

Opportunities and Challenges of Japanese Restaurant Business in Bangladesh: An in-depth analysis

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ABSTRACT

The purpose of this study is to explore the possibilities and challenges of the Japanese restaurant business in Bangladesh, drawing on findings from semi-structured interviews. To obtain accurate information, we examined the perceptions and experiences of restaurant owners in Dhaka, particularly from the Uttara, Banani, and Gulshan areas. Data were collected through in-depth interviews with 14 such Japanese restaurant owners who have served either authentic Japanese food or Japanese food with fusion. The results of our investigation indicate that there are many prospects for Japanese restaurants to grow their culinary industries in Bangladesh because of the country's growing middle class, its food values, and its sizable market. Despite these opportunities, according to our findings, several challenges exist to promote the Japanese restaurant business in Bangladesh, including religious issues, tax burden, availability of raw materials for authentic Japanese food, and the high costs of Japanese food. This work fills in the knowledge gap by conducting a thorough investigation in this area, therefore minimizing it. Therefore, the findings of this study can assist policymakers from both Japan and Bangladesh in promoting the Japanese culinary industry in Bangladesh and provide the opportunity for Bangladeshi food lovers to taste authentic Japanese foods.

Keywords: Japanese restaurant, Bangladesh, gastrodiploamacy, business, food

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INTRODUCTION

One can still say today that the bilateral relationship between Japan and Bangladesh is “well-engineered” and “time-tested.”. This long-sustained consistency of the Japan-Bangladesh duo has consolidated an ‘amigo-forever’ rapport in the contemporary Asian sub-system. Since the post war era of our independence, Japan has consistently functioned as a catalyst in backing the pace of development in Bangladesh (Moni, 2006; Akon, Rahman & Bhuiyan, 2019). Bangladesh and Japan celebrated 50 years of bilateral relations in 2022. Meanwhile, the reciprocity between these two stakeholders has accelerated towards a new milestone from government-to-government to a people-to-people partnership. The advent of this people-centered policy which, in turn, has helped Japan to start and promote its culinary industry in Bangladesh.

In the era of globalization, food has emerged as a quintessential factor in reducing cultural disparities. Over the years, Bangladesh has experienced an influx of many culinary influences, encompassing a wide range of cuisines such as Korean, Chinese, Thai, and Japanese. In the last ten years, the bilateral relationship between Japan and Bangladesh has witnessed significant developments, indicating promising prospects for the future. The cultural commonalities between Japan and Bangladesh have witnessed a corresponding growth with the development of their bilateral connection. The establishment of a dine-in culture in Bangladesh has significantly contributed to the exposure of individuals to genuine Japanese cuisine.

Based on the ‘gastrodiplomacy’ (Suntikul, 2017), the number of Japanese restaurants is increasing in Bangladesh, particularly in Dhaka city (Mamun, 2021) due to the economic development and changing lifestyle of the city dwellers (Islam & Ullah, 2010). People are frequently visiting Japanese restaurants to experience the different tastes of Japanese food. In spite of having ample scopes for this lucrative industry, the scourges of the COVID-19 pandemic-led crisis and other issues have created many obstacles for Japanese restaurants operating in Bangladesh (Hossain, 2021) compared to other foreign restaurants like India and Korea. Addressing the above issues, the main objective of this study is to investigate the possibilities and challenges of the Japanese culinary industry in Bangladesh as well as to formulate a roadmap that will enhance and foster the presence of the Japanese restaurant business chain in Bangladesh by answering the question: what are the possibilities of opening Japanese restaurants in Bangladesh and what challenges they are facing to flourish their restaurant business? The comprehensive interviews conducted with Japanese restaurant owners and managers have provided valuable insights into the potential chances and prospects that await individuals in the Japanese restaurant industry. Moreover, this research paper also addresses the obstacles associated with managing a Japanese restaurant in Bangladesh, considering the impact of the pandemic and the recent economic crisis.

However, given the increasing demand for Japanese foods and drinks, it is

essential to assess the potential and difficulties the current Japanese restaurants face and create a detailed plan for developing a new Japanese culinary sector in Bangladesh. All these factors contributed to the development of the current study, which tends to unravel the obstacles encountered by Japanese restaurants in Bangladesh and expand their operations across the country. This research article holds substantial significance for the restaurant industry, as well as for comprehending the socio-economic progress occurring in Bangladesh as a result of the Japan-Bangladesh relationship.

Thereby, this research initiative has been undertaken to pave the way towards expanding and promoting Japanese restaurants in Bangladesh. The existing literature has mainly emphasized Japan-Bangladesh diplomatic relations (Atahar, 2014; Doula, 2010), with only a few exceptions focusing on economic, political, and cultural issues (Akon, Nandy & Naha, 2021; Moni, 2006; Rahman, 2005). In the entire spectrum of literature, a clear gap exists, particularly on Japan's culinary industry development in Bangladesh compared to other foreign restaurants. Thus, this current research is the first that considers an unexplored area of study by focusing on the Japanese culinary business in Bangladesh. Addressing the Japan-Bangladesh cultural relations in the post-comprehensive partnership era, this study fills a substantial gap in the literature, particularly in the area of Japan's culinary sector in Bangladesh.

Japanese Restaurant Business in Bangladesh

In Bangladesh, the restaurant industry has flourished during the past decades (The Daily Star, 2021). This tremendous upheaval has impacted individuals from all areas of life. While the tradition of dining has changed in large cities such as Dhaka and Chattogram, it has not changed in smaller cities. However, the economic status of the populace has played a crucial role in allowing for this transition. There have been hundreds of restaurants in Dhaka serving a variety of cuisines and quick meals to satisfy the needs of people of all classes. Dhaka is the epicenter of the introduction of eateries serving a variety of international cuisines (Islam & Ullah, 2010). As Dhaka is the capital of Bangladesh, there is a strong demand for a variety of cuisines, and restaurant owners are eager to meet this desire. Cuisines such as Japanese, Indian, and Korean have become the most popular among city dwellers. While the opportunities for restaurant owners who are eager to manage their restaurants that serve a variety of foods are vast, the obstacles that come with it are also numerous.

Japanese restaurants are one of the fast-growing foreign restaurants in the world. (Mamun, 2021) estimates that between 2017 and 2019, the number of Japanese restaurants increased by 30% globally, going from 118,000 in 2017 to 156,000 in 2019. On the other hand, in Asia, Japanese restaurants increased by around 50% between 2018 and 2019 (Matsuo, 2020). Despite the lucrative potential, Japanese restaurants or culinary industries are still combating to pass their juvenile stage in South Asia. But in the contemporary era, Japanese restaurants are broadly rooted and have flourished their

businesses in Asia (Kramer, 2020), particularly in Bangladesh. One of the integral reasons behind the increasing number of Japanese restaurants in Bangladesh is the restaurant businesses are regarded to be extremely successful due to the rising of popularity within the middle-class people. Bangladesh's fast pace of economic growth has earned the title of Asia's "tiger economy" in the contemporary era (Bhuiyan & Jasmin, 2021). Along with the nation's rapid economic development, people's living standards and disposable income are rising.

Considering the Bangladesh's economic potentiality, Japanese companies have been expanding their operations rapidly in recent years. At present, around 321 Japanese companies are operating in Bangladesh, compared to 83 in 2010 (The Financial Express, 2021). On the other hand, as the Japanese cuisine steadily tempts our taste buds, the number of Japanese restaurants is also elevating in Bangladesh simultaneously. But noticeably, in comparison to business firms, the number of restaurants has not expanded substantially. Even compared to other foreign restaurants, Japanese restaurants started their operations bit later in Bangladesh, particularly since 2000s (Mamun, 2021). There are now around 38 Japanese restaurants operating mainly in one division in Bangladesh (Mamun, 2021; Tripadvisor, n.d). Among them, the majority of restaurant owners are Bangladeshis.

In the beginning, Japanese food were available in the five-star restaurants in Bangladesh due to the high cost and unpopularity of the food. Samdado Japanese Cuisine, a popular Japanese restaurant, started their operation in 2001 which, in turn, paved the way for other Japanese restaurant to open their business in Bangladesh. However, according to Mamun (2021), till 2010, only two Japanese restaurants started their operations in Bangladesh, Nagasaki Japanese restaurant in 2005 and the Izumi Kitchen in 2010. Since 2010, due to many factors like increasing Japanese community in Bangladesh, rising of middle-class people and demand of Japanese food, around 35 new Japanese restaurants (both Bangladeshi and Japanese owners) have launched their operations in Bangladesh.

Two types of food are available in Japanese restaurants in Bangladesh-authentic Japanese food and Japanese food with fusion. Like many other countries, Sushi is the first Japanese food to become popular in Bangladesh (Chowdhury, 2021). Later, other Japanese food including Tempura, Udon, Teriyaki, Chicken Nanban, Yakitori Chicken, Ramen, Odenmori and others became popular in Bangladesh. Bangladeshi people are now familiar with Japanese Bento Box and Seafood platters. Besides, Japanese restaurants also provide fusion food. For example, according to (Mamun 2021), different Sushi types of Ebi meets Sake, Pink Sakura, Red Dragon and Salmon Sushi Roll. However, despite the growing interest in Japanese food, the number of Japanese restaurants are limited in Bangladesh compared to other countries. Due to the high cost of the Japanese food, still, the higher class people are the primary clients of authentic

Japanese food. As a result, most of the authentic Japanese restaurants are based on the particular areas of Dhaka city including Dhanmondi, Banani, Uttara, and Gulshan.

METHODOLOGY

To understand the current challenges and possibilities of the Japanese restaurant business in Bangladesh, it is necessary to hear opinions from the Japanese restaurants operating in Bangladesh and comprehend how they articulate their perceptions and experiences of doing business in Bangladesh and how they overcome the current obstacles. However, the current study employs qualitative research methods. The majority of the data for the current study, however, was collected through semi-structured interviews with 14 foreign restaurants in Bangladesh. In this study, foreign restaurants are defined as both restaurants managed by either foreign owners or Bangladeshi owners serving foreign foods. The present sample size of 14 is based on several considerations, particularly following Barker and Edward's (Baker & Edwards, 2017) qualitative data collection model. We asked questions until we got repetitive answers and the point of saturation was achieved after interviewing 14 restaurants.

Study Area and Sample Selection

For data collection, Dhaka, the Capital and largest city of Bangladesh was selected since it is the home of many renowned foreign restaurants. Amidst the busy lives of the Dhaka city dwellers, these famous restaurants play a significant role in their social and cultural gatherings. Considering the market size, almost all Japanese restaurants are scattered throughout the city. However, within Dhaka city, a further three areas were selected based on the number of restaurants and consumers: Gulshan, Banani, and Uttara. According to Table 1, of the 14 study samples, 10 were selected from the Gulshan area, 3 were from the Banani area, and 1 was from Uttara. These three areas are considered the desired home of rich people although middle-class people also reside here. Targeting the rich people, many foreign catering businesses are established in these areas.

Table 1: Characteristics of Interviewees

Interviewee	Restaurants Name	Location	Country
A	Tokyo Kitchen	Gulshan	Japanese
B	Samdado Japanese Cuisine	Gulshan	Japanese
C	Izakaya	Banani	Japanese
D	Kiyoshi	Gulshan	Japanese
E	The Midori by Lakeshore	Gulshan	Japanese
F	Man mo	Gulshan	Japanese
G	Izumi Japanese Kitchen	Gulshan	Japanese

Interviewee	Restaurants Name	Location	Country
H	Sushi Tei Bangladesh	Gulshan	Japanese
I	Ginza	Banani	Japanese
J	Umai-	Gulshan	Japanese
K	Tokyo Express	Gulshan	Japanese
L	SKAI	Gulshan	Japanese
M	Sushi Momo	Uttara	Japanese
N	Ichi	Banani	Japanese

Primarily, we selected 20 restaurants for data collection. But, as we didn’t get any new information, we had to stop our interview at 14. Thus the final sample for this study was 14 (n=14).

Data Collection and Analysis

Regarding data collection, interviews were undertaken from November 2022 to April 2023 which are listed in Table 1. These semi-structured qualitative interviewees were conducted physically by the authors. Initially, the interviews were held in the local language Bangla. Before taking interviews, all the participants were informed about the causes and objectives of this research. Except for three interviews, all interviews were recorded with the approval of the participants. Later, all interviewees were transcribed and translated into English by the second and third authors. Each interview lasted between 50 and 70 minutes. We normally began by briefly explaining the objective and purpose of the research and the use of interview data.

Regarding the analytical process, to gain an understanding of participants’ reflections and observations on the possibilities and challenges of doing restaurant business, we analyzed the collected data with the help of NVivo 10 software. Initially, major themes and sub-themes were identified during and after the end of the interviewees. Later, the data were coded according to the themes and sub-themes. This process involved careful reading of the data. It was also followed a step-by-step approach to get the significant themes. During the interviews, field notes were also taken which were cautiously scrutinized for classifying the themes and sub-themes. The findings of this study are presented in two main sections. The first section presents the possibilities of doing Japanese catering business in Bangladesh. We identify three interrelated sub-themes: “big market”; “values of Japanese food”; and “search for different tastes and etiquette”. The second section of the analysis focuses on the challenges that Japanese restaurant owners are experiencing compared to Indian and Korean restaurants. Here, we identify five major interrelated sub-themes: “reaching middle-class consumers;” “religious issues;” “tax burden”; “authentic raw materials”;

and “high food cost”. Finally, based on the analysis, the study suggests few policies for the Japanese part to promote their catering business addressing the existing challenges.

RESULTS

Opportunities

Big market

Being one of the smallest countries in the world with a large population, Bangladesh possesses the opportunity to attract international companies. The huge population has the potential to create a demand for any product irrespective of it being national or international. Among the products that have been successfully creating demand, the Japanese businesses and its products are in the front. In Bangladesh, the dine-in culture has taken a major shift in recent years. In the past decade, the Japan-Bangladesh relationship has set multiple successful benchmarks which opened the doors for Japanese gastro diplomacy to function in this country. Operators of Japanese restaurants, according to Table 2, have stated their plans of extending their business in the future in Bangladesh.

Japan-Bangladesh relation has opened doors for us to run restaurant that provides Japanese cuisine. The potential is huge in this market as people are becoming more and more curious as well as aware of Japanese cuisine. (N)

As the government of both countries is focusing on developing diplomatic relations, the number of Japanese foreigners is also increasing which is creating an extra loyal consumer base for Japanese cuisine as well as travelers who travel across the world for pleasure are also amused by the presence of high number of Japanese restaurants. Foreign Japanese experts’ presence was decreased due to some events, but that scenario is changing drastically.

The Holy Artisan incident did create an environment of uncertainty as people were afraid to visit foreign restaurants but over time that has changed, and people are more than ever interested to dine in a Japanese restaurant [...].(H)

Over the years, the financial and economical state of Bangladesh has been on the rise and people now have more purchasing power which is and will be benefitting the Japanese restaurant owners. People now desire to move past the local cuisine and intend to try out foreign cuisines.

Table 2: Possibilities of Japanese Restaurant Business in Bangladesh

Major Possibilities	Respondent(s)	Supporting Quotes
Big Market	N, H	<ul style="list-style-type: none"> - people are more curious and aware of Japanese food - potential market of Japanese food - People are interested in dining in Japanese restaurants - rising good number of consumers - economic solvency and development
Japanese Food Values	B, J, M	<ul style="list-style-type: none"> - fresh, balanced, and seasonally inspired cuisine - famous for quality ingredients and aesthetic presentation - people like Japanese interior and innovative serving - fascination to young generations
Search for different tastes and etiquette	D, C, A	<ul style="list-style-type: none"> - Children of Japanese anime generation are witnessing Japanese culture - curiosity in the young mind to taste their childhood fantasies - eager to have Japanese tastes and etiquette

Japanese food values

As an island nation, Japanese cuisines are mostly seafood based but since Japan opened its doors to the world, it has experienced an array of foods, flavors and food culture that has shaped the present-day Japanese cuisine. Japanese cuisine is distinct from rest of the world. People of Bangladesh prefers strong flavors mainly spice but Japanese foods do not contain any spices resulting in the slow, steady but potential growth of Japanese cuisine in Bangladesh.

People in Bangladesh do not know the actual taste of Japanese cuisine. But if a restaurant provides fusion food or any other familiar dish, they will have to believe that it is a Japanese food, or this is how Japanese food tastes like” (B)

“It is an important strategy for operating restaurant business. Because it is true that being in a foreign country, we cannot test another country's food and so we must believe what the restaurants are offering. (J)

However, Table 2 shows that, some Japanese foods, like sushi, are very popular in Bangladesh. Bangladeshi people are very much fond of this food and its fusion versions. Japanese food carries quite different values from other foreign foods. People in Bangladesh who consume Japanese food are aware of the health benefits of Japanese cuisine. People believe that Japanese food will be nutritious for their health and won't harm them. The general assumption at first glance of Japanese cuisine will be the price but the nutrition facts will also play a role in the back of the mind of a consumer.

Japanese culinary culture has been growing since the start of the decade in Bangladesh and currently by the virtue of Japan- Bangladesh relation, a sense of curiosity and interest is developing amongst the local people. Japan has long been a center of attraction for people across the globe and the culinary cuisine is now one of the top centers of interest. In the west the open kitchen and chef performing the cooking process is a popular concept. Whenever people hear the word Japan, they expect something unique and innovative.

As you can see from the interior, it is very Japan based. We try to give the Japanese experience for our consumers as much as we can. We are aware of the brand impact that the word 'Japan' carries, and we try to keep it up to the mark with innovative serving system and menu cards [...] (M)

For that reason, the word “Japan” has great value in Bangladesh, and in the restaurant sector, it is showing growth. This brand value helps existing restaurants to grow their business and create an opportunity for new start-ups and bring innovative ways to attract the eyes of consumers.

Search for different tastes and etiquette

Globalization has brought the world to the palm of our hands. One can connect with any individual from any corner of the world. People are now keen on learning new things from other countries in the form of culture, history, or even food cuisine. Japan being an economic power is also a wonder for the rest of the world because of its cuisines and different tastes and etiquette. Table 2 reveals that, according to one of the respondents:

Japanese culture and its growth have been phenomenal. Children who used to watch Japanese anime in the form of Doraemon & Shin Chan grew up witnessing Japanese culture as well as the food habits. This always creates a curiosity in the young minds to taste and try their childhood fantasies. (D)

People are now very much interested in Japan. For that, in Bangladesh, people are learning about their society and etiquette. Japan has a unique mind-pleasing

technique in their culture. Bangladeshi clients want to try Japanese cuisine as well as the dine-in etiquette the restaurants offer. It's a huge opportunity for Japanese eateries to expand their business and get benefits.

Food is one of the crucial ways for nations to understand each other's norms and ethics. It enables people to create a bridge that will ensure a bond and an image for another country. Japanese cuisine has been the pioneer for Bangladesh's culinary culture to try and explore differently. While the norms and etiquettes of a Japanese restaurant and its employees are very different from restaurants of other cuisines. (C)

Even, Japanese restaurant employees are trained to treat the customers in a manner as if they are currently visiting a restaurant in Japan. It shows the mannerism and its significance which is the symbol of postmodern Japanese culture. Humbleness in the form of 'bow' is the signature approach of a Japanese employee to his customers. While the people living in Bangladesh are always curious about other countries, they can experience the authentic manners and etiquette only from a Japanese restaurant which makes their experience visiting a Japanese restaurant even more delightful.

Our employees are strictly trained to behave in a manner which would make the customers feel that they are in a restaurant in Japan. Such experience is not common in the local restaurants of Bangladesh and this experience gives another form of fulfillment for our consumers to try Japanese cuisine. The interior is also a crucial part of this experience. (A)

While restaurants are busy competing with each other Japanese restaurants as the name suggests stay true to their nature of humbleness and authenticity. That creates an experience unlike any other restaurant in Dhaka or in Bangladesh.

Challenges

Reaching middle-class consumers

The proprietors of Japanese restaurants have remarked that people of all classes do not prefer to dine at their establishments. The reasons can range from the flavor to the cost of Japanese dishes. For example, according to Table 3, many interviewees have exclaimed that,

The middle-class people of our country have an appetite for familiar foods and the price has a huge impact on it. As you know that Japanese foods are quite expensive due to their imported materials, so while making the menu and giving a price tag of the food items we need to think of the profit first and for this reason

our target audience is not centered around the middle class. The pandemic has pushed us to rethink our approach. [...] (E)

Additionally, other eateries including Indian, Korean, and Chinese have targeted the high class and upper middle class. But due to the high price, middle-class people are not visit the Japanese restaurants frequently.

[...] Our customers are very much satisfied with the quality of the foods but not with the cost. We hardly get middle-class or lower-class people in our restaurants. (F)

While foreign cuisines such as Korean and Japanese have a target audience of affluent individuals because to a consumer knowledge gap, Indian restaurants have observed the opposite trend. As the number of Indian eateries increases gradually, the demand bar has remained constant throughout the voyage. Middle-class individuals are well familiar with the cooking methods and food items needed to prepare Indian dishes, and the cooking procedure provides assurance that the foods are safe for eating.

Moreover, restaurant owners of Indian and Chinese can provide a minimal price range for the middle class, as the entire dish does not require imported ingredients; local markets can provide similar ingredients for cooking such dishes. While the Korean and Japanese cuisine are still busy building their loyal customer base and go beyond their targeted class, Indian restaurant owners have expressed their satisfaction of the consumers who pose a cheerful outlook towards Indian cuisine.

Table 3: Challenges of Japanese Restaurant Business in Bangladesh

Major Possibilities	Respondent(s)	Supporting Quotes
Reaching middle-class consumers	E, F	<ul style="list-style-type: none"> - high food prices impacted middle class - target audience is not centered around the middle class - fewer consumers due to high prices - Customers are not satisfied with cost
Religious issues	G, I, J	<ul style="list-style-type: none"> - Muslim majority country - issues with 'haram' and 'halal' food - traditional way of negative thinking about food - curious about the ingredients and cooking method - Majority think Japanese food are not 'halal'

Major Possibilities	Respondent(s)	Supporting Quotes
Tax burden	I, A, D	<ul style="list-style-type: none"> - high tax for food ingredients - have to order large-scale ingredients due to ordering policies - high import tax rate - no local food ingredients are suitable to make Japanese authentic food - problem with alcohol consumption and purchase alcoholic beverages
Importing raw materials for authentic foods	M, J	<ul style="list-style-type: none"> - importing food ingredients becomes a greater challenge - changing international policies - challenge to import foods from different regions
High food cost	L	<ul style="list-style-type: none"> - authentic Japanese food is costly - fewer consumers compare to other foreign restaurants - cost increases due to importing authentic ingredients and high tax

Religious issues

Religion has a significant impact on our dietary choices. As Bangladesh is a predominantly Muslim nation, most of the population is aware of the halal status of meals. "Haram-phobia" is a challenge for Japanese eateries. Most restaurants in Bangladesh that serve Japanese food strive to maintain quality while keeping the halal status of the dish in mind. However, the consumers' lack of understanding is an obstacle that will take time to overcome. The consumers' narrow margin of understanding in this area makes it more difficult for restaurants to serve authentic Japanese cuisine. Table 3 shows that Japanese chefs have expressed their worries regarding the fact that despite cooking in a halal way the traditional thought process of haram food comes to play a huge factor.

Japanese and Korean cuisine are more similar than one can imagine but since we are a Muslim country, we try to maintain the authenticity of the food as well the keeping the dish halal." (G)

"We have a fixed budget for marketing. While marketing the food we can promote the fact that our foods are halal. But the traditional way of thinking will always have a negative impact on Korean cuisine and its neighboring country's cuisine. [...]" (I)

The haram phobia is quite understandable and reasonable for a country like Bangladesh. It would take a bit more time for people to comprehend the cooking process of Japanese cuisine, but Indian restaurants had much easier access to the diet and favorite meals of Bangladeshi people due to the similarities between the dishes.

In a competitive restaurant business, Indian restaurant is the easiest to run as well as create a customer base without worrying much of the explanation of the cooking methods. Housewives can easily understand the process from taking one bite of the food. (J)

The similarities between ingredients and the knowledge of the cooking process have been a boosting factor for Indian cuisine to progress so consistently without the halal question coming into play. The role of media culture has also been a boosting factor for the recognition of the Indian cuisine in Bangladesh. This advantage has made it easier for Indian cuisine to thrive and establish itself in Bangladesh.

Tax burden

As a developing country, Bangladesh restaurant operators have been facing a constant issue regarding the high tax payment. Despite having a large demand in the domestic market in some areas, the restaurant operators must deal with the high tax issues. According to **Table 3**, the high tax burden prevents restaurants from reaching their breakeven point.

“[...] since the post-pandemic we have been struggling to meet with expected break-even point. Despite the tax rate decreasing, still, it is too much for us business operators.” (I)

As a result, restaurant owners are dissuaded from importing foods from abroad or using local ingredients to produce in-demand foods. Foreign cuisines require imported ingredients, and restaurant owners have expressed their displeasure with the tax rate on imported food products. As demand is an independent variable, it can fluctuate over time; therefore, restaurants must be ready for any eventuality. In contrast, Japanese and Korean restaurants must import food materials on a large scale despite not having such high demand. If a Japanese or Korean restaurant imports food from abroad on a small scale, there will be a food shortage or item unavailability, resulting in a financial loss.

If the consumers are expecting us to serve authentic Japanese cuisine, then we must import the ingredients from outside, but the import tax rate is sometimes difficult as we either have to order ingredients on a large scale due to ordering policies and ensure their preservation otherwise we have to order on small scales and wait for the stock to end and order a new batch. (A)

[...] Local food ingredients can't be used for the making of authentic Japanese cuisine, as a result importing food ingredients is the only other option. But as the shipment comes via ocean it doesn't always arrive on time and after arrival the taxation of these ingredients discourages us to run business [...]. (D)

These restaurants are required to import ingredients that are not readily available on the local market and must pay a high tax rate. In addition to import tax, a 15% VAT (value-added tax) was imposed on the foods served at the restaurant, making the business environment more challenging. In the past few years, however, the tax rate has been reduced to 10 percent, but it is still a gray area for restaurant operators, who are aware that the import tax rate and the tax percentage when serving food to customers must be reformed to a lower rate in order to facilitate the operation of restaurants specializing in foreign cuisines that rely heavily on imported ingredients. In neighboring countries such as India, the tax rate for restaurants serving foreign cuisine is lower.

Japanese cultures are also heavily associated with alcohol consumption. Since Bangladesh has stringent restrictions on the purchase of alcoholic beverages, Japanese are not allowed to sell alcoholic items to their consumers and if they were to do so then restaurants must pay an additional tax rate for international customers who dine there in hopes of obtaining alcohol. In the West, it is acceptable for restaurants to include alcohol on the menu. However, in Muslim-majority countries such as Bangladesh, it is extremely difficult to operate a restaurant that serves alcohol. However, with certain legal implications, such as the drinking pass, may make it easier for both the government and restaurant owners to purchase and sell alcoholic beverages without the added burden of tax payment.

Importing raw materials for authentic foods

Japanese restaurants take a great deal of pride in their culinary tradition as well as the genuineness of the ingredients that are utilized in the preparation of their traditional dishes. Traditional Japanese cuisine adheres to a guideline known as the "five-color rule," which ensures that consumers are getting items that are good for their health and encompass all the relevant nutritional benefits. In Bangladesh, restaurant owners are quite persistent to maintain the exact authenticity. In order to preserve this level of authenticity, operators are required to source their ingredients from all over the world. This process takes a significant amount of time, and the operators are unable to place small orders for raw materials because there is a purchasing limit, below which they are unable to make any purchases. Due to this, restaurants do not always have certain foods or dishes available for purchase at any given time.

[...] importing food ingredients becomes a greater challenge when there is a storm in the sea. Also, the changing international policies are also a sign of worry for us as the shipment procedure changes according to the newly imposed policies. (M)

When importing such items, the shipping method via ships is the only method that is practical and convenient. The possibility of a delivery delay brought on by adverse weather or the unpredictability of the sea can result in the item being rendered unusable in the restaurant, which in turn creates a poor reputation for the establishment.

While operating a Japanese restaurant, we do not import ingredients from only one region. For example, we import salmon fish from Norway, the sushi-making materials from Japan to make these salmon maki rolls. (J)

The owners of restaurants have an even greater responsibility to ensure the adequate preservation of the additional imported ingredients, as there is always the risk of those ingredients going bad. Restaurants serving food that is authentically Japanese, Korean, or Indian are notoriously dogged in their efforts to preserve that authenticity. However, because local markets do not stock the necessary materials, they are compelled to import the necessary components from other countries. This process typically takes significantly more time than anticipated for a variety of reasons, including adverse weather, and shifting of national policies.

High food cost

In Bangladesh, where new food cuisines like the Japanese are still trying to find their ground, the high cost of food is a major concern. This is because Japanese food is one of the most popular cuisines in Bangladesh. Due to the fact that the cost of food is typically quite high because of the components that go into making it.

If we want to run a business, we need to maintain authenticity. Despite mixed reactions from consumers, we cannot derive from making Japanese food in any ulterior way as it would break the trust of the customers who are already fond of our foods. To maintain authenticity, we must import ingredients and those imported ingredients costs a high tax rate for which we need to increase the food price. (L)

Restaurant proprietors have no choice but to affix a high price tag to a dish because the vast majority of international cuisines call for the use of imported ingredients and are subject to a specific tax rate. On the other hand, due to the nature of the Japanese dishes and the methods used to prepare them, are overly dependent on the imported materials. As a result, it is sometimes difficult for Japanese restaurants to minimize the food cost and reach middle-class people in Bangladesh.

DISCUSSION

Opportunities for Japanese Restaurant Business in Bangladesh

Bangladesh, although small in size, boasts an immense population that has garnered

attention from global investors. It is often regarded as a burgeoning market with over 30 million middle- and upper-class citizens, earning it the label of a 'development miracle' (Hasina, 2019). However, while this substantial consumer base offers enticing prospects, its susceptibility to market volatility and insufficient insights into international investment landscapes pose potential risks. Nonetheless, this robust market has consistently bolstered the business landscape, contributing positively to Bangladesh's economic growth. According to HSBC, Bangladesh is projected to rank as the 26th largest economy globally by 2030 (Hasina, 2019). Consequently, the expanding middle and upper classes in Bangladesh present an opportunity for Japanese restaurant owners to extend their businesses within the country.

Despite the rising number of Japanese restaurants in Bangladesh, these establishments currently encounter various challenges. The evolving Japan-Bangladesh relationship has paved the way for numerous Japanese enterprises to operate within Bangladesh, consequently leading to an increase in people of Japanese descent working in the country. Additionally, Dhaka's dining culture provides a conducive environment for Japanese culinary ventures. A recent survey by the Bangladesh Bureau of Statistics (BBS) highlighted a significant surge in both the number of restaurants and individuals employed in the industry between 2009 and 2019–20 (The Business Post, 2022). This growth is attributed to shifting lifestyles, increased mobility, and a rising demand for dining out (The Daily Star, 2021).

Despite these setbacks, Japanese restaurants prioritize offering authentic Japanese cuisine to their patrons. Authenticity extends beyond just the food to encompass staff etiquette, seating arrangements, and dining utensils. However, the pivotal game-changer for Japanese restaurants lies in their culinary offerings, generating growing interest and appetite among the populace. Presently catering exclusively to a particular demographic (Chowdhury, 2019), Japanese cuisine aims to broaden its reach in the future. Among various foreign cuisines, such as Indian and Korean, Japanese food is steadily amassing a dedicated following. Due to a scarcity of local raw materials, Japanese restaurants opt to import necessary ingredients crucial for preparing authentic Japanese dishes. Tax policies also play a crucial role, necessitating governmental measures to support the operation of Japanese eateries. The Japanese culinary tradition's pursuit of perfection reflects in their meticulous ingredient selection (Schatzker, 2008). Predominantly employing blanching, steaming, and grilling cooking methods, Japanese cuisine is renowned for its healthiness (Auronee, 2015), believed to hold the secrets behind the Japanese people's longevity. For instance, Sushi, packed with healthful nutrients like protein, vitamins, antioxidants, and omega-3 fatty acids, exemplifies this (The Financial Express, 2017).

The dedication of Japanese restaurant operators to maintain authenticity in their dishes is evident in their advanced cooking methods and ingredient selection (The

Financial Express, 2017). Bangladeshis, known for their love of gastronomy (Chowdhury, 2021), exhibit an adventurous spirit in exploring diverse culinary experiences. As tastes evolve, people show increasing enthusiasm for sampling new flavors and cuisines. The recent surge in interest in Japanese cuisine is a prime example. However, only a handful of restaurants in Bangladesh offer the genuine, distinctive taste of true Japanese cuisine (Dhaka Tribune, 2018). Japanese chefs and eateries prefer using original recipes crafted from imported ingredients to set high standards and offer value to their customers. Japanese cuisine's appeal lies in its diverse, fresh ingredients that maximize original flavors, provide balanced nutrition, reflect natural beauty, and embrace seasonal variations and events like New Year's Day. This dedication to authenticity extends beyond the food itself. Patrons universally praised the ambiance and interior decor of these restaurants. The meticulous attention to decorative lighting, consistent cleanliness, and mesmerizing interior designs consistently elevated the dining experience, creating an immersive and captivating atmosphere for guests to savor their culinary journey.

Flavor holds immense significance in Japanese eateries as it builds customer loyalty through delivering authentic culinary experiences. However, disinterest in Japanese cuisine often stems from differences in taste preferences. Bangladeshis, accustomed to bold flavors and spices, might find the subtlety of Japanese cuisine a barrier, leading to hasty judgments without considering cultural differences and other factors. Nonetheless, Japanese eateries persist in serving traditional fare. The emphasis on authenticity and genuine ingredients creates a unique value proposition for consumers, fostering commerce in Bangladesh. Dhaka has witnessed a surge in traditional restaurants over the past decade. Authentic eateries, where dishes are prepared using original methods and ingredients from their respective regions, are typically helmed by individuals sharing the cuisine's heritage (The Financial Express, 2017). Personal experience also plays a significant role in these establishments. Finally, the ambiance and interior aesthetics within these establishments were remarkable. The lighting arrangements, cleanliness standards, and interior decorations in these restaurants surpassed expectations. Each eatery showcased an exceptional commitment to creating an immersive and captivating environment for diners. The carefully planned decor and lighting arrangements played a crucial role in enhancing the overall dining experience, establishing a hospitable ambiance for patrons.

Challenges for Japanese Restaurants

Despite its allure, Japanese cuisine predominantly caters to a specific consumer segment, often sidelining the middle class in its business strategies. While dishes like tempura and rice bowls might appeal to middle-class individuals developing a taste for Japanese cuisine, sushi remains a popular but costly delicacy in Bangladesh. Its high price restricts its everyday enjoyment for many (The Financial Express, 2017). Apart

from these select delicacies, accessing the entirety of Japanese cuisine proves challenging for the middle class. The increasing daily demand for Japanese food leads to a surge in imported raw materials, which, in turn, carries a significant tax burden. Price and flavor consistently stand as pivotal factors influencing Japanese cuisine's ability to attract middle-class customers. Ultimately, the combination of quality and customer service remains the most effective form of marketing (Khushnud, 2022). Bangladeshi youth, however, are keen to explore novel offerings at affordable prices.

Taxation plays a critical role in a nation's progress (Mamun, 2021). Yet, high tax rates can hinder a healthy corporate environment and impede economic prospects. For Japanese businesses eyeing investment in Bangladesh, major obstacles include the country's tax structure, customs taxes, enforceable laws, and value-added tax system. Investor confidence heavily relies on stable governmental regulations; inconsistent policy changes erode trust. Hence, the government's approach should not entirely eliminate import levies but instead focus on a policy re-evaluation. Conversely, despite Japan's cuisine appealing to people of diverse faiths, in a Muslim-majority nation like Bangladesh, there's a constant quest for halal cuisine. Japanese eateries, while serving authentic dishes, abstain from using pork or other haram ingredients. Aligning with authenticity, certain foods may be served raw or with milder spices, which may not cater to all customers' tastes. Interestingly, feedback from patrons visiting Japanese restaurants in Dhaka echoes a notable concern: the scarcity of parking facilities. This issue of inadequate parking spaces around these eateries presents an inconvenience, potentially dissuading prospective diners, despite their keen interest in experiencing authentic Japanese cuisine.

CONCLUSION

Bangladesh and Japan enjoyed and celebrated the 50th year of diplomatic relations in 2022. The contribution Japan made to Bangladesh's growth over the past 50 years is testimony to the two nations' harmonious relationships. Japan has been one of the biggest contributors to the development of Bangladesh over the years since post war of independence. Both countries moved towards comprehensive partnerships in recent years. Japan invested in every sector of Bangladesh as a key development partner, and the number of Japanese businesses has been rising in the current period. Besides the Japanese companies, the number of Japanese restaurants is also increasing in Bangladesh due to several reasons like the rising economy of the people, restaurant-favored environment, etc. But Japanese restaurants face more challenges compared to other foreign restaurants. Our research shows that, given the growing Japanese community in Bangladesh and the growing number of Japanese businesses there, the Bangladeshi government should improve the facilities for Japanese restaurants. Japanese restaurants are steadily growing creating a source of employment. Bangladesh's government ought to reconsider its taxation policies in light of the job

potential and take other measures necessary to enable Japanese restaurant businesses to operate there. On the other hand, our study also suggests that to increase restaurant business in Bangladesh, Japanese restaurant owners should think about the food prices to reach a large number of middle-class people. Due to the predominance of Muslim ideology, they also need to concentrate on promoting the use of non-haram products in cuisine. However, the successful cooperation and partnership between Bangladesh and Japan would be further cemented by Japanese food and culture.

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