

**Opening Remarks by H.E. Dr. GIORGIS Tekemikahel  
Minister of National Development of Eritrea on the occasion of  
the bilateral economic cooperation policy consultation meeting  
between the Government of Japan and the Government of  
Eritrea in Asmara September 15, 2013**

Honorable KIUCHI Minoru State Minister of Foreign Affairs of Japan,

Distinguished Participants and Colleagues,

Let me first welcome and wish you and your delegation a pleasant and fruitful stay in Asmara. Pleasure to have you here during our New Year and harvest season festivals. Let me also take this opportunity to express, once again, my sincere thanks and gratitude for the hospitality provided to my delegation and myself during TICAD V in Yokohama and Tokyo last June 2013.

As we all know, Yokohama Action Plan and its Implementation Matrix 2013-2017 encompassed six main pillars of cooperation: 1. Boasting economic growth 2. Accelerating infrastructure and capacity building 3. Empowering farmers as mainstream economic actors 4. Promoting sustainable and resilient growth 5. Creating inclusive society for growth and 6. Consolidating peace, stability, democracy and good governance. Cognizant of these outcomes, let me outline briefly in this meeting Eritrea's perspective, aims and objectives, as well as the needs and requirements for a continued consultation in this important process through bilateral and multilateral means on some of the areas of cooperation.

Modern day Japan-Eritrea relations date back to the construction period of the Suez Canal when construction companies of Japan used Massawa Port of Eritrea as a hub to their activities in Egypt. Japan-Eritrea diplomatic relations dates back to the "Italian Colonial Administration of Eritrea". Japan and Eritrea had a very active trade and investment cooperation since that period.

Diplomatic relations between Japan and “Italian Colonial Administration of Eritrea” was established on September 1936. Major import from Eritrea to Japan was marine industrial salt from Massawa Salt Works Co during those days.

Local and Japanese experts from Nippon Mining revealed major sulfide deposits occurring in the areas of Embaderho, Adi Rassi, Debarwa, Adi Nefas, Weki and other areas in Eritrea in the early seventies. Japanese companies made several investments in leather, cotton, house-wares, aluminum and other small and medium manufacturing enterprises. Japan had a plan to support and expand green tea plantations in Semenawi Bahri in Eritrea during the same period.

Japan started the Overseas Economic Cooperation Fund (OECF) for Africa in the early 1970. The first Yen-loan agreement was signed with Ethiopia in May 1973. This period coincides with the start up of production of Nippon mining and Japan’s investment activities in Eritrea with an exceptional high quality of 14% copper purity. Eritrea was of course during this period under the occupation of Ethiopia. Though, this project suffered a setback and interrupted progress for the last 40 years, the good news today is, the production of these same mines is restarting with an average annual starting production of 29,000 ton of copper 42,000 ounces of gold, 83,000 ton Zinc and 1 million ounces of Silver in a secure environment and freedom by Asmara Mining Company - a Joint Venture Company formed by ENAMCO a local and Sunridge Gold a foreign enterprise in 2015.

As in the recent past, and as I mentioned briefly above, the business tie-up that existed before forty years: i.e. location, business, resources and partnerships are still the only viable and sustainable corner stones for Japan – Eritrea future relations. TICAD process must serve as a catalyst to the rebirth of this relationship in a new paradigm. Eritrea main offer to Japan is its history as old as humanity and a country of friendship where Jews,

Christians, Moslems and Anna religions and hardworking followers of theses denominations have lived in rule of law, peace and harmony for centuries.

Therefore, in view of their long and short term economic interest and in line with the natural give-and-take-relations that shall exist between our two friendly states for many years to come in areas of trade, investment, tourism and other mutual partnership programs of cooperation, Foreign Direct Investment (FDI) from Japan was targeted by Eritrea since independence to participate in the rehabilitation and rebirth of the war ravaged economy of the country in important sectors such as mining, fisheries, agro-industries, tourism, small and medium enterprises (SMEs), infrastructure, energy, coastal developments, railways and education for a desirable outcome to the mutual development growth of trade and investment of both countries.

After the independence of Eritrea, diplomatic relations was re-established, in a new environment, between both countries in 1993. And in view of boosting the relations, on the tenth year anniversary of the establishment of diplomatic relations with Japan, Eritrea opened an Embassy in Tokyo on May 22, 2003. Japan, as you know, has yet to establish one in Asmara.

Japan has contributed more than 125 million USD to the nation building programs of the country through Tokyo International Conference on African Development (TICAD) process in the past twenty one years - mainly in food security, supply of equipment for road construction, building of Assab fisheries complex, rehabilitation of bridges for the Massawa – Asmara road, emergency aid, port equipment, Debub towns water projects, improvement projects for higher education and health systems in Eritrea through Japanese experience, child and maternal care, immunization etc. as well as support provided to promote produce of Eritrea to the Japanese market.

Several major companies of Japan such as Toyota, Komatsu, Suzuki and Yamaha have also opened their business outlets/presence in Eritrea. According to the Department of Land Transport statistics imported vehicles from Japan to Eritrea comprise 74% from 1996 to 2007. Eritrea is the second highest exporter of leather to Japan too. Marine salt produce of Eritrea has been reintroduced into the market of Japan successfully. The commencement of export of copper from Eritrea to India is clear indication on its next future destination of Japan. Japanese major corporates such as Mitsubishi, Toyota, Mitsui, Sekistones, Sojitz and other enterprises have also expressed their intention and interest to do business in Eritrea in the past years.

The role of Japan in the border conflict between Ethiopia and Eritrea was also mutually discussed and explored extensively during the last decade, at all levels, on bilateral and multilateral basis including but not excluding in the those important meetings that President ISAIAS conducted with PM KOIZUMI, PM FUKUDA and other political leaders of Japan in the past. Japan is always expected by Eritrea to look into such issues with great sensitivity, based on the rule of international law, as well as in view of Japan's own sticking problems of a similar nature with its neighbors and their obvious continued ramifications and implications to regional peace and stability. The rule of law is obviously the only future that this issue has.

Eritrea has also outlined its experience and challenges in the issue of national ownership and the rightful participation of its population in economic growth in the various occasions of TICAD represented by its envoys. Similarly, Eritrea will not shy away from its continued constructive engagement with Japan in the future too. The Government of Eritrea supports in its foreign policy a continued effort for the establishment of a safe, secure, respect of the rule of law, genuine inclusive socio- economic reforms and mutual regional cooperation of our neighborhood i.e.

Nile Basin, Horn of Africa and Middle Eastern countries.

Therefore, taking into account the above-mentioned cursory background and reference, I would like to express to the delegation of the Government of Japan:

1. The need for establishing a new framework of policy consultation of economic cooperation, implementation plan and follow-up mechanism based on TICAD V to cover following major areas of cooperation with Eritrea for 2014 - 2017:
  - a. Agriculture and forestry projects aimed at food production increase,
  - b. Cultivation and process of agricultural and forestry projects aimed at export,
  - c. Capacity building of fishery industry projects aimed at food security and export,
  - d. Capacity building projects in medical and health care aimed at improving health services in Eritrea,
  - e. ODA, equity and loan participation of overseas enterprises of Japan in businesses of Eritrea, and
  - f. Other projects aimed at post conflict infrastructure improvement and economic growth imperatives.
2. The need for Japan's public and private investment to participate in the development of Eritrea, through enhanced mutual working visits, conferences at economic, political, academic, business, experts and grass roots levels in 2014 – 2017.

In conclusion on behalf of the Government of Eritrea and myself I would like to express, taking this opportunity, our deep appreciation and gratitude to the continued support provided by the Government of Japan to the nation building of Eritrea.

Eritrea looks forward to the development of a robust and vibrant relationship with Japan.

I wish all the best to the success of this policy consultation meeting of today.

Thank you