

Address by H.E. Mr. Matsushiro Horiguchi, Japanese Ambassador

H.E. Mr. M. Morshed Khan, Honorable Foreign Minister, H.E. Dr. Kamal Siddiqui, Principal Secretary of the Prime Minister and Chairperson of the Government Design Task Force, H.E. Mr. Anwar Chowdhury, British High Commissioner, Mr. Anil Sinha, General Manager, South Asia Enterprise Development Facility, Syed Akhtar Mahmood of the World Bank Headquarters, distinguished participants, ladies and gentlemen, Assalamu Alaikum.

It is a great honor for me to speak a few words at the opening of the two-day roundtable meetings on “An Enabling Environment and Free Zones for Investment Promotion and Export Competitiveness in Bangladesh”. A congenial business climate that inspires uninterrupted growth of the private sector and the creation of free economic zones for investment promotion and export competitiveness are shared concerns and targets of both the Government of Bangladesh and the development partners. Therefore, I heartily congratulate the Regulatory and Investment Systems improvement for Enterprise Growth (RISE) and Private Sector Development Project (PSDP) for organizing these all-important roundtable discussions.

At the very outset, I take the liberty of starting my speech with some personal observations. Ever since I started my service in Bangladesh in May 2003, I have made it a point to visit many parts of Bangladesh to gain a firsthand knowledge of the ongoing economic development activities. During these visits, I was highly impressed by the entrepreneurial capacity of many Bangladeshis. I also talked to foreign investors in Dhaka and Chittagong and discussed with political leaders and the foreign delegations about current issues and future challenges facing this nation. While it is true that Bangladesh has made a number of commendable achievements in various socio-economic sectors till date, I see room for greater development.

In this age of global competition, foreign direct investment (FDI) is one of the most effective means of development through increasing production, technology transfer, job opportunities, and exports. But I have a feeling that Bangladesh may be somewhat complacent with the present level of FDI, which is far below its actual potential. To attract more FDI, concrete actions are needed to improve the country’s existing regulatory framework, physical infrastructure, human resources and the relative weakness in governance through various capacity-building measures and sharing of best practices.

In order to realize these untapped potentials, the Government of Japan supported a study on impediments of doing business last year. We have also engaged in a high level discussion with the Government of Bangladesh and supported the creation of Japan-Bangladesh Chamber of Commerce and Industry, more commonly known as JBCCI. It is becoming an important vehicle in carrying forward the combined voices of Bangladeshi and Japanese investors to the policy level. Last week, JBCCI raised a number of impediments facing their business in Bangladesh. We would like to continue supporting improved communication between the government and private sector through the JBCCI

and other means of support both bilaterally and multilaterally through active coordination with other development partners.

Japan also welcomed the Bangladesh government's efforts in framing a task force on enabling business environment last year and appreciated its ongoing efforts at improving the investment and trade environment. Today, I would like to welcome the recent discussion toward the formation of the Government Design Task Force headed by Dr. Kamal Siddiqui. It is for the upcoming private sector development project, where Japan has joined a group of donors to support a long-term strategic and reform agenda on enabling environment and special economic zones. I believe it is critical to build on this momentum and accelerate the reforms process so that Bangladesh can become the latest model of Asian development.

I strongly feel that realization of such potentials is possible if the people, the Government of Bangladesh, the private sector and the development partners stand united in making concrete and coordinated efforts. I say this with a lot of conviction, because my country has supported even faster development of other neighboring countries in East Asia and elsewhere with positive outcomes.

It goes without saying that the Bangladeshi textile industry is likely to be affected by international competition with the phasing out of MFA this year. Thus, the Government of Bangladesh is taking various measures to increase its competitiveness, such as, quality improvement based on a competitive labor force, shortening of delivery or lead time for exports through improving the efficiency of Chittagong, and so on.

However, there is a growing consensus among development partners that Bangladesh can overcome such difficult times through effective partnership and a sense of strong ownership of the developmental and regulatory frameworks. Meanwhile, the development partners also need to transform further so that they can better collaborate with each other. Our assistance should, in fact, aim to strengthen this government ownership.

On the occasion of the UK-Japan high-level joint visit yesterday, this partnership of the Government and the concerned development partners for private sector development were greatly appreciated. As such, we will try to leverage our strength through partnership and work with other donors having expertise and resources to maximize synergy and complementarity.

I sincerely hope that these roundtable meetings will come up with useful inputs in devising a proposal for an enabling business environment and industrial free zones.

Thank you all.