

< SPEECH >

H.E. Mr. Masato Watanabe

Ambassador Extraordinary and Plenipotentiary

Embassy of Japan, Dhaka

Distinguished guests,
Ladies & Gentlemen,

Assalam waleikom, good afternoon, and こんにちは。

It gives me a great pleasure to say a few words on this special session for Japanese investment in Bangladesh. First and foremost, I wish to express my heartfelt appreciation to the Board of Investment, Prime Minister's Office, and Business Initiative Leading Development (BUILD) for arranging this event with the participation of distinguished speakers, including Dr. Gowher Rizvi, Adviser to the Prime Minister on International Affairs and Mr. Shahriar Alam, Hon'ble State Minister for Foreign Affairs. At the same time, I would also like to welcome the initiative taken by the organizers for holding the "Bangladesh Investment & Policy Summit 2016" in a timely manner when the 7th Five Year Plan was made public on October 20 last year and the Government of Bangladesh and Development Partners alike have just renewed their commitment in achieving the Vision 2021 under the new plan. *Ami antorikkubhabe apnader uddoger puroti sroddha janai (I wish to express my heartfelt respect to your initiative).*

Today, as I have only 15 minutes in hand, I wish to focus my remarks mainly upon the new areas where Japanese investment in Bangladesh is being advanced in recent years and its possible impact on Bangladesh economy. Mr. Kei Kawano, country representative of JETRO, may also elaborate my points later in his speech. At any rate, it is my firm belief that Japan-Bangladesh Comprehensive Partnership, a new guiding principle launched through mutual visits of our prime ministers in 2014, will certainly be expanded into new horizon by promoting such emerging trend most actively.

Ladies & Gentlemen,

The new characteristics of Japanese investment, in addition to traditional sector of garments & textiles, appear in the diversification of extended sectors such as cosmetics (Rohto, Gyunyu-sekken), food-product (Ajinomoto, Eugrena), medical equipment (Omron) and motorcycle (Honda), among others. The flow of this current began roughly around 2010 and continuing to date, setting a distinct tone for the Japanese investments in the coming ages. Though the trend is still budding, it nevertheless is encouraging to witness that increasing number of Japanese investors now perceive Bangladesh as an emerging market with great potential, which, to be sure, is a positive departure from a prevailing image of Bangladesh whose comparative advantage rests largely on the abundance of cheap manual labor.

Promoting investment in these new sectors not only will expand the scope of our bilateral economic relationship but would also correspond precisely to the letter and spirit of the 7th Five Year Plan, which envisages higher economic growth led by increased private investment, in particular, by attaching greater importance to foreign direct investment. This initiative, when synchronized with the progress being made in the development of Economic Zones for Japanese entrepreneurs, combined with growing recognition of Bangladesh's strategic location at the heart of vibrant Bay of Bengal, would, without doubt, cast enormous economic potential in the eyes of the investors. I wish to request Mr. Paban Chowdhury, executive chairman of BEZA, to kindly update us on this point in his presentation later.

Ladies & Gentlemen,

Now, let me take this opportunity to refer to what Michael E. Porter, professor at the Harvard Business School, cautiously observed in his famous book -The Competitive Advantage of Nations- with regard to the traps and pitfalls contained in the economic policy that pursues competitiveness in low costs of labor. Defining that rising standard of living as the principal goal for economic policy, Porter maintained that achieving high level of productivity is the prime determinant in serving this purpose, viewing that improvement of productivity is the root cause for increasing national per capita income. It

is, therefore, the most natural course of conclusion that he encourages the development of sophisticated manufacturing sectors with higher productivity while underscoring the considerable role that FDI can play in this regard, by facilitating transfer of advanced technology, for example, which is essential in starting up any new such industries.

Japan, as the first industrialized nation in Asia, promises itself to become the most reliable partner for Bangladesh with its wide knowledge in industrialization as well as rich experience in overcoming the inherent challenges that exist homogeneously in Bangladesh and Japan, as seen in the scarcity of vital economic variables such as land, raw materials and natural resources.

That said, in the case of Japan, these shortcomings, quite the contrary to the general expectation, have never stood in the way of economic development but rather stimulated the waves of innovation which prompted post-war high economic growth known as “Miracle Recovery of Japan”. Absence of natural resources, for example, has helped reducing material content in products as well as developing advanced new material, while high dependence on imported energy has inspired developing super-efficient energy-saving technology, and finally, intense space pressure has encouraged manufacturing compact and multifunctional goods, all of which have developed into the hallmark of world-famous Japanese brand today. These innovations, however, wouldn’t have been possible if it had not been for the sound presence of congenial business climate, that is, large and liberalized domestic market and competitive environment for the contesting companies, to say the least.

Ladies & Gentlemen,

Global brand Honda’s investment in Bangladesh is all the more important in light of the above context. In addition to the hard-earned technology, Bangladesh Honda Private Limited (BHL) is willing to pass down to Bangladesh the very spirit of willpower that generates a series of innovation which, like Japan, holds the critical key for Bangladesh in achieving higher economic development. I would like to request Mr. Yoichi Mizutani, CEO of

BHL, to outline in his presentation the plan for developing two-wheeler motorcycle market in Bangladesh, of which he has been working tirelessly with his unparalleled passion and dedication.

With this note and my sincere appreciation to the organizers once again, as well as my best wishes for the great success of this session, I would like to give podium to Mr. Kei Kawano, country representative of JETRO. Thank you for your kind attention and *Amar kotagulo shonar jonno onek donnobad.*

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