

### **Prime Minister's visit to South Korea**

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Prime Minister Sheikh Hasina's land-mark three-day official visit to the Republic of Korea ( South Korea) commenced on May 16 . This will be the first visit by a Bangladeshi Prime Minister to South Korea after 15 years.

The visit to South Korea, is an implementation of Bangladesh foreign policy's "Look to the East" and not to "Western countries" only. South Korea with a per capita income about \$28,000 of nearly 50 million people, is one of the Asian 'economic tigers' and with the restoration of its economy after the global recession, it has now both confidence and money to make its own mark. Aid has been stepped up in Asia, in particular to ASEAN. The visit will put Bangladesh in a high profile to South Koreans.

Currently, South Korea's profile has been raised in many directions: First, South Korea is the host of G-20 meeting in November this year. Second, South Korea has signed a Free Trade Agreement with European Union and its economy is gradually integrated with EU's economy. Third, the current UN Secretary General of the UN is a South Korean national..

#### *Bilateral cooperation:*

The relations between the two nations are excellent and have been strengthened by high level visits between the two countries. South Korea's Prime Minister visited Bangladesh in September, 1994 and in November 2002, South Korea's Prime Minister Kim Suk-soo again visited Bangladesh. Several high officials including Ministers also visited South Korea.

Since 1973, Bangladesh and South Korea had concluded eight Agreements that included agreement on trade and economic cooperation, cultural agreement, agreement for the promotion and protection of investments and agreement on scientific and technological cooperation.

South Korea has been a significant development partner in Bangladesh and many physical infrastructures have been built by South Korean contractors. South Korea's official assistance as of 2008 eleven soft loan- projects amounted to US\$340 million to be spent on infrastructure development including in railways, telecommunication, Sylhet transmission lines and e-government infra-networking sectors. Bangladesh is the second largest recipient country among 45 countries.

By 2009, South Korea provided US\$ 30 million as grant. South Korean aid is directed toward education, health, ICT, rural development and governance sectors. South Korea donated US\$ 500,000 in the preparation of electoral roll for the 29<sup>th</sup> December country's parliamentary election in 2008.

*Policy*

Trade between the two has been growing and light electronics industry and computers from South Korea are making inroads in Bangladeshi markets. South Korean cars are also making their presence in Bangladesh

Bangladesh's exports during 2007-08 to South Korea amounts to US\$ 169 million and include raw jute, jute products, jute yarn, newsprint, tea, leather goods, tobacco and fertiliser while South Korea's exports to Bangladesh during that period stood \$ 1,095 million and exports include chemical elements, dyeing, colouring materials, tanning, medical and pharmaceutical products, iron and steel, electrical goods and motor vehicle machinery.

South Korea has reportedly invested US\$ 1,006 million in Bangladesh in various industry-sectors, such as ready-made garments, textiles, tanning and shoe factories. Many joint ventures in Bangladesh's Export Processing Zones (EPZ) have been set up by Korean investors. South Korea is reportedly the largest foreign investor in the EPZs employing nearly 100,000 Bangladeshi workers. It might increase to 350,000 jobs in Bangladesh with the present continuing investment. .

In 2008, South Korea opened 75% per cent of total tariffs for Bangladesh. In 2009, the coverage was expanded to 80% with the addition of 253 products. In 2010, additional 5% will be added so that more Bangladesh items can enjoy the benefit.

Apart from economic cooperation, Korean painters and art connoisseurs have expressed keenness on Bangladeshi art and culture by their frequent participation in the Asian Biennale held in Dhaka. Korean Painting Exhibition took place in 2008 in Bangladesh.

In May 2009, the Bangladesh Embassy in South Korea and Korean Foundation have jointly organised an exhibition of eleven Bangladeshi painters at the Korea Foundation Cultural Centre. The exhibition has displayed around 100 paintings by eleven renowned Bangladeshi artists.

The exhibition aims to introduce the best of contemporary Bangladeshi art to the Korean enthusiasts. The exhibition will feature pure abstract, semi-realistic, semi-abstract and folk-themed paintings. All participating artists have had solo and group exhibitions in the country and abroad.

Perhaps the most encouraging development in bilateral relations is the growing relationship between the private sectors of the two countries. South Korea's investment and business opportunities in Bangladesh are on the increase. There are bright prospects for Korean investment if energy supply and infrastructure are adequate in the country.

PM's visit :

Against the above background, Prime Minister Sheikh Hasina's visit to Seoul is taking place. It is reported the PM and South Korean President Lee Myung-bak will hold crucial talks on expanding Dhaka-Seoul cooperation in varied fields including investment, infrastructure development to shipbuilding and transfer of green technology to environment. It is reported Dhaka and Seoul are likely to sign three agreements on manpower, IT and energy during the visit.

*Policy*

On May 16 , after reaching Seoul, Prime Minister Hasina reportedly urged greater export of manpower from Bangladesh to augment the demand for labour in Korea's booming economic growth and solicited increased foreign direct investment from the Korean private sector in Bangladesh. She also urged the Korean authorities to import various products from Bangladesh to offset the huge imbalance in trade between the two countries.

The basic course of Bangladesh's relationship with South Korea has been firmly set and will continue for further expansion. The Prime Minister's visit, although a brief one, is a gesture of friendship and will consolidate further bilateral relations for mutual benefit of peoples of both countries.