

NATIONAL DAY of the REPUBLIC OF KOREA

49 YEARS OF TRUSTED PARTNERSHIP: PAST AND PRESENT OF KOREA-BANGLADESH RELATIONS

Two Asian nations with a distance of 3,827 kilometers between them have nurtured friendship over the last 49 years. A great physical distance and seemingly few common elements have been no obstacle to the thriving development of the trusted partnership. Since the establishment of diplomatic ties between the Republic of Korea and the People's Republic of Bangladesh in 1973, the cooperation between the two countries has been gradually deepened, expanded, and taken further forward in many ways. In this article, we will walk through together the past and present of the Korea-Bangladesh relationship in a variety of areas, seeking to envision the future of the valued partnership.

Following Korea's official recognition of independent Bangladesh on 12 May, 1972, the Republic of Korea and the People's Republic of Bangladesh, the newly born nation, established diplomatic ties on December 18, 1973. In the process of the establishment of diplomatic relations, Mr. Ban Ki-moon, who subsequently served as 8th Secretary-General of the United Nations, played a crucial role. As a desk officer in charge of Korea-Bangladesh relations in the Ministry of Foreign Affairs of Korea at that time, Mr. Ban Ki-moon drafted a paper to the then-Korean President asserting that the Republic of Korea should recognize the newly born independent Bangladesh. At the end of 1972, Mr. Ban Ki-moon was posted to the Korean Consulate General in New Delhi, India. Upon taking up his assignment there, Mr. Ban was involved in the process of establishing diplomatic relations between the two nations in 1973. Since then, a series of high-level visits to Seoul and Dhaka have taken place, well demonstrating the strong ties between the two countries.

With the flourishing diplomatic relations, business relations have played a pivotal role in further strengthening the ties. In 1979, Mr. Kim Woo-choong, the Chairman of the conglomerate Daewoo Group at that time, invited 133 Bangladesh nationals to Korea to provide training in the garment industry in partnership with the Bangladeshi company Dosh Garments. According to the report by the World Bank Dhaka Office, training of these 133 Bangladesh technicians spawned the rapid development of the Ready Made Garment (RMG) industry in Bangladesh,

which currently accounts for more than 80% of its exports. In addition, South Korea's Youngone Corporation which established its first factory in Chittagong in 1980 launched the KEPZ, Korea Export Processing Zone, project in late 1990s, the first country-specific private EPZ in Bangladesh. As the fifth foreign direct investor and the largest foreign investor in RMG sector, the Korean entrepreneurs, including Youngone Corporation, have played a pioneering role in the birth, growth and development of the Bangladesh RMG industry. Currently, more than 150 Korean RMG companies are now operating in Bangladesh.

Such a successful collaboration in the RMG sector is now expanding to other areas. Korean big names, such as Samsung and Hyundai, have been making active inroads into the Bangladesh market recently. In partnership with the local company, Fair Group, Samsung Electronics opened its manufacturing factory in Narsingdi in 2013 and Hyundai Motors is also set to open its manufacturing plant in Kaliakair within the year. In addition, the Samsung Electronics Research and Development Institute (SRDI) began operations in Dhaka in 2010 by employing more than 400 Bangladesh engineers and software developers. Korean big names' increasing investment in Bangladesh's hi-tech industry as well as in the infrastructure projects will be a further spur for the economic synergy between Korea and Bangladesh.

Korea and Bangladesh have witnessed continuous rise in the bilateral trade in recent several decades. Since Korea started according duty-free and quota-free access to Korean market to the 95 percent of Bangladesh product in 2008, Bangladesh's export to Bangladesh has seen a steady increase and crossed 500 million US dollars in 2021. To our disappointment, the bilateral trade volume has been stagnant for almost one decade after it reached peak of 1.8 billion US dollars in 2011. However, finally, the trade volume recorded historic high in 2021 reaching 2.3 billion US dollars. This upwards trend is continuing in 2022, having totaled nearly 2.1 billion US dollars between January and September, almost 40 percent year-to-year increase. It is highly likely that it will even break the previous record this year.

As the only nation so far to have transformed itself from a recipient of aid into a donor in just one generation with the support of the international community, Korea is willing to play a role to help other country endeavor for development by sharing our experience, knowledge as well as through the official development assistance (ODA). Bangladesh has been one of the priority development cooperation partners of Korea. Since 1989, Korea has provided nearly 1.5 billion US dollars in grant aid and concessional loan programs. Currently, Bangladesh is the third largest recipient of Korea's ODA with a focus on the sectors of health, transportation, education and vocational training. The recently launched super-specialized hospital of Bangabandhu Sheikh Mujib Medical University (BSMMU) is a shining instance, an epitome, of our development collaboration.

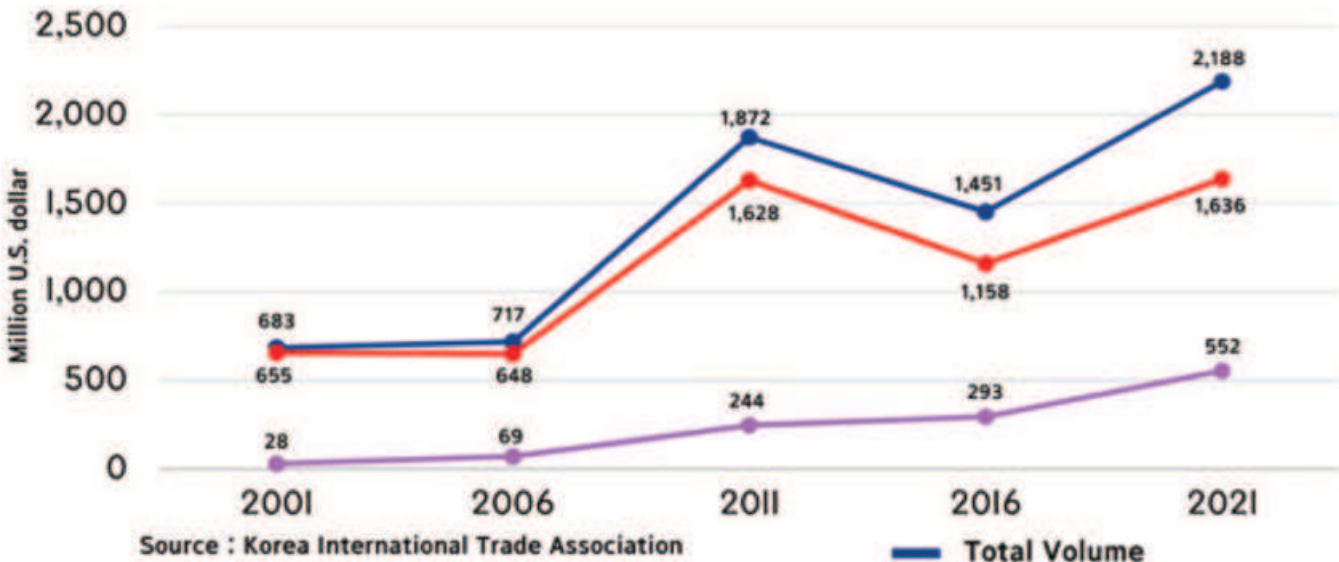
This year, the Korean government has decided to increase the amount of the Economic Development Cooperation Fund (EDCF), Korea's concessional loan program, over the next five years from 0.7 billion to 3 billion US dollars. This decision will enable the Bangladesh government to implement large-scale infrastructure projects with the EDCF. The EDCF provides one of the lowest interest rates, between 0.01% to 0.05%, among the foreign concessional loan programs.

In our longstanding partnership, Korea is also putting priority on the people-to-people exchanges. Even though the corona pandemic hampered temporarily the cooperation in this field, as the pandemic situation has been improving, the people-to-people contacts also have resumed with much vigor since November last year. We have issued more than 600 student visas during the first half of this year. Currently some 1,500 Bangladeshi students are pursuing higher degrees in Korea most of whom are enrolled in Masters or Doctoral Degree programs.

Since December last year the Korean Government resumed admitting new Bangladeshi expatriate workers after almost two years of suspension. While on average around 2,000 workers have been admitted in the past, almost 4,000 Bangladesh workers have been already admitted this year which is already a record high. We expect that the number would reach to 5,000 by the end of the year. More than 45,000 people have gone to Korea as expatriate workers since 1994 under the Employment Permit System (EPS). The invaluable experience by EPS workers has contributed not only to remittances to their mother country but also skill development and technology transfer.

Looking back on the close to five decades of diplomatic relations, Korea and Bangladesh have indeed achieved unparalleled success, cultivating constructive and win-win interaction on a firm basis of mutual trust. As we prepare to celebrate the 50th anniversary of the diplomatic ties next year, it is indeed time to further deepen, expand and advance our partnership to a new height. The two distant nations have tremendous potential to nurture and foster in the years to come.

Korea - Bangladesh Trade Volume



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