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Bangladesh Foreign Policy Watch

CGS Centre for Governance Studies



A Bi-Weekly Roundup of Key Events

Modi Congratulates Dr. Yunus on New Role

Indian Prime Minister Narendra Modi has congratulated Nobel laureate Dr. Muhammad Yunus on his new position as the chief advisor to Bangladesh's interim government. Modi underscored the importance of safeguarding the safety and rights of Hindus and other minority communities in Bangladesh, reaffirming India's commitment to working with Bangladesh to promote peace, security, and development.

1,300 Trucks Stuck as Trade Halts

Around 1,300 trucks from India remain stranded at the Benapole border due to unrest in Bangladesh, significantly impacting the Indian transportation sector. Bangladesh is a key market for Indian goods, and the halt in transportation has prompted the All India Motor Transport Congress (AIMTC) to request government intervention to facilitate the return of these trucks. India exports various goods to Bangladesh, including auto parts, engineering products, pharmaceuticals, and agricultural produce.

August 9

UN Backs Yunus-Led Government Until Elections

A BNP delegation, led by Mirza Fakhru Islam Alamgir, met with UN Resident Coordinator Gwyn Lewis in Dhaka. The UN has expressed full support for the interim government under

August 8

US Supports Dr. Yunus-Led Interim Government



The US State Department has expressed its readiness to collaborate with the interim government led by Dr. Muhammad Yunus, emphasizing the importance of adhering to democratic principles, the rule of law, and the will of the Bangladeshi people. The US has voiced deep concern over recent deaths, human rights abuses, and injuries in Bangladesh, urging all parties to avoid violence and ensure accountability for those responsible.

Dr. Muhammad Yunus, highlighting its role in Bangladesh's development, investigating the damages from ongoing movements, and promoting peace. Gwyn Lewis emphasized the importance of everyone's contribution to the country's economic development.

UK, US, Canada Support Yunus Government

The appointment of Nobel laureate Dr. Muhammad Yunus as the chief adviser of Bangladesh's interim government has been welcomed by the UK, US, and Canada. These nations have stressed the need for peace, democratic governance, and human rights in Bangladesh. UK Foreign Secretary David Lammy, Canadian Foreign Minister Mélanie Joly, and US Secretary of State Antony Blinken have expressed their support for the interim government, urging calm and inclusive governance. This collective stance underscores the global community's support for Dr. Yunus's leadership.

August 11

India-Bangladesh Relations Critical: Foreign Affairs Adviser

The interim government has emphasized the importance of maintaining strong relations with all countries, including India, China, and Western nations. Efforts are being made to ensure that India is viewed as a close ally of Bangladesh. The government remains committed to addressing human rights concerns and ensuring transparency, with the primary goal of holding a fair and neutral election once stability is restored.

Hasina Claims US Role in Ouster

Former Prime Minister Sheikh Hasina resigned to prevent further violence and loss of life amid widespread protests. She has accused the USA of orchestrating her removal for refusing to surrender Saint Martin Island. Hasina urged Bangladeshis not to be swayed by radicals and clarified her position on student protests. Prior to the quota movement, Hasina had informed parliament in April that America was pursuing a regime change strategy in Bangladesh. She expressed her hope to return and continue supporting Bangladesh's future.

US Lawmakers Urge Sanctions on Bangladeshi Officials

Following the violent protests and subsequent resignation of former Prime Minister Sheikh Hasina, some US lawmakers are calling for sanctions on Bangladeshi officials involved in the crackdown.

August 12

Mirsharai Indian Economic Zone Development Uncertain

The Indian Economic Zone project in Mirsharai, Chattogram, is facing delays due to challenges in finding suitable Indian contractors. Bangladesh has submitted a revised project proposal with increased costs to the Prime Minister's Office.

With two pre-qualified Indian contractors declining to participate, Bangladesh is seeking India's consent to include Bangladeshi contractors. If consent is not granted, Bangladesh may cancel the agreement and repurpose the land for local investors.

August 13

IMF's Third Review Set for October

The International Monetary Fund (IMF) will conduct its third review mission to Bangladesh in October, evaluating the progress toward securing the fourth tranche of a \$4.7 billion loan. Bangladesh must reach net foreign exchange reserves of \$14.90 billion by the end of September and \$15.31 billion by December to qualify for the next loan installment. The original requirement of \$20.10 billion by June was reduced to \$14.78 billion at the government's request after Bangladesh failed to meet the initial target.

World Bank Pledges Support to Bangladesh's Interim Government

The World Bank has reaffirmed its commitment to Bangladesh, expressing readiness to work with the interim government led by Dr. Muhammad Yunus. The government is seeking support from development partners, particularly the World Bank and the IFC, to revitalise the economy. The World Bank has highlighted its focus on supporting crucial reforms in the financial sector, particularly in reducing non-performing loans (NPLs). Condolences were also extended for the loss of life during recent student-led movements and the mass uprising.

US Denies Role in Hasina's Ouster

The U.S. government has denied any involvement in the ousting of former Prime Minister Sheikh Hasina, dismissing the allegations as "simply false." Sheikh Hasina resigned and fled to New Delhi after 15 years of uninterrupted rule, following significant unrest triggered by student protests against government job quotas. The country is now under an interim government led by Nobel Peace laureate Muhammad Yunus, tasked with overseeing upcoming elections.

Adani Granted Approval to Sell Bangladesh-Bound Power in India

Following amendments to power export regulations, Adani Power's coal-fired plant in Jharkhand, India, which was contracted to supply its entire output to Bangladesh, can now serve the Indian domestic market. A memo from India's federal power ministry permits the plant to connect to the Indian grid in cases of sustained non-scheduling or payment delays. This move aims to protect Indian interests and ensure energy security by utilising idle capacity locally. The policy change follows political unrest in Bangladesh, including the departure of Prime Minister Sheikh Hasina after violent protests.

Guterres Applauds Efforts for Bangladesh Peace

UN Secretary-General António Guterres has commended efforts to restore peace and organize parliamentary elections in Bangladesh, in collaboration with the interim government. Guterres has urged the interim government to include the voices of women, youth, minorities, and citizens across the country in the election process. He stressed the importance of upholding human rights in Bangladesh and called for an independent, impartial, and transparent investigation into all acts of violence.

August 14

UN to Probe Protester Killings Soon

The UN is set to launch an investigation into the killings of protesters during the recent Anti-Discrimination Student Movement in Bangladesh. Chief Adviser Yunus has expressed gratitude for the UN's support of the student revolution and its commitment to human rights. Yunus has emphasised that human rights will be a cornerstone of his administration, prioritising the protection of all citizens. He has sought UN cooperation in rebuilding the country and upholding human rights.

Hasina's India Remarks Strain Relations, Says Foreign Affairs Adviser



Foreign Affairs Adviser Touhid Hossain has criticised former Prime Minister Sheikh Hasina's recent remarks from India, stating that they do not contribute to improved relations between the two nations. Hossain met with Indian High Commissioner Pranay Verma, along with envoys from the UK, China, Malaysia, Denmark, and the EU, to discuss various bilateral issues and garner support for the interim government. The government, led by Chief Adviser Muhammad Yunus, has received backing from multiple countries, including China, the UK, Malaysia, Denmark, and the EU. The interim government has reaffirmed its commitment to peaceful coexistence and strengthening bilateral ties with India and other countries.

ADB Partners with Interim Government

The Asian Development Bank (ADB) has reaffirmed its support for Bangladesh's development, highlighting its longstanding partnership with the country. ADB plans to collaborate with the interim government to enhance public sector management, governance, and fiscal sustainability. Efforts will also be made to streamline bureaucratic processes and reduce business costs to foster private sector development. ADB will assist in creating a comprehensive climate action plan, focusing on renewable energy and eco-friendly initiatives.

August 15

Modi Urges Peace as Bangladesh Faces Attacks on Minorities

Amid reports of attacks on Hindus and minorities in Bangladesh, Indian Prime Minister Narendra Modi, during India's 78th Independence Day, called for peace and the safety of minorities in Bangladesh. Modi emphasized India's support for Bangladesh's growth and stability. Since the fall of Sheikh Hasina's government, over 200 attacks on Hindus have been reported. In response, Bangladesh's interim Chief Adviser Prof. Yunus visited Dhakeshwari Temple, assuring community leaders of "justice" and "equal rights" for all, urging patience as his administration works to ensure safety for all citizens.

August 16

Yunus Assures Modi of Minority Safety in Bangladesh

Chief Adviser Prof. Muhammad Yunus assured Indian Prime Minister Narendra Modi of the interim government's commitment to safeguarding all citizens of Bangladesh, including minorities. During their first call, Yunus invited Indian journalists to report on minority safety, dismissing reports of attacks as exaggerated. He stated that the situation in Bangladesh is stabilising and life is returning to normal. Modi congratulated Yunus on his new role and invited him to the "Third Voice of Global South Summit" on August 17. Both leaders discussed strengthening bilateral ties, with Modi reaffirming India's support for a democratic and peaceful Bangladesh.

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