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Title: You can attract Japanese investments in agriculture and car industry

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Keiji Ide, Ambassador of Japan in Croatia, in his first interview to local media talks about chances for better economic cooperation and says that realisation of Plomin C could be a good signal to investors.

Keiji Ide is the Ambassador of Japan to Croatia since 2014. In his first interview he tells us why well established relations between two countries are delaying in the field of economy and why Japanese investments can be counted by fingers of one hand, he tells us his opinion on Marubeni's investment in Plomin C, criticism of ecological groups and what needs to be done to increase the number of Japanese tourists.

(Question) Croatia and Japan established relations in 1993, and are very friendly, but economically extremely underdeveloped. Why?

(Ambassador Ide) This is true, although there are success stories. Japanese Yazaki, one of the largest corporations in the world, has a research and development center in Zagreb and employs about 90 local engineers. Concerning farming of tuna, which are exported almost entirely to Japan, recently a Japanese company bought a local tuna farming company. We recently organized Tuna and Sushi Festival in Zadar to attract more Japanese tourists and other tourists from Asia. There are also (Japanese) large shipping companies employing Croatian naval officers. Japanese investments in Croatia are very weak and I'm sorry for that. Our companies have invested a lot in the neighboring countries in Europe at a time when there was a war, and later on, Croatia worked weakly to attract foreign investment. After becoming part of global economy, you should compete with your neighbors and show that Croatia is more attractive place than others.

(Question) How to motivate Japanese companies to invest?

(Ambassador Ide) The strength of Japanese companies is that they are producers. The question is how much competitive you are to construct a factory, or what is the cost of labor, land, taxes and everything else for the investor. If a calculation proves profitable, the Japanese company will come. If a factory is constructed, it will employ several thousand people which will help the local economy.

(Question) If the investment in Plomin, which causes controversy because of coal, will be realised, Marubeni will become Japan's biggest investor in Croatia. What is your attitude on this project?

(Ambassador Ide) This is a project of modernization of the old power plant and the final decision will be brought by the Government and citizens, and we have no intention to interfere. Marubeni is interested and the investment would bring the newest technology. It (new Plomin C) has about four times bigger capacity than Plomin 1. (New Plomin C will have the capacity of) 500 megawatts of electricity using coal, which is now very cheap. The new technology will reduce the emissions of NO_x and SO_x, so it is a benefit for the environment and people. Emissions of carbon dioxide per unit will be reduced by 22%, but due to the bigger capacity, the total emission (of CO₂) will increase. The older types of coal fired power plants emit more than 1,000 grams of CO₂ for production of one kWh of electricity, but with modern technology this will be reduced to around 800 grams. In the case of gas, the emission is from 500 to 600 grams/kWh, and in the case of oil around 700 grams. Thus, the emission of carbon dioxide (by Plomin C) will be somewhat more than (power stations) with gas, but this is the consequence of the use of all fossil fuels. I support the attitude that we need to turn to renewable energy sources, but the problem is that they are very expensive and do not produce electricity when it is needed.

(Question) Ecologic activists warn that using of coal is a step backwards?

(Ambassador Ide) It is not a step backwards, because we use most modern technology. Theoretically, if the old coal power plants in China, India, the US and other countries are replaced with the most modern ones, the CO₂ emission in the world would be reduced by 1.5 billion tons each year, which is 5 % of the total amount (of emission of CO₂ in the world). New technology is a progress, not a step backwards. We have to find a compromise between environmental protection and economic efficiency.

(Question) The government recently gave up the concession of highways. Are you afraid that similar could happen to Plomin?

(Ambassador Ide) I cannot comment on the highway issue. Plomin C brings a number of benefits to the Croatian economy and citizens. It is an investment and the facility will be in 20 years handed over to Croatian side. Marubeni is not a charity (organization) but a private company, and of course it expects profit.

It is important that it will not bring debt increase to Croatia. Marubeni is ready to take risks. It will employ local workers and engage local companies, and the project is a win-win for both sides. Our philosophy about investment is not only for the benefit of Japanese companies but for the mutual interests. I want to ask Croatian friends to look what is happening in the world where the power plants fueled by long-known energy sources such as coal, are still being constructed, but nevertheless the most modern technology can be used to reduce emissions into the environment.

(Question) Does Marubeni fear that the project might fail because of public pressure?

(Ambassador Ide) Negotiations of HEP and Marubeni are serious, in the final stage, a lot of mutual interests are involved. I hope that everyone will understand the benefits and that this investment will be successfully realized.

(Question) Could this open the door for other investments from Japan?

(Ambassador Ide) Of course. If one company successfully realizes a huge investment, the others will look at Croatia with new eyes. This is why I believe this project is very important for other investments as well.

(Question) Which fields of economy might be interesting to Japanese companies?

(Ambassador Ide) Industries related to car manufacturing, because there are already many (Japanese) factories in Europe. Then maybe the part of the research activities could take place in Croatia, where low-skilled labor is not cheap, but you can provide high-quality engineers. Furthermore, we are interested in importing agricultural products, such as wine and meat, especially prosciutto.

(Question) How to increase the number of Japanese tourists to Croatia?

(Ambassador Ide) The number of (Japanese) tourists has increased ten times in the last 10 years. But the figure of 160,000 arrivals are slightly exaggerating the number of (Japanese) tourists. According to our calculations, around 40 to 50 thousand Japanese tourists visited Croatia (every year). There is a lot of potential; we can emphasize the group tours and the strengthening of the 'high end' exclusive deals for the rich people. There are a lot of rich people in Japan and they are ready to spend money.

We promote Japanese entrepreneurship

(Question) On Friday in Zagreb the Japan Week titled "Japan loves Croatia, Croatia loves Japan" will be opened. What is the idea behind the event?

(Ambassador Ide) I believe that the interest of Croatian people for Japan wasn't fully met and we need to do more about it. In cooperation with the Westin Hotel, we organize promotion of Japanese culture and business as well as promotion of mutual relations. We will present our culture and cuisine, which we are very proud of, and which the local people became more and more interested in. The exhibitions of two artists will be organized; *Damir Fabijanić* exposes photos taken in Japan, and *Hironori Ura* shows his inspiration with ties in a large format. Then there is an exhibition of dolls for girls Hina-Ningyo, kites and tops, presentation of Rakugo, the traditional art of telling humorous stories in English by *Diane Kitchijitsu*, and also companies and technologies.

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