

Japan-Bangladesh ties: Riding the next wave of globalisation



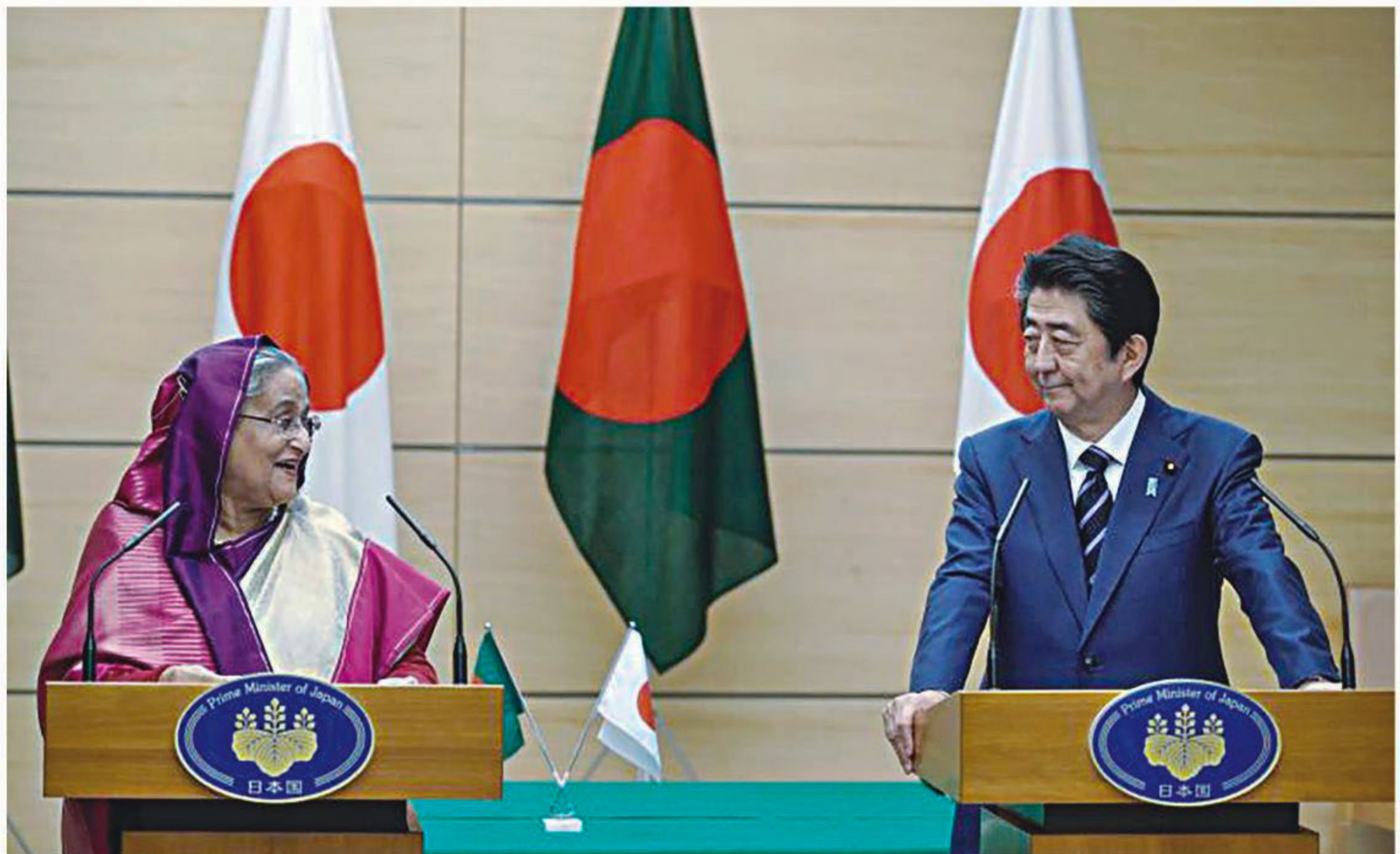
THE patterns of globalisation are changing. Global cross-border flows—of trade, capital, knowledge, resources, transportation and culture—are shifting towards Asia. By 2040, Asia could account for more than half

of the world's GDP and around 40 percent of its consumption. As the economies of the region continue to integrate with each other and form powerful, synergistic networks, regionalisation will increasingly be the dominant theme of the next phase of globalisation. Capturing the shared opportunities within the rising Asian super-bloc can hold the key for the next growth-spurt, both for advanced economies and for those with high growth aspirations of their own.

Even though Bangladesh and Japan are on different rungs of the development ladder, our economies have complementary characteristics. While one offers a large, young and skilled labour force, the other can offer capital to leverage this asset. One brings to the table a fast-growing market, the other: a constant stream of innovation required to serve this market.

Bangladesh today is one of the fastest growing markets in the world. Standard Chartered's research shows that by 2030, Bangladesh could become the 23rd largest economy (measured by market exchange rates) in the world. The nation has achieved 6.5 percent economic growth over the last decade, recorded 8.13 percent growth in 2018-19, and is aiming for double-digit growth soon. The growth comes on the back of solid fundamentals, riding on productivity gains from stable government, infrastructure investment, improved energy supply and demographic dividend. The middle-income group, already over 30-million strong, is expanding at speed, creating market opportunities in orders of magnitude greater than in the past.

As maturing domestic value chains and uncertainties around global trade take Japanese supply chains to new ports-of-call, Bangladesh-Japan partnership holds a unique promise: deep ties and familiarity of decades, but new and untapped opportunities. In fact, "G7 to E7: The Standard Chartered Trade Performance Index" predicts that Japanese



Bangladesh's Prime Minister Sheikh Hasina and Japan's Prime Minister Shinzo Abe attend a joint media conference at Abe's official residence in Tokyo on May 29, 2019.

PHOTO: AFP

exports to Bangladesh has the potential to grow by 31 percent just to achieve its par value, even before considering Bangladesh's high growth trajectory, fast approaching another inflection point.

The reverse is also true: the import basket of Japan is worth USD 670 billion, of which Bangladesh covers only 0.2 percent. There is a wide range of products that Bangladesh can export to Japan, including, but by no means limited to, smartphones, integrated circuits, plastics, light engineering, cables, leather goods and more. Japan imports more than USD 100 billion of these products. Even if Bangladesh could go from 0.2 percent to 1 percent, that would mean an additional USD 6 billion in export earnings, which is a huge opportunity.

Bangladesh has tended to look wider for its export destinations—Bangladesh Export Promotion Bureau data shows that in 2018,

Asia accounted for only around 14 percent of the nation's export. But considering 52 percent of Asia's trade is intra-regional, the vast potential closer to home will take on greater and greater significance.

For Bangladesh, this need to diversify is not limited to its export destinations. Europe and North America accounts for around 80 percent of the nation's exports, while more than 80 percent of its export basket consists of RMG and textiles. FDI will play a critical role in reshaping our export composition. A look at Vietnam, a neighbour whose GDP and development phase are comparable to Bangladesh, shows us why.

Bangladesh and Vietnam exports hovered around USD 2.0 billion in the 1990s. In 2018, Bangladesh posted exports earnings of USD 40.53 billion—Vietnam stood at USD 243 billion. According to the General Statistical Office of Vietnam, FDI accounted

for 71.5 percent of total exports in 2016. High-tech manufacturing is replacing traditional products, as investments by electronics giants Intel and Samsung reshape Vietnam's landscape. Many domestic operators are starting to take their lead with high-tech manufacturing forays of their own.

More than 5,000 companies in Japan are looking for alternative investment opportunities. The benefits they can offer Bangladesh are vital: greater integration within global value chains, growth in pool of skilled resources, and technology diffusion. On the other hand, Bangladesh has much to offer as well. Beyond a burgeoning consumer market, and cost advantages, there are also structural opportunities. Bangladesh's manufacturing share of GDP rose from 16 percent to 22 percent between 2007 and 2017.

Given that manufacturing sector

employment tends to peak at around 30 percent, there remains major potential for further industrialisation that Japanese capital, technology and networks can capitalise on.

On the flip-side, as more Japanese companies enter Bangladesh, local firms and human resources will benefit from technology spill-overs. These firms will not only deepen Bangladesh's integration with the global value chain, but will also be integral in facilitating diffusion of new technologies, fostering the next wave of innovations for Bangladesh.

Another complementarity lies in the demographic makeup of the two nations. Japan's proportion of working-age population is falling. Bangladesh, with a median age of just over 26, is currently enjoying demographic dividend. Greater flow of people between these two nations, propped up by increased cultural exchange and capacity development from the Bangladesh perspective, will be another win-win for these two nations.

In the last year, a Japanese firm completed an acquisition that represents the single largest foreign private investment into Bangladesh and the single largest consumer sector acquisition in Bangladesh till date. On a governmental level, the development of a special economic zone at Arahazar, Narayanganj, for Japanese investors, a JICA-funded project, is currently under progress, as are efforts to simplify the regulatory and administrative frameworks that facilitate foreign investments. These are encouraging signals, pointing to the fact that both the private and public sectors are awake to our shared possibilities.

Japan has been a close partner to Bangladesh in its journey towards progress and prosperity. One of the first countries to recognise Bangladesh, Japan has since then become Bangladesh's largest bilateral development partner. It has helped Bangladesh tackle challenges in vital sectors such as education, health, water and sanitation, agriculture and rural development, power and energy and transport, among many others.

Japan and Bangladesh enjoy a special relationship which has stood the test of time. As the relationships between governments and private sectors of our nations deepen, bilateral ties are poised to reach new heights in the coming years.

AlAmgir Morshed is managing director and head of global banking at Standard Chartered Bangladesh.

Special Supplement

Robots set to rule

The ability to operate on the pancreas and liver more easily with robotic-assisted systems has wider implications on treatments for this complex anatomical area

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When surgeons need to remove growths in the body or tail of the pancreas, they often have to take out the spleen as well. This is because the web of blood vessels linking the two organs makes conventional surgery difficult, complicated

and risky.

Cutting out the spleen can be a problem for children and younger adults as the organ is an important part of their immune system. Removing it makes younger people more prone to infections. So unless a tumour is large or cancerous, surgeons will try to save the spleen whenever possible despite the worry of complications developing during surgery, which is mostly done by the traditional open method, and less often by conventional laparoscopy.

A minimally invasive or keyhole technique, laparoscopy has become the most common type of surgery for many simple procedures today such as surgical removal of the gall bladder or appendix.

Because of the small incisions involved, patients often suffer

less bleeding and pain, make a quicker recovery and have a shorter hospital stay. But because of the complexities involved in surgery of the pancreas, open surgery is often chosen.

For patients to benefit from keyhole procedures, surgeons at Singapore General Hospital (SGH) have adopted the newer robotic-assisted laparoscopic technique to get around the constraints of the other two methods, said Associate Professor Brian Goh, Senior Consultant, Department of Hepato-pancreato-biliary and Transplant Surgery, SGH.

"Today, robotic surgery is not a replacement but serves as an extension of conventional laparoscopy, allowing surgeons to perform even highly complex procedures such as the

Whipples procedure [the complex removal of the head of the pancreas, the duodenum, part of the common bile duct, gallbladder, and sometimes part of the stomach] via the minimally invasive approach," said Prof Goh.

"We have found robotic surgery to be feasible, effective and safe," he said, adding that the hospital's experience not only bodes well for pancreatic surgery but also for liver surgery and other procedures involving the abdominal area.

As with surgery on the pancreas and spleen, operating on other organs in this part of the body such as the liver and bile duct is considered one of the most complex and riskiest in the field of surgery, he said, noting that even at the medical centres renowned for such surgeries, the risk of complications developing and death is high.

For that reason, many hepatopancreatobiliary procedures are still being done by open surgery. Even in cases where keyhole surgery is thought to be appropriate, a large percentage had to have open incisions made midway to deal with complications (open conversions).

It is due not so much to a lack of expertise but the complexities of the anatomy of the area. At the renowned Memorial Sloan Kettering Cancer Center in New York, for instance, such surgeries had a more than 30 per cent rate of complications, and a similar percentage of keyhole procedures led to open

conversions, said Associate Professor Lee Ser Yee, Senior Consultant, Department of Hepato-pancreato-biliary and Transplant Surgery, SGH. Prof Lee had trained at the Center.

Robotic-assisted surgery has several advantages over conventional laparoscopy. The surgeon gets a clear magnified view of the surgical site with



The robotic system's arms, fitted with tiny instruments, are inserted through small incisions into the surgical site.

Robotic pancreatotomy not for everyone

Despite its advantages for patients, laparoscopy—whether conventional keyhole or robotic-assisted—may not be for everyone undergoing a hepatopancreatobiliary procedure. Key considerations are:

- **Size and location of the tumour**, if the tumour is too big and/or its location not suitable, keyhole surgery may not be appropriate.
- **Health and fitness of the patient** Those with heart conditions may not be able to tolerate the longer anaesthesia time necessary in laparoscopy, or the gas that is pumped into the abdomen to make it easier for surgeons to look inside and operate.

the robotic system's 3D high-definition vision camera, and the robotic arms are highly dexterous, with tiny wristed instruments that can bend and rotate 360 degrees to perform surgery. The robotic arms also never get tired, unlike human ones, and so are highly stable.

During robotic surgery, the main surgeon sits at the robotic console to manipulate the system's controls to perform the procedure. The system translates the surgeon's movements into the robotic arms to which tiny operating tools and cameras are attached for performing the surgical procedure.

Conventional laparoscopes also use cameras and tiny surgical instruments to help surgeons operate, but these scopes are less sophisticated in that they are rigid and, so, less dexterous.

Robotic surgery has been in use for some 20 years but in hepatopancreatobiliary procedures, it is still in its infancy, especially in this part of the world. SGH, which performs some of the highest number of hepatopancreatobiliary surgeries in South-east Asia, has done 62 complex robotic procedures since 2013: 24 liver, 25 pancreatic and 13 complex biliary robotic surgeries. These pale in comparison with the 200 to 220 liver, 80 to 90 pancreatic and 800 to 900 gall bladder surgeries SGH does each year.

As robotic-assisted surgery offers the same advantages and fewer shortcomings than conventional laparoscopy, it is not unreasonable to think of it being the surgery of choice for most procedures in the future.

It wasn't so long ago that conventional laparoscopy was seen as a new technique, with few surgeons trained in it, said Prof Lee. But now, newer surgeons are being trained in laparoscopy, and this is the future, he said.

"In cholecystectomies [gallbladder removal], for example, most of us are now so comfortable with laparoscopy that it's probably easier and faster for us to do than open surgery. We were exposed to this technique early in our training."

The high cost of robotic surgical systems has been a big reason for the sluggish acceptance of robotic-assisted surgery. Most hospitals in Singapore have only one machine, which is shared by all departments. It is no different at SGH, said Prof Lee, adding that its robotic hepatopancreatobiliary programme only started in 2013, even though the robotic system has already been



SingHealth is Singapore's largest healthcare group providing quality care across 4 hospitals, 5 national specialty centres and a network of primary care clinics. With over 40 medical specialties and a faculty of close to 4,000 doctors, it is recognised for the high quality of its healthcare services. An academic medical centre, Singapore institutions are recognised centres of excellence, integrating clinical care with research and education to transform care for its patients.

The Singapore General Hospital, one of the tertiary hospitals of the SingHealth Group, is Singapore's largest hospital. It offers multidisciplinary and seamless integrated care over a comprehensive range of clinical specialties. As a testament to its standard of quality and safety, SGH is accredited by the Joint Commission International. SGH also accounts for about one-fifth of acute beds in Singapore.

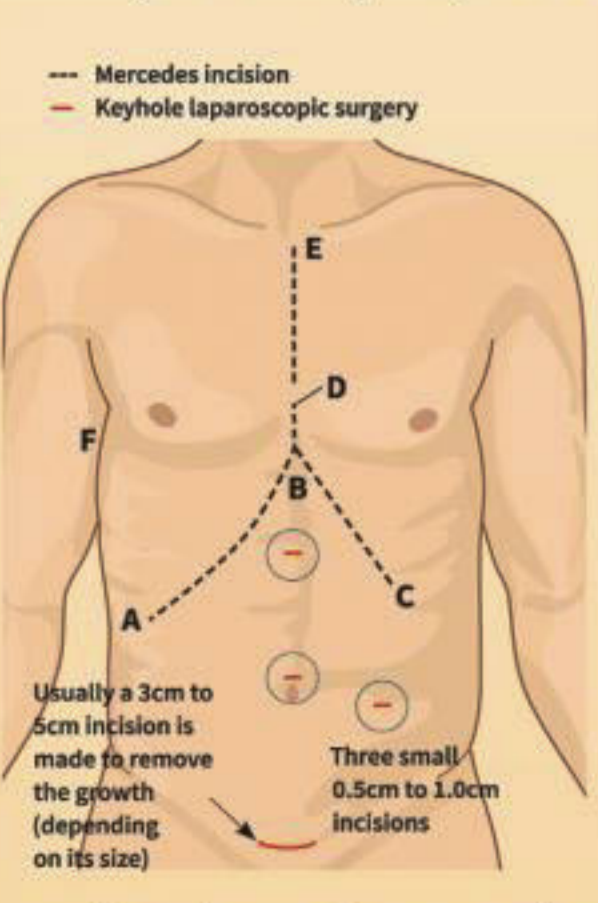
available at SGH since 2003—the first in Singapore.

With more robotic systems entering the market as the current dominant patents expire, the cost of such machines is expected to drop. Likewise, opportunities to learn robotic-assisted skills will increase greatly. Hopefully, in time, this will translate to better and more affordable patient care.

Open, laparoscopic and robotic-assisted surgery

The so-called Mercedes incision is one of the techniques used in open pancreas surgery. Surgeons get a clear view of the organs, but such large cuts mean more pain, a longer recovery period, possible complications and heavy scarring.

In conventional keyhole laparoscopic or robotic-assisted surgery, small holes are made for endoscopes—equipped with tiny surgical instruments and cameras—to be inserted. Conventional laparoscopy is commonly used for minor abdominal surgeries like gall bladder removal, but without the dexterity and flexibility of robotic joints, certain



complicated procedures on other abdominal organs like the pancreas and liver may be technically too complex and difficult. Robotic surgery is favoured for selected bile duct and pancreatic surgery because the flexible joints allow surgeons to perform anastomosis (the joining of organs and blood vessels) more easily.