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Bangladesh Foreign Policy Watch

CGS Centre for
Governance Studies



A Bi-Weekly Roundup of Key Events

May 4

Traders for cattle import from India

Meat traders in Dhaka have urged the government to import cattle from India to address the rising meat prices. This request was made during a discussion in Mohammadpur, Dhaka, focused on mitigating the nationwide surge in meat costs. Traders believe that legal cattle imports could lower beef prices to Tk550-600 per kg within a week. Additionally, importing young cattle is recommended to support small-scale farmers in cattle rearing.

May 5

Bangladesh, Italy to jointly combat disinformation campaign over migration

Bangladesh and Italy have agreed to collaborate in combating disinformation campaigns on social media that encourage illegal migration to Europe. State Minister Mohammad Ali Arafat and Italian Ambassador Antonio Alessandro discussed sharing laws and regulations to address this issue effectively.

These misinformation campaigns not only affect potential immigrants but also impact various sectors, posing risks for women and children in both urban and rural areas. Arafat also criticized the RSF's World Press Freedom Index for its methodological weaknesses and questioned the credibility of its sources.

May 6

Bangladesh garment leaders seek more investment from China

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) engaged in discussions with the Bangladesh China Chamber of Commerce and Industry (BCCCI) delegation about the garment industry's status, global market trends, and growth opportunities. BGMEA leaders highlighted the need for increased Chinese investment and exports to China to reduce the trade gap between the two countries. They encouraged Chinese investors to invest in Bangladesh's textile sector to meet its growing demand, benefiting both nations. The BGMEA president called for BCCCI's cooperation to achieve this goal through collective efforts.

May 7

Bangladesh: 6th Largest Migrant Origin Nation, 8th in Remittance Earnings

Bangladesh ranks sixth among the top 20 countries of origin for international migrants and is the eighth-largest remittance-receiving country, according to the World Migration Report 2024. In 2022, Bangladesh received approximately \$21.50 billion in remittances. Previously, in 2020, Bangladesh held the same position with \$21.75 billion in remittances, as reported in the World Migration Report 2022.

IMF Confirms Third Loan Instalment

The IMF has confirmed a \$681 million loan installment for Bangladesh, to be released in June as part of a \$4.7 billion package. The IMF may lower the net foreign exchange reserve requirement for June from \$20.10 billion to \$17-\$18 billion, despite current reserves being around \$15 billion. The government will likely fall short of the IMF's revenue target by at least Tk10,000 crore by the end of June. The government is actively working to align with IMF directives, including transitioning to a market-based exchange rate and reducing subsidies.

Finance Minister Seeks ADB Support

Finance Minister Abul Hassan Mahmood Ali has requested increased support from the Asian Development Bank (ADB) to address Bangladesh's challenges, including conflicts, geopolitical tensions, and extreme weather events. Speaking at ADB's 57th Annual Meeting, the minister emphasized the need for concessional support and investment in projects related to food security, bridging the digital divide, energy security, and tax reforms. He highlighted the importance of regional cooperation for a green transition in the industrial value chain and scaling up regional connectivity.

Bangladesh Enlists Indian Legal Firm for GI Battle over Tangail Sari

India's claim of the Tangail sari as a Geographical Indication (GI) product from West Bengal has sparked debate and criticism. In response, the Ministry of Industries in Bangladesh officially recognized the Tangail Sari as a GI product of Bangladesh on February 8. To protect its GI rights, Bangladesh has hired the Indian law firm Mason & Associates. Following a High Court order, the Ministry of Industry submitted a comprehensive list of hundreds of GI products from Bangladesh.

May 9

India Wants to Invest in Teesta Project in Bangladesh

India has expressed interest in financing Bangladesh's Teesta River project, a significant development given the project's contentious history in bilateral relations.

The foreign ministers of both countries have stressed the need for an early conclusion of the Teesta Water-Sharing Treaty and the renewal of the Ganges Water-Sharing Treaty. Previously, Bangladesh had sought a loan from China for the Teesta project, but India's recent interest indicates a shift in dynamics. Discussions are ongoing for Prime Minister Sheikh Hasina's visit to India, with potential dates being considered post-India elections, aiming to strengthen bilateral relations and regional cooperation.

US Announces Additional \$30.5m Fund for Rohingyas

The United States has announced an additional \$30.5 million in assistance for Rohingya refugees in Bangladesh. Ambassador Jeffrey Prescott, the US representative to the UN Agencies for Food and Agriculture, made the announcement after visiting Rohingya communities in Cox's Bazar. The funding will be provided through the State Department's Bureau for Population, Refugees, and Migration, as well as USAID. Most Rohingya refugees in Bangladesh fled a military crackdown in Rakhine, Myanmar in 2017 and are now housed in overcrowded camps in Cox's Bazar, with about 35,000 relocated to Bhasan Char Island.

BSF Kills Two Men in Panchagarh

Two Bangladeshi men, Abdul Jalil (24) and Md Yasin Ali (23), were shot dead by India's Border Security Force (BSF) in Panchagarh's Tetulia upazila. The incident occurred near the Khaykhatpara border around 12:30 am. Locals reported that BSF members opened fire on people entering Indian territory illegally and took custody of the bodies. The Border Guard Bangladesh (BGB) plans to hold a flag meeting with BSF to discuss the incident.

Indian Foreign Secretary Arrives



Indian Foreign Secretary Vinay Mohan Kwatra has arrived in Dhaka for a two-day official visit. The primary objective of his visit is to finalize the schedule for Prime Minister Sheikh Hasina's forthcoming trip to India. During his stay, Kwatra will meet with Prime Minister Sheikh Hasina, Foreign Minister Dr. Hasan Mahmud, and his counterpart Masud-Bin-Momen. Key discussions will likely focus on bilateral and regional issues, with particular emphasis on the Teesta Water Sharing agreement. Sheikh Hasina's India visit is expected to take place in July.

May 10

Biden Nominates David Meale as Next US Ambassador to Bangladesh



David Slayton Meale has been nominated by US President Joe Biden as the next US ambassador to Bangladesh. His nomination is pending confirmation from the Senate, while Peter Haas will continue serving as the US ambassador to Bangladesh until confirmation. Meale, currently serving as the deputy chief of mission at the US Embassy in Beijing, China, brings a wealth of experience to the role. He has previously served as Chargé d'Affaires ad interim in Beijing and as deputy assistant secretary for Trade Policy and Negotiations at the Department's Bureau of Economic and Business Affairs. Meale has also held the position of deputy chief of mission at the US Embassy in Dhaka.

May 11

Trade with Bhutan Doubles after Preferential Trade Agreement

During a meeting between the King of Bhutan Jigme Khesar Namgyel Wangchuck, Queen Jetsun Pema Wangchuck, and Prime Minister Sheikh Hasina, it was revealed that bilateral trade between Bangladesh and Bhutan doubled to \$22.1 million in FY 2022-23 following a preferential trade agreement (PTA). The PTA has facilitated duty-free access for 100 Bangladeshi products to Bhutan and 50 Bhutanese products to Bangladesh. Experts recommend leveraging this positive momentum to negotiate further agreements, especially as Bangladesh transitions to a developing country in 2026.

Germany Offers Bangladesh €232.5m More in Loans, Grants

Germany has proposed providing Bangladesh with €232.5 million in loans and grants to support renewable energies and combat climate change impacts. This funding includes €50 million in loans and €5 million in grants for the development of the renewable energy sector, particularly focusing on solar parks and battery storage systems.

Additionally, Germany has allocated €70 million in loans for the Climate Change Adapted Urban Development Programme (Phase-3), with a special emphasis on climate resilience for women and climate-induced domestic migrants. Further grants are earmarked for projects promoting sustainable construction, circular economy, waste management, and combating domestic violence.

May 12

Myanmar's Internal Conflict Cannot Delay Rohingya Repatriation: FM

Foreign Minister Hasan Mahmud emphasized that Myanmar's internal conflict cannot be used as an excuse to delay the repatriation of Rohingyas. The long-term presence of Rohingyas in Bangladesh has led to various challenges, including environmental issues, law and order problems, and links to drug trafficking and terrorism. Talks are ongoing regarding the return of about 500 Rohingyas who fled to Bangladesh due to the civil war in Myanmar.

May 13

WB Introduces Rapid Response Option for Crisis Response

The World Bank has introduced the Rapid Response Option (RRO), allowing Bangladesh to access 10% of undisbursed loan amounts for emergency use during crises. With this initiative, Bangladesh could potentially access around \$847 million based on last fiscal year's pledged loans, with the possibility of a higher amount in the current fiscal year. However, utilizing the RRO funds may face hurdles due to concerns about project funding cuts. Decisions regarding the implementation of the RRO will be made after a thorough review and consultation with relevant ministries and officials.

Reserves Set to Decline as \$1.6b ACU Payment Due

Bangladesh's forex reserves are likely to drop to \$18 billion after clearing \$1.6 billion in import bills with the Asian Clearing Union (ACU). The ongoing dollar crisis has led to decreased imports, disrupting domestic production and exports, raising concerns about reserve sustainability. Net reserves may fall below \$13 billion, below the IMF's \$14.76 billion target for June, impacting a \$4.7 billion loan package.

MV Abdullah Safely Returns Home



Bangladeshi ship MV Abdullah, hijacked by Somali pirates, safely arrived at Kutubdia anchorage in Cox's Bazar. The 23 crewmembers reached Chattogram, reuniting with their families at KSRM lighter jetty. The ship, attacked on March 12, was released on April 14 after ransom and carried limestone from UAE to Bangladesh.

PM Seeks Visa Extension from Saudi Arabia



Prime Minister Sheikh Hasina met with Saudi Ambassador Essa Yousef Essa Alduhailan, requesting an extension for visa approval for Hajj pilgrims due to pending applications. The Ambassador discussed Saudi investors' interest in Bangladesh and promoted legal remittance channels for the 3.2 million Bangladeshi workers in Saudi Arabia.

May 14

Donald Lu Advocates US Support for Bangladesh in Regional Power Connectivity

US Assistant Secretary of State Donald Lu expressed interest in enhancing regional power connectivity with Bangladesh during a meeting with Salman F Rahman, PM's Private Industry and Investment Adviser. He also signaled a willingness to consider lifting sanctions against Bangladesh's Rapid Action Battalion (RAB), emphasizing procedural adherence within the Department of Justice. Discussions also touched upon ensuring timely payments to American companies and potential funding under the US International Development Finance Corporation (DFC), contingent on labor sector reforms aligned with international standards. Donald Lu arrived in Dhaka as part of a regional tour. His visit aims to strengthen bilateral cooperation between the two countries. This was the highest-level visit by any US delegation after the January 7 election.

May 15

RAB Arrests Two Arsa Commanders with Arms in Ukhiya

The Rapid Action Battalion (RAB) apprehended two Arsa commanders in Cox's Bazar and seized a significant cache of local and foreign arms, including grenades and rocket cells. Bangladesh Army's bomb disposal team safely disposed of the explosives on-site, and the operation led to the arrest of Master Salimullah and Md Riaz after an exchange of fire.

May 16

US State Department Clarifies: Sanctions on RAB to Remain

Contrary to various media reports in Bangladesh, the US Department of State affirmed that sanctions on Bangladesh's Rapid Action Battalion (RAB) will stay. "Those claims are false. The US is not withdrawing sanctions against the Rab," said Principal Deputy Spokesperson at the US Department of State Vedant Patel.

UK and Bangladesh sign agreement to tackle illegal migration

The UK has signed an agreement with Bangladesh to expedite the removal of migrants without the right to stay in the UK. Both countries aim to strengthen their partnership and cooperation on various economic, cultural, and social issues. The agreement will simplify the returns process, particularly for failed asylum seekers, offenders, and visa overstayers. This agreement is part of the UK's broader strategy to counter illegal migration and establish a fairer system for legal migration.

May 17

Malaysian company faces court over unpaid salaries of Bangladeshi workers

A recruitment company in Malaysia is facing Industrial Court proceedings for not paying salary arrears to 733 Bangladeshi workers, as directed by the Human Resources Ministry. The company was given 45 days to settle an amount of RM1,035,557.50 but failed to do so. They could face a fine of RM50,000 for each offense in addition to the arrears. Of the 733 affected workers, 692 have found jobs under the Special Employers Exchange Process. The ministry emphasizes that it will not tolerate any violation of labor laws and is committed to ensuring worker welfare.

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