

# Keiji Ide, Japanese Ambassador to Croatia



## 1. What are your office's priorities during your mandate here in Croatia?

Japan and Croatia share common values, including as democracy, human rights, a market economy and the rule of law. Therefore, we can further promote our full-fledged cooperation in the political, economic, cultural and social fields. My priority is to promote such relations.

Prime Minister Zoran Milanovic's visit to Japan in June 2015 was very successful. It was the first visit by a Croatian PM to Japan in history. He had a good discussion with our PM Shinzo Abe and they agreed to further promote our relations in all fields. They had a wide range of exchanges of views on many issues.

I have observed very positive developments recently. For example, in the cultural and educational fields, I feel strong interests among Croatian citizens and students to Japanese culture. Croatian initiatives started Japanese language education started in Zagreb University 11 years ago, in Zadar University last year, and in Pula University this year. Japanese students started to study in Zagreb University and the Zagreb School of Economy and Management, since this autumn. More than 55 Croatian students were invited to Japan through the budget of the Ministry of Education of Japan. Recently, several Croatian students stayed in Japan for internships at Japanese companies for one year, within the framework of the Vulcanus program. Many Japanese ballet dancers and musicians are working in Zagreb and Split. The Erasmus Plus program will give new possibilities to further promote our academic exchanges. I have held discussions with rectors and deans to develop such cooperation.

We should cope with these common challenges together. Facing natural disasters, we always helped each other: earthquakes

and tsunami in Japan, flooding in Croatia. The refugee problem is the newest challenge. Japan extends support to vulnerable states directly and through international organisations, such as the UNHCR.

## 2. Could you tell us a little bit about the current state of bilateral relations and trade between Japan and Croatia?

According to Japanese statistics, Japanese import is almost double Croatian import. Japan imports goods of 7.2 billion Japanese Yen (JPY) from Croatia, while Croatia imports goods of 3.6 billion JPY from Japan (in 2014). Japan imports almost 2,000 tonnes of tuna every year, the share of which is about 70% Croatian exports to Japan. We have more potential to further increase our trade.

The above-mentioned trade figures do not include trade in services, such as tourism. Of course, tourism is a very important area. Croatia became one of the most popular tourism destinations for Japanese citizens, with approximately 50,000 Japanese visiting Croatia every year. (According to Croatian statistics, approximately 170,000 Japanese visit Croatia yearly, but this figure is the sum of visits (i.e. stays) to cities, so there are double, triple or quadruple counting of one Japanese tourist to Croatia. On the other hand, this figure does not include tourists on cruise ships, since these tourists do not stay in hotels.) There are some bottlenecks, however, such as a shortage of good Japanese-speaking tourist guides in Croatia. We can cooperate to overcome this problem, by enabling Japanese citizens to get a guide licence, which is not possible under the current Croatian law. I am very encouraged by the efforts of the Croatian side, as they have already started working to change the related law. Japanese citizens are happy to visit Croatia, not only during the summer season... *(continues on the following page)*

There is a great chance to develop your non-summer tourism, by inviting Japanese citizens. Our Embassy started cooperation with the City of Zadar to promote winter tourism, by organizing the first Tuna and Sushi Festival in January 2015. The second festival will be organized in the beginning of February and I hope everyone will come to Zadar to participate in this event.

### 3. How can Croatia attract more Japanese investors to Croatia?

I really wish that Japanese investments would come Croatia, so that we can work together to promote the Croatian economy. Japanese auto parts producer Yazaki established a research and development centre in Zagreb, employing 100 Croatian technical people. This is practically the only investment by the Japanese production industry to Croatia. In neighbouring countries, such as the Czech republic, Slovakia, Hungary and Romania, Japanese investment in the production sector helped these countries to increase their employment and export. I heard that in Romania, for example, Japanese factories export a lot of products from Romania, comprising approximately 12% of Romania's total exports. Croatia needs to promote business friendliness and competitiveness, including provisions for less expensive production conditions, such as labour, tax and parafiscal taxes, cost and time for various procedures.

Investment by small and medium businesses is also important. In this respect, I wish to ask the Croatian side to encourage Japanese business people to come and stay in Croatia. The current legal system of Croatia makes non-EU citizens more difficult to get work permits. To take appropriate measures to protect your security and your jobs is one thing, but to encourage business people to come and stay in your country is another thing. In the end, foreign business people will help your economy grow. We can cooperate to satisfy both requirements. For example, Croatia may introduce some new system to encourage business people with some high management/business skills to come and stay.

### 4. What is your opinion in regards to HEP and Marubeni's partnership on the coal-fired plant Plomin C? In which direction do you see these talks heading and how soon so could an agreement be expected?

Plomin C is very important and is a touchstone for our business cooperation. HEP and Marubeni are at the final stage of preparation. This is beneficial for the Croatian side, as you will get the newest clean technology, including a large foreign investment and financing; it involves Croatian companies and workforce for the construction work, Croatia will receive a whole power plant facility after 20-years operation, and it will promote your energy security. The whole value of the project is approximately €1.4 billion, which is more than 3% (!) of Croatia's annual GDP. Therefore, it will surely boost the Croatian economy for the coming years. I hope that the actual construction of the power plant will start next year.

### 5. What expectations do you have for the next Croatian government (regarding taxes, investment, and openness, concerning growth and foreign investment)?

I hope that all the government people, once again, renew

their commitment to promote business-friendliness, and take concrete steps to promote it.

For example, transparency of public procurement should be further promoted. One idea may be somehow to strengthen the function of the central body to conduct the public procurement in a more professional and impartial manner. I also hear that changes of tax regulations are sometimes too quick, and business people do not have the proper time for preparation.

Recently the ordinances of a special tax on cars attracted attention from businesses, with the Croatian Employers' Association (HUP), the Croatian Chamber of Economy (HGK), US Chamber of Commerce in Croatia (AmCham) and the Competition Agency (AZTN) raising questions for clarification or submitted suggestions to change them, so that there will be no confusion for competition and business.

Recently, one Japanese company and its official dealer submitted opinions, asking the AZTN not to retroactively apply a certain regulation to them. I naturally ask related officials to abide by the Croatian Constitution, laws and regulations in business matters. A certain Croatian agency issued an official document without proper procedures and signatures. Based on this invalid document, however, some process against the interests of Japanese business is on-going. I strongly hope that the problem will be resolved.

My wish is that Japanese businesses will have a positive impression about your country. If they feel that trade relations are well-developed, then their investment will come. With more investment, trade will also be promoted. My work is to ensure these positive developments.

Recently, I had a chance to deepen my understanding about the work of the Administrative Court. I have great respect for this institution, as their leaders try hard to make speedy judgments. It is very important for business to get a fair and early resolution of their business troubles.

### 6. Japan is a member of the Trans-Pacific Partnership (TPP), which does a lot trade with the United States. From that experience, what is your view about the Transatlantic Trade and Investment Partnership (TTIP) between the EU and the United States?

A bigger common market and bigger competition is an opportunity and challenge for everyone. Croatian businesses will have more opportunities to export to other parts of the world. In this respect, I also hope that Japan-EU Free Trade and Economic Partnership Agreement will soon be agreed.

## SHORT BIOGRAPHY

Ambassador Keiji Ide started to work in the Japanese Foreign Ministry in 1980. He has been Ambassador to Croatia since January 2014. He worked in Moscow, Beijing and Paris (OECD). In Japan, he was the director in charge of regional cooperation of Asia-Pacific, and Assistant Deputy-Minister for parliamentary issue and analysis. He earned his B.A. from the Tokyo University (Economics) and an M.A. of Diplomatic Academy of Russia. He has published books and articles on China and Russia. He is married, with one daughter and one son.



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