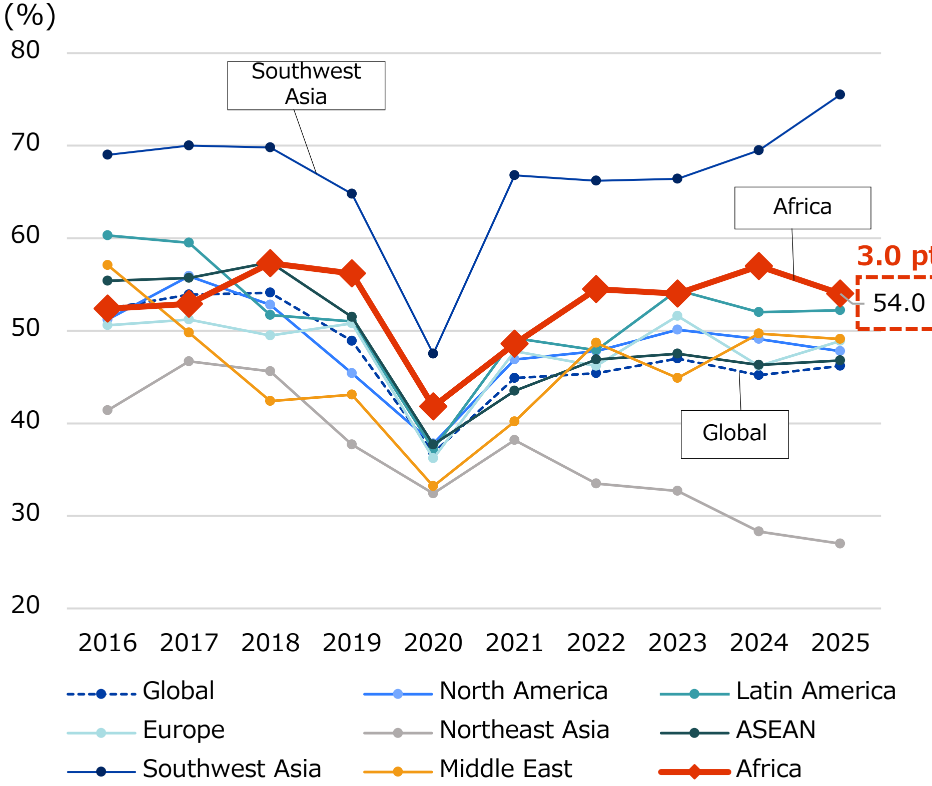
(Note) Representative offices that do not generate operating profit/loss were not subject to questions about operating profit/loss.

II. Future Business Outlook

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

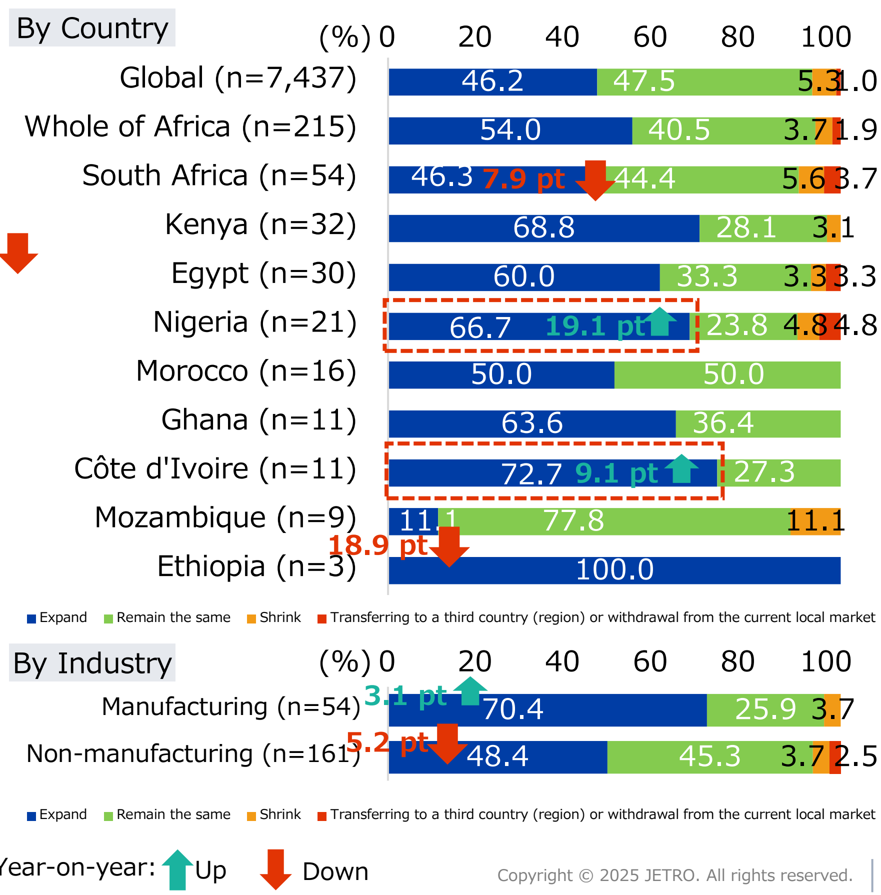
- In Africa as a whole, **54.0% of companies said they would expand their business** in the next one to two years. This is the second-highest level globally after Southwest Asia. In the manufacturing sector, the share of companies planning to "expand" rose by 3.1 points from the previous year to over 70%.
- By country, the share of companies responding "expand" increased sharply **by 19.1 points (66.7%) in Nigeria** and **9.1 points (72.7%) in Côte d'Ivoire** from the previous year.

Changes in the Percentage of Companies that Indicate that They Intend to Expand Their Business over the Next One to Two Years



(Note) For the definition of each region and the details of the global survey results, refer to "JETRO FY 2025 Survey on Business Conditions of Japanese-Affiliated Companies Overseas: Global Edition."

Direction of Business Operations in the Next One to Two Years



2 Operating Profit Forecast and Direction of Business Operations in the Next One to Two Years

- **Among companies expecting operating profit to be in the black in 2025, 56.5% said they would expand their business in the next one to two years.** 39.1% said they would "remain the same."
- Of the companies forecasting losses, 50% said they would "expand" and 40% said they would "remain the same." Among companies projecting a "breakeven," 50% said they would "remain the same."

Operating Profit Forecast for 2025 and Business Development for the Next One to Two Years

	(%)	Direction of Business Operations in the Next One to Two Years			
		Expand	Remain the same	Shrink	Transferring to a third country (region) or withdrawal from the current local market
2025 (Jan–Dec) Operating Profit Forecast	**Whole of Africa (n=150)**	**52.0**	**41.3**	**5.3**	**1.3**
	Profit (n=92)	56.5	39.1	3.3	1.1
	Breakeven (n=28)	39.3	50.0	10.7	0.0
	Loss (n=30)	50.0	40.0	6.7	3.3

(Note) Blue indicates a response rate of 50% or more.

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

- **In Africa as a whole, the most common reason was "expansion of local market needs," cited by 81.6% of companies**.
- This was followed by "increase in exports" at over 30%, with companies in Egypt in particular reporting a much higher figure of 50.0% compared with Africa as a whole.

Reasons for Business Expansion <Multiple Answers>

(%)	Expansion of local market needs (countries and regions of operation)	Increase in exports	Strong advantage over competitors	High receptivity for high value-added products/services	Great talent advantage	Expansion of preferential treatment	Deregulation	Other
Whole of Africa (n=114)	**81.6**	**31.6**	**21.9**	**16.7**	**1.8**	**1.8**	**0.0**	**9.6**
South Africa (n=23)	73.9	39.1	21.7	13.0	0.0	0.0	0.0	17.4
Kenya (n=22)	81.8	22.7	22.7	27.3	0.0	4.5	0.0	0.0
Egypt (n=18)	83.3	50.0	33.3	27.8	5.6	5.6	0.0	16.7
Nigeria (n=14)	85.7	14.3	14.3	21.4	0.0	0.0	0.0	14.3
Morocco (n=8)	62.5	37.5	25.0	0.0	0.0	0.0	0.0	12.5
Côte d'Ivoire (n=8)	87.5	25.0	12.5	0.0	0.0	0.0	0.0	0.0
Ghana (n=7)	85.7	28.6	28.6	28.6	14.3	0.0	0.0	0.0
Ethiopia (n=3)	100.0	0.0	0.0	0.0	0.0	0.0	0.0	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.

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

- **About 70% of companies in Africa said they would expand "sales" function**.
- **Companies in Egypt showed a particularly high rate of "new business development."** In Morocco, 50% of companies responded "production (general purpose goods)," exceeding the figure for Africa as a whole.

Functions to Be Expanded Specifically <Multiple Answers>

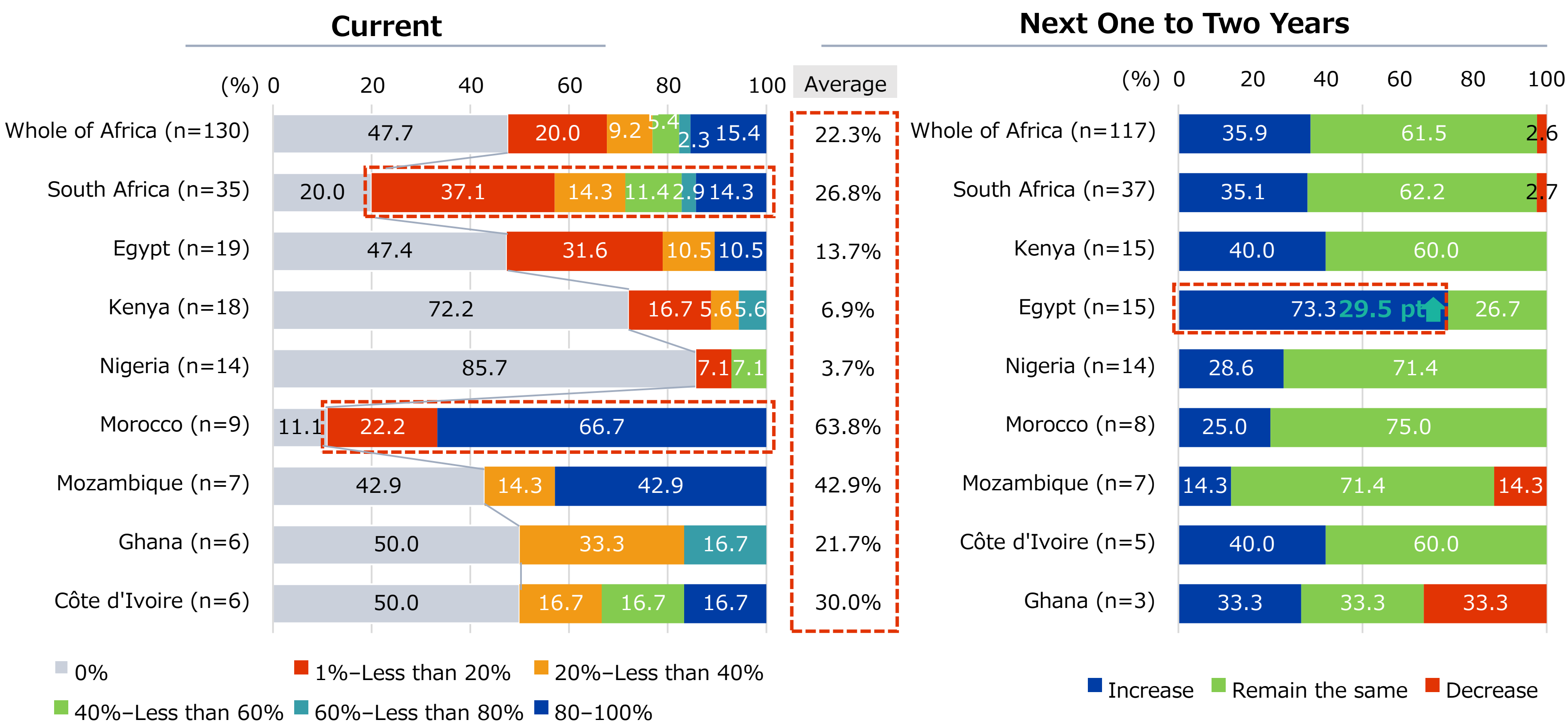
(%)	Sales	New business development	Customer service	Production (general purpose goods)	Production (high value-added products)	Regional control function	R&D	Other
Whole of Africa (n=115)	**70.4**	9.7 pt ⬆ **41.7**	**21.7**	**13.9**	**13.0**	**11.3**	**6.1**	**5.2**
South Africa (n=24)	83.3	33.3	20.8	8.3	12.5	16.7	0.0	4.2
Kenya (n=22)	72.7	50.0	18.2	4.5	13.6	9.1	0.0	9.1
Egypt (n=18)	55.6	61.1	22.2	16.7	16.7	5.6	11.1	11.1
Nigeria (n=14)	92.9	35.7	28.6	7.1	7.1	0.0	0.0	0.0
Morocco (n=8)	50.0	25.0	12.5	50.0	25.0	12.5	0.0	0.0
Côte d'Ivoire (n=8)	37.5	37.5	37.5	12.5	12.5	37.5	12.5	0.0
Ghana (n=7)	57.1	42.9	28.6	28.6	14.3	0.0	42.9	14.3
Ethiopia (n=3)	100.0	33.3	0.0	0.0	0.0	0.0	0.0	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.

Year-on-year: ⬆ Up ⬇ Down

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

- In Africa as a whole, more than half of the responding companies export, particularly **in Morocco (about 90%) and South Africa (80%)**.
- About 60% of respondents said they would maintain the current export ratio over the next one to two years, while 35.9% said they would expand the ratio. By country, **73.3% of companies in Egypt responded that they would expand, up 29.5 percentage points from the previous year.**



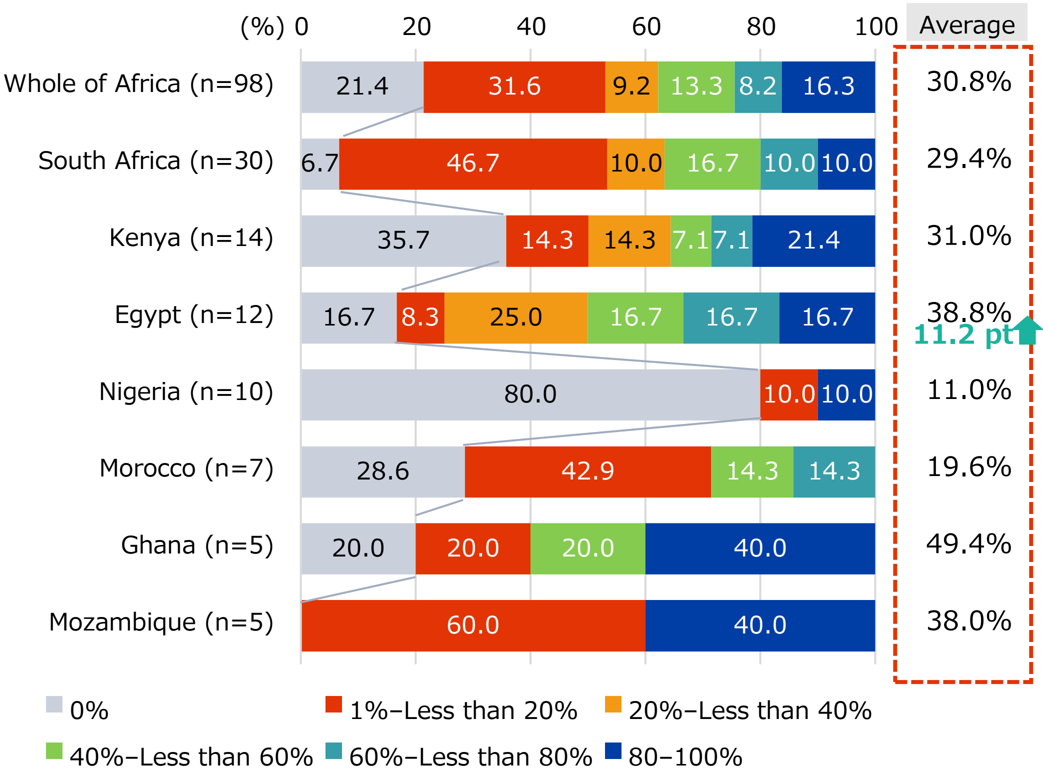
(Note 1) Calculated ratio of exports (overseas sales) with sales of 100 on a monetary basis.
(Note 2) Representative offices that do not generate operating profit are excluded from the survey.
(Note 3) Actual answers ranged from 0% to 100%, and the average was calculated.

Year-on-year: Up Down

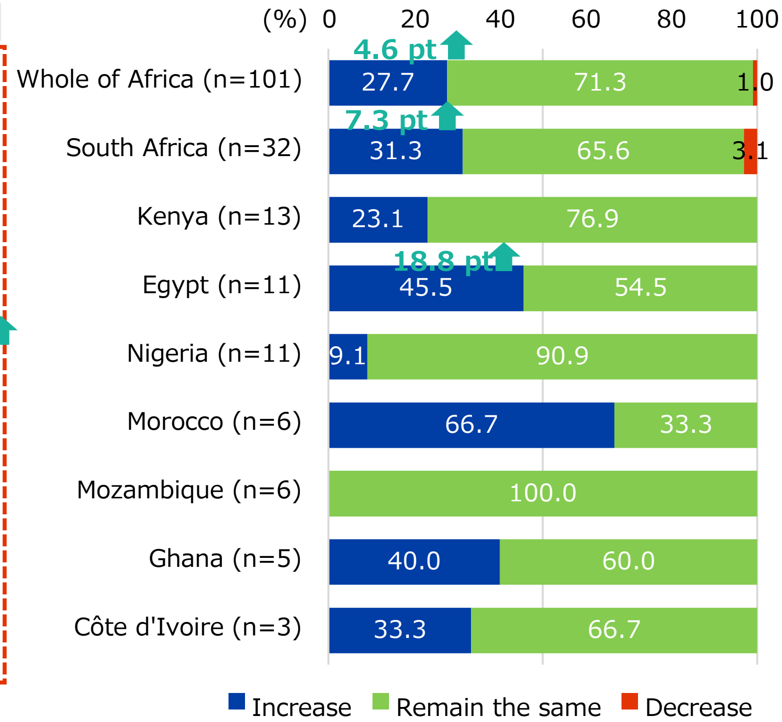
6 Local Procurement Rate (Current/Outlook for the Next One to Two Years)

- **The average local procurement rate across Africa is currently 30.8%**. By country, **Egypt saw an 11.2 percentage points increase from the previous year**.
- As for the outlook for the next one to two years, 27.7% of companies in Africa said their local procurement rate would increase, up 4.6 percentage points from the previous year. Increase by 18.8 percentage points in Egypt and 7.3 percentage points in South Africa.

Current Local Procurement Rate



Local Procurement Rate Expected in Next One to Two Years



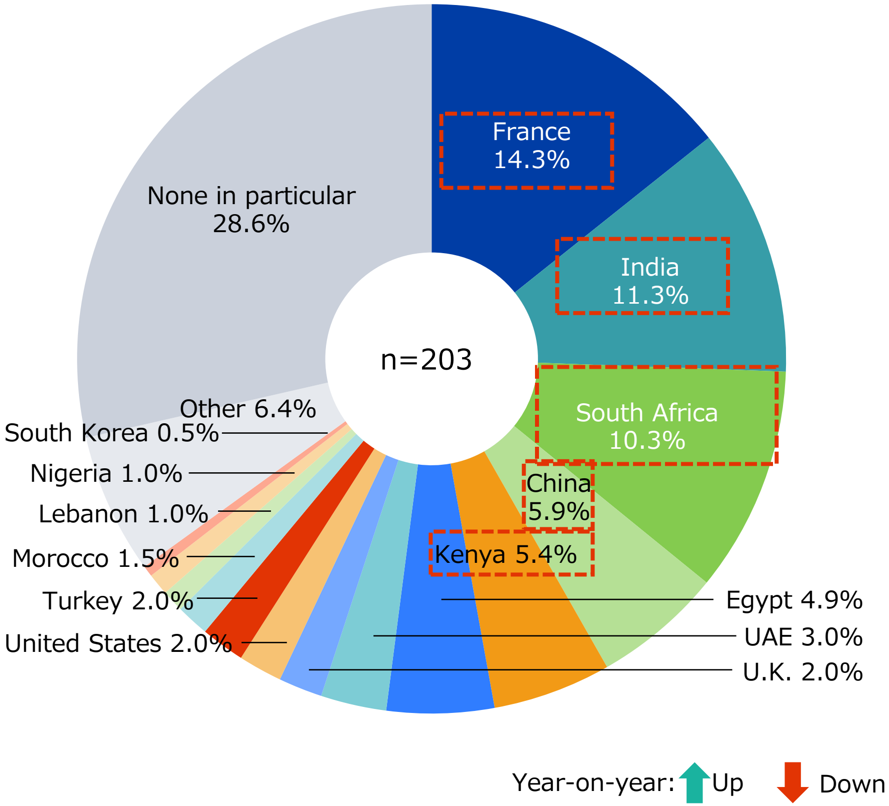
Year-on-year: Up Down

(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.

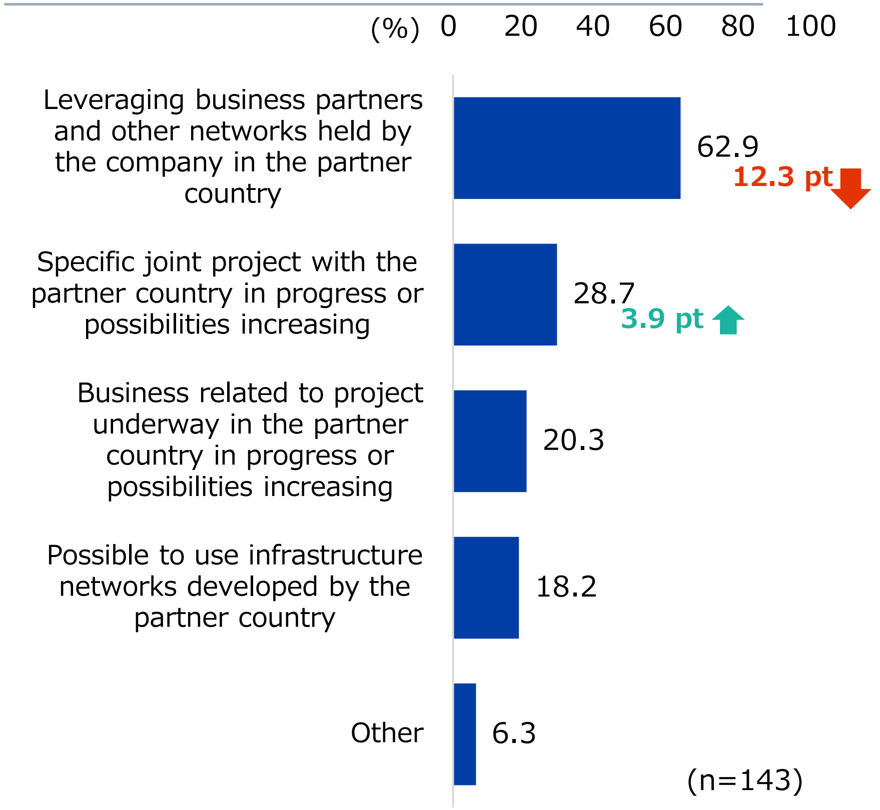
7 Collaboration with Companies in Third Countries

- **Companies in France remained the top** third country partners for business expansion in Africa, **the same as in the previous year**. **They were followed by India, South Africa, China, and Kenya**.
- As for opportunities and advantages brought about by these partners, more than 60% of companies cited "partner's business partner network." This was followed by "joint projects with partner countries" at 28.7%, up 3.9 points from the previous year.

Third Countries Where Potential Partners Operate



Opportunities and Advantages Being Brought about to African Business by Partner Countries <Multiple Answers>

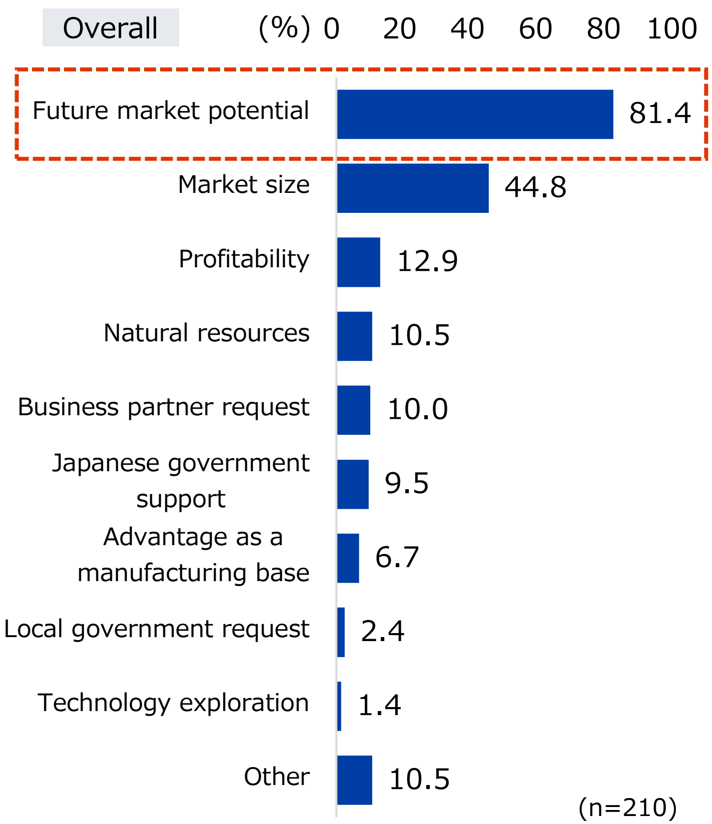


III. Investment Environment

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

- **In Africa as a whole**, **the most common reason** for setting up a base was the **"future market potential."**
- **In Egypt, Nigeria, and Ethiopia, more than 50% of respondents cited "market size."** In Morocco, "profitability" and "advantage as a manufacturing base" are cited by a much higher percentage than in other countries.

Reasons for Maintaining Presence in Africa <Multiple Answers>



By Country

(%)	Future market potential	Market size	Profitability	Natural resources	Business partner request	Japanese government support	Advantage as a manufacturing base	Local government request	Technology exploration	Other
Whole of Africa (n=210)	**81.4**	**44.8**	**12.9**	**10.5**	**10.0**	**9.5**	**6.7**	**2.4**	**1.4**	**10.5**
South Africa (n=54)	74.1	48.1	14.8	13.0	25.9	1.9	3.7	1.9	0.0	14.8
Kenya (n=31)	96.8	48.4	3.2	3.2	3.2	12.9	6.5	0.0	0.0	9.7
Egypt (n=29)	86.2	55.2	17.2	3.4	0.0	17.2	6.9	10.3	0.0	6.9
Nigeria (n=21)	95.2	76.2	0.0	4.8	4.8	0.0	4.8	0.0	0.0	0.0
Morocco (n=14)	64.3	28.6	35.7	7.1	14.3	0.0	28.6	0.0	0.0	7.1
Ghana (n=11)	81.8	36.4	18.2	9.1	18.2	18.2	0.0	0.0	9.1	9.1
Côte d'Ivoire (n=11)	81.8	27.3	18.2	18.2	0.0	9.1	0.0	9.1	0.0	9.1
Mozambique (n=9)	77.8	11.1	0.0	22.2	11.1	33.3	11.1	0.0	11.1	11.1
Ethiopia (n=3)	100.0	66.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	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.

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

- **For Africa as a whole, "market size and growth potential of location" was the highest at 70.1%. The second largest proportion of companies (39.6%) cited "market size and growth potential of neighboring countries."**
- By country, more than 70% of respondents in Morocco and Ghana cited "political and social stability." In Kenya and Ghana, more than 50% of the respondents cited "fewer difficulties in language and communication" and "good living environment for Japanese expatriates."

Attractiveness in Terms of 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	Good living environment for Japanese expatriates	Positive image regarding Japan	Sufficient infrastructure (electricity, distribution, telecommunication, etc.)	Stable finance and exchange rate	Easy to hire or retain high-skilled employees	Many business partners (or purchasing customers) in the area	Well-established system to encourage investment including tax incentives (corporate taxes/customs duties)	Quick administrative procedures	Formation of local industrial clusters (ease in procuring local goods)	Other
Whole of Africa (n=197)	**70.1**	**39.6**	**30.5**	**27.4**	**21.8**	**20.8**	**19.3**	**16.8**	**16.8**	**8.6**	**4.6**	**4.1**	**2.5**	**7.6**
South Africa (n=50)	68.0	40.0	16.0	30.0	16.0	10.0	14.0	14.0	12.0	20.0	2.0	4.0	8.0	8.0
Kenya (n=30)	83.3	63.3	23.3	63.3	50.0	33.3	30.0	13.3	23.3	6.7	0.0	0.0	0.0	0.0
Egypt (n=29)	86.2	48.3	34.5	17.2	20.7	31.0	24.1	13.8	20.7	0.0	13.8	13.8	0.0	3.4
Nigeria (n=19)	94.7	36.8	0.0	15.8	0.0	15.8	0.0	0.0	10.5	5.3	0.0	0.0	5.3	0.0
Morocco (n=14)	42.9	21.4	71.4	0.0	21.4	14.3	50.0	42.9	28.6	14.3	14.3	0.0	0.0	7.1
Ghana (n=11)	36.4	36.4	81.8	63.6	54.5	27.3	18.2	0.0	18.2	0.0	0.0	9.1	0.0	9.1
Côte d'Ivoire (n=10)	90.0	40.0	50.0	10.0	30.0	30.0	30.0	70.0	0.0	0.0	10.0	0.0	0.0	0.0
Mozambique (n=6)	83.3	33.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.7	0.0	0.0	0.0	16.7

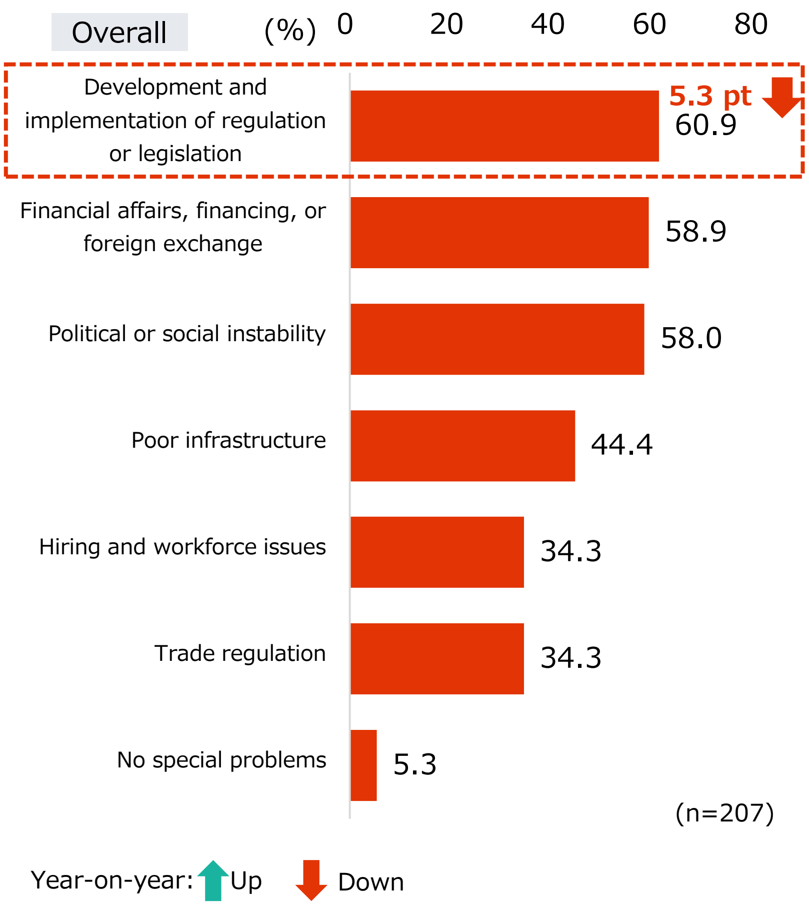
(Note) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.

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

- **"Development and implementation of regulation or legislation" was most frequently cited (60.9%) despite the decrease from the previous year**. "Financial affairs, financing, or foreign exchange" and "political or social instability" were also cited by more than 50% of the companies.
- The proportion of companies citing "poor infrastructure" was over 60% in South Africa, Nigeria and Mozambique, but only 9.1% in Côte d'Ivoire.

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

Overall



By Country

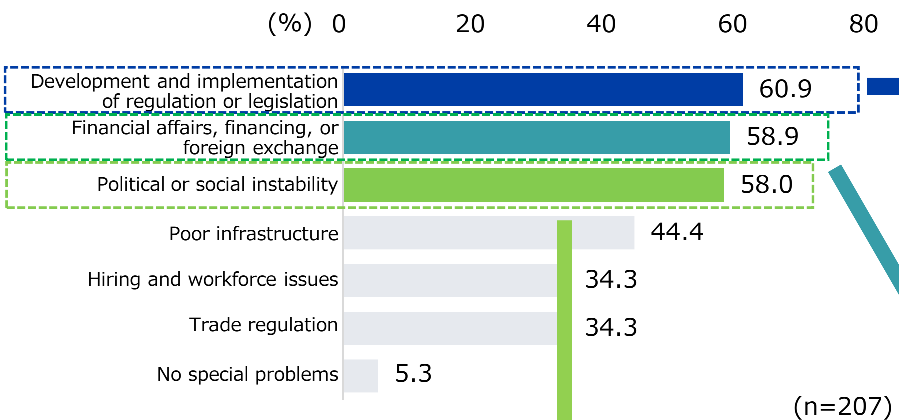
(%)	Development and implementation of regulation or legislation	Financial affairs, financing, or foreign exchange	Political or social instability	Poor infrastructure	Hiring and workforce issues	Trade regulation	No special problems
Whole of Africa (n=207)	**60.9**	**58.9**	**58.0**	**44.4**	**34.3**	**34.3**	**5.3**
South Africa (n=52)	46.2	46.2	67.3	61.5	42.3	25.0	5.8
Kenya (n=32)	78.1	62.5	71.9	31.3	28.1	46.9	6.3
Egypt (n=29)	82.8	82.8	44.8	37.9	37.9	34.5	3.4
Nigeria (n=21)	71.4	90.5	85.7	61.9	38.1	42.9	0.0
Morocco (n=14)	35.7	21.4	7.1	28.6	14.3	14.3	14.3
Ghana (n=11)	36.4	72.7	27.3	18.2	18.2	18.2	9.1
Côte d'Ivoire (n=11)	54.5	36.4	54.5	9.1	27.3	9.1	0.0
Mozambique (n=8)	87.5	87.5	87.5	62.5	62.5	62.5	0.0
Ethiopia (n=3)	66.7	66.7	100.0	33.3	0.0	33.3	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.

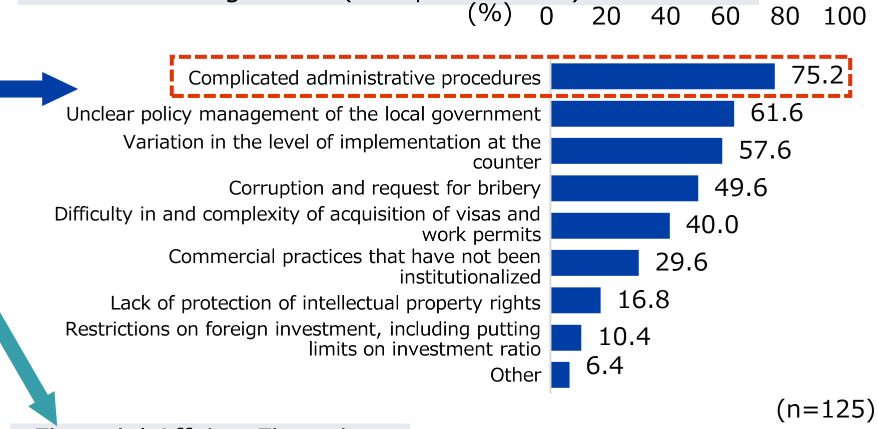
4 | Challenges in the Investment Environment (by Aspect ①)

- Among issues related to “development and implementation of regulation or legislation,” **“complicated administrative procedures” remained the top challenge, cited by 75.2% of companies.**
- In the category of "financial affairs, financing, or foreign exchange," **"unstable exchange rate"** remained the top answer at about 66.1%. Also, under "political or social instability," **"political risk"** and **"public order"** were cited by many companies, as in the previous year.

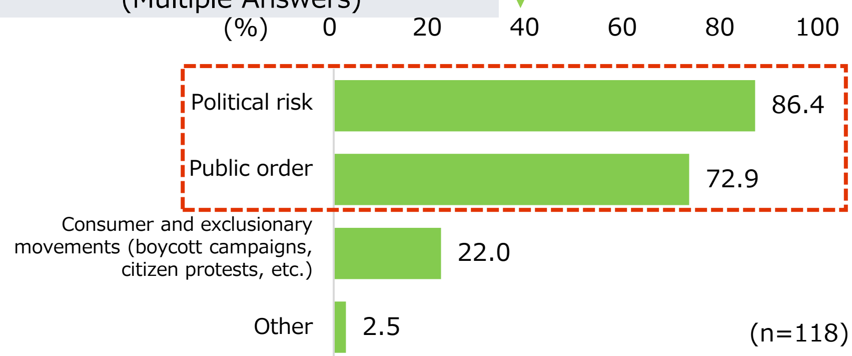
Challenges in the Investment Environment of the Country <Multiple Answers>



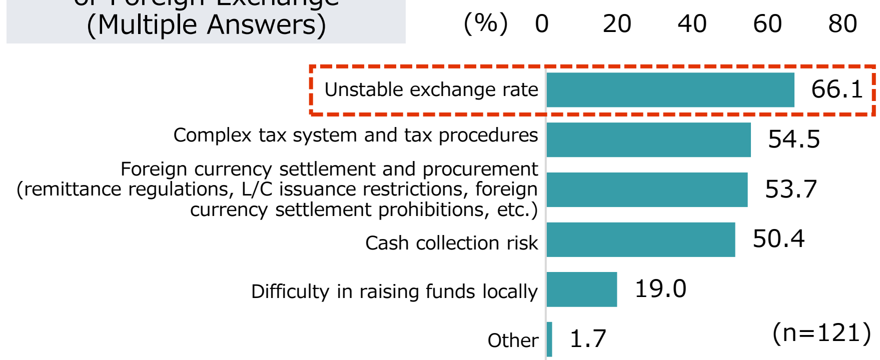
Development and Implementation of Regulation or Legislation (Multiple Answers)



Political or Social Instability (Multiple Answers)



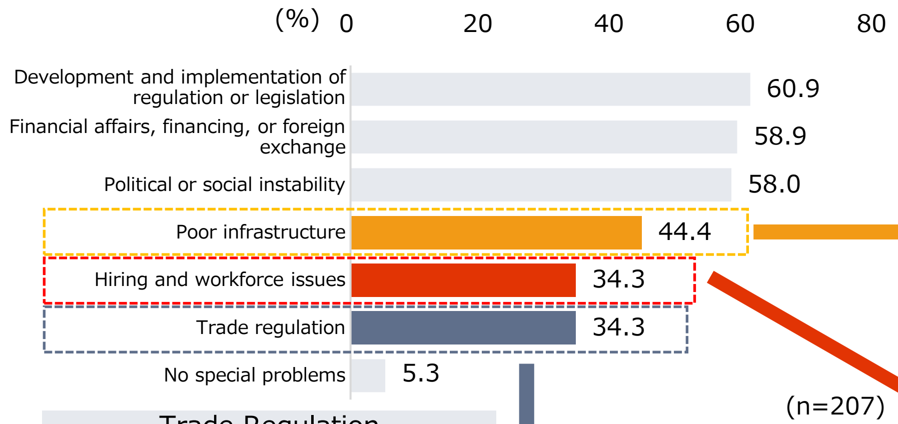
Financial Affairs, Financing, or Foreign Exchange (Multiple Answers)



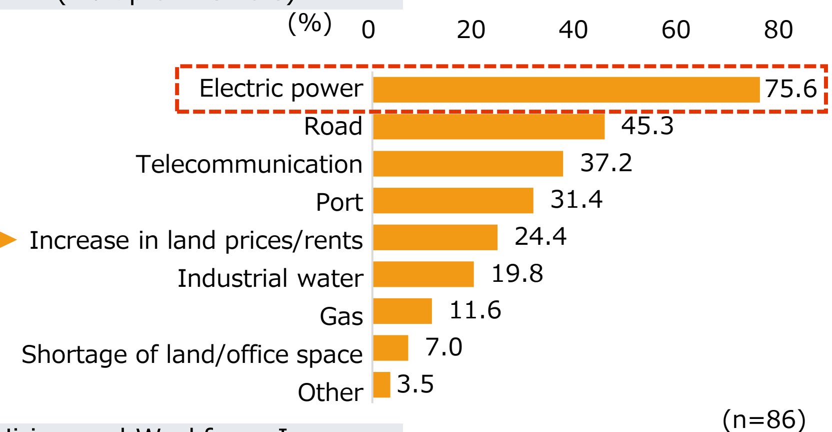
4 Challenges in the Investment Environment (by Aspect ②)

- **As for "poor infrastructure," "electric power" remained the top challenge as is the previous survey**, **cited by 75.6% of companies**. **In terms of "hiring and workforce issues," also as in the previous year, 57.6% cited "securing human resources" as the top answer**, followed by "high and rising personnel costs" at 42.4%.
- **In terms of "trade regulation," the most common answer (66.1%) was "time required for customs clearance"**, followed by "complicated customs clearance and other procedures (62.9%) ."

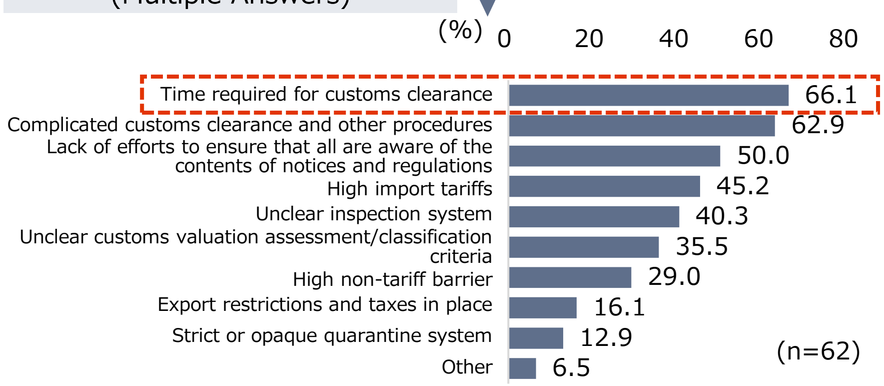
Challenges in the Investment Environment of the Country <Multiple Answers>



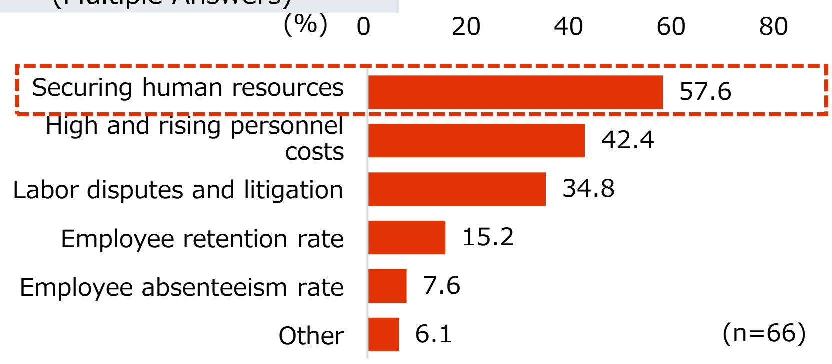
Poor Infrastructure (Multiple Answers)



Trade Regulation (Multiple Answers)



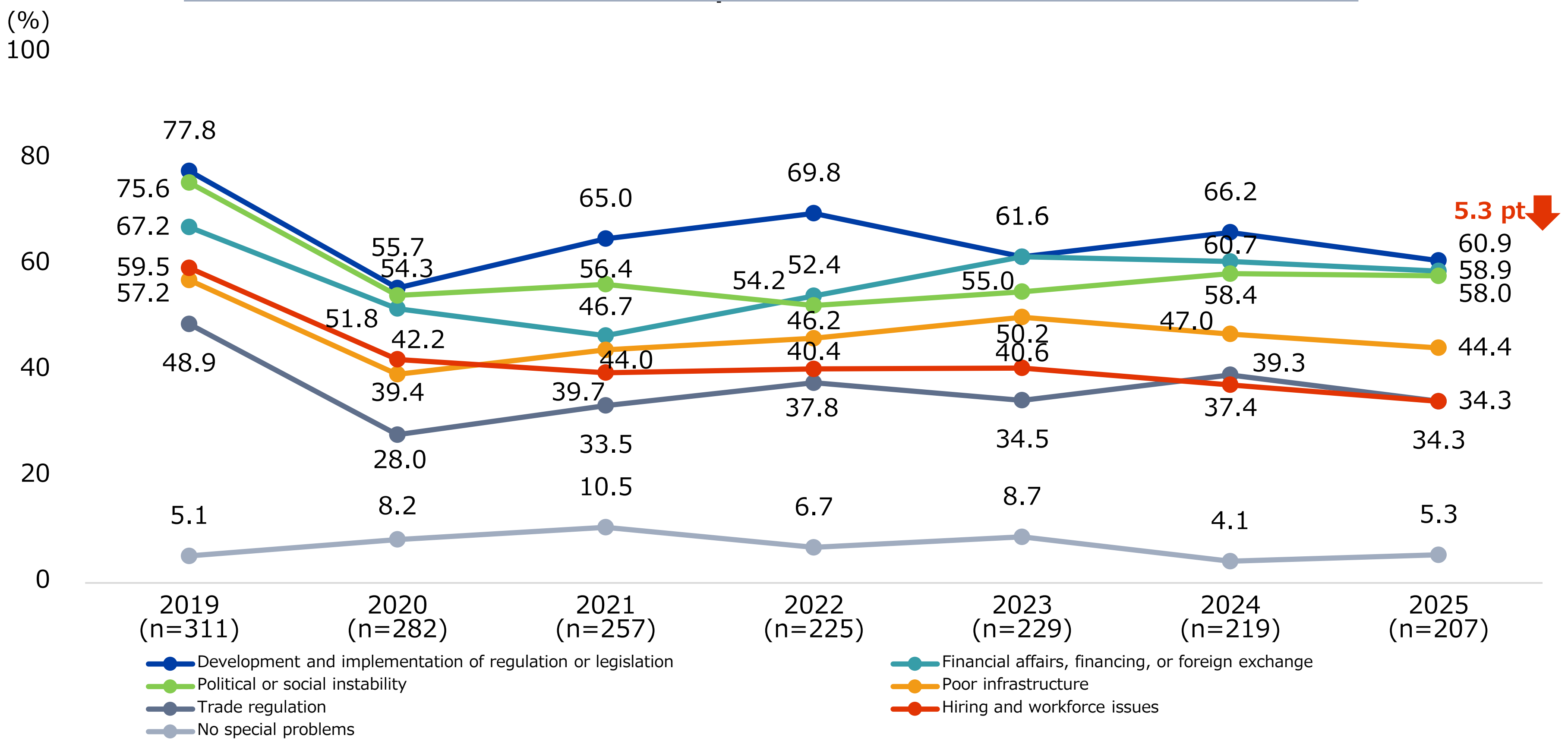
Hiring and Workforce Issues (Multiple Answers)



5 Challenges in the Investment Environment (Trends by Aspect)

- "Development and implementation of regulation or legislation" continued to be the top category at over 60%, despite a 5.3 points decline from the previous year.
- The response rate for other issues remained almost unchanged from the previous year.

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



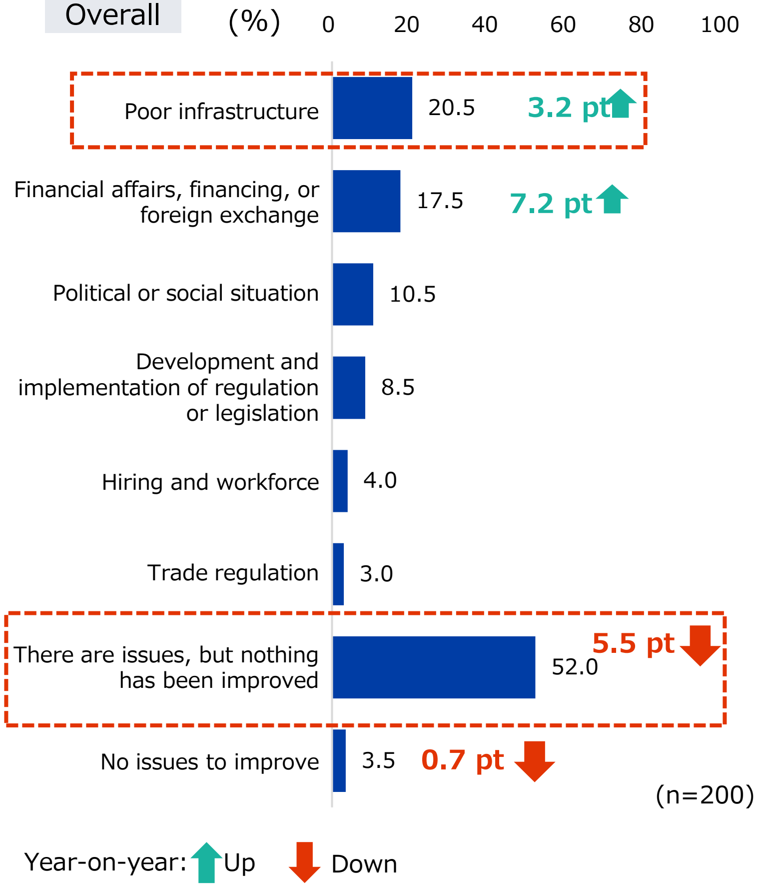
Year-on-year: Up Down

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

- **The most common response of "there are issues, but nothing has been improved" remained more than 50%, despite a decline of 5.5 points from the previous year**.
- **Regarding improvements, the most frequently cited area was "poor infrastructure", unchanged from the previous year**, with 44.9% of companies in South Africa reporting improvements in this area. Meanwhile, 17.5%, increased by 7.2 percentage points from the previous year, of companies felt improvement of "financial affairs, financing, or foreign exchange," and in Egypt more than 50% of companies reported improvements in this area.

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

Overall



By Country

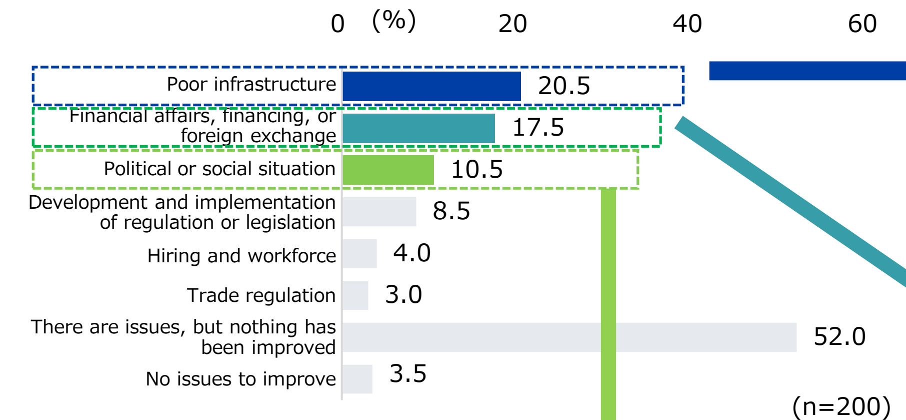
(%)	Poor infrastructure	Financial affairs, financing, or foreign exchange	Political or social situation	Development and implementation of regulation or legislation	Hiring and workforce	Trade regulation	There are issues, but nothing has been improved	No issues to improve
Whole of Africa (n=200)	**20.5**	**17.5**	**10.5**	**8.5**	**4.0**	**3.0**	**52.0**	**3.5**
South Africa (n=49)	44.9	6.1	14.3	8.2	4.1	2.0	40.8	0.0
Kenya (n=31)	6.5	16.1	9.7	3.2	3.2	0.0	67.7	3.2
Egypt (n=29)	31.0	51.7	17.2	10.3	10.3	10.3	24.1	3.4
Nigeria (n=20)	5.0	25.0	0.0	10.0	5.0	5.0	65.0	0.0
Morocco (n=13)	15.4	0.0	7.7	15.4	7.7	0.0	46.2	23.1
Ghana (n=10)	0.0	20.0	0.0	10.0	0.0	0.0	70.0	0.0
Côte d'Ivoire (n=9)	22.2	0.0	11.1	11.1	0.0	0.0	44.4	11.1
Mozambique (n=9)	11.1	11.1	11.1	0.0	0.0	0.0	77.8	0.0
Ethiopia (n=3)	0.0	33.3	0.0	0.0	0.0	0.0	66.7	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.

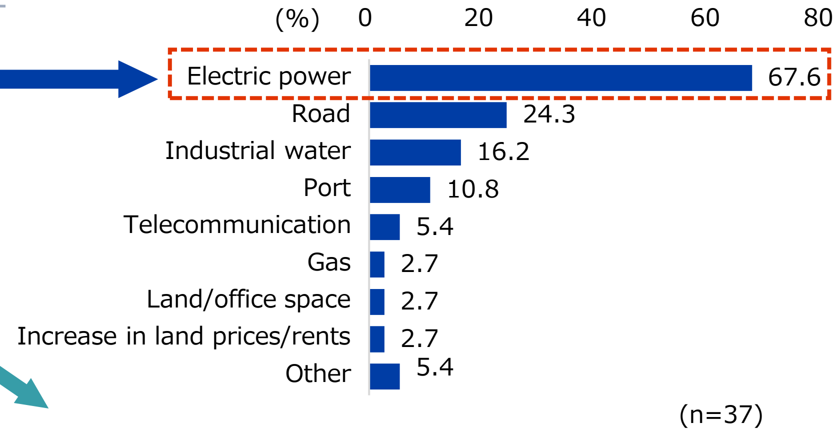
7 Aspects of the Investment Environment That Have been Improved (by Aspect ①)

- In terms of **"poor infrastructure," "electric power" was the most common answer at 67.6%, as in the previous year**.
- **In terms of "political or social situation," improvement of "political risk" remained at the top with more than 90%. In terms of "financial affairs, financing, or foreign exchange," improvement of "exchange rate" remained at the top with more than 70%.**

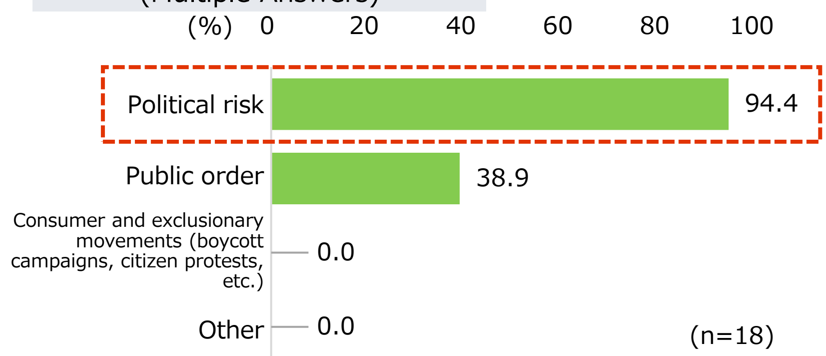
Improvements in the Investment Environment in the Country <Multiple Answers>



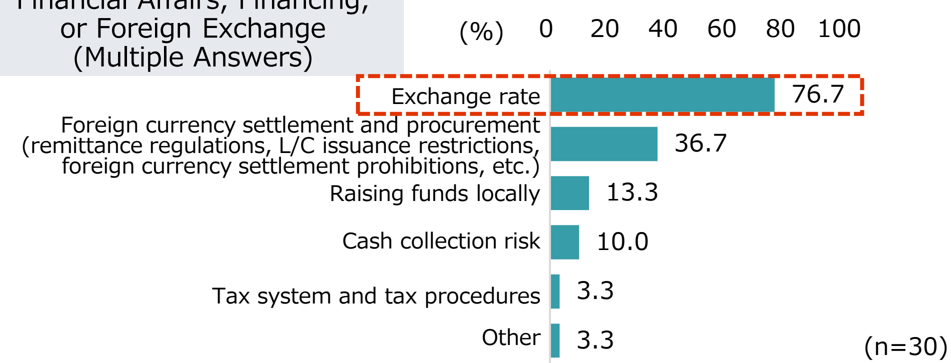
Poor Infrastructure (Multiple Answers)



Political or Social Situation (Multiple Answers)



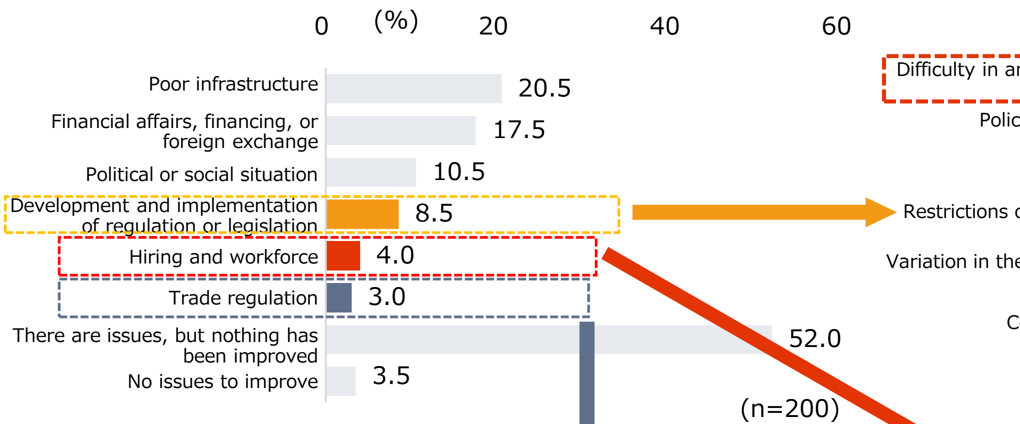
Financial Affairs, Financing, or Foreign Exchange (Multiple Answers)



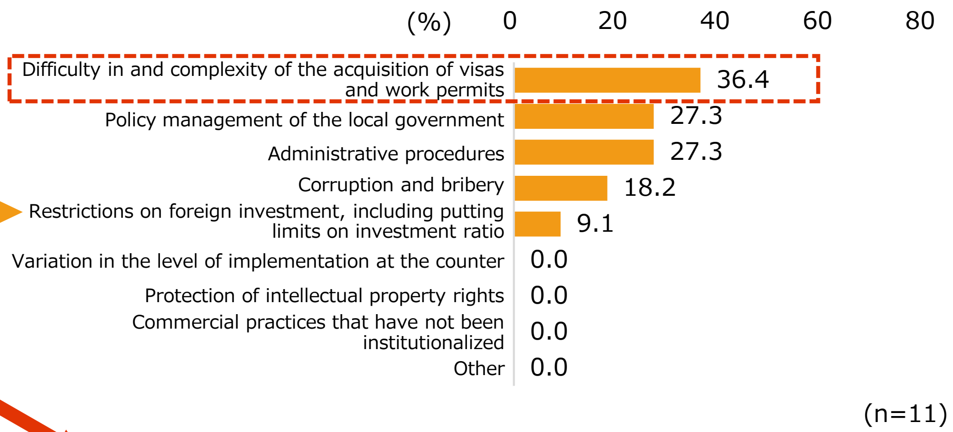
7 Aspects of the Investment Environment That Have Been Improved (by Aspect ②)

- **In the "development and implementation of regulation or legislation" category, the most popular response was the improvement of "difficulty in and complexity of the acquisition of visas and work permits,"** followed by improvement of "policy management of the local government" and "administrative procedures," both of which were cited with the same percentage.
- **As for "hiring and workforce," "securing human resources" was the most common answer at 60.0%, as in the previous year. In terms of "trade regulation,"** 66.7% of respondents equally chose "customs clearance **and other procedures," "import tariffs" and "inspection system**."

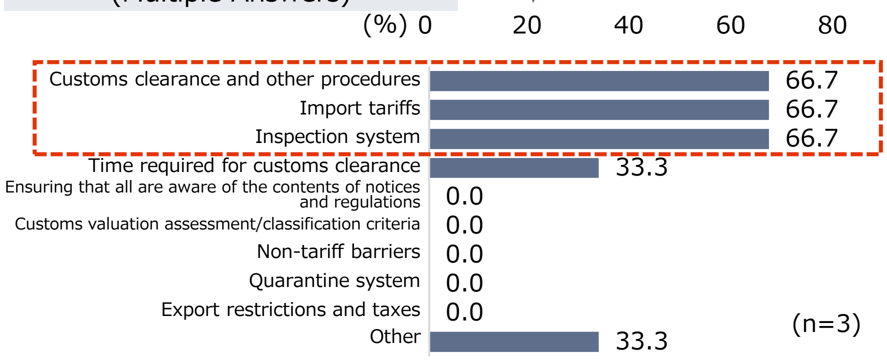
Improvements in the Investment Environment in the Country <Multiple Answers>



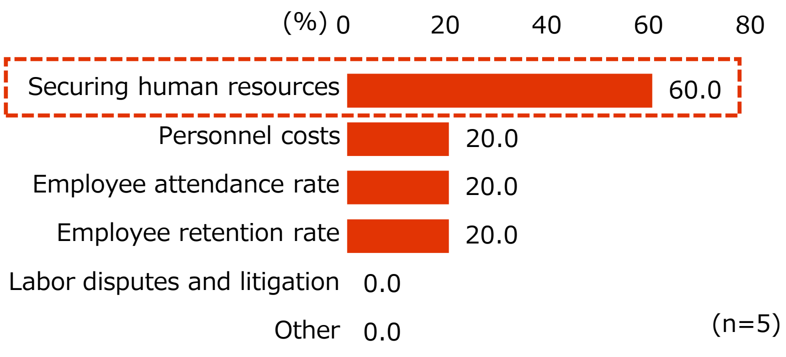
Development and Implementation of Regulation or Legislation (Multiple Answers)



Trade Regulation (Multiple Answers)



Hiring and Workforce (Multiple Answers)



8 Future Direction of Business Development and Improvements in the Investment Environment

- **Even among companies that said they would expand** their business in the next year or two, **nearly half said "there are issues, but nothing has been improved**."

The Direction of Business Development over the Next One to Two Years and Improvements in the Investment Environment over the Past Year

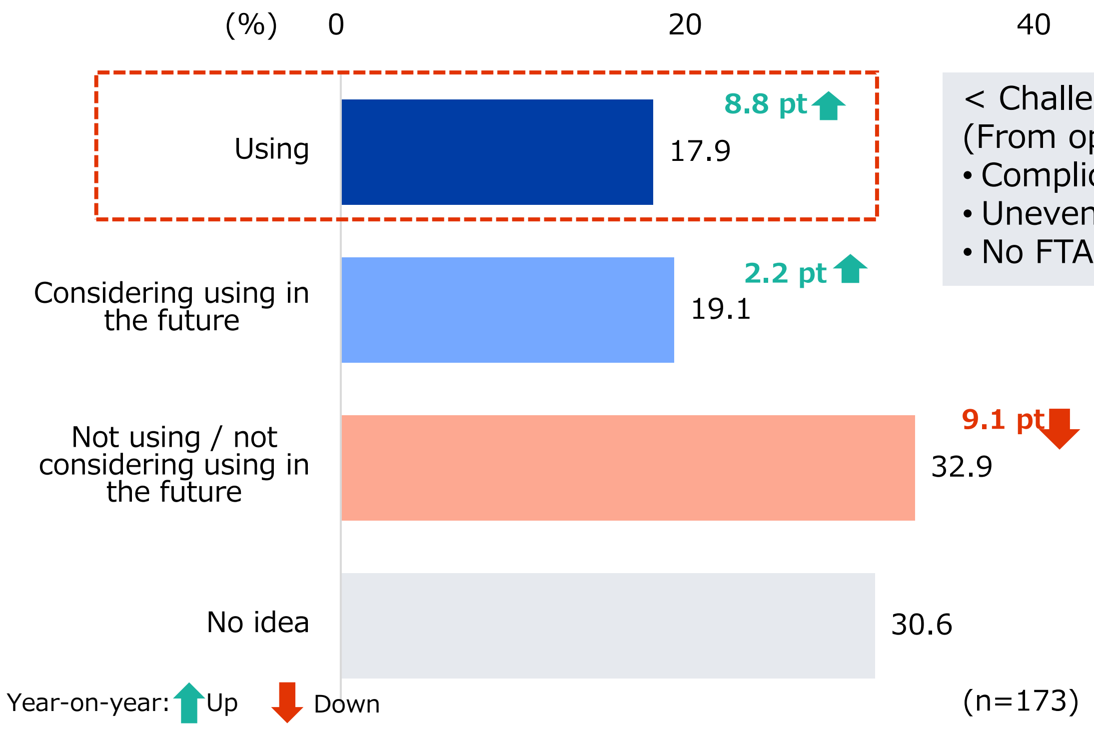
(%)	Poor infrastructure	Financial affairs, financing, or foreign exchange	Political or social situation	Development and implementation of regulation or legislation	Hiring and workforce	Trade regulation	There are issues, but nothing has been improved	No issues to improve
Whole of Africa (n=200)	**20.5**	**17.5**	**10.5**	**8.5**	**4.0**	**3.0**	**52.0**	**3.5**
Expand (n=106)	17.9	22.6	11.3	9.4	6.6	3.8	47.2	2.8
Remain the same (n=83)	24.1	12.0	10.8	6.0	1.2	2.4	56.6	4.8
Shrink (n=8)	25.0	0.0	0.0	25.0	0.0	0.0	62.5	0.0
Transfer to a third country (region) or withdrawal from the current local market (n=3)	0.0	33.3	0.0	0.0	0.0	0.0	66.7	0.0

(Note 1) 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.
(Note 2) A single response was received regarding business development over the next one to two years, and multiple responses were received regarding improvements in the investment environment over the past year.

9 Usage of EPAs, FTAs, and Customs Unions (Whole of Africa)

- The percentage of companies using EPAs, FTAs, and customs unions was **17.9%, up 8.8 points from the previous year**. The ratio of those considering using the measures in the future also increased by 2.2 points to 19.1%.
- The percentage of respondents answering "not using / not considering using in the future" decreased by 9.1 points to 32.9%.

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



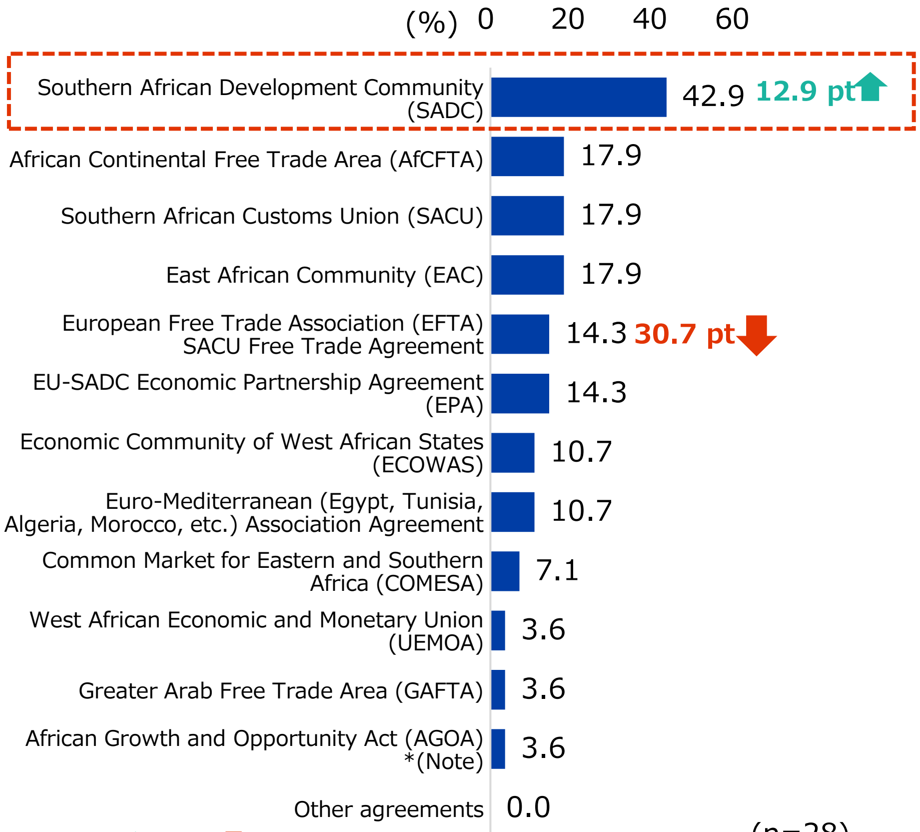
< Challenges in using EPAs, FTAs, customs unions, etc. >
(From open-ended responses)
- Complicated procedures
- Uneven implementation
- No FTA with Japan

(Note 1) Including early harvest (early tariff reduction for certain products).
(Note 2) Businesses and services that cannot utilize EPAs, FTAs, or customs unions are excluded from the survey.

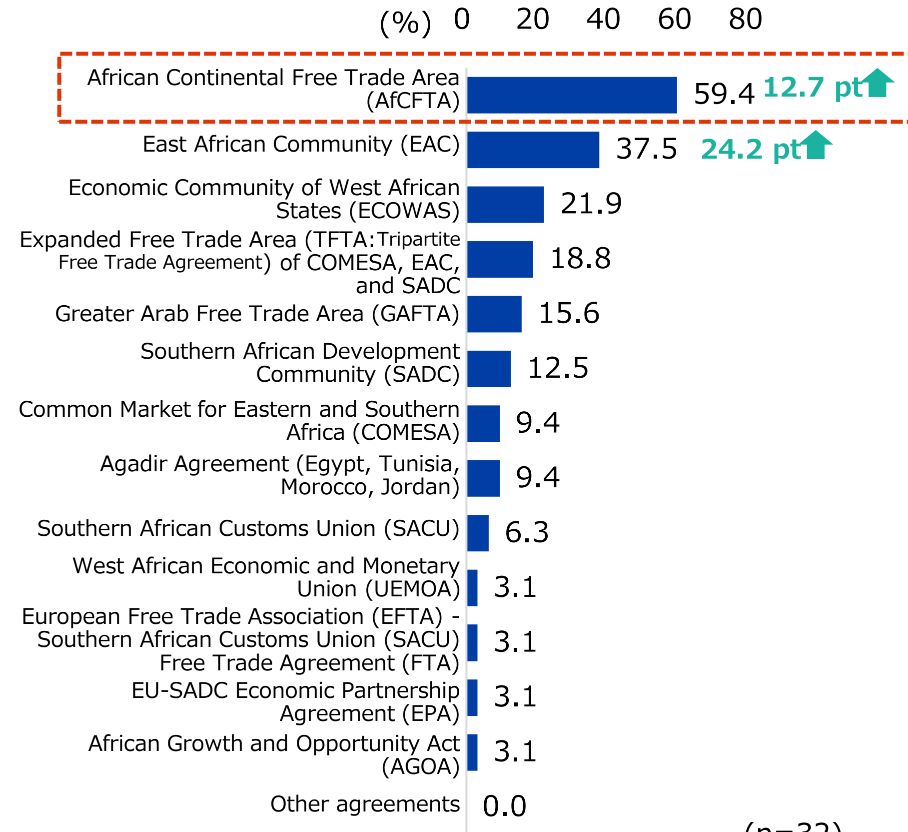
10 Usage of Use of EPAs, FTAs, and Customs Unions (by Agreement/Union)

- For the FTAs, etc. currently in use, **SADC ranked first, with an increase of 12.9 percentage points**. In second place were AfCFTA, SACU, and EAC.
- For FTAs, etc. under consideration for future use, **AfCFTA was the top, with an increase of 12.7 percentage points**. EAC ranked second, with an increase of 24.2 percentage points.

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



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



Year-on-year: Up Down

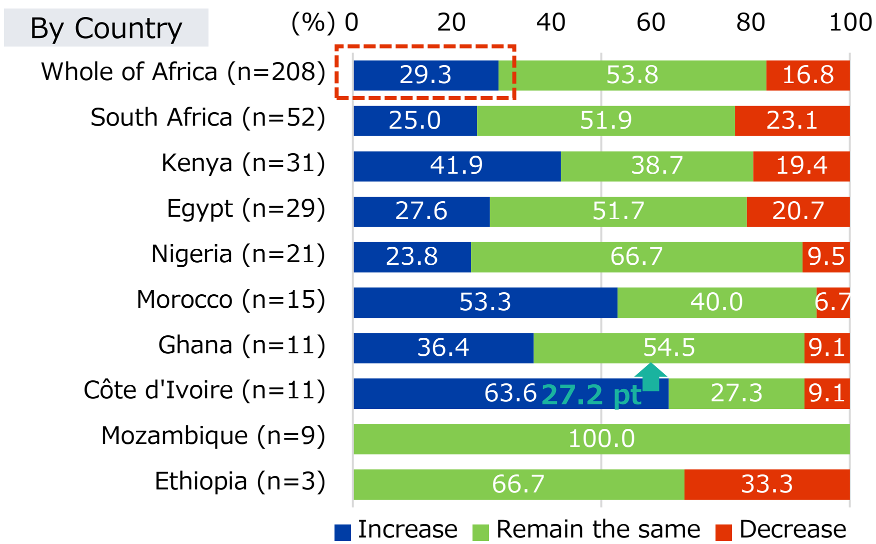
(Note) The Unites States' system of preferential tariffs for Africa. Expired at the end of September 2025.

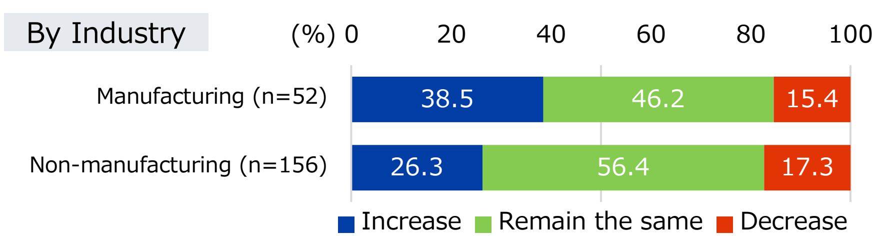
IV. Employment Environment

1 Number of Local Employees (Changes in the Past Year and Future Plans)

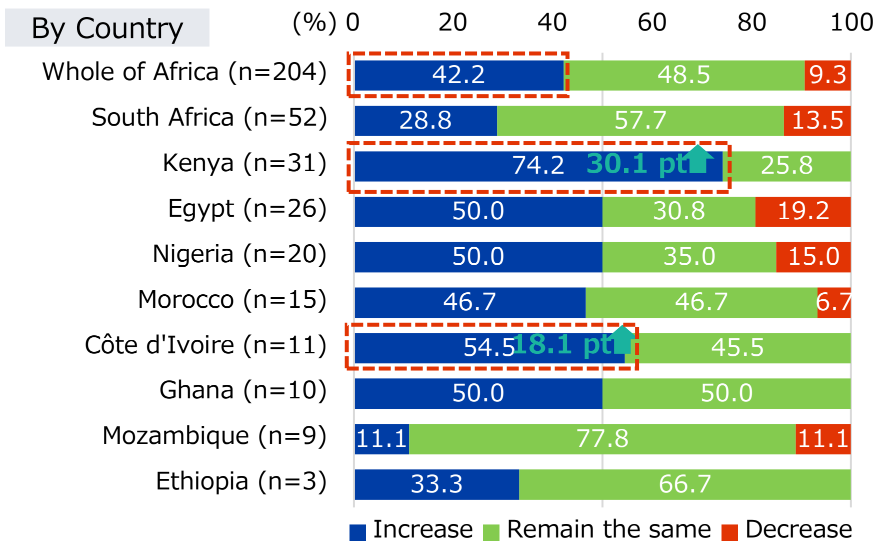
- **Around 30% of companies in Africa have increased their local staff in the past year**, more than the 16.8% that have decreased. More than half of the respondents in Côte d'Ivoire (63.6%) and Morocco (53.3%) answered reported an increase.
- **Regarding future plans, 42.2% of the respondents in Africa said they would increase their local staff**. **In Kenya, the share rose by 30.1 points to 74.2%, and in Côte d'Ivoire it increased by 18.1 points to 54.5%**. In the manufacturing sector, about 60% said they would increase their local staff.

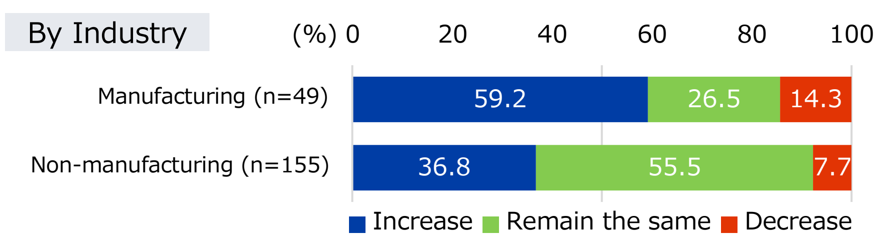
[Local Employees] Changes in the Past Year





[Local Employees] Future Plans



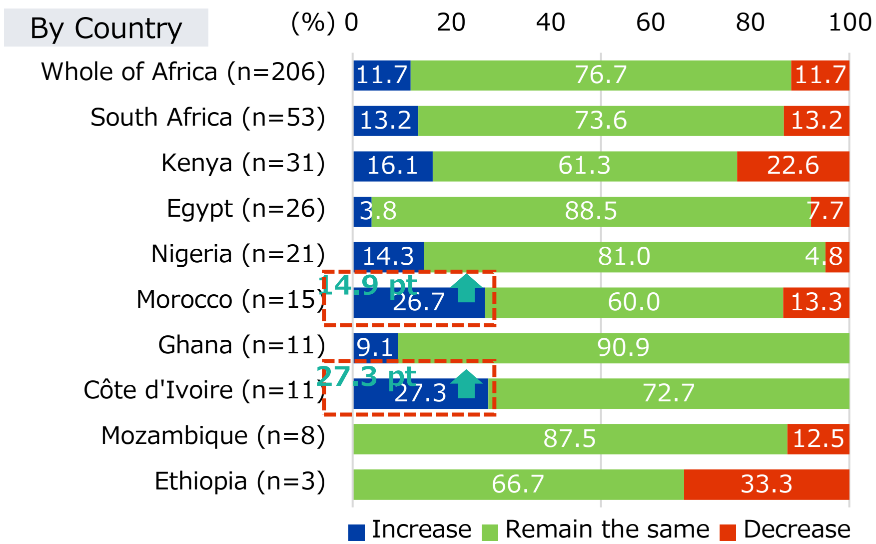


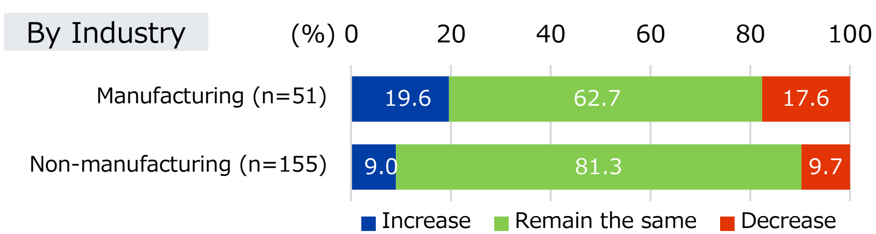
Year-on-year: Up Down

2 Number of Japanese Expatriates (Changes in the Past Year and Future Plans)

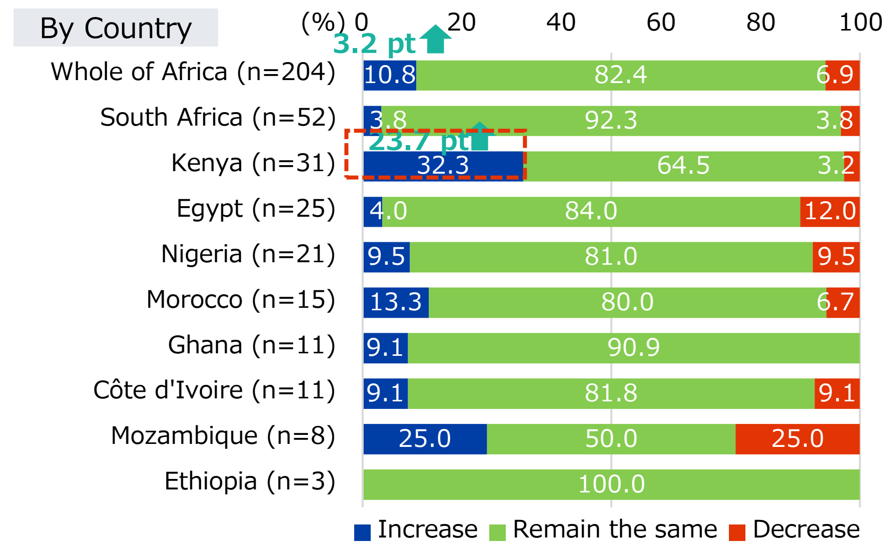
- In the past year, around 10% of companies in Africa reported an increase in the number of Japanese expatriates, while 76.7% said the number remained the same. **The share reporting an increase rose by 27.3 percentage points in Côte d'Ivoire and by 14.9 percentage points in Morocco from a year earlier**.
- As for future plans, 82.4% of respondents in Africa said they plan to keep the number unchanged. **In Kenya, 32.3% of companies said they would increase the number, up 23.7 percentage points from a year earlier**.

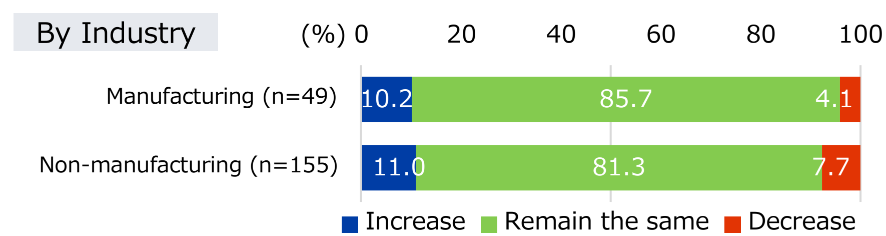
[Japanese Expatriates] Changes in the Past Year





[Japanese Expatriates] Future Plans





Year-on-year: Up Down

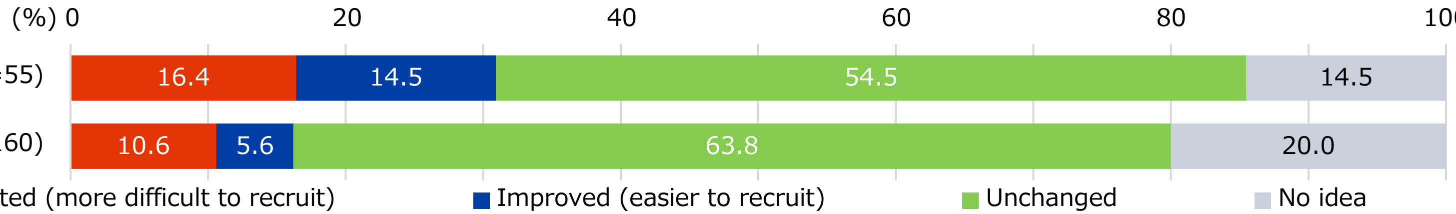
3 Status of Securing Human Resources in the Countries Where Japanese Companies Operate

- Regarding the situation of securing human resources, 12.1% of respondents in Africa said the conditions had deteriorated, 7.9% reported an improvement, **and 61.4% said it had remained unchanged**. **In Egypt, a relatively high proportion of 23.3% reported am improvement**. In Morocco and Côte d'Ivoire, around 20% of respondents said the condition had deteriorated.
- By industry, 14.5% of the respondents in the manufacturing sector reported an improvement, higher than 5.6% in the non-manufacturing sector.

Status of Securing Human Resources in the Last Two Years

By Country

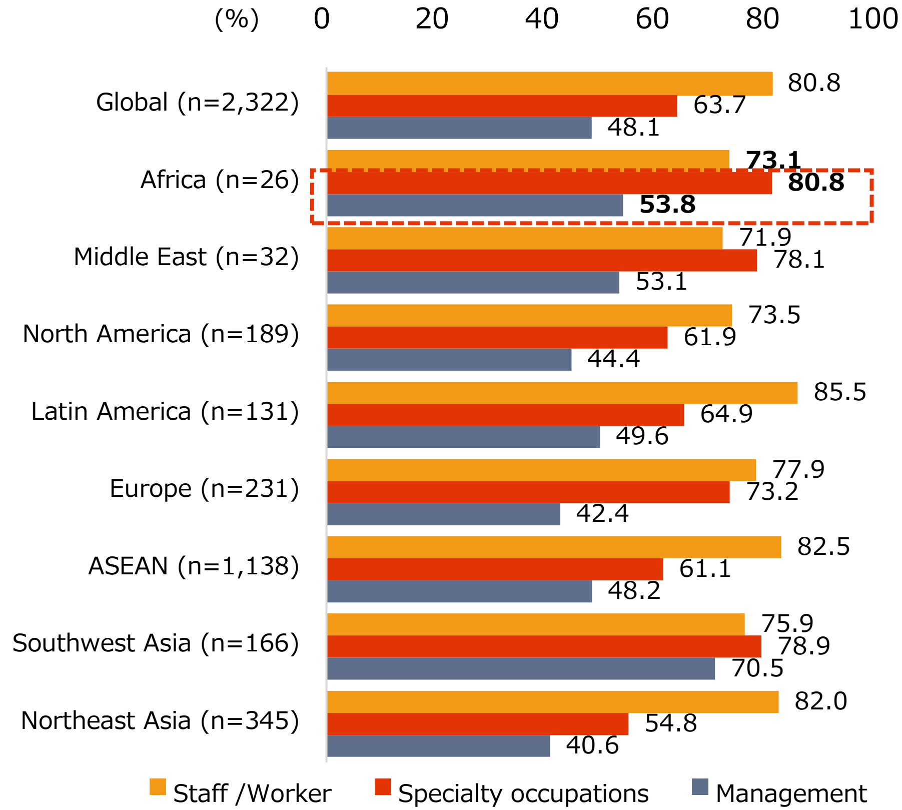
By Industry



4 Status of Securing Human Resources (by Job Type)

- A higher proportion of respondents **in Africa than in other regions report that the availability of specialist and managerial personnel has deteriorated**.
- Among those who said the human resource situation had deteriorated, the largest share（80.8%）pointed to specialty occupations as the most affected job category. Among respondents who reported an improvement, the most frequently mentioned job type was “staff/worker” (80.0%). In Egypt, a particularly high share of respondents (85.7%) indicated that the availability of specialty occupations had improved.

Job Type with Deteriorating Conditions for Securing Human Resources (by Region) <Multiple Answers>



(Note 1) Subject to the survey are companies that have reported that their human resource security has deteriorated over the past two years.
(Note 2) "Global" includes Russia and Oceania.

Job Type with Deteriorating Conditions for Securing Human Resources (by Country) <Multiple Answers>

(%)	Staff/Worker	Specialty occupations	Management
Whole of Africa (n=26)	**73.1**	**80.8**	**53.8**
South Africa (n=8)	62.5	75.0	37.5
Egypt (n=4)	75.0	100.0	100.0
Kenya (n=3)	100.0	66.7	66.7
Nigeria (n=3)	66.7	66.7	33.3
Morocco (n=3)	100.0	100.0	100.0

Job Type with Improved Conditions for Securing Human Resources (by Country) <Multiple Answers>

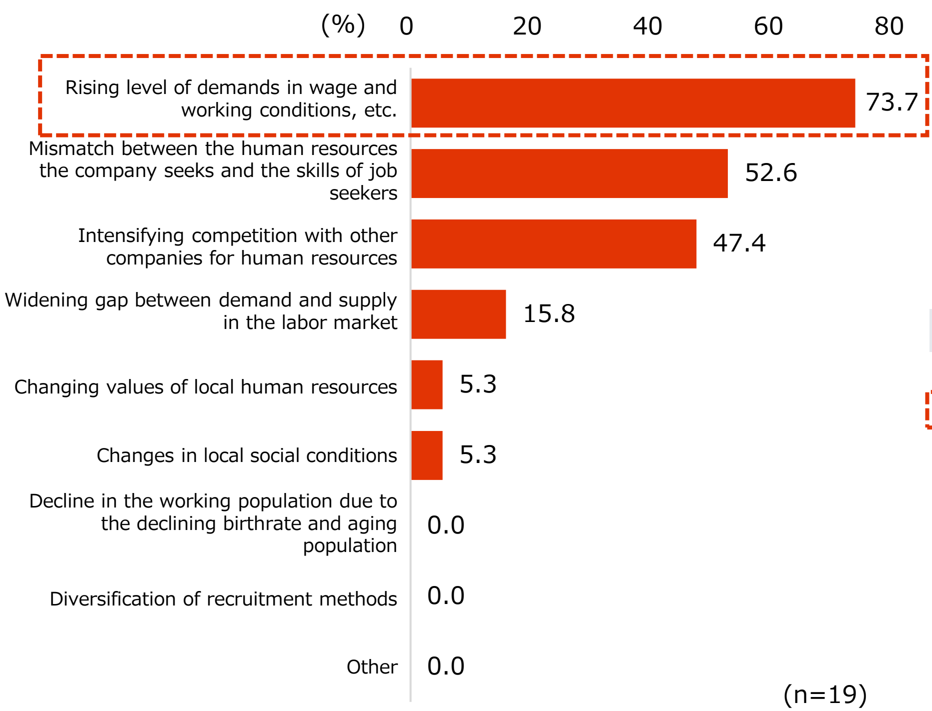
(%)	Staff/Worker	Specialty occupations	Management
Whole of Africa (n=15)	**80.0**	**66.7**	**33.3**
Egypt (n=7)	71.4	85.7	28.6

5 Reasons for the Deterioration in the Status of Securing Human Resources

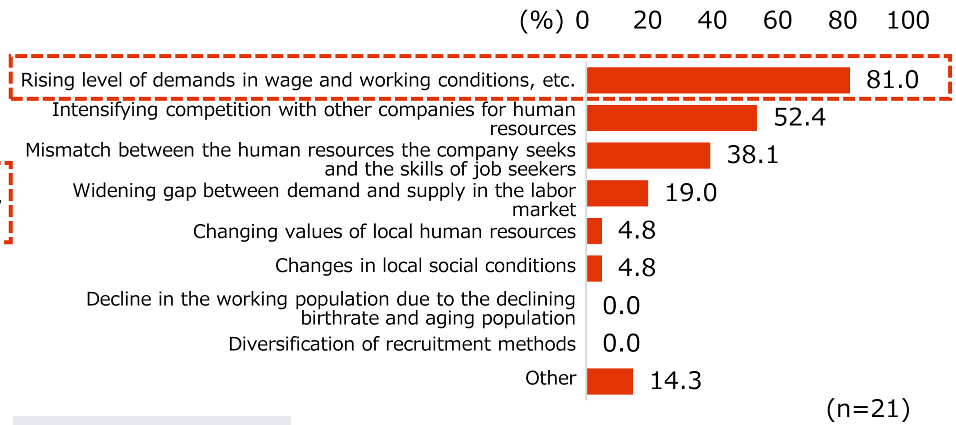
- Regarding the reason for the deteriorating situation in securing human resources, the most common response across staff/worker, specialty occupations, and management was a **"rising level of demands in wage and working conditions, etc."**
- Many respondents also cited "intensifying competition with other companies for human resources" and "mismatch between the human resources the company seeks and the skills of job seekers."

Types of Jobs in which the Situation of Securing Human Resources is Deteriorating and Their Reasons <Multiple Answers>

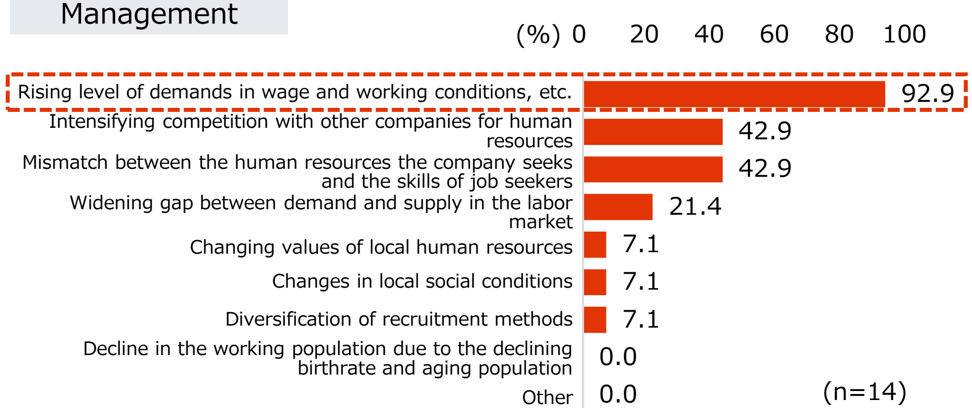
Staff/Worker



Specialty occupations



Management

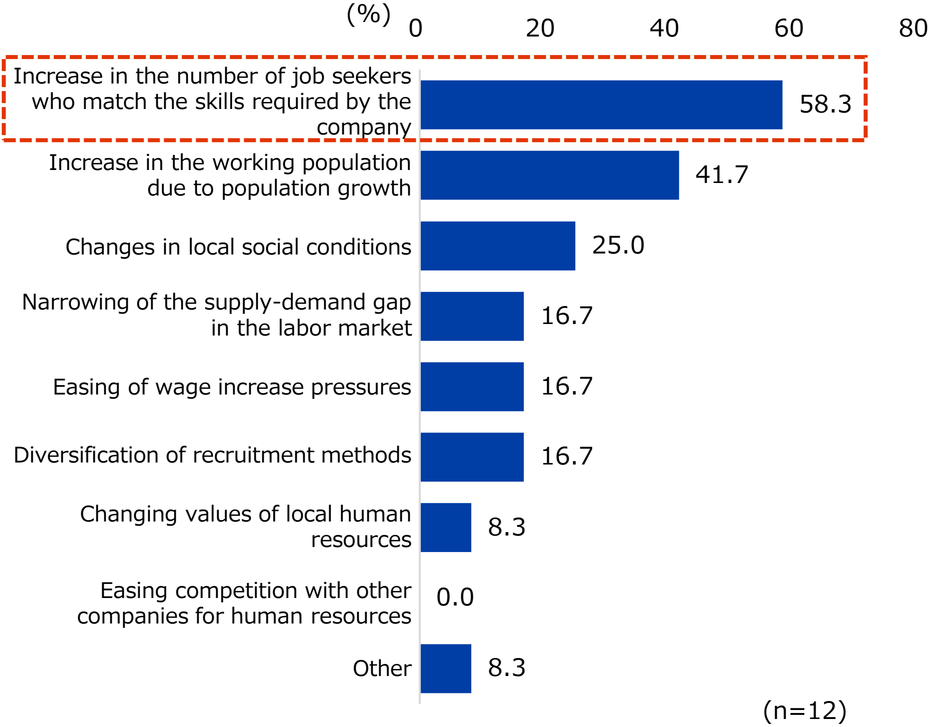


6 Reasons for the Improvement in the Status of Securing Human Resources

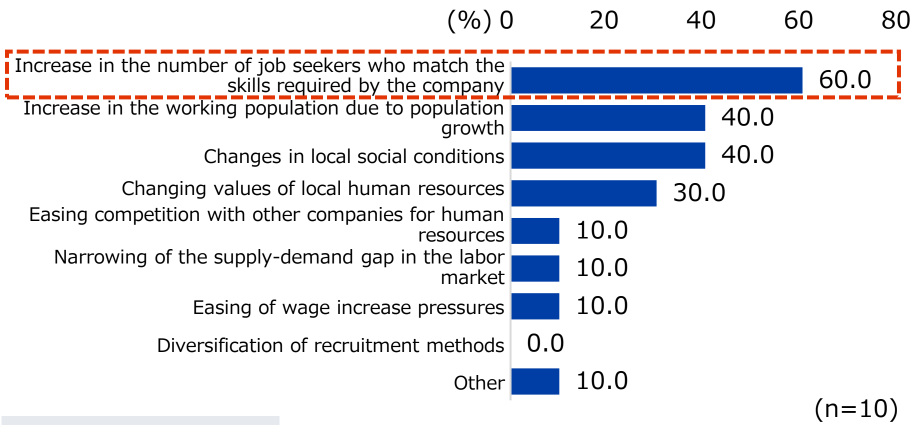
- Looking at the reasons for the improvement in the situation of securing human resources by job category, **regarding staff/worker and specialty occupations, the largest share of respondents cited "increase in the number of job seekers who match the skills required."** This was followed by responses of "increase in the working population" and "changes in local social conditions."
- Regarding management occupations, many respondents also cited "narrowing of the supply-demand gap in the labor market" and "easing of wage increase pressures."

Job Categories for which the Status of Securing Human Resources Has Improved and Reasons for This <Multiple Answers>

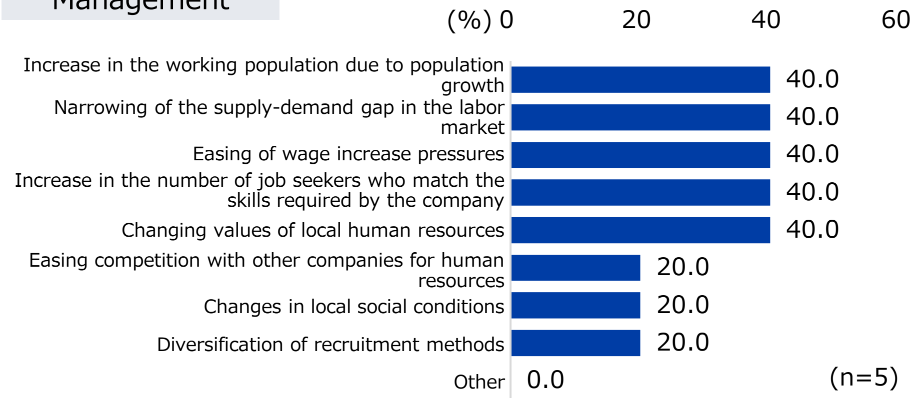
Staff/Worker



Specialty occupations



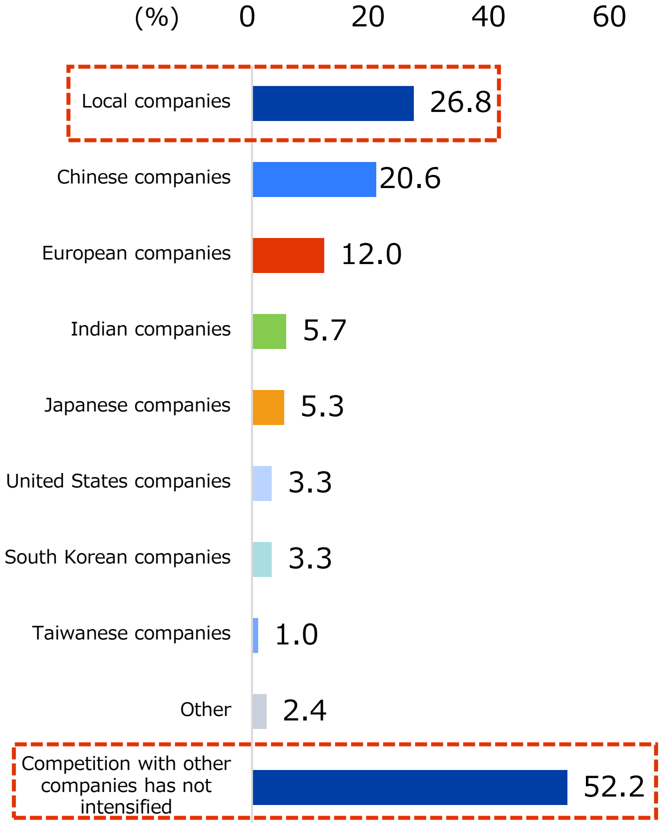
Management



7 | Competition Status for Human Resources by Country and Region

- In Africa as a whole, **the largest share of companies (26.8%) are in competition with "local companies."** This was followed by Chinese, European, Indian, and Japanese companies. In Côte d'Ivoire and Nigeria, Chinese companies were cited as the main competitors.
- **However, more than half of companies in Africa also said that "competition with other companies has not intensified."**

Other Companies Against Whom Facing Particularly Intense Competition for Human Resources <Multiple Answers>



(n=209)

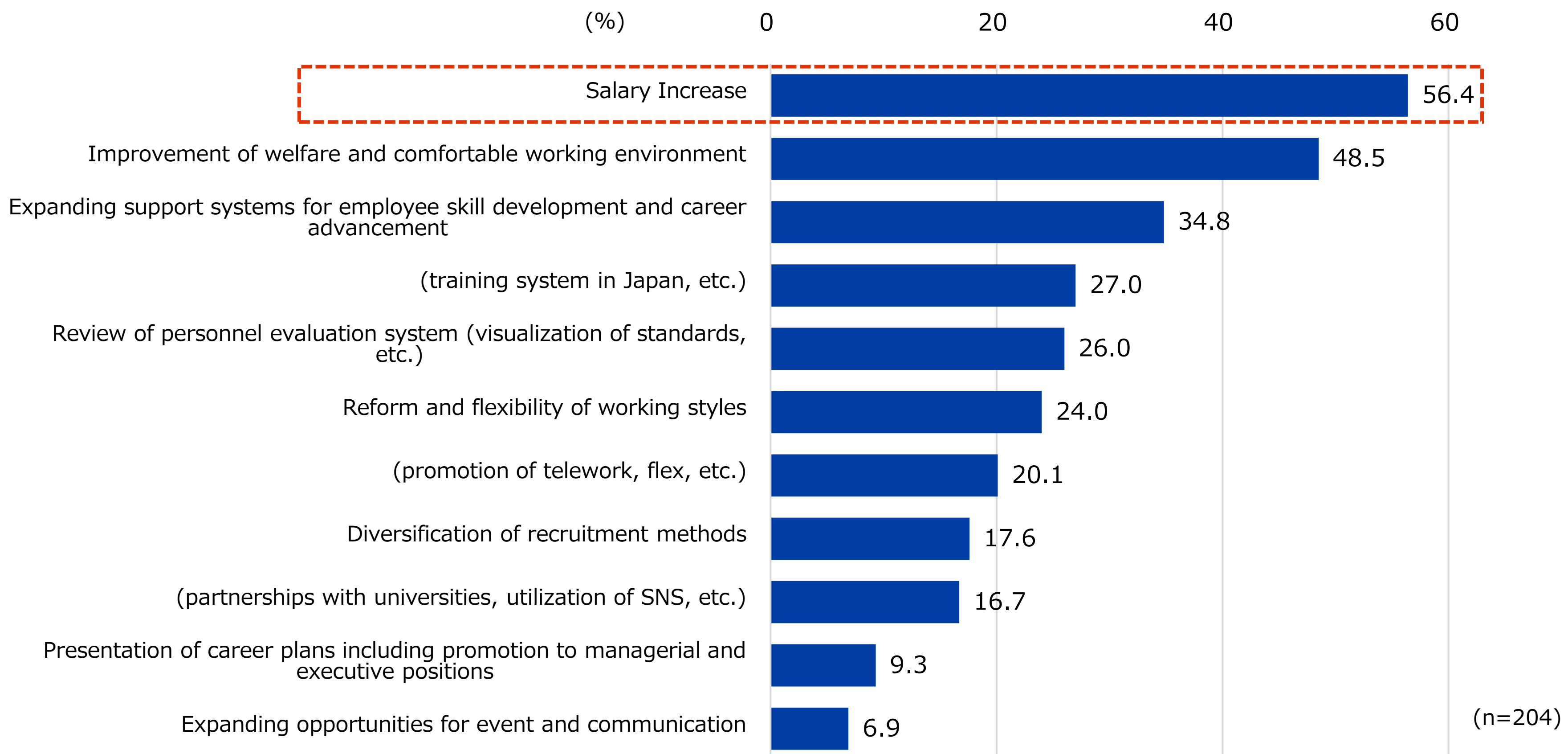
(%)	Local companies	Chinese companies	European companies	Indian companies	Japanese companies	United States companies	South Korean companies	Taiwanese companies	Other	Competition with other companies has not intensified
Whole of Africa (n=209)	**26.8**	**20.6**	**12.0**	**5.7**	**5.3**	**3.3**	**3.3**	**1.0**	**2.4**	**52.2**
South Africa (n=54)	37.0	33.3	11.1	11.1	7.4	1.9	1.9	0.0	0.0	40.7
Kenya (n=30)	16.7	13.3	10.0	3.3	6.7	3.3	6.7	0.0	0.0	66.7
Egypt (n=29)	44.8	24.1	20.7	3.4	10.3	10.3	13.8	3.4	0.0	34.5
Nigeria (n=21)	14.3	19.0	0.0	0.0	0.0	0.0	0.0	0.0	9.5	61.9
Morocco (n=14)	28.6	14.3	7.1	0.0	7.1	0.0	0.0	0.0	0.0	64.3
Ghana (n=11)	18.2	9.1	18.2	9.1	0.0	0.0	0.0	0.0	0.0	54.5
Côte d'Ivoire (n=11)	18.2	45.5	9.1	0.0	0.0	9.1	0.0	0.0	9.1	36.4
Mozambique (n=9)	11.1	11.1	22.2	11.1	0.0	0.0	0.0	0.0	0.0	66.7
Ethiopia (n=3)	33.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	66.7

(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 Efforts to Recruit and Retain Human Resources

- Regarding efforts to recruit and retain human resources, **the most common response (56.4%) was "salary increase."**
- This was followed by "improvement of welfare and comfortable working environment" and "expanding support systems for employee skill development and career advancement."

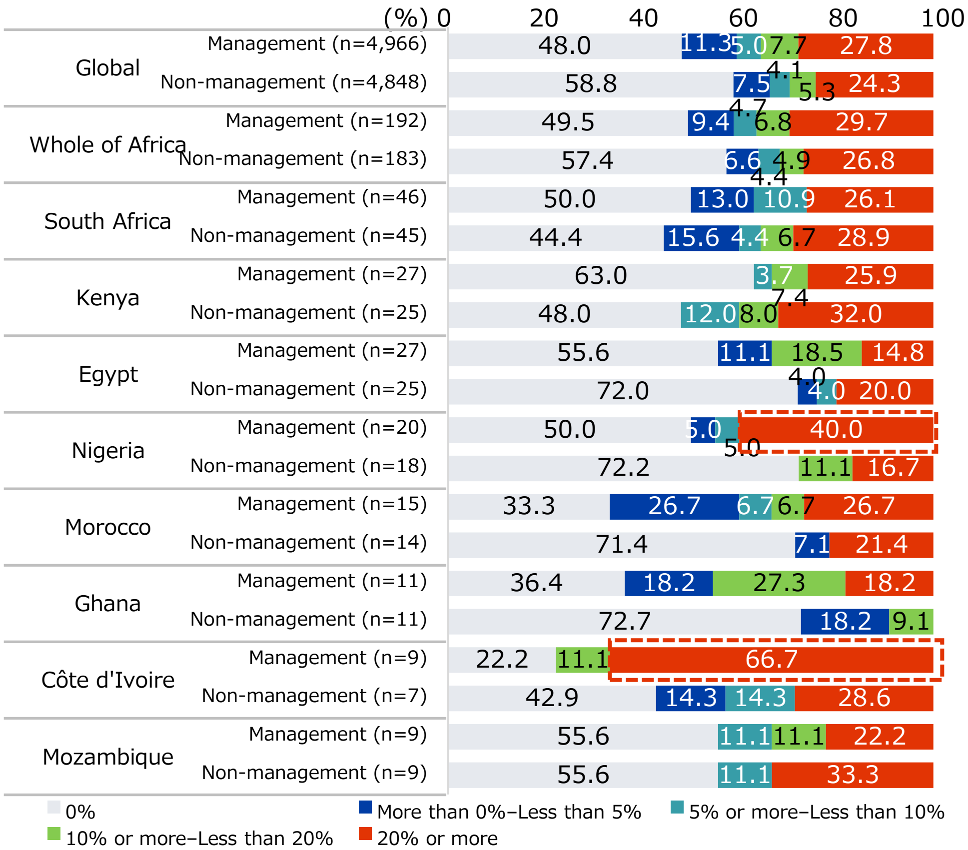
Efforts to Recruit and Retain Human Resources <Multiple Answers>



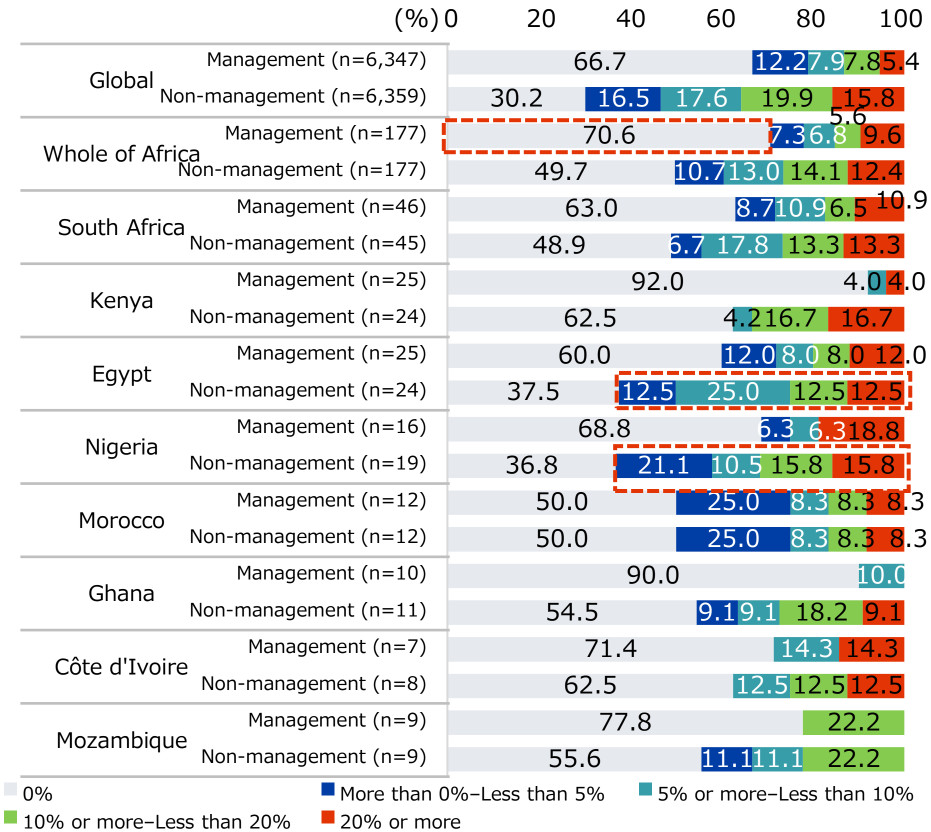
9 | Foreign Nationals Rate and Turnover Rate

- About 30% of companies in Africa have 20% or more foreign managements, compared with **66.7% in Côte d'Ivoire and 40% in Nigeria**. 26.8% of companies in Africa have 20% or more of non-management positions who are foreigners. **About 70% of companies in Africa reported a 0% turnover rate among managements**, while about half reported a 0% turnover of non-managements. **Non-management turnover is higher in Egypt and Nigeria than in other countries**.

Breakdown of Foreign Nationals (by Country/Region, by Job Category)



Breakdown of the Annual Turnover Rate in 2024 (by Country/Region, by Job Category)

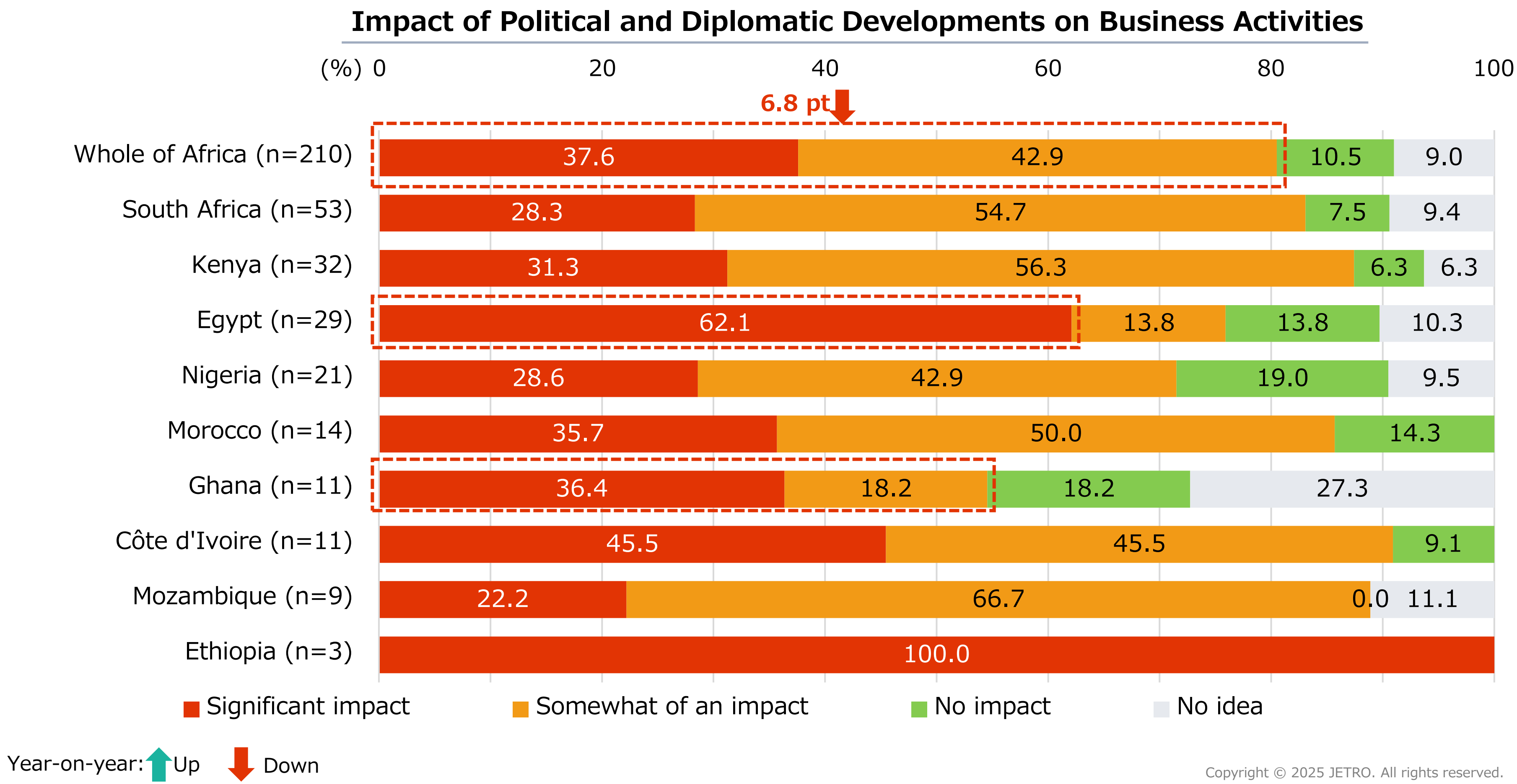


(Note 1) The distribution of the response values is shown based on the ratio of foreign nationals and the turnover rate of each company.
(Note 2) Foreign nationals refer to employees who are not nationals of Japan and the country or region in which they reside.
(Note 3) The annual turnover rate for 2024 is calculated based on only direct employees.

V. Impact of Global and Regional Situations and Additional U.S. Tariff Measures

1 Impact of Political and Diplomatic Developments

- **80.5% of companies said that** political and diplomatic developments in the world and in Africa have a **"significant impact" or "somewhat of an impact"** on their business. This was a decrease of 6.8 percentage points from the previous year. **62.1% of companies in Egypt said the situation would have a "significant impact" on their business**.
- **54.6% of companies in Ghana reported a "significant impact" or "somewhat of an impact,"** which was less than companies in Africa as a whole by more than 25.0 percentage points.



2 Political and Diplomatic Developments Affecting Company's Business

- As political and diplomatic developments affecting companies' business, **more than 40% of companies in Africa cited "Russia's military invasion of Ukraine" and "Houthi attack on ships in the Red Sea."**
- In Egypt, "Houthi attack on ships in the Red Sea" topped the list with 77.3%, and in Côte d'Ivoire, "Coup d'etat, civil wars, and conflicts" topped the list with 77.8%.

Political and Diplomatic Developments Affecting Company's Business <Multiple Answers>

(%)	Russia's military invasion of Ukraine	Houthi attack on ships in the Red Sea	New Trump administration in United States	Coup d'etat, civil wars, and conflicts	Other
Whole of Africa (n=150)	**44.7**	**41.3**	**34.0**	**32.0**	**18.7**
South Africa (n=39)	41.0	30.8	48.7	7.7	23.1
Kenya (n=22)	36.4	31.8	22.7	27.3	27.3
Egypt (n=22)	68.2	77.3	31.8	31.8	4.5
Nigeria (n=13)	53.8	30.8	53.8	53.8	7.7
Morocco (n=11)	45.5	54.5	27.3	9.1	36.4
Côte d'Ivoire (n=9)	55.6	44.4	22.2	77.8	11.1
Mozambique (n=8)	25.0	25.0	25.0	37.5	12.5
Ghana (n=5)	0.0	0.0	20.0	100.0	0.0
Ethiopia (n=3)	0.0	100.0	33.3	100.0	0.0

Political and Diplomatic Developments	Major impact
Russia's military invasion of Ukraine	• Soaring material and fuel prices • Increase in ODA budget input to Ukraine • Soaring food prices • Rising costs (logistics, fuel, materials, etc.)
Houthi attack on ships in the Red Sea	• Increased transportation costs and days sailing via the Cape of Good Hope • Concerns of Egypt's declining geopolitical advantage
New Trump administration in United States	• Increased expansion of Chinese firms based on the Belt and Road Initiative as United States-China relations deteriorate • Decrease in demand from customers receiving aid from the United States • Possible decline in exports to the United States
Coup d'etat, civil wars, and conflicts	• Prohibition of stationing and business trips by internal rules • Increased concerns about project cancellations, delays, and new and additional investments • Increased risk of flight safety • Lower demand in the local market
Other	• Business from Morocco to Algeria stagnated due to the severance of diplomatic relations between Morocco and Algeria

(Note 1) 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.
(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.

3 Additional U.S. Tariff Measures (1) Business with the United States

- As of September 2025, **more than 80% of companies in Africa said they did not do business with the United States**, compared with about 60% globally.
- By country, **more than 30% of companies in Côte d'Ivoire do business with the United States.** In Nigeria, the proportion of companies "import from the United States (direct)" is comparatively large at 19.0%.

Business with the United States as of September 2025 <Multiple Answers>

(%)	Export to the United States (direct)	Export to the United States (via third countries/ regions or business partners)	Import from the United States (direct)	Import from the United States (via third countries/ regions or business partners)	Other	No dealings with the United States (including indirect transactions)
Global (n=6,701)	12.9	14.8	8.2	4.7	4.8	63.5
Whole of Africa (n=211)	**1.9**	**2.4**	**7.6**	**6.2**	**3.8**	**81.5**
South Africa (n=54)	3.7	5.6	5.6	9.3	5.6	75.9
Kenya (n=32)	0.0	0.0	9.4	3.1	3.1	87.5
Egypt (n=28)	3.6	0.0	0.0	3.6	3.6	89.3
Nigeria (n=21)	0.0	0.0	19.0	4.8	0.0	81.0
Morocco (n=15)	0.0	0.0	6.7	6.7	6.7	80.0
Ghana (n=11)	0.0	9.1	0.0	0.0	0.0	90.9
Côte d'Ivoire (n=11)	9.1	0.0	18.2	9.1	0.0	63.6
Mozambique (n=9)	0.0	0.0	11.1	11.1	0.0	88.9
Ethiopia (n=3)	0.0	0.0	0.0	0.0	0.0	100.0

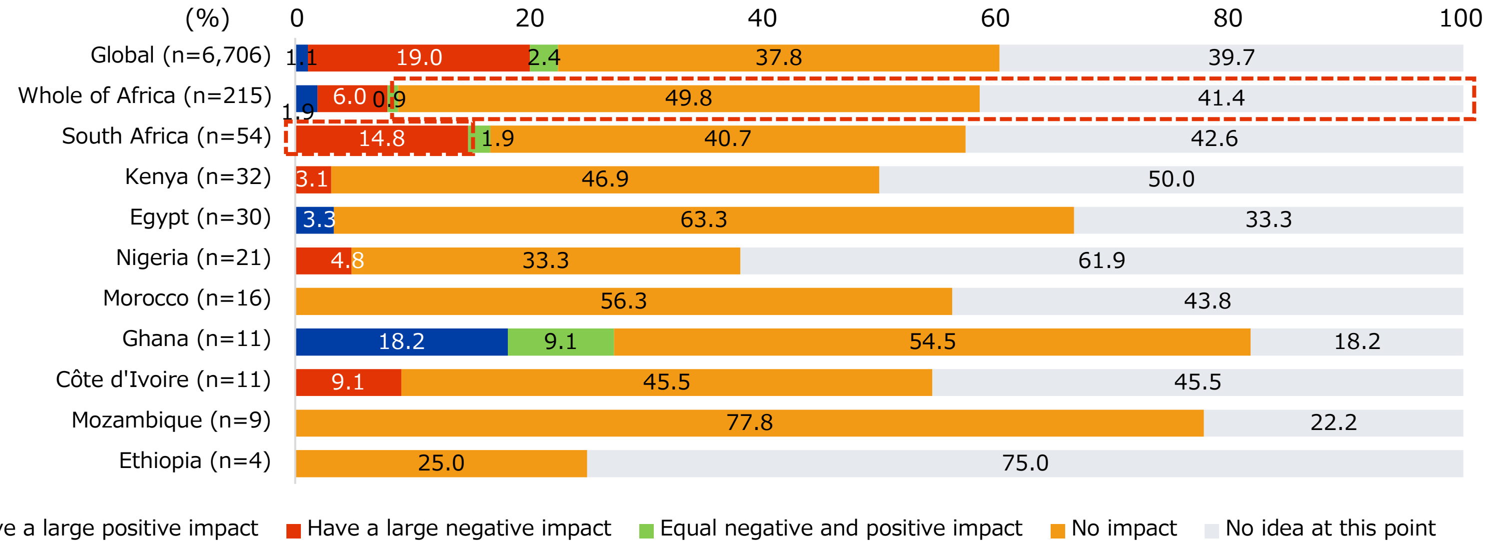
(Note) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.

3 Additional U.S. Tariff Measures (2) Impact of Additional U.S. Tariff Measures

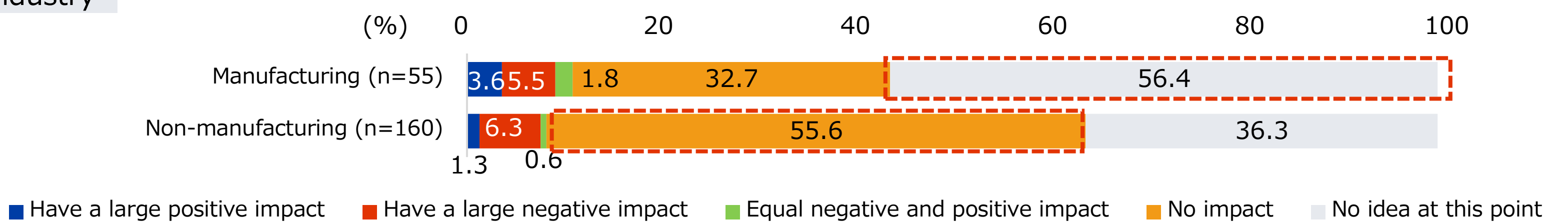
- Regarding the impact of additional U.S. tariffs on their 2025 operating profit forecasts, **the largest share of companies (49.8%) in Africa reported "no impact,"** followed by **41.4% who said they were unsure at this point**. Both figures surpassed the global total.
- **In South Africa, the proportion of companies who reported large negative impact was the highest, at 14.8%**. By industry, **more than 50% of respondents in the manufacturing sector said they were unsure. More than 50% of respondents in the non-manufacturing sector reported "no impact."**

Impact of Additional U.S. Tariff Measures on 2025 Operating Profit Forecast

By Country



By Industry

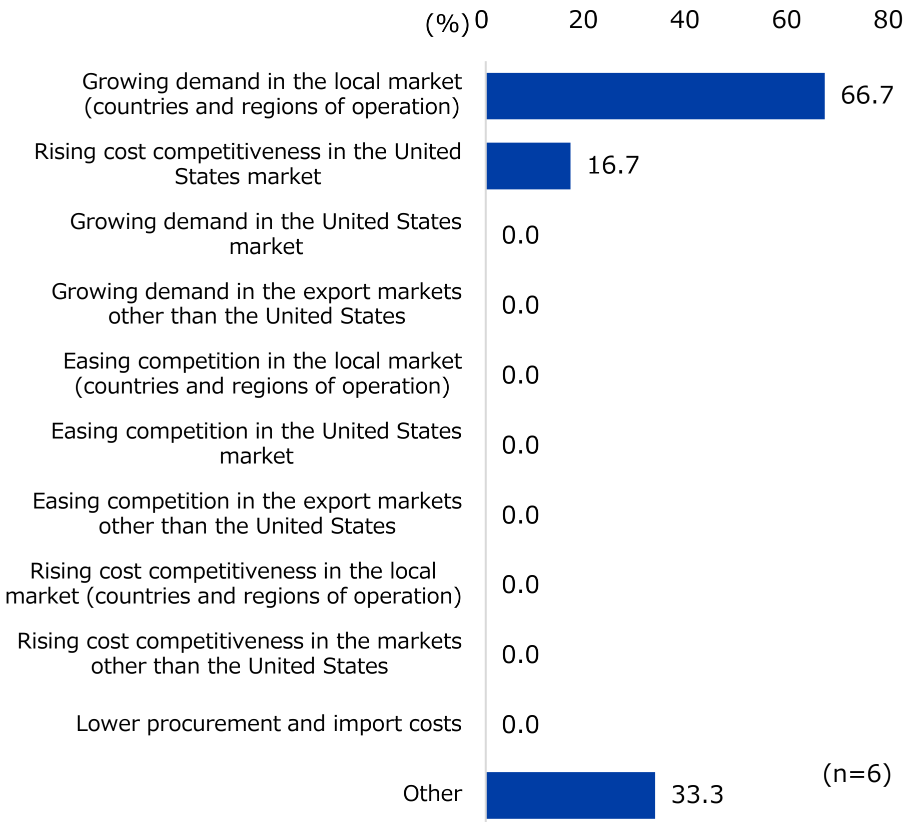


(Note) This refers to U.S. tariff increases by the second Trump administration and retaliatory tariff measures by countries and regions in which the companies are located and third countries and regions, which were introduced by August 15, 2025.

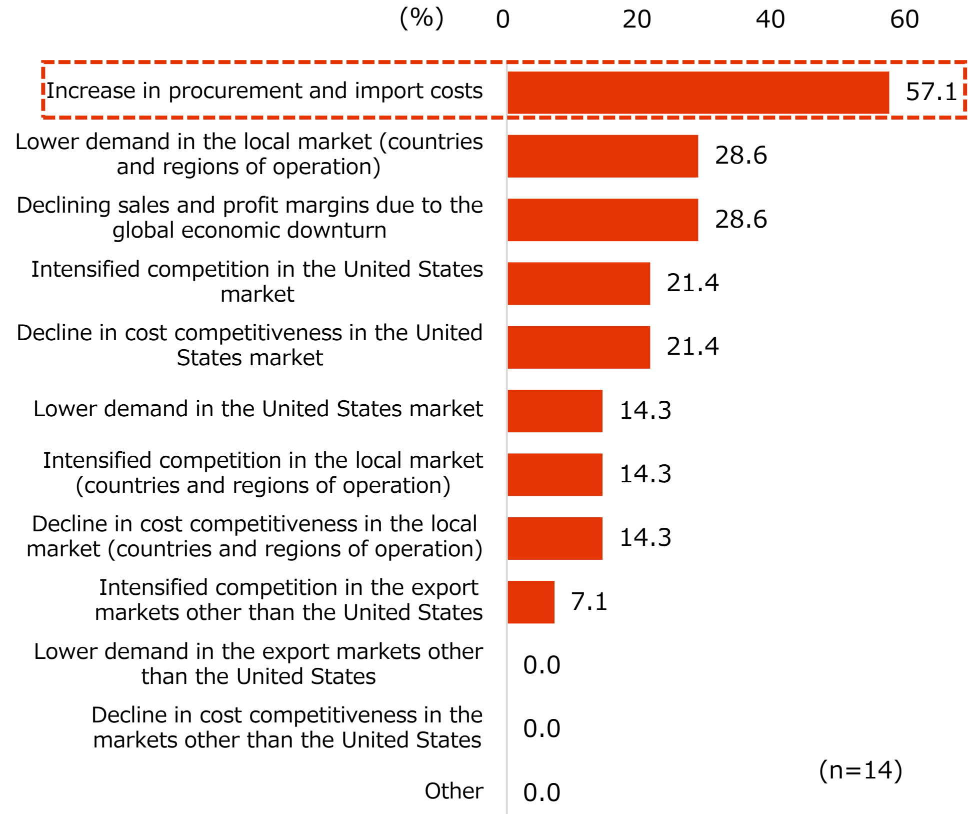
3 Additional U.S. Tariff Measures (3) Reasons for the Impact of Additional U.S. Tariff Measures

- Regarding the reason that additional U.S. tariffs and other measures would have a positive impact on the operating profit forecast for 2025, the main factor was "growing demand in the local market."
- The most common negative reason, **cited by 57.1% of respondents, was "an increase in procurement and import costs"**. This was followed by "lower demand in the local market" and "declining sales and profit margins due to the global economic downturn", at 28.6%.

Reasons for the Positive Impact of Additional U.S. Tariff Measures on the Operating Profit Forecast <Multiple Answers>



Reasons for the Negative Impact of Additional U.S. Tariffs Measures on the Operating Profit Forecast <Multiple Answers>

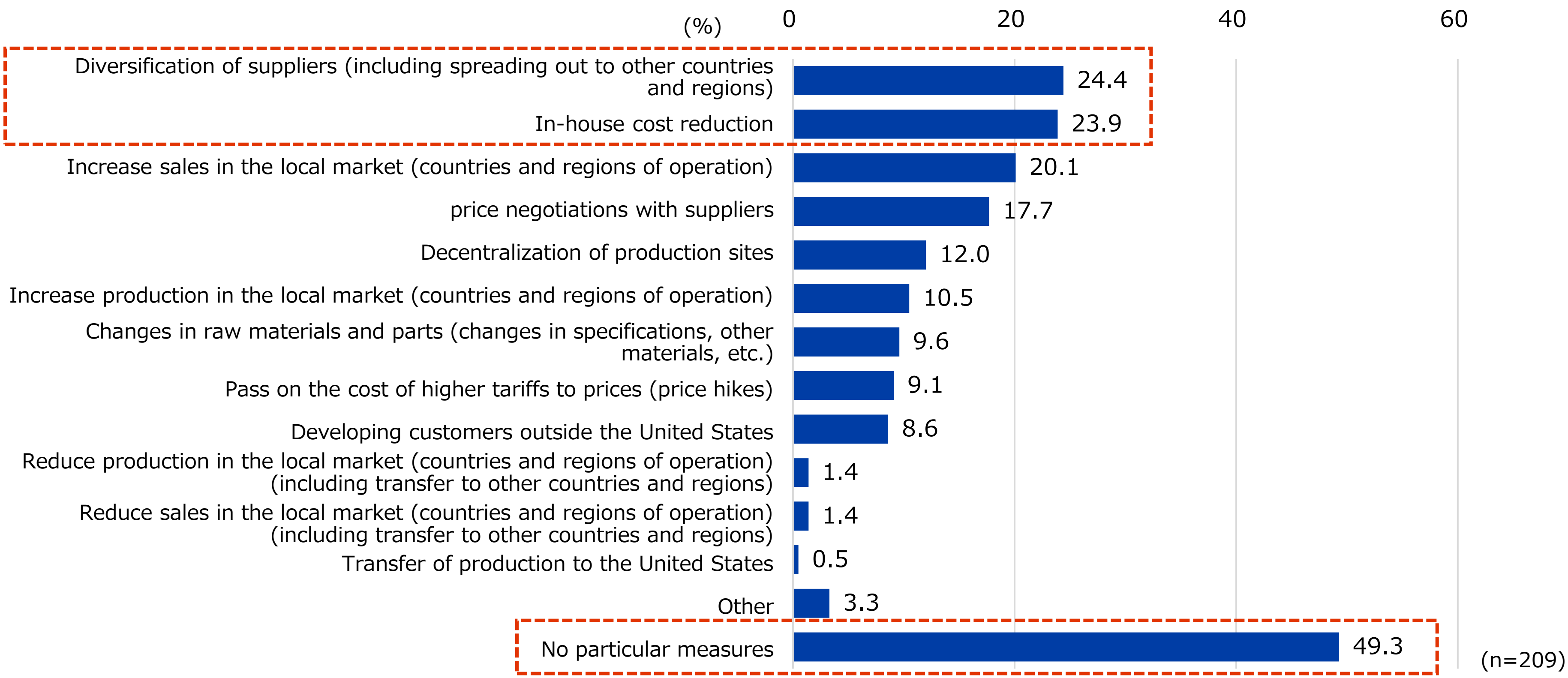


(Note) This refers to U.S. tariff increases by the second Trump administration and retaliatory tariff measures by countries and regions in which the companies are located and third countries and regions, which were introduced by August 15, 2025.

3 Additional U.S. Tariff Measures (4)
Response to Additional U.S. Tariff Measures

- On the question of how companies plan to respond to the additional U.S. tariffs, **49.3% answered that they had "no particular measures."**
- Among specific responses, **the most common measure cited by respondents was "diversification of suppliers" at 24.4%, followed by "in-house cost reduction" at 23.9%**. Other measures cited included "increasing sales in the local market" and "price negotiations with suppliers."

Concrete Measures Against the Additional U.S. Tariff Measures <Multiple Answers>



(Note) This refers to U.S. tariff increases by the second Trump administration and retaliatory tariff measures by countries and regions in which the companies are located and third countries and regions, which were introduced by August 15, 2025.

3 Additional U.S. Tariff Measures (5) Countermeasures Depending on the Type of Business with the United States

- Among companies that import directly from the United States, the largest share of respondents (43.8%) cited "in-house cost reduction" as a specific measure. Among companies importing indirectly from the United States, the largest share (61.5%) cited "price negotiations with suppliers," and "in-house cost reduction" was cited by more than 50%.

Business Situation with the United States and Specific Countermeasures <Multiple Answers>

(%)	Diversification of suppliers (including spreading out to other countries and regions)	In-house cost reduction	Increase sales in the local market (countries and regions of operation)	price negotiations with suppliers	Decentralization of production sites	Increase production in the local market (countries and regions of operation)	Pass on the cost of higher tariffs to prices (price hikes)	Changes in raw materials and parts (changes in specifications, other materials, etc.)	Developing customers outside the United States	Reduce production in the local market (including transfer to other countries and regions)	Reduce sales in the local market (including transfer to other countries and regions)	Transfer of production to the United States	Other	None in particular
Whole of Africa (n=206)	**23.3**	**23.3**	**19.4**	**18.0**	**10.7**	**9.7**	**9.2**	**8.7**	**8.7**	**1.5**	**1.5**	**0.5**	**3.4**	**50.0**
Export directly to the United States (n=4)	50.0	0.0	0.0	0.0	25.0	0.0	25.0	0.0	25.0	0.0	0.0	0.0	0.0	25.0
Export to the United States (Via third countries/regions or business partners) (n=5)	20.0	20.0	20.0	40.0	60.0	0.0	20.0	0.0	20.0	0.0	0.0	20.0	0.0	20.0
Import from the United States (direct) (n=16)	37.5	43.8	12.5	31.3	12.5	0.0	12.5	12.5	25.0	0.0	6.3	0.0	6.3	12.5
Import from the United States (Via third countries/regions or business partners) (n=13)	30.8	53.8	7.7	61.5	0.0	7.7	7.7	7.7	0.0	7.7	23.1	0.0	0.0	15.4
Others (n=8)	37.5	37.5	12.5	12.5	12.5	12.5	0.0	12.5	0.0	0.0	0.0	0.0	25.0	37.5
No transactions with the United States (Including indirect transactions) (n=167)	21.0	20.4	21.6	15.0	9.0	10.8	9.0	9.0	7.2	1.2	0.0	0.0	2.4	56.3

(Note 1) 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.
(Note 2) This refers to U.S. tariff increases by the second Trump administration and retaliatory tariff measures by countries and regions in which the companies are located and third countries and regions, which were introduced by August 15, 2025.

3 Additional U.S. Tariff Measures (6) Countermeasures Based on Operating Profit Forecast

- Among companies whose operating profit forecasts were negatively affected by the additional U.S. tariffs, **the largest share of respondents (53.8%) cited "in-house cost reduction" as a specific measure**. This was followed **by "price negotiations with suppliers," at 46.2%**.
- Among companies that chose "none in particular" for the countermeasures, 63.8% cited "no impact," while 38.1% cited "no idea at this point."

Impact of Additional U.S. Tariff Measures on Operating Profit Forecast and Specific Countermeasures

(%)	Diversification of suppliers (including spreading out to other countries and regions)	In-house cost reduction	Increase sales in the local market (countries and regions of operation)	price negotiations with suppliers	Decentralization of production sites	Increase production in the local market (countries and regions of operation)	Changes in raw materials and parts (changes in specifications, other materials, etc.)	Pass on the cost of higher tariffs to prices (price hikes)	Developing customers outside the United States	Reduce production in the local market (including transfer to other countries and regions)	Reduce sales in the local market (including transfer to other countries and regions)	Transfer of production to the United States	Other	None in particular
Whole of Africa (n=208)	**24.5**	**23.6**	**19.7**	**17.8**	**12.0**	**10.6**	**9.6**	**9.1**	**8.7**	**1.4**	**1.4**	**0.5**	**3.4**	**49.5**
Have a large positive impact (n=4)	25.0	75.0	75.0	75.0	25.0	50.0	25.0	25.0	0.0	0.0	0.0	25.0	0.0	0.0
Have a large negative impact (n=13)	38.5	53.8	7.7	46.2	15.4	0.0	7.7	23.1	15.4	0.0	7.7	0.0	7.7	23.1
Equal negative and positive impact (n=2)	50.0	0.0	0.0	50.0	0.0	0.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	50.0
No effect (n=105)	15.2	16.2	20.0	12.4	5.7	12.4	7.6	5.7	7.6	1.9	1.9	0.0	2.9	63.8
No idea at this point (n=84)	33.3	26.2	19.0	16.7	19.0	8.3	10.7	10.7	9.5	1.2	0.0	0.0	3.6	38.1

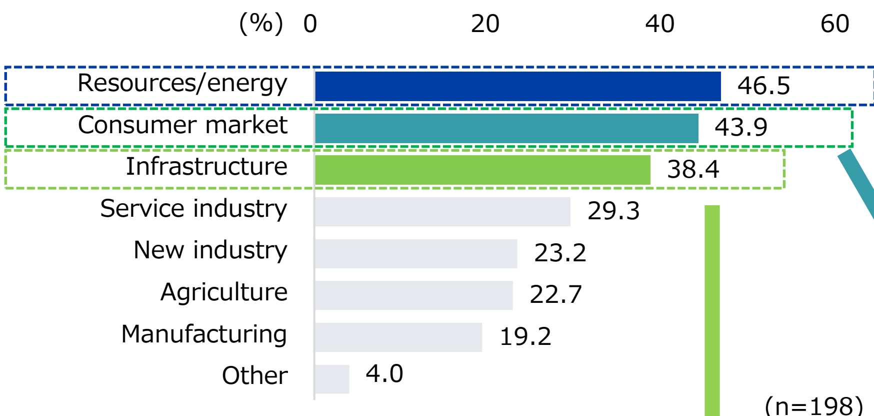
(Note 1) Dark blue indicates a response rate of 70% or more, blue indicates a response rate of 50% or more but less than 70%, and light blue indicates a response rate of less than 50% but exceeding the overall response rate by 10 percentage points or more.
(Note 2) This refers to U.S. tariff increases by the second Trump administration and retaliatory tariff measures by countries and regions in which the companies are located and third countries and regions, which were introduced by August 15, 2025.
(Note 3) A single response was received regarding the impact on the operating profit forecast, and multiple responses were received regarding specific measures.

VI. Promising Business Areas & Focus Countries

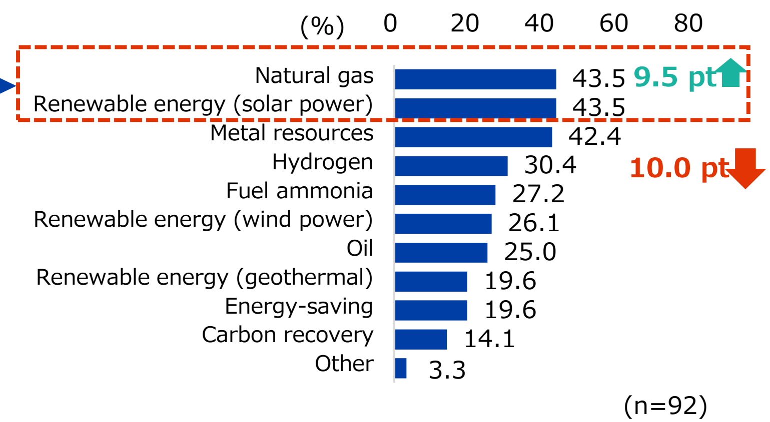
1 | Promising Business Areas (by Area ①)

- **The most promising business area in Africa was "resources/energy."** Within this category, **"natural gas" increased by 9.5 percentage points from the previous year, tying for the top position with "renewable energy (solar power)."** "Hydrogen," which ranked second last year, fell 10.0 percentage points to fourth.
- **"Consumer market"** and **"infrastructure"** were also seen as promising. In "consumer market," **"food"** and **"transportation equipment (motorcycles, motor vehicles, etc.)"** were continued to be regarded as promising, consistent with the previous year. Within "infrastructure," **"electric power"** were regarded as promising. "Airport," which ranked seventh last year, rose 8.6 percentage points from the previous year to take fourth place.

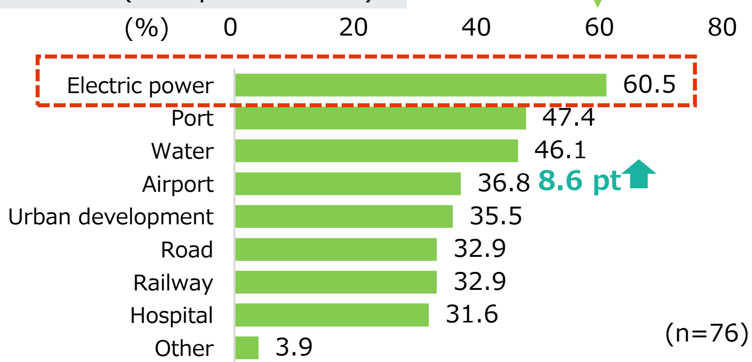
Promising Business Areas <Multiple Answers>



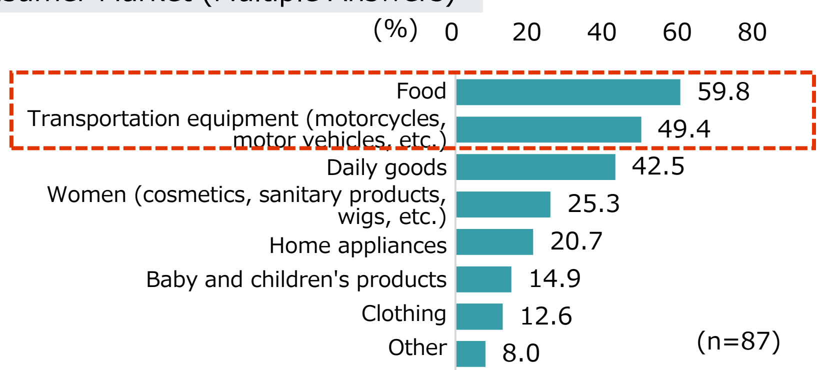
Resources/Energy (Multiple Answers)



Infrastructure (Multiple Answers)



Consumer Market (Multiple Answers)

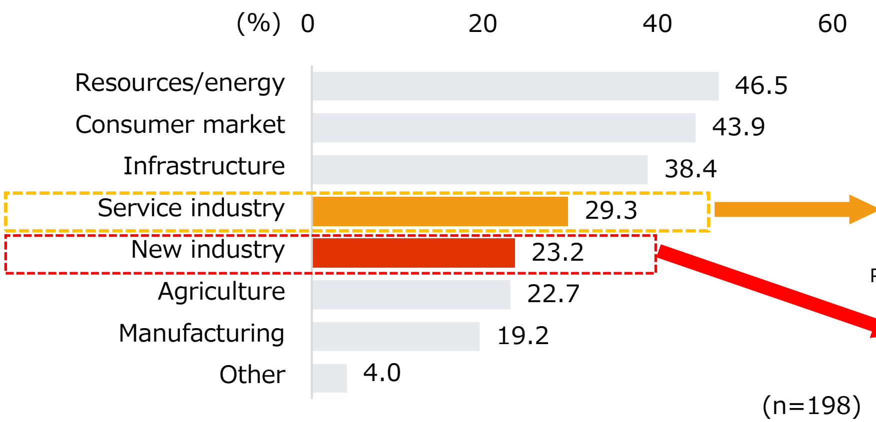


Year-on-year: ↑ Up ↓ Down

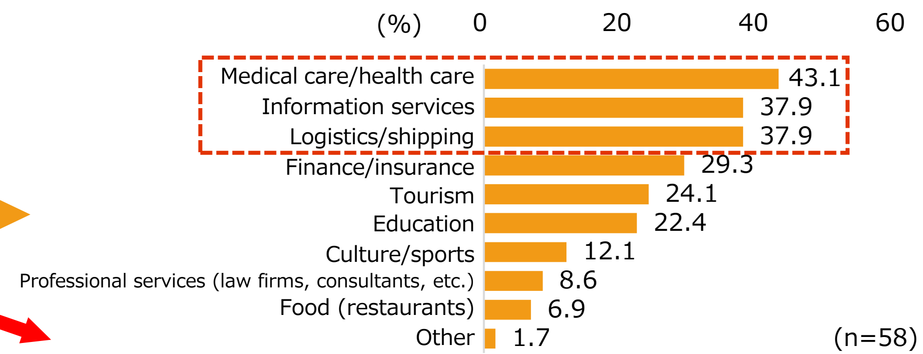
1 Promising Business Areas (by Area ②)

- As for "service industry," **"medical care/healthcare," "information services" and "logistics/shipping" ranked high**, as in the previous year.
- "New industry" were ranked fifth, ahead of "agriculture." "Smart agriculture" remained the most promising among "new industry." **"AI"** and **"big data"** rose from the previous year.

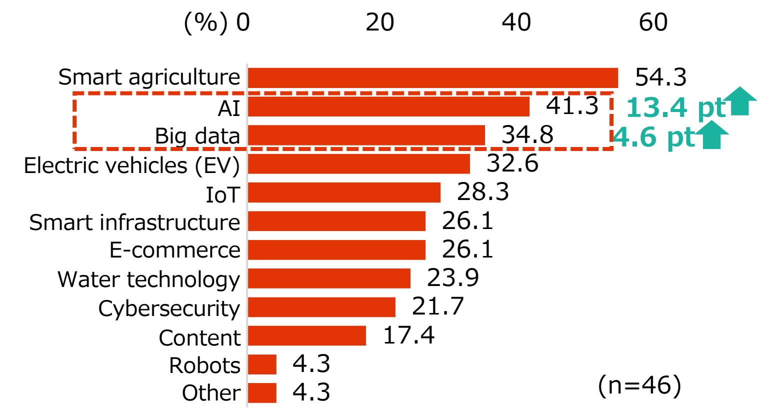
Promising Business Areas <Multiple Answers>



Service Industry (Multiple Answers)



New Industry (Multiple Answers)



<Agriculture>
- Improving agricultural efficiency through fertilizers, agrochemicals, and agricultural machinery
- Grains, vegetables, and fruits (Cacao, sesame, etc.)

<Manufacturing sectors and products>
- Automotive industry, textiles (clothing)
- Chemicals (processed), pharmaceuticals, etc.

Year-on-year: Up Down

2 Promising Business Areas (by Country)

- By country, **"resources/energy" are regarded as promising especially in Morocco, Côte d'Ivoire, and Mozambique**.
- In Kenya, "infrastructure" is promising, while in Nigeria, "consumer market" and "service industry" are promising. In Egypt, the proportion of companies who cited "agriculture" and "manufacturing" is higher than companies in Africa as a whole by more than 10 percentage points.

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

(%)	Resources/energy	Consumer market	Infrastructure	Service industry	New industry	Agriculture	Manufacturing	Other
Whole of Africa (n=198)	**46.5**	**43.9**	**38.4**	**29.3**	**23.2**	**22.7**	**19.2**	**4.0**
South Africa (n=49)	46.9	38.8	26.5	24.5	16.3	12.2	24.5	2.0
Kenya (n=28)	28.6	42.9	53.6	35.7	35.7	10.7	17.9	7.1
Egypt (n=27)	44.4	44.4	44.4	29.6	29.6	33.3	29.6	7.4
Nigeria (n=21)	47.6	66.7	33.3	52.4	33.3	42.9	14.3	0.0
Morocco (n=13)	53.8	23.1	30.8	15.4	7.7	15.4	23.1	7.7
Côte d'Ivoire (n=11)	72.7	45.5	45.5	9.1	18.2	18.2	9.1	0.0
Ghana (n=10)	30.0	60.0	20.0	40.0	20.0	40.0	20.0	20.0
Mozambique (n=9)	77.8	44.4	55.6	33.3	33.3	22.2	11.1	0.0
Ethiopia (n=3)	0.0	100.0	33.3	0.0	0.0	33.3	0.0	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.

References

Promising Business Areas (Related Research/Special Feature)

- Introduction of features and surveys on promising business fields in Africa: "resources/energy," "consumer market," and "infrastructure."*Japanese Website

Special Feature on Regional and Analytical Reports: “Current status and challenges of clean hydrogen projects around the world“
https://www.jetro.go.jp/biz/areareports/special/2024/1002.html

Special Feature on Regional and Analytical Reports: "Current Green Business in the Middle East and Africa“
https://www.jetro.go.jp/biz/areareports/special/2023/0902.html

Africa Lifestyle Report: "Lifestyle and Consumer Trends in Africa"
https://www.jetro.go.jp/world/africa/lifestyle_reports.html

Special Feature on Regional and Analytical Reports: "Exploring the Potential of Japanese Pop Culture in Africa"
https://www.jetro.go.jp/biz/areareports/special/2025/0702.html

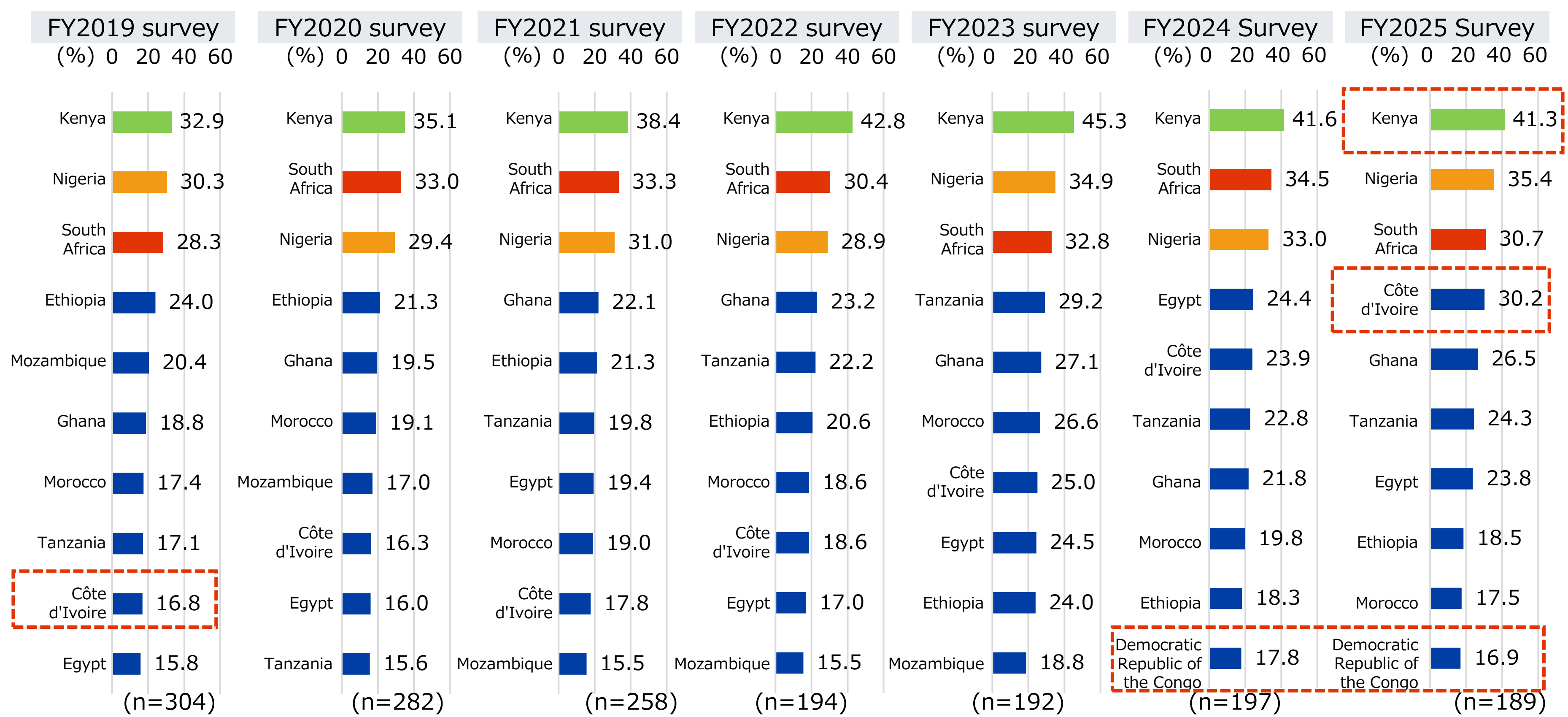
Special Feature on Regional and Analytical Reports: "Exploring trends in logistics and infrastructure projects in the Middle East and Africa"
https://www.jetro.go.jp/biz/areareports/special/2025/1002.html

●(Reference) JETRO "Africa" page
https://www.jetro.go.jp/world/africa/

3 Focus Countries

- **Kenya remained the top country to watch,** followed by Nigeria in second place and South Africa in third.
- **Côte d'Ivoire ranked fourth (30.2%) in FY2025, 0.5 percentage points behind South Africa despite having been at only 16.8% in FY2019. The Democratic Republic of the Congo was included in the top 10 for the second consecutive year.**

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



4 Top 10 Focus Countries and Company Comments <Multiple Answers>

Ranking	Country	Percentage(%)		Focus points (Company comments, Note 1) n=189 (Whole of Africa)
		Africa Overall	Country of Location (Note 2)	
1	Kenya	41.3	55.2	hub in East Africa, concentration of Japanese companies, economic development, automobiles, renewable energy, ports, logistics, extension of railways, stability, ease of doing business, ease of living, enhancement of human resources, infrastructure
2	Nigeria	35.4	76.5	population growth, petrochemicals, fintech, market size, domestic demand, improvement in exchange rates and economic conditions, logistics
3	South Africa	30.7	58.0	natural resources, partner country and gateway to Africa, mature markets, infrastructure, renewable energy, EC market, English-speaking country, concentration of automobile industry
4	Côte d'Ivoire	30.2	90.9	market expansion, economic growth, Francophone hub in West Africa, economic stability, infrastructure, agriculture, cacao, natural rubber, cashew nuts, ODA projects, content-related business, mining business
5	Ghana	26.5	77.8	political stability, cacao, fiscal consolidation, solid economy, resources, demand for infrastructure construction, ODA projects, startups
6	Tanzania	24.3	50.0	agricultural potential, economic growth, infrastructure development, ODA, population growth, railways, ports, growth axes in East Africa
7	Egypt	23.8	95.8	economic development, geographical advantage, export hubs, labor force, population growth, electricity infrastructure, EC markets, access to the Middle East and North Africa (MENA) region
8	Ethiopia	18.5	100.0	population, economic growth, deregulation, ODA projects, infrastructure development
9	Morocco	17.5	66.7	automotive clusters, manufacturing bases of Europe, infrastructure, potential locations in North Africa and Francophone countries
10	Democratic Republic of the Congo	16.9	-	resources, expanding demand, mining business, population growth

(Note 1) 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.
(Note 2) The percentage of "location country" is the percentage of companies that chose the location country as a focus country.
(Example) Percentage of Japanese companies in Kenya that chose Kenya as "country to watch."

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