



**The Preparatory Forum towards establishing
Phase III of the Policy Dialogue on Industrial Development
was held on 5 July**

Japan and Ethiopia are holding the 17th Round of the Policy Dialogue on Industrial Development in Addis Ababa, Ethiopia, from 4 to 8 July, 2016.

The Preparatory Forum held on 5 July was to prepare for the establishment of Phase III of the Policy Dialogue. At the Forum, participants such as H.E. Ato Newayechristos Gebreab, Economic Advisor to the Prime Minister, H.E. Mr. Ahmed Abtew, Minister of Industry, and ranks of state-ministers and senior officials from the Prime Minister's Office, Ministry of Industry, Ministry of Trade, and economic development related agencies of Ethiopia exchanged views on macroeconomic policy, industrial policy, and industrial parks development during GTP II; and Japan's alignment with GTPII for the next 5 years of Phase III of the Policy Dialogue.

This Policy Dialogue was referred to in the Joint Communiqué by Prime Minister Mr. Shinzo Abe and Prime Minister Ato Hailemariam Dessalegn issued on the occasion of the state visit of Japan's Prime Minister to Ethiopia in January 2014.

Based on a request by the late Prime Minister of Ethiopia, H.E. Ato Meles Zenawi, who had long taken great interest in the Asian experience of development, Professor Kenichi Ohno and Professor Izumi Ohno from the National Graduate Institute for Policy Studies (GRIPS) started Phase I of the Dialogue in June 2009. Under the Policy Dialogue, the two professors held talks with the late Prime Minister Meles 8 times, and with Prime Minister Hailemariam 7 times.

The Policy Dialogue has been conducted as a technical assistance project by the Japan International Cooperation Agency (JICA), and thus, has been coordinated closely with the "Kaizen" initiative that the Ethiopian Government is implementing across the country with the assistance of Japan. In Phase I of the Policy Dialogue from 2009 to 2011, the Kaizen Unit was established in the Ministry of Industry of Ethiopia and pilot projects were carried out to introduce 5S and QC circles to 30 Ethiopian companies. In Phase II from 2012 to 2015, the Kaizen Unit was upgraded to the Ethiopian Kaizen Institute and Kaizen became a national movement such as establishing national Kaizen month, and starting TV and radio programs on Kaizen in Ethiopia.

The Policy Dialogue is also the platform that created the “Champion Products Approach,” which is a tool for promoting trade and increasing exports. In Phase II, JICA and its experts engaged in developing champion products from Ethiopia and pilot Ethiopian champion products were introduced at the African Fair held during TICAD V in Yokohama, Japan in 2013. JICA has also cooperated in the national re-branding of Ethiopia and its promotion by making Ethiopia’s image film named “Creative In Motion” and branding the Ethiopian sheep leather as “Highland Leather.” Ethiopian companies have already found Japanese buyers by utilizing this “Highland Leather” brand.

At the first session of the Forum, the main topic of discussion was the export promotion through capacity building of domestic private sector and attracting FDI of export oriented industry. Through the discussion, the Japanese side explained that not only export industry but also import substitution industry contribute to the Ethiopian economy and stressed its importance. The Ethiopian side expressed their expectation toward Japanese side’s cooperation on high value added industry promotion.

At the second session, regarding Japan’s alignment with GTPII, based on the explanation from the Japanese side on a possible Ethiopia-Japan Action Plan for Industrial Development for the next 5 years of the GTPII period, including support for the implementation and monitoring of GTPII, investment promotion, industrial parks development, and export promotion, both sides exchanged views on various issues such as high quality FDI attraction including industrial parks development, export promotion, and capacity building of domestic private sector.

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**Embassy of Japan
Addis Ababa**

