

Speech by Ambassador UMEDA at the occasion of Greater  
Mekong Sub-region (GMS) Business Summit  
30<sup>th</sup> March 2018, Hanoi

His Excellency Nguyen Van, The Minister of Transport of  
Vietnam, Distinguished Guests, Ladies and Gentlemen

## **1 Opening**

It is an honor and a privilege to have this opportunity to speak at the GMS Business Summit. Today, under the theme of “Infrastructure Development and Financing”, I would like to talk about the Japanese initiative to promote “Quality Infrastructure” as well as our efforts to reinforce “connectivity” in the Mekong region.

## **2 Quality Infrastructure**

Let me recall that 10 years have passed since the framework for cooperation between the Mekong region and Japan was launched. We have implemented a variety of cooperation projects under this framework since the first Mekong-Japan Summit Meeting in 2009. Japan has always considered the Mekong region as an integrated whole and has been providing strong support for its development. Back in 1988, then Thai Prime Minister Chatichai Choonhavan expressed his hope to turn Indochina “from a battlefield into a trading market.” Hand in hand with the Mekong countries, Japan has been providing support to promote the economic development of this region, narrow the development gap, and foster investment and trade as Mekong’s partner.

These efforts are indeed realized through various infrastructure development projects in this region.

When we say “infrastructure”, there are indeed many types,

ranging from social, economic, and even to digital. There is nonetheless, a common thread among them. Together they form the foundation of a nation's economic growth. Moreover, by enhancing the connectivity between nations and regions, infrastructure also serves as the fountain of global economic growth.

This is not to say that any type of infrastructure will suffice. Substandard infrastructure will not only inhibit sustainable development, but could even become bottlenecks to growth.

Infrastructure of high quality entails high safety standards and low environmental costs. It creates employment and leads to technology transfers to the local population. Only such quality infrastructure with open, transparent, and non-exclusive operations will truly contribute to the sustainable growth of its recipients.

The Ise-Shima principles outline the elements for quality infrastructure as ①Ensuring economic efficiency and resilience from a life-cycle perspective, ② Creating jobs, capacity building, and transferring technology and know-how to local communities, ③Addressing social and environmental impacts, ④Alignment with local economic and development strategies, including the consideration for financial soundness of recipient countries, and ⑤Promoting effective resource mobilization, and openness and transparency. These are in line with Japan's long-standing policies. That is, when Japan provides assistance, we do not force solutions on others. Rather, we place ourselves within the local communities. We think and act with them, taking a long-term view towards their sustainable development. This is the approach Japan has been taking in the Mekong region. The Government of Japan is planning to organize a seminar on the promotion of

quality infrastructure on the 12<sup>th</sup> of April in Tokyo in cooperation with the OECD Development Centre, and I hope the importance of quality infrastructure will be further recognized through this seminar.

In order to promote quality infrastructure, Japan is also taking robust measures to address the global gap in funding infrastructure projects. For example, in 2016, Japan announced to provide approximately 200 billion USD over five years for infrastructure projects across the world.

Japan will also continue to utilize ODA and other public funds to serve as catalysts for mobilizing private capital.

### **3. Japan –Mekong Connectivity Initiative**

Let me go further. Japan's support is not only confined to the construction of "Hard" infrastructure such as highways and bridges. Japan underlines the importance of making it possible to utilize improved infrastructure.

For example, Japan contributed to the construction of "Tsubasa Bridge" (The Neak Loeung Bridge) in Cambodia, which enabled people to cross the Mekong in 5 minutes, whereas before the bridge, people used to wait for hours for the ferries. However, the existence of high quality infrastructure is not enough. In order to facilitate the transportation of goods across multiple countries, for example, we need an efficient and unified customs system, and well-trained officers operating the system. Once we have a good coordination between "Hard" and "Soft" infrastructure, then we can achieve "vibrant connectivity".

From this point of view, it is essential to foster human resources development that will sustain these infrastructure systems, develop areas along economic corridors, and generate sustainable growth. We are convinced that the creation of this

“vibrant” connectivity will be highly instrumental in contributing to the further development of the Mekong region.

That is why Japan, together with the five Mekong countries, launched the “Japan-Mekong Connectivity Initiative” in 2016. Under this initiative, we put an emphasis on developing “Soft” infrastructure as I have just explained.

As a part of these efforts, Japan has implemented a human resources development project over the last two years involving nearly 50,000 people from across Asia under our Industrial Human Resources Development Cooperation Initiative. Here in Vietnam, many of those who studied in Japan through our human resources development support are now engaged in various high-priority infrastructure projects in this country as professional engineers, consultants, and members of academic staffs. Among these includes Dr. Phan Le Binh, now a Lecturer at the Vietnam-Japan University (VJU), who teaches graduate courses on Infrastructure Engineering at VJU.

Another example of these efforts includes Japan’s assistance in developing “Soft” infrastructure for Customs Systems in the Mekong region. This includes sending JICA experts on customs to Vietnam, Cambodia, Laos, Myanmar, and Thailand, and providing hands-on training to officers who operate the day-to-day Customs Systems. Recently in Vietnam and Myanmar, the Japanese cargo clearance system, NACCS, was introduced, contributing to the modernization of the Customs systems in these countries. Moreover, as the “Doing business report 2018” published by World Bank points out, Vietnam made trading across borders easier after it implemented an electronic customs clearance system in 2014. I hope such a success will be a good example for enhancing connectivity in the Mekong region.

This is a symbolic example of our project to realize “vibrant connectivity.”

As the ASEAN Economic Community has been established and the potential for regional development grows even further, Japan will continue to redouble its support for the Mekong countries. Since Japan will host the Mekong-Japan Summit in Tokyo this year, we will work to create a strong momentum to accelerate regional cooperation.

In closing, let me conclude my speech by expressing my most sincere hope for the further development of the friendly relationship between Japan and the Mekong countries, and of cooperation with the GMS framework.

Thank you very much.

(1111 words)