

Country Lecture on

“JAPAN-BANGLADESH RELATIONS: COMPREHENSIVE PARTNERSHIP”

S U M M A R Y P R O C E E D I N G S

21 October 2014

Organised by



Bangladesh Institute of International and Strategic Studies (BISS)
1/46 Old Elephant Road, Eskaton, Dhaka-1000

Summary Proceedings of Country Lecture on Japan-Bangladesh Relations: Comprehensive Partnership



Bangladesh Institute of International and Strategic Studies (BISS) organised its 10th Country Lecture on 21 October 2014 at BISS auditorium, Dhaka. The Country Lecture was delivered by H. E. Mr. Shiro Sadoshima, Ambassador, Embassy of Japan in Bangladesh. He spoke about comprehensive partnership of Japan-Bangladesh relations. Major General A K M Abdur Rahman, ndc, psc, Director General of BISS, delivered the Welcome Address. Ambassador Munshi Faiz Ahmad, Chairman, Board of Governors, BISS chaired the session and summed up with the concluding remarks.

Address of Welcome



Major General A K M Abdur Rahman, ndc, psc, Director General of BISS, in his Welcome Address, stated that Bangladesh and Japan had a long history of friendship and deep understanding of each other's culture. The people of Bangladesh recall with deep gratitude the support and sympathy of Japan during the War of Liberation in 1971. Beginning with Japan's recognition of Bangladesh on 10 February 1972, both countries experienced prompt establishment of diplomatic relations.

The Director General talked about Japan's status as the only non-Western industrial democracy and the global recognition of Japan as a role model for socio-economic development. He mentioned that, Japan's persistent approach to focus on human development, keeping distance with any conflicts since the end of WW-II, helped the country ensure economic prosperity and human security. Japan, as a responsible major power, has greatly contributed to the development of many countries in the world.

Talking about Japanese assistance for Bangladesh, he considered Japan as a credible friend and development partner who always been generous in providing assistance to Bangladesh. He said that many of Bangladesh's landmark infrastructures bear this testimony including Chittagong International Airport, the Meghna-Gumti Bridge, Meghna Bridge and most importantly the Bangabandhu Jamuna multipurpose Bridge.

The Director General highlighted the importance of high level visits by heads of the states and governments as well as other dignitaries for enhancing ties between Japan and Bangladesh. He mentioned about the visit of Imperial Highnesses the Crown Prince Akihito and the Crown Princess Michiko (currently Their Majesties The Emperor and The Empress) to Bangladesh as early as 1975. He also said that the recent visits of Prime Minister Sheikh Hasina to Japan and

her counterpart the Japanese Prime Minister Shinzo Abe to Bangladesh added further momentum to the existing bilateral relations and brought mutual benefits for the people of the two great nations.

Regarding trade relations, he added that bilateral trade between Bangladesh and Japan were flourishing. They had a great potential. Bangladesh's export to Japan increased 2.5 times in the last five years. He mentioned that Japan was the 11th largest RMG export destination for Bangladesh, the 7th largest overall export destination of its products and 5th largest import source for Bangladesh last year. He also shed some light on increasing Japanese investment as well the growing numbers of Japanese companies in Bangladesh.

The Director General said that as a littoral of Bay of Bengal, Bangladesh was now more significant both economically and strategically. He mentioned the significance of the Bay of Bengal Industrial Growth Belt initiative which was known as BIG-B proposed by Japan. He stressed on more people-to-people contact, exchange and joint collaboration among academic institutions of the two countries for deepening the relations. Similarly, he further added that exchange of music, drama, art should be helpful to know each other more and could make the ties stronger. He said he still had a great liking for the Japanese TV serial "Oshin" where he found the rural cultures of Japan and Bangladesh rooted quite in a similar way.

Keynote Lecture



His Excellency Mr. Shiro Sadoshima, Ambassador, Embassy of Japan in Bangladesh delivered the keynote lecture on *Japan-Bangladesh Relations: "Comprehensive Partnership"*. Highlighting the emerging potential of Bangladesh, he noted that Bangladesh was turning into a very 'important strategic corner'. Considering Bangladesh's significant geostrategic location in the region, the Ambassador said that the country's position within the confluence of two oceans – Indian

Ocean and Pacific Ocean carried huge importance for its future growth and prosperity.

The Ambassador pointed out that Bangladesh did not have much mineral resources except natural gas. But those reserves were declining and in 15-20 years time, natural gas would be difficult to be commercially tapped. As Bangladesh aspired to become a middle income country, that also meant Bangladesh has to compete in a level playing field. For being able to compete globally successfully, Bangladesh needed to invest in natural resource import facilities including major ports and so on.

He opined that as Bangladesh would require importing energy resources, the current major export items of Bangladesh particularly RMG and others would not be able to provide adequate support. Hence the country would inevitably need to diversify a part of industrial base and have a segment of value-added items in its list of exported goods. He stressed on the need to reorient industrial base of the country. And for that end, he emphasised on the necessity on the part of Bangladesh to start moving from now, since the reorientation of industrial base towards value added products required quite a bit time. He added that Japan was willing and ready to help Bangladesh out to achieve these goals. He hoped that the diversification of industrial base would be the key to the country's industrial development in the coming days.

Emphasising the strategic aspect of Japan-Bangladesh relations, the Ambassador stated that Japan was expanding its economic activity and industrial bases from Asia-Pacific region to this part of the world. Bangladesh is in a “linchpin” position and occupies immense strategic significance to Japan. He expressed that Japan was very eager to build partnership with the country. The strengthening of bilateral relations started with the high level visits of both Bangladesh Prime Minister and the reciprocal visit of Japanese Prime Minister. He noted that there were important documents signed, the most important being the provision of Japanese assistance for implementing the Bay of Bengal Industrial Growth Belt (Big-B) plan. This plan was intended to help Bangladesh reorient its industrial base towards more value added products.

The Ambassador hoped that Bangladesh would consolidate its position and economic development as well as play an important role in the regional stability. The country, as the Ambassador opined, was a secular and democratic country that could contribute significantly in the regional development.



His Excellency Mr. Shiro Sadoshima tried to explain and correct some of the misunderstanding reported by the media. He said that Japan and China were not competing with each other for economic and commercial access in this region. Rather the engagement was guided by mutual benefit and cooperation. He provided example of an initiative of the Embassy of Japan in Bangladesh which was “Better than Myanmar” (BTM). The initiative was not a competition with Myanmar or any other country, rather a competition between Japanese Embassy in Myanmar and Japanese

Embassy in Dhaka. As the Embassy in Myanmar was performing better in encouraging Japanese investment in that country, Embassy in Dhaka was targeting to work more efficiently to perform better than their counterpart in Myanmar.

Discussing the current situation of Bangladesh’s export to Japan and East Asia, the Ambassador mentioned that only 2 per cent of country’s RMG products was going to Japan, while more than 80 per cent to Western countries, although Bangladesh was the 2nd largest exporter and Japan was the 3rd largest importer of RMG products. He emphasised that Bangladesh should seriously look east and explore market opportunities for its products in East Asia. He added that besides Japan, there were other countries that could be destinations of Bangladeshi products like China, South Korea and so on.

The Ambassador urged Bangladesh to reorient Bangladeshi market to East and Southeast Asia. He suggested that Bangladesh can reorient its industrial products to quality parts and unfinished products and provide to Japan’s productions line in Southeast Asia and India. He opined that Bangladesh has great potential in this regard. He gave example of one company in Chittagong that manufactured parts of vending machines and that industry was booming. He appreciated the performance of Bangladesh in pharmaceutical sector, noting that the country increased production of national demand from 2 per cent in 1971 to 97 per cent today.

He said Japan was working to assist Bangladesh in building capacities in several crucial sectors. To invite potential Japanese investors, Japan-Bangladesh discussions had begun to start an

industrial park for Japan. He informed that BEPZA agreed to provide two buildings for this purpose.

The Ambassador said Bangladesh had huge potential for industrial growth if it reoriented to value added products and looked east to explore potential market. He believed that Bangladesh utilised only half of its chance by exporting to the Western countries. Now Asia-Pacific is the growth engine of the World. India was also taking part, why not Bangladesh?

Address by the Chair



In his address as a Chair, Ambassador Munshi Faiz Ahmad, Chairman, Board of Governors, BISS, talked about the characters that made the word Nippon (Japanese for Japan), meaning the “Land of the Rising Sun” with a rich and colourful history. He mentioned that Japan enjoyed the second highest life expectancy in the world and the infant mortality rate was the third lowest globally.

Noting the economic strength of Japan, he said that the country’s economy was the third largest in the world by nominal GDP, the fourth largest by purchasing power parity, the country being the second largest developed economy in the world. He also noted several other areas where Japan stands among the highest performing countries including automobile manufacturing, electronics goods, and innovation and so on. Besides, as the Chair pointed out, Japan was the world’s largest creditor nation having a considerable net international investment surplus.

Regarding Bangladesh-Japan relations, Ambassador Munshi Faiz Ahmad said that Exchanges and interactions between the peoples in Bangladesh and Japan could be traced back centuries. He brought up some notable early contacts including the friendship between Rabindranath Tagore and Tenshin Okakura, a distinguished Japanese fine arts scholar and Taikan Yokoyama, a Japanese master painter who profoundly affected and influenced each other’s work. He also mentioned his earliest recollection of Japan-Bangladesh cooperation from the early 1960s, when Japan was actively engaged in providing technical assistance for mechanisation of agriculture in the then East Pakistan.

The Chair talked about Japan’s unequivocal support for the Liberation War of Bangladesh, mentioning the role of Late Mr. Takashi Hayakawa as Member of Parliament and later as a Special Envoy of the Japanese Prime Minister to Bangladesh. He also remembered the role of late Ambassador S A Jalal, who was working in Radio Japan, in spreading the message of Bangladesh’s War of Liberation in Japan. He said that Japan was among the first countries to accord recognition to Bangladesh in February 1972. Since then ties between both countries grown steadily through economic and technical cooperation, cultural exchanges and regular exchange of visits, notably the historic visit of Father of the Nation Bangabandhu Sheikh Mujibur Rahman in 1973. He mentioned that the year 2012 marked the 40th anniversary of the establishment of diplomatic relations between the two countries.

Noting Japan as one of the most important development partners of Bangladesh, he discussed about Japanese assistance to Bangladesh’s economic and social development efforts, such as US\$ 11 billion of aid assistance in crucial priority areas including infrastructure building and

human resources development, poverty alleviation, good governance, etc. He also talked about bilateral trade relations, FDI from Japan, private sector cooperation, and so on.

Ambassador Munshi Faiz Ahmad highlighted regular exchange of high level visits, particularly Honourable Prime Minister Sheikh Hasina's official visit to Japan in May 2014 that launched the "Japan Bangladesh Comprehensive Partnership". In this agreement, Japan pledged several assistance schemes for Bangladesh: assistance for implementing the Bay of Bengal Industrial Growth Belt (BIG-B) plan; ODA loans for undertaking major projects notably Ultra Super Critical coal fired power plant and so on. Conversely, Bangladesh offered several incentives for Japanese businessmen including an exclusive industrial park and special allocations in existing EPZs. The Chair also talked about the official visit of Japanese Prime Minister H. E. Shinzo Abe in September 2014. Many important outcomes were: Bangladesh withdrawal of candidacy for a non-permanent seat of the UN Security Council in favour of Japan and relaxing the GSP Rules of Origin requirements for Bangladeshi RMG exports to Japan.

Open Discussion

Questions and Comments



Ambassador (retd) Mohsin Ali Khan said he served his posting as the second and first secretary of the Bangladesh mission in Tokyo, Japan from 1977 to 1981, the heydays for Bangladesh-Japan relations. The Sonargaon Hotel, Bakhrabad gas field and many other projects were accomplished through Japanese assistance. He lauded H. E. Ambassador Shiro Sadoshima's comments on trade and investment, expressed support for all these ventures and the BIG-B initiative. He wanted to know more about the BIG-B, the ideas of the Ambassador himself as that would help the audience to understand this important proposal. He added that in earlier days particularly in his tenure, the Japan Foundation used to exchange many academicians, journalists, media people and cultural functions between Japan and Bangladesh. He wished the Foundation do the same at present as well.

Major General (retd) M A Matin, thanked the Japanese Ambassador for his important message and for the Japanese assistance in the industrialisation of Bangladesh. He also congratulated the Director General of BIISS. General Matin said the Japan International Cooperation Agency (JICA) had always been supportive of Bangladesh in economic activities. He wanted to know about Japan's functions, what kind of support Japan got from Bangladesh government and also the concerned Japanese department; here, he opined that he heard there were certain problems hindering implementation of several projects. He said that albeit Japan would come forward with assistance programmes for Bangladesh, working on and finding out solutions of these hindrances so that both sides could be benefited were needed.

Muhammad A. Hye, Professor, East-West University, said people who dominated the world, such as the British or Americans, could do so due to their effective system of education. Bangladesh and Japan should broaden cultural communication and academic exchanges more at every level. Translations of literary works of both countries could be helpful to this end; e.g., the TV series *Oshin*, broadcast in Bangladesh in the early 1990s, helped acquaint Bangladeshi viewers quite a lot with rural Japanese life. Its possible rebroadcast with Bengali translation would hopefully receive the same popularity it did in those days. He added that he went to attend an invitation from Japan where the memoir of Bangabandhu Sheikh Mujibur Rahman was translated into Japanese.

Ambassador (retd) Jamil Majid stressed the need to know more about Japanese culture. Japanese author Murasaki Shikibu wrote the first novel in any language, “*The Tale of Genji*”; Chikamatsu Monzaemon, famous playwright who wrote the national epic of Japan was known as Japan’s Shakespeare. Ambassador Majid expressed his optimism that people of Bangladesh would be interested to know more of Japanese culture. He praised the idea of more cultural exchanges suggesting that embassies of both nations could play more active role in this respect.

Ambassador (retd) Dr. Afsarul Qader pointed to the Japanese Ambassador’s mentioning of Bangladesh’s success in supplying intermediate products like chips for vending machines. He expressed interest to know more about the issues and problems of renewable and nonrenewable energies as the Ambassador said Bangladesh’s advantage with natural gas would not be long-term. Bangladesh had been using lots of Japanese products especially cars; the country’s market had almost fully been occupied by Toyota. He asked if Ambassador Sadoshima could persuade Toyota to develop a hybrid kind of engine for Bangladesh so that the country could save money, gas and using renewable sources like solar energy be emphasised.

Ambassador (retd) Humayun Kabir said some words used by Ambassador Sadoshima attracted him, e.g. strategic corner, lynchpin in regional and interregional context, connecting Bangladesh to the larger strategic construct of Southeast Asia and India for the value chain that was hoped to be developing etc. He believed Bangladesh should look into these realistic future scenarios. Then he asked the Ambassador about his own thoughts on Bangladesh’s preparedness for bridging these strategic horizons, particularly focusing on Southeast Asia including China, Japan, India and the ASEAN. Bangladesh was an important component in that mosaic. Was Bangladesh thinking in terms of Bangladesh-Japan bilateral relations while Ambassador Sadoshima’s comments offered thoughts on global relationships? Then he mentioned the BIG-B initiative (Japan), the Maritime Silk Route (China), and the Southern Silk Route (USA) and wanted to know how Japan would judge these. Albeit Bangladesh had lots of workforce, so far we focused only on cheap or low cost labour but what Ambassador Sadoshima suggested, would not be low cost. He asked if Ambassador had any idea of helping Bangladesh develop human resources alongside infrastructural development

Dr. Mizanur Rahman Khan, Professor, Environmental Management, North-South University said Japan’s budget for education and defence were quite different from that of Bangladesh. Moreover, the mutual inseparability of economic and human development was pretty much dissimilar in two countries. Japan was top in energy efficiency in the world. Bangladesh should seek and enhance cooperation with Japan which would surely be cheaper than generating new sources of energy i.e., Bangladesh could seek Japanese assistance for clean coal technology. There remained good possibilities for strengthening cooperation in environmental aspects.

Mr. Qu Guangzhou, Charge d’Affaires, Chinese Embassy in Dhaka said China and Japan were not competitors in Bangladesh and they were both neighbours. On China-Bangladesh trade gap, he said China’s was not trying to pursue trade surplus. China-Bangladesh trade volume reached

US\$ 10.3 billion last year and expected to rise this year. Yet, the gap was 0.2 per cent compared to the total trade volume. China would encourage more Bangladeshi exports, e.g. fruit juice. In the around 15,000 apparel factories in Bangladesh, cotton, garments machinery, including experts and technicians from China helped Bangladesh gain trade surplus against the US. Bangladesh exported US\$ 25 billion worth of apparels to those destinations. China was boosting relations with South Asia. During President Xi Jinping's visit to India in September 2014, it was decided that Chinese investments there would reach US\$ 30 billion. China would provide concessional loans to South Asia worth US\$ 20 billion and about 25,000 scholarships for promoting Chinese culture. Bangladesh, as an Asian country had great opportunities for further development and China was ready to cooperate more in that regard.

Brigadier General (retd) Mofizur Rahman said Japan and Sweden were famous worldwide for their innovativeness. He added that after visiting a Japanese factory in an Export Processing Zone (EPZ), he was highly impressed with their excellent quality management. There were many qualities since 1945 that helped Japan reach today's level. He asked how Bangladesh could make en masse quality consciousness, innovativeness and the time those would take.

Lt. Colonel (retd) M Shahadat Hossain emphasised the "Look East" policy and pointed to the importance of learning language for promoting people-to-people contacts. He recommended a training centre for educating Bangladeshi workers of all levels.

Dr. Abul Kalam Azad, Professor, Department of International Relations, Jahangirnagar University said the proposed BIG-B initiative as discussed, not only included land routes but also marine ones. Bangladesh, like Japan was vulnerable to natural disasters. How could Japan assist in that?

Answers by H. E. Shiro Sadoshima

For BIG-B and the industrialisation in Bangladesh, there were bottlenecks in speeding up these processes. For instance, power shortage, transformation and underdeveloped infrastructure. Japan would like to extend logistic and monetary assistance, e.g, Bangladesh would receive a large amount of Overseas Development Assistance (ODA) over the years to come, for effectively dealing with these challenges. Development of infrastructures would be a critical part of the BIG-B plan. Japan would like to see Bangladesh, Myanmar, India in this project for developing better transport connection; Bangladesh could then enjoy better road facilities and the distribution of power in this region would be more efficient.

On Japan-Bangladesh cultural relations, unfortunately, during their tenure, the Democratic Party of Japan (DPJ) had resorted to cutting expenditures. Cultural activities also experienced reduced allocations consequently. Nonetheless, with the assumption of power by the Liberal Democratic Party (LDP), Japan was thinking of allocating greater funding for promoting Japanese culture abroad. Ambassador Sadoshima informed that he just returned from a meeting in Tokyo where discussions were held about how Japan could reorient its cultural diplomacy with other nations. But how much the Japanese Ministry of Finance would be convinced for a sizable fund for this purpose, was still not certain. If they would, that could enable the Japan Foundation to expand and diversify Japanese cultural activities abroad. Japanese authorities, unfortunately could not do those in the past. Now, there was a hope that situations would change for the positive, as there was a bigger budget around. About Bangladesh-Japan joint ventures, he said Bangladesh showed to be quite promising in commanding and implementation of such projects. But the implementation of ventures was counted against deflation ratio that was adjusted at the end of each fiscal year. Total average of profitable ventures was 15, globally. Bangladesh sometimes experienced 10 at the lower end, and at the highest 15. Couple of years back, it reached 18 but was just 13 last year. Japan was now encouraging Bangladesh to speed it up but the transaction

costs in Bangladesh were perhaps too high and processes too complex, delaying projects. Japan understood these problems as processes were complex there too. American and European businessmen would often complain to Japanese authorities why transactions or projects would take so long to complete. Even today, when Ambassador Sadoshima walked into any village, he found some dykes were broken yet he saw people rarely knew of those and even had no idea which dyke to repair. Maybe, these practices would go into Bangladeshi politics also. But that would not be economically rational. He advised to remove these which would help raise the implementation ratio.

On human resource development, merely the vast manpower of Bangladesh might not help in diversifying industrial bases. They should rather be trained for formal, e.g. high-tech industries. Putting more emphasis on vocational and on-the-job trainings would be essential for Bangladesh's future development. Japan would assist with the clean coal technology for the proposed Matarbari power plant. For energy efficiency, he said Bangladesh was ahead of Japan as it had installed solar panels even in remote parts of the country. However, Japan had invested considerably in thermal energy and as the country had lots of volcanoes, which could be used for that purpose as well. On Bangladesh's apparel industry, he mentioned that Uniqlo operators used to sell 100 million pieces of undergarments worldwide a year; one third was produced in China, one third in Vietnam and the rest in Bangladesh. Therefore, their quality should be same everywhere. China and Vietnam would give incentives to individual workers but such things did not work well in Japan. On environmental cooperation, Ambassador Sadoshima said Bangladesh asked Japan to provide some orientation to marine sciences. Japan would send scholars from the Hokkaido and Tokyo Universities to lecture on oceanography, marine biology and other such disciplines at Dhaka University.

To conclude the session, the Chair of the session thanked everyone, particularly Ambassador Shiro Sadoshima and his colleagues from the Embassy of Japan, for contributing to the success of today's Country Lecture Session. He also thanked other ambassadors and members of the diplomatic corps, senior civil-military officials including former officials, members of the academia, businessmen, representatives of think-tanks and the media, for taking time out to attend the lecture.