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Bangladesh Foreign Policy Watch

CGS Centre for
Governance Studies



A Bi-Weekly Roundup of Key Events

The government aims to coordinate its initiatives to avoid duplicating efforts and has emphasized the need for external funding, particularly from the IMF, to address balance of payments and revenue challenges. The World Bank has committed \$3.5 billion to support these reforms, including \$2 billion in fresh lending and \$1.5 billion repurposed from existing programs.

September 30

IMF Identifies Economic Risks Offers Support to Bangladesh

An IMF team concluded its visit to Dhaka from September 24-30, assessing recent developments and reform priorities. Bangladesh is facing economic challenges, including slowed growth, double-digit inflation, balance of payments concerns, declining tax revenues, and financial sector vulnerabilities. The IMF reiterated its support, recommending policy adjustments such as monetary tightening and rationalizing non-essential spending. Further discussions will take place during the 2024 IMF-World Bank Annual Meetings to advance the reform agenda.

ILO Calls for Urgent Labour Reforms in Bangladesh's RMG Sector

The International Labour Organisation (ILO) has urged immediate reforms in wage structures and labour laws within Bangladesh's ready-made garment (RMG) sector to address ongoing worker grievances and unrest.

September 29

World Bank Approves \$300M for Bangladesh Clean Air Project

The World Bank has pledged \$300 million to support the Bangladesh Clean Air Project (BCAP), aimed at improving air quality and reducing emissions. This commitment was made during high-level discussions between the Ministry of Environment, Forest and Climate Change and World Bank officials. Funded through an International Development Association (IDA) credit, the initiative may also include grants for clean cooking solutions. Topics discussed included waste management, canal restoration, a Loss and Damage Fund, and the National Adaptation Plan (NAP), with both parties agreeing to strengthen collaboration on environmental governance and climate resilience.

Bangladesh Seeks Support from IMF World Bank for Economic Reforms

Bangladesh is seeking financial backing from the IMF, World Bank, and other partners to implement reforms in banking, tax systems, and efforts to recover laundered money.

The ILO highlights the need for social dialogue among stakeholders to protect workers' rights and ensure economic viability. It identifies five critical areas for action: reforming wage structures and policies, labour laws, establishing a robust national industrial relations system, enhancing social protection, and improving occupational safety and health (OSH). The ILO calls on all parties to engage in constructive dialogue, vital for the stability of the RMG sector and the overall socio-economic health of Bangladesh.

Bangladesh Ranks 9th Globally in Climate Risk, ILO Reports

Bangladesh ranks 9th worldwide for climate-induced disasters, facing significant risks from cyclones, floods, and rising sea levels. Projections indicate that by 2050, 17% of Bangladesh's land could be submerged, resulting in a 30% loss of agricultural land and forcing coastal communities to migrate to urban areas. The ILO stresses the necessity of effective social protection systems to mitigate climate change impacts and support vulnerable populations, noting persistent gaps in coverage and financial sustainability despite progress made.

Urgent Repatriation Needed for Bangladeshi Migrants in Lebanon



Thousands of Bangladeshi migrants in Lebanon are facing severe challenges due to escalating violence and Israeli airstrikes on major cities. Reports indicate that at least five Bangladeshi nationals have been injured, and many are without shelter, seeking refuge in Beirut. Migrants are desperate to return to Bangladesh; however, airport closures and a lack of available flights hinder their efforts. The Bangladesh embassy is providing support and has informed the foreign ministry about the situation, but many migrants continue to require urgent assistance.

October 1

China Offers 100% Duty-Free Access for Bangladeshi Exports

China has granted Bangladesh 100% duty-free access for its export products, aiming to enhance bilateral trade relations. This opportunity extends beyond ready-made garments (RMG) to include sectors such as leather, marine resources, agro-processed goods, and ICT products. To maximise this potential, Bangladesh must tackle non-tariff barriers, language challenges, and diversify its product offerings.

The Bangladesh-China Chamber of Commerce and Industry (BCCCI) is facilitating this process by providing training, language courses, and workshops to assist Bangladeshi businesses in entering the Chinese market.

Russia Reluctant to Extend Loan for Rooppur Nuclear Power Plant

Russia is hesitant to extend the loan disbursement period for the Rooppur Nuclear Power Plant unless Bangladesh settles its outstanding payments. Currently, approximately 70% of the project is completed, but there are delays in constructing transmission lines. Bangladesh is facing challenges in making payments due to US sanctions on Russian banks. If Russia halts funding, it could have significant repercussions for the project's workforce and overall progress.

Vietnam and India Overtake Bangladesh in US Apparel Exports

Vietnam and India are outpacing Bangladesh in high-value apparel exports to the US, attributed to superior infrastructure and increased foreign investment. While China's share of US apparel imports has markedly decreased, Vietnam and Bangladesh have seen gains. However, Bangladesh faces challenges in competing for high-value segments due to its reliance on imports for man-made fibre inputs and logistical limitations. Furthermore, the country's reputation for social compliance, particularly regarding labor practices, remains low, adversely affecting its competitiveness in the market.

Repatriation of 144 Stranded Bangladeshi Migrants from Libya

144 undocumented Bangladeshi migrants stranded in Benghazi, Libya, were successfully repatriated to Bangladesh. The operation was facilitated by the Bangladesh Embassy in Tripoli in collaboration with the International Organisation for Migration (IOM). Upon their arrival at Hazrat Shahjalal International Airport at 7 am on a chartered Buraq Air flight, each migrant received Tk6,000, food supplies, medical assistance, and temporary accommodation.

US Calls for Investigation into Civilian Deaths in Bangladesh

The United States has reiterated its demand for thorough investigations into the recent civilian killings during protests and crackdowns in Bangladesh. The US Department of State highlighted the need for accountability for those responsible for the violence. Additionally, the US emphasized the importance of safeguarding press freedoms both in Bangladesh and globally.

October 2

AIIB Provides \$700 Million in Budget Support to Bangladesh

The Asian Infrastructure Investment Bank (AIIB) has announced a \$700 million budget support package for Bangladesh for the current fiscal year. This funding comprises \$300 million dedicated to climate change and environmental reforms, and \$400 million allocated for emergency natural disaster management. In addition, Bangladesh is seeking budget support from other international organizations, including the World Bank, Asian Development Bank (ADB), and Japan, amounting to several billion dollars. These funds are crucial for addressing the country's current economic challenges, particularly in settling outstanding oil and gas import bills.

Bangladesh Government Orders Return of Five Envoys

The Bangladesh government has summoned its envoys from New Delhi, Brussels, Canberra, Lisbon, and the UN in New York to return to Dhaka immediately. The diplomats recalled include Mustafizur Rahman (India), Muhammad Abdul Muhith (UN), Mahbub Hassan Saleh (Belgium), M Allama Siddiqui (Australia), and Rezina Ahmed (Portugal). Saida Muna Tasneem, the High Commissioner to the UK, was previously asked to return. The Ministry of Foreign Affairs issued individual notices to each envoy, instructing them to relinquish their current responsibilities and report back to headquarters.

IMF Calls for Adoption of International Standards for NPLs in Bangladesh

The International Monetary Fund (IMF) has urged Bangladesh to adopt international standards for accurately estimating Non-Performing Loans (NPLs) to restore financial stability. Key reforms include conducting an asset quality review, implementing international best practices for banking recovery, and improving corporate governance. A task force formed by Bangladesh Bank, consisting of experts from various sectors, is working on banking sector reforms and plans to publish a white paper. The IMF, along with other development partners, is assisting Bangladesh in addressing financial sector vulnerabilities and developing the domestic capital market.

Chinese Investors Eye Seafood Processing Plants in Bangladesh

Chinese investors are keen to establish seafood processing plants in Bangladesh to export various fish products, including shrimp, crabs, and mud eels, to China. This initiative was discussed by Chinese Ambassador to Bangladesh, Yao Wen, and Fisheries and Livestock Adviser Farida Akhter. In addition to seafood, there are opportunities to export jute, jute products, and mangoes from Bangladesh to China. Both nations aim to enhance their relationship to facilitate duty-free exports of Bangladeshi goods to the Chinese market.

October 3

Rising Iqama Fees Challenge Bangladeshi Workers in Saudi Arabia

The Iqama fee in Saudi Arabia has surged to 11,000 riyals per year, posing significant financial challenges for Bangladeshi workers. Many have begun returning home due to the high costs, with 70% of returnees coming from Saudi Arabia. In 2023, remittances from the country have dropped by nearly \$1 billion compared to two years earlier. Stakeholders are urging the Bangladeshi government to negotiate with Saudi authorities to reduce Iqama fees and protect the rights of workers.

Tripartite Agreement Signed for 40MW Electricity Import

Bangladesh, Nepal, and India have signed a tripartite agreement allowing Bangladesh to import 40MW of electricity from Nepal via India from June to November. This agreement marks a significant advancement in regional energy cooperation and long-term energy security. The signing ceremony featured officials from all three countries, including environment adviser Syeda Rizwana Hassan and Nepal's Energy Minister Deepak Khadka. The deal focuses on environmentally friendly energy trade to meet both immediate and long-term energy needs.

Bangladesh Plans Evacuation of Workers from Lebanon

In response to the escalating conflict in Lebanon, Bangladesh is preparing to evacuate its migrant workers. The embassy is compiling a list of those wishing to return, particularly as violence intensifies in southern Lebanon and Shia-dominated areas of Beirut. Approximately 100,000 Bangladeshis work in Lebanon, with many relocating to safer areas in the capital. The Bangladesh embassy has temporarily closed its consular services. However, the officials are working to ensure the safety of nationals in vulnerable zones.

October 4

Malaysian PM Prioritises Processing Bangladeshi Workers



During his visit to Bangladesh, Malaysian Prime Minister Anwar Ibrahim committed to prioritising the processing of 18,000 new Bangladeshi workers for employment in Malaysia.

He emphasised the importance of transparent recruitment practices and the fair treatment of workers, acknowledging Malaysia's reliance on foreign labour while stressing the need to prevent exploitation. Anwar also discussed the establishment of a "Comprehensive Strategic Partnership" with Bangladesh, focusing on political, trade, and investment collaborations. The bilateral meeting addressed various topics, including economic cooperation, education, technology, and the Rohingya crisis, highlighting the strengthening of ties between the two nations.

India Condemns Attacks on Durga Puja Celebrations

India has strongly condemned the recent attacks on Durga Puja pandals in Bangladesh, describing them as "undesirable." External Affairs Ministry spokesperson Randhir Jaiswal expressed concern for the safety of minorities in Bangladesh and highlighted the government's responsibility to ensure their protection during the festival. He stated that any incidents during Durga Puja are harmful to communal harmony. Jaiswal extended best wishes for the celebrations while reaffirming India's commitment to regional cooperation, subtly referencing the challenges in reviving the SAARC framework due to actions by a specific country, implicitly pointing to Pakistan.

October 5

Asif Nazrul Calls for Dismantling Labour Syndicates in Malaysia

Asif Nazrul has urged the Malaysian Prime Minister to dismantle the syndicate responsible for the delays affecting over 17,000 Bangladeshi workers expected to travel to Malaysia by May 31. The Malaysian government has since assured that the entry of these workers will be expedited. Additionally, a special lounge for Bangladeshi migrant workers in the Middle East will be established within two weeks. The Malaysian Prime Minister's announcement regarding the acceptance of 18,000 workers was misrepresented by the media, as this number includes those who were previously delayed. An agreement was signed between Bangladesh's Wage Earners Welfare Board and Malaysia's PERKESO to expand the labour market.

October 6

British High Commission Enhances Support for Anti-Corruption Efforts

The British High Commission has committed to supporting Bangladesh's Anti-Corruption Commission (ACC) in its fight against corruption, particularly focusing on money laundering. A four-member British delegation met with ACC officials to discuss strategies for recovering laundered funds and providing technical assistance. The UK has assured full cooperation in recovering funds illegally smuggled from Bangladesh to the UK.

Bangladesh Imports 231,840 Indian Eggs at Tk7.5 Each

Bangladesh has imported 231,840 eggs from India via Benapole to help stabilise soaring egg prices. The consignment, which arrived on October 6, 2024, cost Tk 7.5 per egg, including customs duties. This import, facilitated by Dhaka-based HydroLand Solution, follows previous shipments of Indian eggs. Port officials confirmed that inspection protocols are being adhered to, relying on Indian certification due to the absence of local testing facilities. This initiative aims to alleviate the inflated prices impacting the local market.

October 7

Bangladesh Urges Myanmar to Address Rohingya Crisis

Bangladesh has expressed serious concern over the recent influx of forcibly displaced Myanmar nationals due to armed conflicts in Myanmar, particularly in Rakhine state. The Foreign Secretary of Bangladesh has called on Myanmar to implement measures to contain the conflict and ensure the early, voluntary, and sustainable repatriation of displaced individuals. The Myanmar ambassador reassured that repatriation would begin once peace and order are restored in Rakhine. Both parties acknowledged the potential for cooperation in trade, shipping connectivity, energy, and agriculture.

Review Underway for Patenga Terminal Agreement

The government of Bangladesh is set to review the concession agreement of Patenga Container Terminal with Red Sea Gateway Terminal International due to identified concerns. Steps are being taken to combat corruption and inefficiencies at Chittagong Port, including plans to auction outdated containers and vehicles. While the government is welcoming foreign investment, it stresses that all agreements must prioritise national interests and adhere to competitive tendering processes. Ongoing efforts to automate port operations aim to reduce ship waiting times and enhance overall efficiency.

October 8

Italian Embassy Aims for 20,000 Visa Approvals

Foreign Affairs Adviser Md Touhid Hossain has expressed optimism for a peaceful resolution regarding the demands of Italian visa seekers, while cautioning against excessive pressure on Italian authorities. The government is working to expedite the processing of approximately 20,000 pending visa cases by December. The Italian Embassy is committed to increasing the output of processed applications and has proposed a bilateral agreement to enhance collaboration on migration and mobility issues.

The Embassy also warned against submitting forged or false documents, highlighting the serious legal consequences under both Italian and Bangladeshi laws.

October 9

UK Requests Details for Repatriation of Laundered Funds

The UK has requested specific information regarding funds allegedly laundered from Bangladesh to facilitate their repatriation. The British High Commission in Dhaka has assured its full support in recovering these funds. An investigation has revealed that former land minister Saifuzzaman Chowdhury owns assets worth over \$500 million, which were not disclosed in his tax filings. The Central Intelligence Cell (CIC) of the National Board of Revenue (NBR) is coordinating with UK authorities to resolve the matter.

October 11

Bangladesh Foreign Secretary Holds Talks with US Officials to Deepen Bilateral Ties

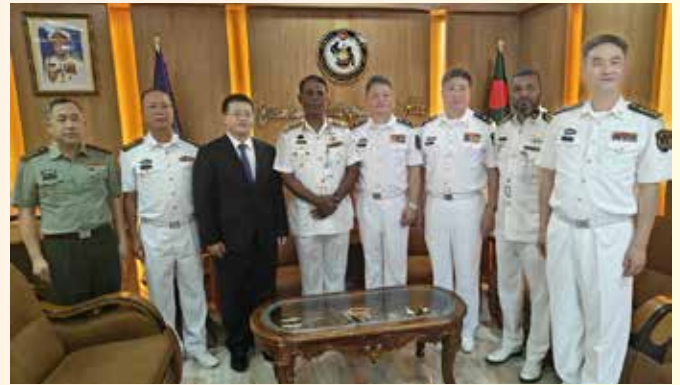
Bangladesh Foreign Secretary Md Jashim Uddin had a "productive meeting" with US Deputy Secretary of State Richard Verma at the State Department, reaffirming the commitment to deepen bilateral relations. Discussions focused on US support for reform initiatives by the interim government, labour law reforms, and the Rohingya crisis. In a separate meeting with Acting Under Secretary for Political Affairs John Bass, they explored advancing collaboration in priority areas. The meetings aim to build on the growing momentum in Bangladesh-US relations.

October 12

India Expresses Concern Over Attacks on Hindu Temples in Bangladesh

The Indian Ministry of External Affairs issued a statement expressing serious concern over recent attacks on Hindu temples in Bangladesh. The statement condemned the vandalism at a Puja mandap in Tantibazar, Dhaka, and the theft at the Jeshoreshwari Kali Temple in Satkhira, where a crown gifted by Indian Prime Minister Narendra Modi was stolen. India urged the Bangladeshi government to ensure the safety and security of Hindus and other minorities, particularly during the festival season, and to protect their places of worship from further desecration.

Chinese Naval Fleet Arrives in Chattogram for Goodwill Visit



Chinese naval ships Qi Jiguang and Jing Gangshan arrived at Chattogram Port on a four-day goodwill visit, aimed at strengthening China-Bangladesh naval cooperation and fostering deeper bilateral ties. The visit includes bilateral meetings, open ship days, and a deck reception to enhance mutual trust and contribute to a maritime community of shared future. This marks the first Chinese naval visit to Bangladesh in four years. Chinese Ambassador Yao Wen welcomed the fleet, emphasizing China's commitment to strengthening relations, promoting Belt and Road cooperation, and advancing the comprehensive strategic partnership between the two nations.

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