

Progress in business climate laudable, but further improvement needed

Yuji Ando, country representative of Japan External Trade Organisation, says in an interview

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The relationship between Japan and Bangladesh is a trusted and time-tested one. Bangladesh became Japan's biggest recipient of the Official Development Assistance in 2020. Since the Covid-19 pandemic started more than a year ago, there has been a lot of talks and anticipation about Japanese businesses moving base to Bangladesh. In a series of high-profile interviews, The Daily Star tries to understand the increasing interest of Japanese investors in Bangladesh, its growth prospects, barriers to growth, ground realities, and on how to attract more Japanese investment. As part of a series, today, we are running the interview of Yuji Ando, country representative of the Japan External Trade Organisation (Jetro) in Bangladesh.

DS: Japan is one of the largest and most developed economies in the world. What can Bangladesh learn from Japan's growth trajectory?

Yuji Ando (YA): Japan has realised economic growth by developing industrial sectors through diversifying and upgrading industrial structures. We had started from textile sectors when we started industrialisation in Meiji Era more than 100 years ago.

After World War II, the Japanese government had a policy to industrialise by starting from light engineering sectors to two-wheelers sectors and backward linkage industries. I think Bangladesh is coming to the same way steadily.

Japanese companies have led this industrialisation, and they always focus on improving the operation in the field.

The government is also trying to listen to the private sector to support the industries. Improvement of the business environment, regulatory reform and support schemes (including subsidies) are continuously taken by the government. An interactive discussion and actual initiatives bring the appropriate environment for economic growth.

Nobody denies that Bangladesh has huge potential for growth, and many companies are showing interests in this country. The next five years are really important for Bangladesh, and the government should prepare for graduation from the grouping of the least-developed country (LDC) by introducing digitalisation and a better investment climate.

DS: How would you assess Japan's role in developing our economy?

YA: Japan is the best development partner for Bangladesh. We can collaborate to develop infrastructure, including through the public private partnership (PPP) initiative. Also, I believe Japanese companies can contribute to the improvement of the life of Bangladeshi people by providing the best consumer goods made by Japanese companies.

If the market volume of the two-wheelers reaches a good number, like 10 lakh per year, from five lakh per year, component suppliers may come to this country. This will help develop the backward linkage industry in this country. It is also essential to create huge employment and educate high-skilled human resources in Bangladesh through investment. I believe that Japanese companies will be able to take important roles in developing the country's economy.

DS: Many Japanese companies are shifting from China to other countries, especially to Vietnam. Is there any possibility that they will shift to Bangladesh?

YA: I don't think Japanese companies are shifting from China, but they are trying to diversify the supply chain to other countries.

According to a Jetro survey of 876 respondents in 2020, some 36.6 per cent of the Japanese companies in China are going to expand their business in the next one to two years. Some 55.6 per cent of the companies said that they would keep the current business operation. On the other hand, 6.7 per cent will reduce the



Yuji Ando

business scales, and only 1 per cent said they might relocate to another country or withdraw from China.

China has huge markets, and many Japanese companies will tend to expand business operation for domestic markets. But, the labour-intensive sector (the number of respondents was 28), like RMG, has a lower ratio of expansion (14.3 per cent), and 25 per cent said they might reduce the operation volume or relocate to a third country.

I think that Bangladesh has competitive labour resource and the possibility to receive new orders or investment shifting from China. However, we could have seen this trend before the Covid-19 pandemic because of the wage hike in China.

DS: What are the steps Japan or Jetro is taking to motivate Japanese investors to come to Bangladesh with their investment?

YA: As an official trade and investment promotion agency of the Japanese government, we facilitate Japanese investment through various supports. As a first contact point for Japanese companies, we provide

their business activities smoothly.

DS: What are the potential sectors that can draw Japanese investment?

YA: For Japanese investors, there are many potential sectors in Bangladesh.

Infrastructure development and the energy sector (including public-private partnership projects and energy-saving projects) are areas of interest because this country is going to graduate from the LDC group, and society is stepping to the next level.

For the huge population, consumer goods industries and the two-wheelers industry are potential sectors. Especially, the backward industry of automobile has huge potential in this country if the market size reaches enough number, like the Asean countries. We believe two-wheeler and their components' industries will be the key to diversifying and upgrading industries in Bangladesh.

The ICT sector is spotlighted by Japanese companies. In Japan, Bangladesh is becoming one of the major countries for IT outsourcing and good human resources. For the higher cost of outsourcing in other countries, like China and Vietnam, Bangladesh is very competitive as an off-shore development destination.

DS: As we celebrate the 50th anniversary of Independence, how significant has the contribution of Japanese companies been in this journey?

YA: We have been one of the closest friends of each other, and Japanese companies have contributed to the development of this country even from the East Pakistan period. Chattogram is the first place for Japanese companies to start businesses, and it has been an important place for us. As everyone knows, we are developing Matabari port, and it will bring drastic changes to this country in terms of both infrastructure and connectivity.

Japanese companies have always been with Bangladesh, and we have seen a lot of growth together. We will celebrate the 50th anniversary of diplomatic relationship the next year, and we believe we can deepen our economic relationship by welcoming more investment from Japan.

DS: How has Jetro facilitated investment and trade relations among Bangladeshi and Japanese entrepreneurs?

YA: Since our inception in 1973, we have contributed to the development of the business relationship between the two friendly countries. It is coincident that we have started our operation just after Bangabandhu's visit to Japan.

Through the historic visit to Japan by the Father of the Nation, we have deepened an excellent economic relationship.

The Jetro has always tried to bridge both countries through investment facilitation. We have arranged business delegation programmes from Japan to see the business opportunities and environment in Bangladesh.

Through the delegation programmes, several Japanese companies have decided to invest in the EPZs and other areas. We have invited Bangladeshi business leaders to Japan to make business-matching events. We are confident that many Bangladesh companies have started businesses thanks to our invitation programme.

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ইউনাইটেড কমার্শিয়াল ব্যাংক লিমিটেড | UCB

এই রমজানে কেবাকাটা হোক ইউসিবি কার্ডের সাথে

১২% ক্যাশব্যাক-সুপারস্টোরে কেবাকাটায়

২০% ক্যাশব্যাক-লাইফস্টাইলে কেবাকাটায়

শর্তাবলি

অংশগ্রহণকারী সুপারস্টোর মার্চেন্টগুলোতে কেবাকাটার উপর ফ্ল্যাট ১২% ক্যাশব্যাক অংশগ্রহণকারী লাইফস্টাইল মার্চেন্ট-এ কেবাকাটার উপর ফ্ল্যাট ২০% ক্যাশব্যাক অফারটি মে ১৬, ২০২১ সাল পর্যন্ত প্রযোজ্য

ক্যাশব্যাক পাওয়ার ক্ষেত্রে ইউসিবি POS-এ লেনদেন করা বাধ্যতামূলক এই অফারটি সকল ইউসিবি ক্রেডিট কার্ডের জন্য প্রযোজ্য অফারটি অনলাইন কেবাকাটার জন্যও প্রযোজ্য

বিস্তারিত স্বক অনুসারে কম্প্লিমেন্টের সময়সীমা শেষ হওয়ার পর থেকে ৩০ দিনের মধ্যে ক্রেডিট কার্ডগুলোতে ক্যাশব্যাকের টাকা দিয়ে দেওয়া হবে।

ক্যাশব্যাক চলাকালীন সময়ে সর্বোচ্চ ক্যাশব্যাক (টাকায়)	৩০০০
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Lockdown clears way for roadside paddy threshing



Due to a lack of free space in the region, local roads and highways are the first choice among farmers to dry and thresh their paddy.

PHOTO: MINTU DESHWARA

MINTU DESHWARA

There are a total of 424 haor areas in Sylhet where boro paddy is cultivated. Due to a lack of free space in the region, local roads and highways are the first choice among farmers to dry and thresh their stock.

In the past, vehicular movement had always been a hindrance but now, amid a nationwide lockdown aimed at curbing the spread of Covid-19, farmers are carrying out such activities without any hassle.

"Many of us use roads and highways to thresh and dry our paddy after harvesting," said Mizanur Rahman, a farmer of Sreemangal upazila in Moulvibazar.

"In the past we usually tried to complete the task early in the morning, when vehicular movement is low, but the roads are free all day now due to the lockdown," he added.

During a recent visit to some villages in the region, this correspondent found that many local farmers are using the Juri-Kulaura-Barlekha upazila regional highway under Hakaluki Haor for this purpose.

"We have been using the highway for paddy processing as many farmers, especially the marginal ones, have hardly any space to do so," said Sharif Uddin, a farmer of Khagteka village in Juri upazila.

Commercial drivers in the region previously complained about roadside paddy processing as it hampered their activities.

"I found it difficult to travel on a number of highways in the area as farmers were processing paddy on them," said Motin Mia, a driver from Bhua area under Juri upazila.

"As a result, we had to drive super carefully to avoid accidents," he added.

Mustafizur Rahman, a driver of Kulaura upazila, echoed the same.

"I had to frequently lower the speed when faced with paddy on the roads and highways," he said.

The mindless use of public roads for paddy processing disturbs vehicular movement but at least this is not the case this year amid the ongoing lockdown, Rahman added.

ATM Farhad Chowdhury, the upazila nirbahi officer of Kulaura,

said that they are strictly maintaining lockdown procedures in the area for which farmers can thresh and dry their paddy on the roads with ease.

In normal times, around 2,000 vehicles including busses and trucks move along various roads in the region, especially the Moulvibazar-Barlekha and Moulvibazar-Sreemangal-Kamalganj highways.

The use of these roads for paddy processing caused serious problems for vehicular movement in the past but this is not the case this year due to the lockdown, Chowdhury said.

Dilip Kumar Adhikary, additional director of the Department of Agricultural Extension (DAE) office in Sylhet, said most farmers in haor areas thresh and dry their paddy on roads.

Adhikary went on to say that farmers cultivated boro paddy on 483,705 hectares of land this year with a production target of 1,937,978 tonnes from the 424 haors under four districts of Sylhet.

The DAE has provided all the necessary cooperation and advice to farmers since the beginning of this season, he added.