

Sumitomo Corporation focusing on the high growth markets of Africa

**(1) Introduction**

Population of 1 billion  $\Rightarrow$  2 billion by 2050 // Abundant natural resources // Rapid GDP growth // Africa // Sumitomo Corporation's Global Business: Africa



**(2) Current status of Africa (Hidemi Moriya, Global Strategy & Coordination Dept.)**

The African continent covers approximately 20% of the Earth's total land area. This extensive continent and its surrounding islands contain 54 nations and a variety of ethnic groups. Africa's population has been growing more rapidly than that of any other region in the world: by 2050, the total number of people in Africa is expected to double from the current 1,000 million.



The GDP of African nations, along with foreign investment in this region, started climbing significantly in 2002, primarily due to the rise in resource and energy prices. As a result, the local consumer base has also been expanding at a considerable rate. With these favorable factors, Africa is expected to achieve enormous growth in the future, making this natural-resources-rich continent a more attractive market.

On the other hand, the region needs to overcome various obstacles blocking its path to future growth. These include insufficient road, environmental, energy and communications infrastructure, among others. It also needs to secure enough food to feed its growing population.

### **(3) Our enhanced organization in sub-Saharan Africa (Masafumi Tanimoto, Global Strategy & Coordination Dept.)**

Of the African markets, Sumitomo Corporation has been paying particularly close attention to the fast-growing sub-Saharan region, which encompasses the entire area south of the Sahara Desert. In 2007, we set up a special task force as a cross-organizational team to lead our companywide business development efforts in this area.



In 2011, we established our Sub-Sahara Office within our Johannesburg Branch, which has enabled us to operate our businesses intensively in an even more field-oriented manner.

We now have bases in five countries in the region: the Johannesburg Branch as well as offices in Kenya, Angola, Madagascar, and Ghana (established in May 2011). We will continue to aggressively seek business opportunities in sub-Saharan Africa, which may include opening additional offices.

### **(4) Sumitomo Corporation in sub-Saharan Africa (Kyo Onojima, Sub-Saharan Officer)**

Africa is often called “the earth’s last frontier.” Many say we will never see stability on a global scale without the development of Africa. For integrated trading companies like ourselves, the region is a land of dreams and opportunities, where we can play an important role to help the region and local people develop and prosper.



Sumitomo Corporation has been operating on the continent for half a century. This year, our Johannesburg Branch in South Africa marks its 50th anniversary.

We are one step ahead of the competition in the mineral resources sector in this region. In recent years, we have been involved in one of the world’s largest integrated nickel production projects in Madagascar. We are also engaged in projects in South Africa to produce iron ore, manganese and chromium.



In addition, we are engaged in a variety of infrastructure-related projects, including power station construction and projects to promote environmentally friendly renewable energy. In the agricultural sector, we focus on supplying pesticides and farming machinery, constructing fertilizer factories, among others.

At the same time, we also give back to the local communities in which we operate through a wide variety of activities. Our social contribution activities in the region include providing

support for landmine removal in Angola, the establishment of a community youth center, and supporting malaria prevention activities, just to name a few.

Sumitomo Corporation is committed to making positive contributions to the growth and development of African nations both through business and social contribution activities.

**(5) Ending narration**

Africa—a land of hope and opportunities that is becoming the focus of global attention. We at Sumitomo Corporation will continue to seek new opportunities and take on new challenges in the region by locally-oriented business development in the areas of natural resources, infrastructure, agriculture, consumer goods and many other sectors.

For further details, please see the related sections of this Sumitomo Corporation corporate website.

