

Japan's SMEs Provide Solutions for Sustainable Growth

Japan's Small and Medium Enterprises (SMEs) form the backbone of its high degree of technological development. A large number of these businesses possess expertise and know-how that can help solve issues in developing countries. However, most SMEs find it difficult to conduct market research or procure proper personnel for carrying out overseas projects on their own. In response, the Japan International Cooperation Agency (JICA) introduced a new program for assisting the overseas expansion of SMEs. It enables SMEs to explore their technologies and products' usability, and serves as a foothold for businesses that contribute to overcoming the obstacles developing countries are faced with. The program has been running for five years and substantial achievements made by

Japan's SMEs are beginning to emerge. One of these contributions is the work done by Japanese storage tank manufacturer Tamada Industries, based in Ishikawa Prefecture, to provide safer gasoline tanks to Vietnam. Most of the tanks used at gas stations in Vietnam are made of iron and pose a risk of leaking gasoline into the environment when they deteriorate. Double-wall tanks whose outer layer is shielded with fiber-reinforced plastics (FRP) can prevent such deterioration over time and ensure greater safety. Tamada Industries is the largest manufacturer of double-wall tanks in Japan. It has introduced a unique production method which fuses iron and FRP to increase safety, and specializes in high-precision processing. "The

increased use of automobiles has led to a greater demand for gasoline storage tanks in Vietnam, in turn creating a need for safer double-wall tanks. Careful study of local markets and planning of local storage tank production lines supported by JICA greatly facilitated our entry into Vietnam," explains the President of Tamada Industries' Vietnamese subsidiary, Yoshihisa Tamada. Tamada Industries used JICA's support to cooperate with Vietnam's largest supplier of petroleum products, Petrolimex, and undertook efforts to evaluate the effectiveness of double-wall tanks, share its production expertise, and develop maintenance and inspection procedures. Furthermore, locally trained engineers made great contributions by eagerly applying their newly-acquired skills. Tamada Industries established its Vietnamese subsidiary in 2013, which currently employs approximately 70 individuals. Yoshihisa Tamada enthusiastically states, "By increasing the number of safe tanks in Vietnam, we can prevent accidental leaks as Japan experienced in the past. We promote sustainable development that balances economic growth with environmental protection." JICA's Executive Senior Vice President, Kazuhiko Koshikawa, introduced this JICA program that has supported Tamada Industries' activities in Vietnam. He explains, "Japan's Official Development Assistance (ODA) used to consist mainly of aid for large-scale infrastructure, such as developing airports, highways, and bridges, just to name a few examples. However, now that the pursuit of

sustainable development has led to a diverse array of issues, what developing countries need nowadays is small but tailor-made support that incorporates promising technologies. In response to such changing needs, our mission is to connect developing countries with Japan's SMEs, which are an invaluable source of diverse technologies and expertise. As these partnerships contribute to solving the world's problems, Japan's SMEs also gain confidence that their own technology and expertise have great potential to help developing countries. What we are trying to do with this program perfectly matches our Sustainable Development Goals (SDGs) and we will continue making effort for high-quality development."



Yoshihisa Tamada
President, Tamada Vietnam Co., Ltd. (Tamada Industries' Vietnamese subsidiary)



Tamada Industries has founded a Vietnamese subsidiary and built a factory in the harbor city of Haiphong. Local production began in 2015.



Under Tamada Industries' supervision, FRP is being manually crimped to a tank.



A double-wall tank made in Vietnam is laid in the ground at a gas station in Ho Chi Minh City.



Kazuhiko Koshikawa
Executive Senior Vice President, Japan International Cooperation Agency (JICA)

Breakdown of the program for assisting the overseas expansion of Japan's SMEs (April 2012 - June 2017)

