

JBIC Today



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Special Feature Turkey, a regional superpower surrounded by Europe, Arab states & Persia

Appeal as a “business hub”

Turkey is a pro-Japanese country which encourages Japanese companies to conduct business there.

Recently, the number of businesses utilizing Turkish networks has been growing not only in Turkey, but also in Europe and Africa.

— What is the current relationship between Japan and Turkey?

Tamaki In order to understand the relationship between Japan and Turkey, it is necessary to understand Turkish history. First of all, the Turks were based in Central Asia. It is said that China built the Great Wall to prevent the invasion of the Turks. Therefore, the Turks were unable to travel eastward, and headed westward instead. They swept over Central

Asia and even crossed over the Bosphorus Strait to enter Europe. Turkey, which eventually became the Ottoman Empire, took down Constantinople in 1453, which became Istanbul as we know today. Due to this historical background, Turkey still maintains a significant presence in the Middle East.

Border demarcations imposed by Western powers turn the Middle East into a powder keg

— When did the Middle East take its current form?

Tamaki It was triggered by World War I, which began in 1914. During the war, the Ottoman Empire was defeated and the area under its control were divided by Western powers such as the United Kingdom and France. The Western powers imposed border demarcations using the differences between Islam and Judaism, or between the Shiite and Sunni factions of Islam. This fracturing of the Middle East caused quarrels in the region, which turned it into the world’s powder keg. The addition of oil-producing countries such as Saudi Arabia and UAE (the United Arab Emirates) to the Middle East has further complicated the relationship among countries in the region.

— What is the relationship between Japan

and the Middle East?

Tamaki Japan has good relations not only with Turkey but also with the Middle East as a whole. Japan imports more than 99% of its oil, relying mostly on the Middle East. Saudi Arabia has the highest ratio at about 40%, followed by UAE at about 25%. Around 90% of the oil Japan needs comes from the Middle East. Therefore, Japan is a major trading partner for the Middle East, and stability in the region also leads to stability in the Japanese economy. Given this situation, it is imperative that Japan maintain good relations with all countries in the Middle East. Japan has a good relationship with Iran, as well as with Iran’s rival, Saudi Arabia. Japan’s diplomacy with the Middle East is different from that of Western countries because of Japan’s energy challenges.

Turkey and Japan develop strong ties based on two events in the past

— How does Turkey feel about Japan?

Tamaki Turkish people have a very good impression of Japan. The Ertuğrul Ship incident (see column on page 3), which is featured in textbooks of Turkish elementary schools, is one of the events that created this paradigm. As Turkish children learn about this from a

very early age, they have good impression of Japan.

Historically, Turkey has always been exposed to Russian invasions on its eastern side, and has even battled in war with them. As Turkey has long been threatened by Russia, some Turkish people remark on how wonderful it is that Japan defeated Russia in the Russo-Japanese War.

In addition, Turkish are Muslims. Muslims have basically been at odds with Christianity, but since the Industrial Revolution, Western powers centered on Christianity have dominated the world. Despite losing to Western powers in World War II, Japan rose from ruins from the war. Also, Japan is the only non-Christian country among the G7. Japan, which has never invaded Turkey, has risen as an industrial country despite losing the war and is currently leading the world as a member of the G7. Turkey desires to rely on such Japan as a global leader.

— Is it true that Japanese people were helped by Turkey during the Iran-Iraq War?

Tamaki That’s right. At the time, there were problems as to how Japanese people left behind in Iran could be rescued. The Japanese government was unable to fly government aircraft, and Japan Airlines was also unable to fly there due to the risks involved. Under such circumstances, Turkey took the initiative of using Turkish Airlines to rescue the Japanese people left in Tehran. This is said to be reciprocation for the Ertuğrul Ship incident, but was also due to a Japanese person working in a trading company. He had a very close friend from when he studied in Turkey and a friend of this friend was the Turkish president during the Iran-Iraq War. The emergency flight was the result of this relationship. This wonderful

story has been told to the Japanese people, further strengthening the favorable relations between Japan and Turkey.

The Turkish business environment supports entrance of foreign companies

— Considering the circumstances so far, is Turkey pro-Japanese and can Japanese companies easily conduct business in the current environment?

Uchino Yes. In addition to having strong economic ties with Europe, Turkey is also very pro-Japanese, making it easy for Japanese companies to do business there. Furthermore, many people from the Turkish government, financial institutions and businesses whom we’ve worked with are meticulous in how they conduct their work, while also being sincere in their business practices and hard worker—showing that they share many similarities with Japanese business culture. We also often hear from Japanese companies in Turkey about how skillful the Turkish people are.

On top of its attractiveness as a consumer market with a population of more than 80 million, Turkey’s potential as a manufacturing and export base is also appealing due to its abundant young, talented and pro-Japanese human resources. Hence, many Japanese companies have already started doing business in Turkey. One example is Toyota’s partnership with Turkey’s Sabancı conglomerate in the production of automobiles in Turkey in the 1990s. This venture was established to export to Europe and eventually became a large-scale production base. Recently, Nippon Yusen constructed a dedicated automobile terminal as



UCHINO Mika

Director
Division 3
New Energy and Power Finance Department 2
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part of their logistics operations infrastructure to support such global businesses, for which JBIC has provided financial support (see the project case on page 4).

Tamaki Furthermore, such large-scale infrastructure requires a large amount of funding, and global trends have seen such development take place increasingly in the form of so-called PPP (public-private partnership) in many cases. For example, Turkey has a strong PPP model for its hospital business. Hospital management consists of building a hospital, hiring doctors and receiving treatment fees from patients. However, it is difficult for overseas operators to enter such a market and conduct healthcare business. In the case of Turkey, its PPP model allows for project developer to receive a certain amount of fees so long as they construct a hospital building and maintain

Column

The Ertuğrul Ship Incident

On September 16, 1890, the Turkish warship Ertuğrul was stranded by a typhoon off Kii-Oshima Island in Kushimoto Town, Wakayama Prefecture. The islanders of Kii-Oshima carried out desperate rescue operations without regard for their own safety and were able to rescue 69 sailors and officers in the shipwreck which caused 587 victims. It is said that the large amount of donations received from the Japanese people who learned of the accident in the press deeply impressed the Turkish people. At present, a memorial ceremony is held every year at a cenotaph built in Kushimoto Town. The photo shows the 2015 ceremony (source: Jiji Press).





the system to operate medical business. This makes it easy for overseas companies to enter the healthcare sector in Turkey. As the Turkish government does not have ample funds, they have instead created an environment where foreign companies can easily enter to establish basic infrastructure such as hospitals. JBIC also signed a loan agreement three years ago for the İkitelli Hospital PPP project involving a Japanese company (see the project case on page 5).

Leveraging Turkish networks to expand business in other countries

— How is the economic environment in Turkey?

Tamaki The current economic environment is by no means good, but in the long run, Turkey has a geographical advantage and is in the process of forming friendlier relations with

its former rivals Russia, Iran and Qatar. This has created a favorable environment where Japanese companies can safely establish partnerships there.

The Middle East is located at the junction of Europe, Asia and Africa. Istanbul in Turkey serves as a link between Europe and Asia. In addition, as Africa is situated just to the south of Turkey, people, goods and money have been flowing through the country as part of the Silk Road for many years. Furthermore, Turkey was able to become a great and wealthy empire because it is blessed with a natural environment that features abundant sunlight, rain and rivers. Although Turkey has been dominated by different empires at different times, this historical background has fostered people who are proficient in interacting with other cultures. They have been called Persian, Phoenician or Turkish merchants over the years, and have come to be known as people proficient in commerce.

— Is it true that Turkey also shares deep ties with Africa?

Uchino Turkish people have recently been making headway in Africa by taking advantage of their strong proficiencies in risk-taking and their ability to interact with various cultures. Under President Erdogan, the Turkish government has also deepened its ties with African countries, and Turkish embassies on the continent have more than tripled in the past decade. Furthermore, Turkish Airlines is currently one of the leading airlines in terms of the number of African destinations it services. As a result, many Turkish companies are doing business in Africa, especially those in the construction industry.

— Are Japanese companies starting to invest in Africa in cooperation with Turkey?

Uchino In Turkey, there are a number of conglomerates that Japanese companies trust as partners, and these conglomerates are proactively trying to expand overseas. Until now, Japanese companies and Turkish conglomerates have formed consortiums to collaborate in projects, such as infrastructure construction, not only in Turkey, but also in the Middle East, Russia and Central Asia. JBIC has also supported some of these projects. Moreover, there are some projects in Africa where Japanese and Turkish companies work together.

We will provide more support than ever to projects where Japanese and Turkish companies can cooperate not only in Turkey, but also in third countries including Africa.

Tamaki We are also actively supporting the Turkish government. For example, when the Turkish government issued yen-denominat-

ed bonds (Samurai Bonds) in Tokyo to raise funds, we supported them by guaranteeing their bonds. We provide such support because we recognize that Turkey is an important business partner for Japanese companies and

that our support will help to stabilize Turkey, which is very important from a topographical standpoint, as well as the region where the country belongs.

Furthermore, Turkey also has its own

export and import bank supporting corporate trading activities in the same way as JBIC. We hope to collaborate with such government financial institution to provide financing support to businesses outside of Turkey.

Project Case

Project financing for İkitelli Hospital PPP project

This project entails the construction of İkitelli Hospital in İkitelli district, Istanbul, which will be one of the largest hospital complexes in Turkey (with 2,682 beds), by Istanbul PPP Sağlık Yatırım A.Ş. (IPSY), a Turkish corporation funded by Sojitz Corporation and Ronensans Holding A.Ş., a major Turkish construction company. The operation and management of this hospital will be implemented in the form of PPP (public-private partnership) by IPSY, while the Turkish Ministry of Health will be responsible for providing medical services. This is a large-scale hospital PPP project in Turkey in which the Sojitz Corporation will participate as an investor and engage in its operation and management for the next 25 years. During this period of time, Sojitz will provide knowledge and experience of the operation and management of Japanese hospitals. This project is the first hospital PPP project in Turkey where JBIC and Japanese companies are involved.

Signed on: July 20, 2017 Loan amount: approximately 81.3 billion yen (JBIC's portion)



JBIC opens Representative Office in Istanbul

JBIC opened a new office in Istanbul on March 19, 2020. Below is an interview with Chief Representative and Representative.

— What is the attractiveness of the Turkish market?

Turkey is a promising market with a population of over 80 million including middle class consumers with purchasing power. It connects with Europe, the Middle East, Russia, Central Asia and Africa, serving as a foothold for doing business in each region. Since the 2000s, Turkey has established itself as an export base to Europe, with approximately 60,000 foreign companies entering the market.

Especially in recent years, the number of Turkish companies actively expanding into Africa has been increasing. We believe that cooperation with such Turkish companies will pave the way for Japanese companies to enter Africa.

— What is the purpose of opening an office in Istanbul?

We aim to contribute to promoting Japanese companies' investment in Turkey as well as their collaboration with Turkish companies at an early stage of project development and from a location closer to our clients.

We view Turkey as a "CORE", which means Turkey is a "Center Of Regional Economy" and a place where "Collaboration with Reliable Partners" can be expected. However, the attractiveness of Turkey as an investment destination or the potential of Turkish companies as business partners in entering third countries are not yet widely recognized in Japan. Through the launch of an office in Istanbul, we hope to take more opportunities than ever to promote the attractiveness and

potential of Turkey.

— Do you have a message for Japanese companies considering business in Turkey?

We have various financial tools to support Japanese companies do business here, as well as a network with the Turkish government, banks and private companies. We will not only provide financial support, but also assist our clients in solving the issues they face, based on our knowledge and experience gained through projects where we were involved. We are happy to receive requests for consultation from our clients. (SUZUKI Ryuta, Chief Representative and MIYAZAKI Momoi, Representative)



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Project Case

Loan for car logistics terminal operation project

Turkey is gaining worldwide attention as a base for the manufacturing and export of automobiles. Based on this background, Nippon Yusen Kabushiki Kaisha (NYK Line) constructs and operates a car logistics terminal in the Körfez district of Kocaeli Province located approximately 70 km east of Istanbul. This project is implemented by a joint venture between NYK Line and a subsidiary of OYAK, a leading Turkish conglomerate. JBIC has signed a loan agreement with this joint venture to finance to this project in collaboration with a private bank. OYAK maintains several prominent affiliated companies such as the largest steel company in Turkey. Through this loan, it is also expected that Japanese companies will expand and diversify their opportunities to collaborate with OYAK's affiliates.

Signed on: October 4, 2019 Loan amount: up to US\$44 million (JBIC's portion)





Special Feature Turkey, a regional superpower surrounded by Europe, Arab states & Persia

JBIC Interview

Hopes for strengthened cooperation for business expansion from Turkey into third countries

Turkey's Ambassador to Japan talks about the attractiveness of Turkey and its potential for future business development.

Trade with Japan is worth US\$4 billion annually

The first Japan-Turkey Joint Economic Committee Meeting was held in 1987 to promote the economic partnership

between Turkey and Japan. Following an investment agreement signed in 1993, Turkey and Japan have developed a relationship. Furthermore, discussions have been underway since 2014 regarding an Economic Partnership Agreement (EPA) between both nations to further strengthen economic relations.

According to Turkish data, there are currently 248 Japanese companies operating in Turkey. As of 2019, the value of exports from Japan to Turkey was approximately US\$3.5 billion and that from Turkey to Japan was US\$500 million, totaling US\$4 billion. However, given the size of the economies in both countries, we believe this amount is small. We will enhance various strategic partnerships, including those for Turkish and Japanese companies

His Excellency Dr. Hasan Murat Mercan,
Ambassador of the Republic of Turkey to Japan

expanding into third countries in collaboration between the two nations.

A country blessed with young, abundant workforce and geographical advantages

We believe that there are many benefits for Japanese companies to invest in Turkey. First, Turkey is close to Europe, Asia, Middle East and Africa, and its geographical features make it possible to access many countries via only a short flight. In addition, Turkey has established a customs union with the EU, simplifying the export process from Turkey.

Looking at the manufacturing industry, Turkey is situated at a place where raw materials and intermediate goods can easily be obtained. It's also an attractive manufacturing base with great accessibility to Russia and Europe, which are major product consumers.



Turkey also boasts a labor market with an ample number of young and highly skillful workers. As many Turkish workers are disciplined and obedient, they are capable of contributing to Japanese manufacturers of high value-added products. One example of this is the Japanese automobile factory in Turkey. Although there are various ways to evaluate the performance of factories, their Turkish factory gains highest reputation among all of their automobile factories across the world.

Another advantage is that Turkish business people maintain very good relationships with neighboring countries. This network can be used by Japanese companies when expanding their businesses to countries around Turkey.

Expectations for a further strengthening of our relationship

An extremely powerful synergy can be expected by mixing Japan's technology and capital with Turkey's young, talented workforce and its strong network with

neighboring countries.

Turkey is also attractive as a consumer market. Turkey has a strong consumer base thanks to having a population of over 80 million people whose average age is in the early 30s.

There are also expectations for collaboration with Japanese companies for projects in third countries. The leaders of both countries signed the Joint Declaration on the Establishment of Strategic Partnerships in 2013 and have since suggested partnerships to promote third-country projects. In particular, business collaborations are expected in Africa and Central Asia, and we hope to accelerate discussions to that end.

As for Turkey's connections with JBIC, I recall that the Export-Import Bank of Japan, which is a former organization of JBIC, provided a loan of 23 billion yen to Turkey in 1993. More recently, JBIC has provided various support including the guarantee for Samurai Bonds issued by the Turkish government.

JBIC is indispensable for cooperation between the two countries and for the development of business not only in Turkey, but also in third countries. We also welcome the establishment of a JBIC representative office in Istanbul. In the future, we look forward to further support from JBIC.



Learning the way to achieve the best and fastest success from local “prosperous companies”

— YAMATO Co., Ltd.

YAMATO Co., Ltd., which operates yakiniku (Japanese barbecue) and cold noodle restaurants in Iwate and Miyagi prefectures, entered Thailand about 15 years ago. President MIDORIKAWA Chieko talks about many twists and turns they experienced there.

Starting a new business after learning the local market

Why did Yamato choose to expand to Thailand in the first place? Midorikawa Chieko, the president of Yamato, reflects back 15 years ago saying, “It all started with a visit to Bangkok to import pineapples.”

At the time, as BSE (bovine spongiform encephalopathy) had prevented the importation of American beef, Australian beef (Aussie beef) was used instead. Nowadays, Aussie beef is raised on compound feed, exhibiting a high quality that’s acceptable to Japanese consumers. However, at that time, the Aussie beef was known for having a chewy texture because beef cattle were grass-fed.

“Then, we wondered if any natural enzymes could be used to make the meat tender and found that pineapple had such an effect.”

Importing Thai pineapples to improve meat quality

Pineapple contains proteolytic enzymes, which can help soften meat through marination. Yamato first tried importing pineapples from Thailand through an importer in Sendai, Japan. However, they found that the portion of usable pineapple was so small that President Midorikawa felt it would’ve been cheaper to just buy them in Japan.

After telling this to a Thai supplier, the supplier invited Yamato to visit the production plants before terminating the transaction.

In response to this invitation, President Midorikawa’s husband (the former president) flew to Thailand. He acknowledged the quality of the pineapple and decided to import it. Thereafter,

MIDORIKAWA Chieko

YAMATO Co., Ltd.
President

he was attracted by Bangkok and decided to launch a business there for growing bananas and ornamental foliage plants. However, a typhoon in 2011 caused a flood that completely wiped out their business.

President Midorikawa thought that the former president would decide a withdrawal from Thailand to focus more on their domestic business, but he did not give up his Thai business. He proclaimed that he wanted to open a Yamato restaurant in Thailand, which was their main business.

“We immediately set up a local subsidiary and started preparing for the launch of the restaurant.”

But things proved quite challenging right from the start. Six months later, with sales still sluggish, the former president passed away. President Midorikawa inherited his entire business. One saving grace was that the management policy of the former president was still in place. When he ran a business, he took an approach to pass his work onto his employees at some point after launching a business and navigating it through its initial stages. After that, he avoided any interference with the way his employees were implementing operations. Although this could sometimes be a difficult policy to maintain, it led to development of skills and experience of their employees, which enabled the company to continue its domestic operations without difficulties even after the former president had passed away. However, their Bangkok business was still a source of concern. Due to the geographical distance between Iwate and Thailand, many of their employees were worried about running an overseas business, and various people including their business partners advised a withdrawal from Thailand.

“On top of that, I think there were many concerns about whether a female president



Business of “Yamato (Thailand) Co., Ltd.” is going very well. Their meat-processing business is expanding, and they’ve received financing from JBIC in collaboration with the 77 Bank, Ltd.

would be capable enough or not. As the former president died suddenly forcing me to take over the business immediately, our business partners probably hoped that I wouldn’t just exacerbate the situation.”

President Midorikawa also mentioned, “I thought it might be easy to withdraw from Thailand, but questioned whether we should give up so quickly.” Closing their Thai business would’ve also damaged their core operations, because they would have been unable to recover investment that had been made up to that point. Even if they had decided to sell the business, that would’ve resulted in recovering only 1/10th of the investment they had made. After consulting with the president of the Thai subsidiary, they concluded they just had to move on. Then, they decided to learn from other successful Japanese companies in Thailand about how they do business there.

“I sought advice from a chain of Japanese-style bar (Izakaya) restaurants operating in the area.”

Entering the meat-processing business and marketing to local restaurants

The first advice they received was business can be difficult unless you get local customers. Initially, Yamato targeted Japanese customers such as expatriates. However, in the case of the chain of Izakaya restaurants, most of the customers were Thai customers. Although the prices weren’t cheap, they were surprisingly very busy.

“They also suggested using SNS to bring in Thai customers.”

Yamato already had contracts with some companies to promote their restaurant, but they terminated those contracts by paying penalties in order to revamp their strategy for the local business. They also revised their menu to suit the local palate.

“Because we were confident in the taste of our food, we tried switching up the condiments.”

Thai restaurants generally provide three types of condiments at tables: sweet, sour and spicy. Customers then usually use these to adjust the taste based on their own preferences. Yamato

incorporated this habit into their restaurant. The benefits were immediate, and six months later, sales began to increase noticeably.

After getting their restaurant on track, they started meat-processing business for other local restaurants. Since then, their food-processing business has continued its growth, and in June 2019 they received financing from JBIC in collaboration with The 77 Bank, Ltd.

“Thanks to that, we were able to add more freezers and vacuum machines. This allowed us not only to expand our meat-processing capacity, but also to process other ingredients, which enabled us to further focus on finding new business partners.”

They also hope to expand into other countries in the future. Yamato is currently hiring Vietnamese technical trainees at Yamato Food Service Co., Ltd., which is their subsidiary engaged in food-processing. But these workers can only work in Japan for one year. After that, these workers have to return to their country. It is a shame that they do not have an opportunity to utilize their skills learned in Japan. If Yamato expands into Vietnam, they can provide these Vietnamese trainees with a place for work. We can expect Yamato to continue to take on new challenges.



Cold noodles are a popular menu item among customers. The noodles are served with the same taste as in Japan.

It's not about catering to Japanese, but more important to focus on locals

Corporate Data

YAMATO Co., Ltd.

Founded 1986

Total capital 3 million yen

Business Restaurants, school lunches

Headquarters 11-2, Kitaoniyonagi 15 Chiwari, Kitakami City, Iwate Prefecture

Relation with JBIC

Yamato received cross-border loan to their local subsidiary in order to strengthen their restaurant and meat-processing business in Bangkok.

Project Frontline

JBIC is working on a variety of projects around the world. Young staff members report on the significance of the latest projects and the role of JBIC.

Project financing for onshore wind farm in Morocco



Wind turbines to be installed in Taza, northern Morocco.

Morocco, located in northwest Africa, has experienced economic growth in recent years driven by the manufacturing of clothes, automobiles and rolling stocks, in addition to its conventional mining of mineral resources development. The government of Morocco aims to raise the ratio of renewable energy to 52% of total power generation by 2030 in order to meet growing electricity demand while reducing environmental impact.

With this background, Mitsui & Co., Ltd. (Mitsui) and EDF Renouvelables, S.A. (EDFR), a French renewable energy company, established a project company (PETS) to build, own and operate an onshore wind farm with a generating capacity of 87.21 MW in Taza in northern Morocco. Generated electricity will be sold to Office National de l'Électricité et de l'Eau Potable for 20 years after the completion of construction.

The concession for this project was obtained by Mitsui and EDFR

in 2012. Thereafter, however, this project has taken time to start due to reasons on the side of Morocco, which resulted in the need to expedite the whole process for launching the project, including the preparation of financial agreements. Under such circumstances, in the fall of 2018, Mitsui requested JBIC to resume structuring project financing as early as possible.

"I immediately set off to Morocco with our Director, Abe, to hold discussions with Mitsui, EDFR and Moroccan government officials. In the summer of 2019, various parties including sponsors and lenders gathered in Paris to discuss topics such as terms and conditions of a loan, which led to substantial progress in the process to close the agreement. In just a few months following these discussions, we were able to build consensus on basic loan terms, accelerating progress towards a signing of the loan agreement." (Nishida)

"The number of renewable energy projects in Africa led by Japanese companies is not large. In that sense, this project has great significance. Meanwhile, European companies have a great presence in Africa, and this project will help to promote collaboration between European and Japanese companies in Africa.

Other African countries such as Egypt and Kenya also have re-

newable energy projects that Japanese companies aim to participate in. Various countries are hoping to obtain financial support from Japan. JBIC will continue to promote Japan's infrastructure export strategy, contributing to maintaining and improving the international competitiveness of Japanese industries." (Abe)

profile



ABE Ryoichi
Director



NISHIDA Ryohei
Deputy Director (then)

Division 2
New Energy and Power Finance Department 1
Infrastructure and Environment Finance Group

"We're delighted to have been able to contribute to low-carbon infrastructure export initiatives promoted by the Japanese government. We will continue to support the overseas expansion of Japanese companies that promote the export of such low-carbon infrastructure." (Nishida)

110 billion yen loan for a fertilizer plant in Bangladesh, one of the "Economic Frontier" markets

Production of crops such as rice and jute is a major industry of Bangladesh which is blessed with abundant water resources from the Ganges River. Bangladesh relies on import of approximately 1.5 million tons of fertilizer to satisfy its annual demand of 2.5 million tons. For this reason, Bangladesh Chemical Industries Corporation (BCIC), a state-run chemical corporation, planned to build the largest and most advanced fertilizer plant in the country.

A company which won the bid for building the fertilizer plant was Mitsubishi Heavy Industries, Ltd. (MHI). JBIC signed a buyer's credit (export loans) loan agreement with BCIC to support the export of the plant by MHI, bringing the total co-financing amount up to approximately 110.3 billion yen.

"Although JBIC has provided loans to Bangladesh in the past, the amount of the loan this time was quite large and it was first time for BCIC to obtain external loan. In light of this, we started by explaining JBIC's financing scheme, but we were unable to receive responses from the Bangladesh government due to their internal coordination process.

In order to overcome this situation, we visited the capital Dhaka in June 2019 to build mutual trust through talks with the government and BCIC. Significant progress was made soon after all issues were clarified, and the loan agreement was finally signed in November." (Fujii)

The construction of the fertilizer plant will start in 2020 and will be completed in 2023. The plant is expected to significantly increase domestic production (self-sufficiency) of ammonia and urea fertilizers, which are important for the agricultural sector in Bangladesh.

Conceptual drawing of the fertilizer plant.



"In recent years, Bangladesh has achieved economic growth, with real GDP growth exceeding 7%, and JBIC now recognizes the country as one of the 'economic frontier' markets. Under such circumstances, a loan of 110 billion yen to Bangladesh has great significance. Based on this experience, we wish to continue supporting the export and overseas business expansion by Japanese companies into other economic frontier markets." (Morimoto)

profile



MORIMOTO Soichiro
Deputy Director



FUJII Haruna

Division 2
New Energy and Power Finance Department 2
Infrastructure and Environment Finance Group

"It was very rewarding for me to have contributed to an important project aimed at supporting the fast-growing Bangladesh economy." (Fujii)

Loan for a Japanese company manufacturing solar panel sheet glasses in the United States and Vietnam

The use of renewable energy like solar photoelectric generation, wind power generation etc. is expanding worldwide. Amid Chinese companies dominating the solar panel market, First Solar, Inc. (First Solar) is the only U.S. company to maintain a large market share. First Solar globally manufactures and sells thin-film solar modules that are resistant to changes in climate and capable of providing stable output, by using transparent conductive oxide glasses (TCO glasses) manufactured by Nippon Sheet Glass Company, Ltd. (NSG).

Having a long-term supply contract with First Solar for TCO glasses, NSG has decided to establish a new production facility for TCO glasses in the United States and to expand existing production facilities in Vietnam in response to increased production of high-performance modules by First Solar. A loan request for this business was made to JBIC in the summer of 2018.

This was the first loan for the glass industry that JBIC has provided in quite some time. "As this industry is rapidly changing, we were required to solve various issues quickly. Visiting the Maizuru

Plant of NSG where high-performance glasses are produced and R&D activities are conducted, provided clues to resolve such issues." (Tamiya)

In August 2019, loan agreements totaling US\$154 million (JBIC portion) was signed. "Amid the trends of Environmental, Social and Governance (ESG) investment, these loans have great significance in helping to protect the global environment. NSG aims to strengthen the development and sales of value-added (VA) products such as TCO glasses as part of their business strategy. I feel extremely honored to support one of their enhanced businesses. I wish to continue working on providing finance to projects in various fields." (Utsunomiya)

profile



UTSUNOMIYA Toshio
Deputy Director



TAMIYA Shintaro

Division 1
Corporate Finance Department
Industry Finance Group

"I was in charge of the entire transaction ranging from the start of negotiations to the disbursement procedures, which contributed to my own personal growth." (Tamiya)

Solar panels of First Solar. The company manufactures the latest high-efficiency solar panels using TCO glasses.



日本の力を、世界のために。
Supporting Your Global Challenges

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