

Economic Relations (As on January 2024)

Economic Relations with Japan

The diplomatic relation between Bangladesh and Japan was established on 10 February 1972. The Father of the Nation of Bangladesh, Bangabandhu Sheikh Mujibur Rahman, came to Japan on an official visit in 1973 which laid the foundation of friendship between the two countries. This relationship evolved during the last five decades, especially since the official visit of Japan by Hon'ble Prime Minister of Bangladesh H.E. Sheikh Hasina in 2014. At the summit meeting with the then Japanese Prime Minister H.E. Mr. Shinzo Abe, the bilateral relationship was upgraded to 'Comprehensive Partnership'. Since then, the economic cooperation between the two countries has been further intensified. Recently, our Honorable Prime Minister Sheikh Hasina visited Japan from 25-28 April 2023. During her summit meeting with the current Prime Minister of Japan H.E. Mr. Fumio Kishida, the relationship between Bangladesh and Japan has been further upgraded to '**Strategic Partnership**' which will further diversify, expand and deepen the economic cooperation. Japan is the single largest bilateral development partner of Bangladesh since long. Japanese assistance to Bangladesh encompasses a wide range of cooperation in power and energy, transportation, telecommunication, agriculture, infrastructure, water and sanitation, environment, health, education, urban and rural development, human resource development and in other sectors of the economy in the form of loan, grant, technical assistance and dispatching of volunteers and experts. Japanese loans are concessional in nature carrying one of the lowest interest rates and repayment period of thirty years including a ten-year grace period.

Japanese development assistance to Bangladesh

The JICA Bangladesh office was established in 1973, same year as the visit of the Father of the Nation of Bangladesh, Bangabandhu Sheikh Mujibur Rahman in Japan, and the first Japanese ODA loan to the Bangladesh was also made that year. In the global context the story of Bangladesh's growth and development is quite remarkable. Under the leadership of Prime Minister Sheikh Hasina, Bangladesh reached lower-middle income status in 2015. It is on track to graduate from the UN's Least Developed Countries (LDC) status in 2026. In order to accelerate economic growth, our government has adopted vision 2041 to become a high-income developed smart Bangladesh by that time. The Government of Japan has been extending continuous support to the development endeavors of Bangladesh in different important sectors

including communication infrastructure, power, energy, telecommunication, health care, education, human resource development, urban and rural development etc.

General information:

- Japan is the largest bilateral development partner of Bangladesh.
- During the official visit of Japan by Prime Minister Sheikh Hasina in May 2014 she held summit meeting with Japanese Prime Minister. As a result, Bangladesh and Japan upgraded their bilateral relations to the level of 'Comprehensive Partnership'.
- Subsequently Japanese Prime Minister Shinzo Abe visited Bangladesh in September 2014 and after the summit meeting with Prime Minister Sheikh Hasina, Japan declared enhanced ODA support for Bangladesh in the coming years as a consequence of the Comprehensive Partnership.
- Recently, our Honorable Prime Minister H.E. Sheikh Hasina visited Japan from 25-28 April 2023. During her summit meeting with the current Prime Minister of Japan H.E. Mr. Fumio Kishida, the relationship between Bangladesh and Japan has been further upgraded to 'Strategic Partnership'.
- Since independence, Japan has committed to provide ODA support of more than US\$ 30.32 billion as Project Aid, Food Aid and Commodity Aid to Bangladesh in the form of grants, loans and technical assistance.
- Previously in 2021 and 2022, Japanese Government has provided total Yen 75.00 billion (equivalent to 685 million USD) of loan as budget assistance through JICA for COVID-19 crisis response emergency support.
- This year in 2023, JICA has provided another budget support loan of 30 (thirty) Billion Japanese Yen (equivalent to USD 225 Million) under the title of 'Development Policy Loan for Strengthening Public Financial Management' for economic recovery and strengthening public financial management capacity of Bangladesh.
- Currently, a total of 82 JICA assisted projects are being implemented under ODA loan, and that includes: 31 ODA loan projects, 16 grant aid projects, and 35 technical assistance projects.
- The 43rd ODA loan package have been signed for JP¥ 331.18 billion (approximately US\$ 2.549 billion) in 2022 for 5 (five) development projects.
- Currently, the 44th ODA loan package is under process. So far two loan agreements have been signed for two projects for JP¥ 247.556 billion (approximately US\$ 1.725 billion) in 2023. A few more projects are in the pipeline under this years package.

Official Development Assistance (ODA) Loan Projects:

There are 31 (thirty-one) on-going Loan projects including Dhaka-Mass Rapid Transit Development project, Matarbari Ultra Super Critical Coal-Fired Power project, Matarbari Port Development project, Jamuna Railway Bridge Construction project, Foreign Direct Investment project, Energy Efficiency and Conservation Promotion project, Hazrat Shahjalal International Airport Expansion Project, Health Services Strengthening project, etc.

Grants Aided Projects:

Total 16 (sixteen) Grant assisted projects are ongoing including Human Resource Development (JDS Fellowship program), Improvement of Solid Waste Management Equipment, Primary Education Development Programme (PEDP IV), Economic and Social Development programme, Improvement of Meteorological RADAR Systems, Saline Water Treatment Plant, Ground Water Investigation and Development of Deep Ground Water Source in Urban and Rural Areas, Project for the Densification of Global Navigation Satellite System, Improvement of Rescue Capacities in the Coastal and Inland Waters etc.

Technical Assistance Projects:

There are 35 (thirty five) on-going Technical Assistance projects including Skill Development of ICT Engineers Targeting Japanese Market, Dhaka Integrated Traffic Management, Security Improvement of International Airports, Strengthening of Solid Waste Management in Dhaka North City, Dhaka South City and Chittagong City, Capacity Enhancement of Bangladesh Police, Promoting Building Safety for Disaster Risk Reduction, Capacity Building of Nursing Services, Strengthening Health Systems through Organizing Communities, National Integrity Strategy (NIS), Capacity Development of City Corporations, Strengthening Public Investment Management System (Phase 2) etc.

List of ODA Loan Projects as a result of ‘Comprehensive Partnership’ since 2014

Name of the Projects	Total Loan Amount	
	USD	JP¥
35th ODA Loan Package (2014)	1.184 billion	120.986 billion
1. Matarbari Ultra Super Critical Coal-Fired Power Project (I)		
2. Natural Gas Efficiency Project		
3. Inclusive City Governance Project		
4. Haor Flood Management and Livelihood Improvement Project		
5. Small and Marginal Sized Farmers Agricultural Projectivity Improvement and Diversification Financing Project		
36th ODA Loan Package (2015)	1.076 billion	133.265 billion
1. Foreign Direct Investment Promotion Project		
2. Dhaka-Chittagong Main Power Grid Strengthening Project		
3. Western Bangladesh Bridge Improvement Project		
4. Maternal, Neonatal and Child Health (MNCH) and Health System Improvement Project		
5. Urban Building Safety Project		
6. Upazila Governance and Development Project		
37th ODA Loan Package (2016)	1.549 billion	173.538 billion
1. Cross-Border Road Network Improvement Project (Bangladesh)		
2. Dhaka Mass Rapid Transit Development Project (II)		
3. The Jamuna Railway Bridge Construction Project (E/S)		
4. Matarbari Ultra Super Critical Coal-fired Power Project (II)		
5. Energy Efficiency and Conservation Promotion Financing Project		
6. Disaster Risk Management Enhancement Project		
37th ODA Loan Package (2016)	1.549 billion	173.538 billion
1. Cross-Border Road Network Improvement Project (Bangladesh)		
2. Dhaka Mass Rapid Transit Development Project (II)		
3. The Jamuna Railway Bridge Construction Project (E/S)		
4. Matarbari Ultra Super Critical Coal-fired Power Project (II)		

5. Energy Efficiency and Conservation Promotion Financing Project		
6. Disaster Risk Management Enhancement Project		
38th ODA Loan Package (2017)	1.5484 billion	178.223 billion
1. Dhaka Mass Rapid Transit Development Project (Line 1) (E/S)		
2. The Kanchpur, Meghna and Gumti 2nd Bridges Construction and Existing Bridges Rehabilitation Project (II)		
3. Matarbari Ultra Super Critical Coal-Fired Power Project (III)		
4. Hazrat Shahjalal International Airport Expansion Project (I)		
5. Dhaka Underground Substation Construction Project		
6. Small Scale Water Resources Development Project (Phase 2)		
39th ODA Loan Package (2018)	1.831 billion	200.371 billion
1. Matarbari Port Development Project (E/S)		
2. Jamuna Railway Bridge Construction Project (I)		
3. Dhaka Mass Rapid Transit Development Project (Line 5) (E/S)		
4. Dhaka Mass Rapid Transit Development Project (Line-6) (III)		
5. Matarbari Ultra Super Critical Coal-Fired Power Project (IV)		
6. Health Services Strengthening Project		
40th ODA Loan Package (2019)	2.5 billion	275.786 billion
1. Matarbari Port Development Project (I)		
2. Matarbari Ultra Super Critical Coal-Fired Power Project (v)		
3. Dhaka Mass Rapid Transit Development Project (Line 1) (I)		
4. Foreign Direct Investment Project (II)		
5. Energy Efficiency and Conservation Promotion Financing Project (Phase 2)		
41st ODA Loan Package (2020)	3.2 billion	338.247 billion
1. Dhaka Mass Rapid Transit Development Project (IV)		
2. Dhaka Mass Rapid Transit Development Project, Line 5		
3. Jamuna Railway Bridge Construction Project		
4. Hazrat Shahjalal International Airport Expansion Project (II)		
5. Food Value Chain Improvement Project		

6. City Governance and Urban Development Project		
7. Chattogram-Cox's Bazar Highway Improvement Project (E/S)		
42nd ODA Loan Package (2021)		
1. Dhaka Mass Rapid Transit Development Project, Line 1 (Tranche II)	2.823 billion	310.285 billion
2. Matarbari Ultra Super Critical Coal Fired Power Project, Phase 1 (Tranche VI)		
3. COVID-19 Crisis Response Emergency Support Loan Phase 2		
4. Dhaka Mass Rapid Transit Development Project, Line 6 (Tranche V)		
43rd ODA Loan Package (2022)		
Southern Chattogram Regional Development Project	0.249 B	32.462 B
Dhaka MRT Development Project, Line 5 (Northern Route) (II)	1.027 B	133.399 B
Matarbari Port Development Project (II)	0.811 B	105.362 B
Chattogram-Cox's Bazar Highway Improvement Project (I)	0.429 B	55.729 B
Project for the Construction of Dual Gauge Double Line Between Joydebpur-Ishurdi Section (E/S)	0.03256 B	4.228 B
	2.549 B	331.18 B
44th ODA Loan Package (2023)		
Development Policy Loan for Strengthening Public Financial Management	0.225 B	30.0 B
Matarbari Ultra Super Critical Coal-fired Power Project	1.50 B	217.556 B
Hazrat Shahjalal International Airport Expansion Project	0.517 B	76.635 B

JDS Fellowship program

The main objective of the Japan Human Resources Development project is to provide opportunities for Bangladesh Civil Service officials, Bangladesh Bank officials, and Judicial Service officials to study Master's and Ph.D courses in Japan. This program contributes to enhance the human resource capacity and thus helping the socio-economic development of Bangladesh. Under this JDS Fellowship Program, so far, a total of 507 JDS fellows have been dispatched to Japan to study Master's course since 2001. Out of them 415 officials returned after completion of their courses. At present, 59 officers are studying Master's courses in nine reputed universities of Japan. In addition, they have introduced PhD program under JDS since 2018 for three slots every year, and so far, 18 officials have been enrolled for PhD program in Japan out of whom 5 fellows have obtained a doctoral degree.

Japan Overseas Cooperation Volunteer (JOCV)

Starting since 1973, Japan has dispatched 1,284 Japanese Overseas Cooperation Volunteers to work in different sectors for the skill development of their Bangladeshi counterparts. JOCVs have been a critical component of Japan's development assistance program in Bangladesh. Unfortunately, this program has been suspended for a few years since 2016. However, the Embassy has been in continuous persuasion with the Japanese government for resuming the JOCV program. Ultimately, during the recent Japan visit by Honorable Prime Minister Sheikh Hasina in April 2023, she held summit meeting with Japanese Prime Minister Fumio Kishida. Both the Prime Ministers have agreed to resume the program in Bangladesh as early as possible. With that momentum, JICA expedited the recruitment process and after completion of the selection procedure, they have dispatched the first JICA volunteer for Bangladesh on 13 September 2023. Thus, the very important JOCV program has been resumed after a gap of almost seven years. On this auspicious occasion, the Embassy of Bangladesh, in collaboration with JICA, has organized a seminar titled "50th Anniversary of JOCV program in Bangladesh" on 11 September 2023 in the Bangabandhu auditorium of the Embassy. The 2nd JICA volunteer has also left for Bangladesh on 16 October 2023. There is demand for more volunteers by different ministries, departments and organizations of Bangladesh which will be met by JICA gradually.

Syed Nasir Ershad

Economic Minister

Embassy of Bangladesh Tokyo, Japan

Phone: 03-3234-5801 (Ext-200)

Email: economин.tokyo@mofa.gov.bd

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