Bangladesh feels like South Korea of the 80s

Giordano Korea CEO sees 'familiar signs of promise' as he plans a factory in economic zone

JAGARAN CHAKMA

In the 1980s, South Korea embarked on an economic transformation that would turn it into a global manufacturing powerhouse driven by export-led industrialisation, strategic investments, and an increasingly skilled labour force.

Around four decades later, Bangladesh, with its competitive workforce and growing industrial ecosystem, seems to be treading a similar path.

One of the keen observers of this evolution is Junseok Han, chairman and CEO of Giordano Korea, a retail giant that has become a household name across Asia.

Visiting Bangladesh for the first time to attend the Bangladesh Investment Summit 2025, Han was struck by what he called "familiar signs of promise".

Speaking to The Daily Star on the sidelines of the recently concluded summit, Han drew parallels between Bangladesh's current economic climate and Korea's growth phase decades ago.

"This country reminds me of where Korea was 30 to 40 years ago," Han said.

"There's tremendous opportunity here, especially in manufacturing and exports," he added.

Han's remarks come at a time when Korean interest in Bangladesh is steadily growing, and his visit signals a deeper intent to expand business operations in the country.

With plans to expand sourcing and potentially set up a manufacturing base, Giordano Korea could become the next big foreign player betting on Bangladesh's economic ascent.

Under Han's leadership, Giordano Korea saw its sales soar from two billion won (South Korea's currency) in 1994 to a 100-fold increase within the next six years.

By 2003, it became the most popular women's casual clothing brand in Korea.

Now, Han is setting his sights on Bangladesh, seeing it as the next chapter in his global journey.

"This is my first visit to Bangladesh, and I must say I'm deeply impressed," Han began, fresh from a series of meetings with government officials and business leaders.

"I met capable individuals, including ministers, chairmen and young professionals. They're highly attuned to global business trends. The country's leadership is strong and forward-thinking. I believe the future is bright for Bangladesh under their guidance."

Han's visit was part of a broader strategy to explore sourcing and manufacturing opportunities in emerging markets. With existing procurement ties in Vietnam, Myanmar, and Indonesia, Han believes Bangladesh is now firmly in that league, if not ahead. Asked what makes Bangladesh attractive to foreign investors, Han pointed first to its people.

"The individuals I've met -- especially younger professionals and factory workers -- are skilled and well-educated. That's a major asset," he said.

He likened Bangladesh's current state to South Korea in the 1970s and 80s -- a time when the Korean economy transitioned from agrarian roots into an industrial powerhouse.

"I see Bangladesh at a similar juncture now. Labour costs are still competitive, and that creates a fertile ground for manufacturing-led growth."

Han said Bangladesh has strong prospects in its labour-intensive sectors, such as garment production, electronics assembly, and light automotive components.

Despite his optimism, Han didn't shy away from pointing out the challenges -- particularly in logistics.

"Transportation is not convenient yet. Lead times are long, and this makes it hard to manage delivery schedules. Port access and shipping infrastructure need immediate attention."

"Focus on infrastructure. Streamline export processes and reduce lead times. Doing that alone would make a massive difference."

Han confirmed that Giordano Korea is not just here to observe but actively plans to establish a factory in one of Bangladesh's economic zones to ramp up production for exports to Korea and beyond.

"We currently source about $5-10 million worth of products annually from Bangladesh," Han said. "We aim to triple that amount within the next five years."

A recent visit to Youngone Corporation in Chattogram, one of Bangladesh's leading exporters, solidified his resolve.

"Their production capacity is impressive. It convinced us to expand our procurement footprint here," he added.

Reflecting on the investment summit, Han was enthusiastic.

"I've had meaningful discussions with many influential people here," he said. "Once I return to Seoul, I will initiate steps to strengthen our sourcing and investment strategies, with Bangladesh at the centre."

Han sees opportunities beyond just Giordano.

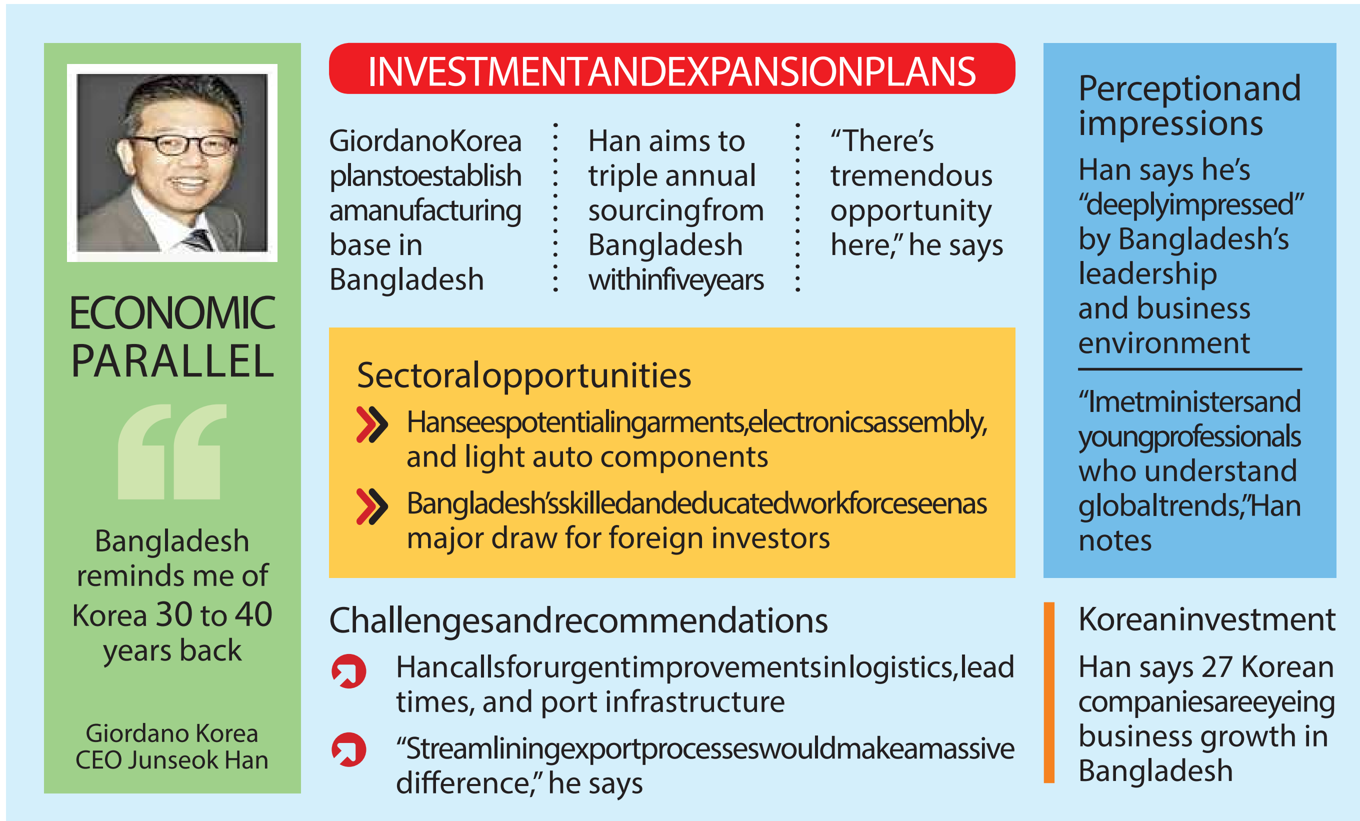
"Korean companies are definitely interested in Bangladesh. Hyundai, KIA, Samsung, and LG are already here, and more are exploring entry. I believe Bangladesh offers a favourable environment for Korean investors looking for long-term growth."

Han's optimism is rooted not only in data and forecasts but in a deeper vision of shared progress.

"There's so much potential here," he said. "If Bangladesh can overcome its infrastructure hurdles, I believe it will not just catch up, it will lead."

He also said that representatives and inventors of 27 companies from South Korea were interested in growing business with Bangladesh.

The CEO said that Youngone Corporation Chairman Kihak Sung is a pioneer in Bangladesh's readymade garments and textile sectors and is ideal for Korean investors.



Why some nations rise while others stagnate

ASHIKUR RAHMAN

Why do some nations prosper while others remain mired in poverty or stagnation? Why do countries that once showed promise -- like Argentina or South Africa -- struggle to sustain momentum? And what allows certain countries, such as Japan or China, to achieve lasting economic transformation?

These are among the most enduring puzzles in political economy, eluding definitive answers even today. Moreover, for countries like Bangladesh, which aspires to undergo transformative change in the coming decades, these inquiries are not only intrinsically essential but instrumentally fundamental.

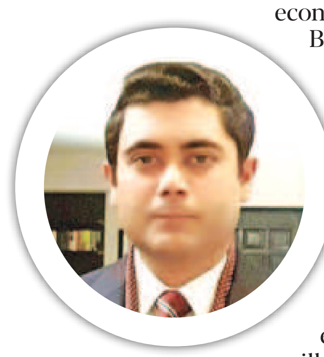
Despite decades of scholarship, there exists no single convincing theory that fully explains why some countries climb the ladder of development while others slip or remain stuck.

Is it due to geography? Historical injustices? Poor policy choices? Or is the game rigged, with global rules designed by and for the wealthy -- as one can argue after witnessing the ongoing Trump tariff saga.

Some argue that geography -- landlocked borders, harsh climates and limited natural resources -- act as structural constraints. Others point to external domination, citing colonial exploitation in India or decades-long sanctions in Cuba as key reasons for economic decline or stagnation.

Then there is the internal dimension: how domestic elites shape institutions to extract rents rather than foster innovation and productivity. The Democratic Republic of Congo (formerly Zaire), with its vast resources but kleptocratic leadership, serves as a textbook example of this phenomenon.

Importantly, these explanations are not mutually exclusive. At different points in history, various combinations of these forces have been at play. Consider Japan under the Tokugawa Shogunate (1603–1868), when isolationist policies limited exposure to trade and technological change. Or India, whose economy withered under British colonial rule -- from contributing nearly 25 percent to the global GDP in 1757 to less than 5 percent by 1947.



And yet, other nations have managed to pivot. Japan's Meiji Restoration in 1868 marks a dramatic reversal: the state realigned its priorities to support export-oriented industries like silk and shipbuilding, integrating into the global economy. Similarly, China's economic reforms post-1978, driven by a strong political mandate, unlocked decades of sustained industrial growth and poverty reduction.

The lesson here is not that there's a universal recipe for development, but rather that success often hinges on a country's capacity to adapt. High-performing nations do not avoid setbacks altogether; rather, they possess the institutional resilience to minimise downturns and capitalise on global opportunities. They actively reshape their domestic economies to align with shifting global demand, embedding themselves in global value chains. For developing nations seeking transformative change like Bangladesh, the imperative is twofold.

First, they must rigorously analyse specific barriers -- be they structural, institutional, or political -- that are impeding their progress. Second, they must engage in cautious yet bold experimentation, crafting policies and building institutions that foster competitiveness, innovation and global integration.

Above all, policymakers must recognise that the forces impeding development are dynamic and context-specific. There is no universal roadmap. What worked for South Korea or Singapore may not work elsewhere. A deep, historical understanding of one's own developmental constraints, paired with a willingness to adapt and learn, is essential. Thus, to truly attain transformative developmental change, nations must shed both the fatalism of structural determinism and the allure of simplistic policy mimicry. Only then can they chart a course that is both nationally rooted and globally relevant.

The author is the principal economist of the Policy Research Institute of Bangladesh. He can be reached at ashrahman83@gmail.com.

EU tariffs on US goods suspended until July 14

AFP, *Brussels*

The EU's retaliatory tariffs on US goods worth 21 billion euros will be on hold until July 14, Brussels said on Monday, to give time for negotiations with Washington.

The European Union was hit with a 20 percent rate as part of Trump's sweeping tariffs on April 2, before he suspended the measures for 90 days a week later.

To give breathing room for negotiations, the EU in turn last week halted its countermeasures on previously enacted US tariffs on steel and aluminium, and on the auto sector -- which remain in place.

The EU's pause will "take legal effect" on Tuesday, the European Commission said. EU trade chief Maros Sefcovic was in Washington Monday for talks with US counterparts in the hope of an agreement before the 90 days are over.

Dollar wins reprieve from selling

REUTERS, *Singapore/London*

The dollar held steady on Tuesday, trading near a three-year low against the euro and a six-month trough against the yen, as investors trying to make sense of the constant changes to President Donald Trump'stariffs remained wary of US assets.

Much of the volatility that hit the dollar last week and sent Treasury yields soaring appeared to have abated somewhat on Tuesday, although investor sentiment was still fragile.

The euro , which has been one of the biggest beneficiaries of this month's dumping of US assets, was a touch weaker on the day at $1.1343, narrowly below last week's three-year high at $1.1474.

The dollar weakened by 0.2 percent against the yen to 142.855, not far off Friday's six-month low of 142.05.

After slumping to a 10-year low against the Swiss franc last week, the dollar was flat at 0.8144 francs on Tuesday. Still, it is down nearly 8 percent against the Swiss franc this month, set for its biggest monthly drop since December 2008.

Market focus has been on the ever-shifting tariff headlines, with the US removing smartphones and other electronics from its duties on China over the weekend providing some relief, although comments from Trump suggested the reprieve is likely to be short-term.

Trump's imposition and then abrupt postponement of most tariffs on goods imported to the US has sown confusion, adding to the uncertainty for investors and policymakers around the world.

There was a greater sense of calm across the market on Tuesday. But given the uncertainty Trump and his vacillation over tariffs have stirred up, analysts expected the reprieve for the dollar to be short-lived.

Indonesia to lift US imports as part of tariffs talks

AFP, *Jakarta*

Indonesia is considering boosting its US imports as it tries to narrow its trade surplus with the country as part of upcoming negotiations with Washington, chief economic minister Airlangga Hartarto said.

The 32 percent tariffs imposed on Indonesia made it one of Asia's hardest hit by Donald Trump's sweeping measures that have sent shockwaves around the world.

Data from the US trade representative office shows Washington's goods trade deficit with Jakarta stood at $17.9 billion in 2024, up 5.4 percent on-year.

"Indonesia will purchase goods from America according to Indonesia's needs," Airlangga told reporters Monday.

He said last week that Jakarta would buy more products such as liquefied natural gas and liquefied petroleum gas to close the gap with the economic powerhouse, which is one of Indonesia's top trading partners.

Airlangga said he and other high-ranking Indonesian officials, including Foreign Minister Sugiono and Finance Minister Sri Mulyani Indrawati, will head to Washington for meetings with their US counterparts from April 16 to 23.

He added that they will hold talks with key members of Trump's team, including Treasury Secretary Scott Bessent, Commerce Secretary Howard Lutnick and Secretary of State Marco Rubio.

"Indonesia is one of the countries that had the first opportunity to be invited to Washington," Airlangga said.

Finance Minister Sri Mulyani said last week that Indonesia would adjust import taxes on some commodities from 2.5 percent to 0.5 percent, including mobile phones and laptops.

US opens door to tariffs on pharma, semiconductors

AFP, *Washington*

The United States opened the door on Monday to tariffs targeting high-end technology and pharmaceuticals, feeding the uncertainty gripping the global economy in a trade war that Chinese leader Xi Jinping warned can have "no winner."

After weeks of indications such a move was coming, the US commerce secretary formally announced "national security" investigations into pharmaceutical imports, and another on semiconductors and chip-making equipment.

The specter of a broadening tariffs onslaught came as Treasury Secretary Scott Bessent touted momentum in talks with individual countries on reaching trade deals -- but with little detail offered.

On China, he said "there's a big deal to be done" but was notably vague about the timing or chances of it happening. Talks have begun with Vietnam and were to start with Japan on Wednesday, then South Korea next week, Bessent told Bloomberg TV.

Investors were relieved at the apparent easing of pressure in President Donald Trump's wide-ranging but often chaotic attempt to reorder the world economy by using tariffs to force manufacturers to relocate to the United States.

Wall Street stocks finished solidly higher on Monday as markets greeted more conciliatory signs from the Trump administration on exemptions for key electronics. Asian and European markets were also boosted.

Trump remains firm that the tariffs will bring critical manufacturing back, with White House spokesman Kush Desai telling AFP Monday that "the entire administration is committed to working on Trump Time" -- apparently referring to moving quickly -- on the matter.

Tit-for-tat exchanges have seen US levies imposed on China this year rise to 145 percent, and Beijing setting a retaliatory 125 percent barrier on US imports.

Late Friday, US officials announced exemptions from the latest duties against China and others for a range of high-end tech goods such as smartphones, semiconductors and computers.

But Trump suggested Sunday that the exemption would be only temporary and that he still planned to put barriers up on imported semiconductors and much else.

In response, South Korea -- a major exporter to the United States and home to the world's largest memory chip maker Samsung -- announced on Tuesday plans to invest an additional $4.9 billion in its semiconductor industry.

The South Korean finance ministry said "growing uncertainty" over US tariffs had left the country's powerful industry clamoring for support.

On Monday, Trump once again pivoted to suggesting possible compromise, saying in remarks at the White House that he was "very flexible" and "looking at something to help some of the car companies" hit by his 25 percent tariff on all auto imports.

"I don't want to hurt anybody," he said.

People line up at a pharmacy in the Manhattan borough of New York City. The US commerce secretary formally announced "national security" investigations into pharmaceutical imports, and another on semiconductors and chip-making equipment.

PHOTO: REUTERS/FILE