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Bangladesh Foreign Policy Watch

CGS Centre for Governance Studies



**A Bi-Weekly
Roundup of Key Events**

What has Bangladesh achieved from Lavrov's visit?

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Russian Foreign Minister Sergei Lavrov paid a brief visit to Dhaka on September 7th and 8th. Remarkably, this marked the first ever visit by a Russian foreign minister to Bangladesh since its inception as a nation. During his brief sojourn, Lavrov engaged in discussions with both the Bangladeshi Prime Minister and Foreign Minister.

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August 28

Maersk proposes a new container terminal



During a meeting with Bangladeshi PM Sheikh Hasina, the Danish shipping and logistics giant Maersk Group's CEO Robert Maersk Uggla suggests building and managing a new container terminal at Laldia in Chattogram. The Prime Minister assures that the proposal will receive due consideration and appreciates the increasing presence of Danish companies in Bangladesh.

Bangladesh-India Defence Dialogue

Bangladesh and India convene their fifth Annual Defence Dialogue in Dhaka, emphasizing the significance of their growing defense cooperation. During the meeting, ongoing defense activities and bilateral exercises are reviewed, with both sides expressing satisfaction and a commitment to increasing the complexity of joint exercises.

September 4

Rohingya Repatriation Process to Begin

Officials announce that the repatriation of Rohingya refugees from Bangladesh to Myanmar could begin within months, with plans to send back up to 100 refugees daily. A delegation from Bangladesh engages in discussions with Myanmar authorities in Naypyidaw regarding all technical aspects of the initial repatriation batch.

Myanmar has verified the identities of 2,087 Rohingya living in Bangladeshi refugee camps. The repatriation process will follow visits by Myanmar and Bangladesh delegations to refugee camps and Rakhine state, mediated by China. Previous repatriation attempts in 2018 and 2019 failed due to safety and citizenship concerns.

September 5

Bangladesh-US Security Dialogue

During the 9th Bangladesh-US Security Dialogue at Dhaka's Foreign Service Academy, Washington reiterates its call for accountability and reforms within Bangladesh's security agency, the Rapid Action Battalion (Rab), to address human rights concerns. The US also emphasizes the importance of free and fair elections in the country. Bangladesh assures the US that upcoming elections would be free and fair and pledges accountability for Rab and other law enforcement agencies.

Discussions also encompass broader regional security matters, with both sides expressing support for the Indo-Pacific concept. They emphasize the need for a free, open, and rules-based Indo-Pacific region and agrees that no single country should dominate the Indo-Pacific. Additionally, Bangladesh reiterates its stance on the repatriation of Rohingyas as the ultimate solution to the protracted Rohingya crisis and seeks increased international support to address the issue.

September 6

Dhaka and Jakarta Eye Closer Ties



Bangladesh President Mohammed Shahabuddin and Indonesian President Joko Widodo pledge collaboration in energy, agriculture, and healthcare during a bilateral meeting on the sidelines of the ASEAN summit. Earlier the two countries signed three MoUs on energy and health sectors.

President Shahabuddin expresses gratitude for Indonesian hospitality, invites Indonesian investors to Bangladesh, and proposes mutual recognition of physicians' certificates. Bangladesh offers space in its economic zones for Indonesian investment. The presidents emphasize private sector collaboration, discuss air and sea connectivity, and seek Indonesian support on the Rohingya issue.

September 7

Russian FM visits Dhaka

Russian Foreign Minister Sergei Lavrov arrives in Dhaka and states that Russia would prevent any attempts by the US and its allies to establish dictates and interference in the region. Lavrov criticizes the US and its allies for their "expansionist drive" through the Indo-Pacific strategy and expressed appreciation for Bangladesh's foreign policy based on its national interests.

He holds a bilateral meeting with Bangladesh's Foreign Minister AK Abdul Momen and discuss various topics, including energy cooperation and bilateral trade. Lavrov assures timely implementation of Bangladesh's nuclear power plant project with Russian support and the use of national currencies to pay back loans for the power plant. He also mentions plans for a permanent deal on the supply of LNG, wheat, and fertilizers.

Regarding the Rohingya issue, Lavrov announces Russia's support for Bangladesh in its ongoing dialogue with Myanmar and emphasizes that the Rohingya should return to Myanmar. Lavrov calls on Prime Minister Sheikh Hasina next day.

September 8

Hasina and Modi Forge Closer Relations



Bangladesh Prime Minister Sheikh Hasina and her Indian counterpart, Narendra Modi, hold a bilateral meeting on the sidelines of the G20 Summit. They emphasize political and economic stability, highlighting shared goals for regional peace and development. Additionally, they discuss insurgency issues in India's Northeast region and explore areas such as trade, connectivity, water resources, energy, and cultural exchanges.

Hasina seeks Modi's assistance in facilitating the repatriation of Rohingya refugees from Bangladesh. They also discuss cooperation in ensuring a steady supply of essential goods to Bangladesh. The two countries sign MoUs on agricultural research, extending the cultural exchange program, and more.

The two leaders anticipate beginning negotiations on a Comprehensive Economic Partnership Agreement, inaugurating key projects, and furthering Indo-Pacific collaboration. Hasina thanks Modi for inviting her to the G20 Summit, where Bangladesh represents the Global South's challenges.

September 9

Hasina's Informal Conversation with Biden



Prime Minister Sheikh Hasina and her daughter, Saima Wazed, engage in an informal conversation with US President Joe Biden on the sidelines of the G20 Summit. Foreign Minister AK Abdul Momen approaches US Secretary of State Antony Blinken and expresses Hasina's desire to speak with Biden. Biden warmly acknowledges Bangladesh's significant socio-economic progress. Hasina invites Biden to visit Bangladesh. The conversation concludes with Biden taking a selfie with the Bangladeshi delegation.

September 10

Macron's Dhaka Visit

French President Emmanuel Macron arrives in Dhaka for a two-day visit, underscoring the increasing significance of Bangladesh in both economic and strategic terms for France. Macron's visit follows his attendance at the G20 summit in New Delhi.

The visit holds importance as trade relations between France and Bangladesh have improved notably in recent years. Bangladesh's first satellite, Bangabandhu-1, was manufactured by the French company Thales, and discussions during Macron's visit revolve around a deal for a second satellite, which Thales is expected to both manufacture and launch.

Additionally, Bangladesh has agreed to purchase 10 planes, including two cargo aircraft, from Airbus, a European multinational with significant French involvement. France has also proposed the establishment of a satellite manufacturing unit in Bangladesh, further enhancing economic cooperation.

Macron's visit also aligns with France's Indo-Pacific strategy, aiming to deepen bilateral relationships with rapidly growing economies like Bangladesh.

What has Bangladesh achieved from Lavrov's visit?

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This visit takes on added significance considering the intense competition among major global powers seeking to expand their influence in Bangladesh, particularly in the months leading up to the country's national election. Throughout the visit, numerous critical issues were raised. In this analysis, we will delve more deeply into these matters and explore their ramifications on both a domestic and international scale.

It is worth mentioning that the Russian Foreign Minister had initially planned to visit Bangladesh on November 23, 2022, to participate in a ministerial-level meeting of the Indian Ocean Rim Association. However, the meeting was abruptly canceled, and the Bangladesh Foreign Ministry did not provide any explanation for the cancellation.

Energy cooperation

A significant focal point of the bilateral meeting between Bangladesh and Russia centered on energy cooperation. However, there exist substantial impediments to meaningful collaboration in this area.

To begin, the flagship endeavor in this realm is the Rooppur Nuclear Power Plant, being constructed with Russian support.

Despite assurances from the Russian Foreign Minister regarding the timely project completion, widespread skepticism persists due to the extensive sanctions imposed on Russia. These sanctions, a consequence of the Ukraine War, have created

challenges in securing the necessary supplies for the plant. In December 2022, for example, a Russian vessel carrying materials intended for the Rooppur Nuclear Power Plant was denied entry into Bangladesh's Mongla port. The Bangladeshi government, despite Russian pressure, maintained its decision to block the ship's entry, citing concerns about potential U.S. sanctions and significant financial penalties.

Furthermore, uncertainty surrounds the payment obligations for the project. The Russian Foreign Minister has mentioned their efforts to establish payment systems based on national currencies. Given the relatively small volume of trade between Bangladesh and Russia, using national currencies for such a substantial project appears impractical. Additionally, utilizing the Chinese Yuan as a payment option is complicated due to sanctions against Russian entities involved in the process.

Foreign Minister Lavrov has disclosed that the Russian state-owned energy corporation, Gazprom, is engaged in promising projects within Bangladesh's gas fields. Gazprom has already drilled twenty wells in Bangladesh and intends to continue doing so. However, criticism has emerged regarding the delegation of exploration work to Gazprom without tender, bypassing the state agency BAPEX. Concerns stem from Gazprom's notably higher drilling costs compared to BAPEX, as well as its reliance on third parties, which has raised questions about transparency and cost-efficiency. Gazprom's technical performance has also come under scrutiny, with some wells failing to produce gas, necessitating additional drilling by BAPEX at significant expense.

Lavrov has also extended an offer of liquefied natural gas (LNG) exports to Bangladesh to meet its energy demands. A similar proposal was discussed during the fourth session of the Russia-Bangladesh Intergovernmental Commission on Trade, Economic, Scientific, and Technical Cooperation in March 2023. Nevertheless, progress in this regard has been limited, and further developments remain pending.

It's worth noting that Bangladesh previously declined a crude oil supply proposal from Moscow due to a lack of adequate refining infrastructure and concerns about potential Western pressure. The question of whether Bangladesh can procure oil and gas from Russia in defiance of Western sanctions remains a matter of considerable uncertainty.

Trade cooperation

Bangladesh and Russia have expressed a strong desire to enhance their bilateral trade and investment ties during this significant visit. However, despite the substantial potential for increased trade between the two nations, the current status falls significantly short of that potential. While Bangladesh currently ranks as Russia's second-largest South Asian trading partner, their bilateral trade volume hovers around a mere 3 billion dollars.

It's important to recognize that such growth in trade and investment cannot occur overnight, and the realization of a robust bilateral trade and investment relationship between Russia and Bangladesh remains a distant prospect.

For instance, Bangladesh is keen to boost the export of ready-made garment products to Russia. However, in the fiscal year '23, Bangladeshi exports to the Russian market saw a significant decline of 27.87 percent compared to the previous year, primarily attributed to the ongoing Russia-Ukraine conflict.

The Bangladeshi Prime Minister has actively sought greater Russian investment in Bangladesh, especially in special economic zones and high-tech parks. In response, the Russian Foreign Minister has requested specific investment proposals from Bangladesh in this regard.

During the press briefing, the Bangladeshi Foreign Minister conveyed the country's eagerness to leverage the Eurasian Economic Union (EEU), which comprises several post-Soviet states, including Belarus, Kazakhstan, and Russia. However, the Russian Foreign Minister pointed out that the involvement of other member states of the union, particularly Kazakhstan, would be necessary to allow Bangladesh to derive any benefits from the EEU.

Bangladesh and the Indo-Pacific Strategy: Russian Perspective

During the press briefing, the topic of the Indo-Pacific Strategy (IPS) was evidently mentioned. The Russian Foreign Minister strongly voiced his opposition to IPS, asserting that it is essentially an extension of NATO. He went on to express his belief that the United States and its allies are employing IPS to contain China and isolate Russia. He expressed the hope that Russia would collaborate with its regional partners to thwart any such endeavors. This presents a potentially perilous situation for Bangladesh, and careful consideration is required.

The extent to which Bangladesh can align itself with Russia remains an open question. Bangladesh's Indo-Pacific Outlook offers little support for Russia's efforts to counter IPS. Dhaka has consistently clarified its stance of not aligning with any particular side in the escalating geopolitical competition between China and the United States in the region.

Additionally, Bangladesh's participation in Japan's New Free and Open Indo-Pacific (FOIP) initiative, notably through the Japan-Bay of Bengal-North East India industrial collaboration, along with granting Japan the opportunity to develop the deep-sea port in Matarbari, could only raise Russia's apprehensions about the potential alignment of Bangladesh with Western interests.



Rohingya issue

Concerning the Rohingya issue, the Russian Foreign Minister expressed his country's support for the ongoing negotiations between Bangladesh and Myanmar through the ad hoc working group. He emphasized that external stakeholders should focus on creating favorable conditions to facilitate mutually acceptable solutions. He stated that Russia is adhering to this approach in its interactions with Myanmar and intends to continue doing so. He also raised concerns about certain external actors using this issue to exert pressure on one party and interfere in its domestic affairs, which he deemed counterproductive and unacceptable.

However, Bangladesh finds the Russian position on this matter difficult to accept. Thus far, the actions taken by Russia and its ally China regarding the Rohingya issue have primarily benefited Myanmar. In December 2022, when the United Nations Security Council adopted its first-ever resolution on Myanmar, Russia, China, and India chose to abstain from voting.

Furthermore, a limited-scale repatriation initiative is scheduled to commence next month, facilitated through a bilateral process mediated by China. However, this arrangement entails the repatriation of just 3,000 Rohingyas by December this year, which represents a negligible fraction compared to the over one million Rohingyas residing in Bangladesh. This process could be perceived as a potential entrapment, bolstering Myanmar's argument that the Rohingya issue can be resolved through bilateral or trilateral means, thereby allowing the military junta to potentially prolong the process indefinitely.

Can Lavrov's visit ease Western pressure on Bangladesh?

The ruling AL-led government is currently facing substantial pressure from Western nations due to its perceived failures in upholding democratic norms and ensuring the human rights of its citizens. As the national election approaches, this pressure is steadily intensifying. In response, the Bangladesh government appears to be strengthening its relations with China and Russia as a means of mitigating Western pressure. This shift in strategy has become evident in the government's recent efforts to garner support from these two countries, and the timing of the visit by the Russian Foreign Minister can be interpreted within this political context.

Much like China, Russia has been vocal in its criticism of the pressure exerted by the United States on the Bangladeshi government. During the press conference, the Russian Foreign Minister said, "We appreciate the fact that despite the pressure exerted upon Bangladesh by the United States and its allies, our Bangladeshi friends are guided solely by their national interests in their foreign policy."

The Western pressure, aimed at promoting a free and fair election and improving the human rights situation, could prove costly for Bangladesh, given its heavy reliance on these countries across various aspects. Additionally, there is considerable support among the Bangladeshi population for these Western initiatives. Whether the support from Russia and China will enable the AL government to maintain its hold onto power remains to be seen in the coming months.

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