

30 September | 2024

Bangladesh Foreign Policy Watch

CGS Centre for Governance Studies



A Bi-Weekly Roundup of Key Events

Major Sumiriar Sadeekin provided detailed guidance on how to apply for e-passports both within Bangladesh and at overseas embassies. The initiative is expected to greatly facilitate travel for Bangladeshi nationals residing in Saudi Arabia.

September 15

US Expresses Support for Bangladesh's Reform Efforts



A U.S. delegation, including Assistant Secretary for International Finance Brent Neiman, Assistant Secretary of State Donald Lu, and Assistant United States Trade Representative Brandon Lynch, met with Chief Adviser Professor Muhammad Yunus and other officials to discuss development priorities and mutual interests. Key topics included economic growth, institutional reforms, labor standards, and the Rohingya crisis. The U.S. expressed readiness to support Bangladesh's reform initiatives to improve its business environment and combat corruption, while also exploring opportunities to expand American investments and trade. USAID will also provide additional aid for recent flooding in Chattogram and is investing in climate resilience projects.

September 14

India Eases Onion Export Duty

India has reduced its export duty on onions from 40% to 20% and lifted the \$550 per tonne minimum export price, which is likely to decrease import costs for countries like Bangladesh. This change is expected to lower the wholesale price of imported onions in Bangladesh's Shyambazar market by at least Tk15 per kg. In a similar move, India has also removed the \$950 per tonne minimum export price for basmati rice to boost its export earnings. The adjustments come as part of broader efforts to control food inflation and recover from the impact of earlier trade restrictions.

E-Passport Service for Bangladeshis Launched in Riyadh

The Bangladesh Embassy in Riyadh has officially launched e-passport services for Bangladeshi expatriates in Saudi Arabia. The event, presided over by SM Rakibullah, the Charge d'Affaires of the Embassy, saw the participation of officials and a technical team from Dhaka.

Central Bank Receives \$2.5 Billion Loan Proposals

Bangladesh Bank has received \$2.5 billion in loan proposals from the World Bank (WB) and the Asian Development Bank (ADB). The World Bank proposed a \$1 billion package, which includes a \$750 million policy-based loan and a \$250 million investment loan. Meanwhile, ADB has put forward a \$1.5 billion policy-based loan to be disbursed in three phases, alongside a \$200 million investment loan. Discussions with a visiting U.S. delegation focused on the macroeconomic situation but not on additional loan offerings.

Oil India Ensures Steady Diesel Exports to Bangladesh

Numaligarh Refinery Ltd. is maintaining a steady supply of 6,000 to 7,000 metric tonnes of diesel per month to Bangladesh through a 131-kilometre pipeline, which has an annual capacity of one million tonnes. The refinery aims to reach full capacity by March 2027.

Malaysia Backs Bangladesh's ASEAN Membership Bid

Malaysia has expressed support for Bangladesh's bid to join the Association of Southeast Asian Nations (ASEAN). High Commissioner Haznah Md Hashim highlighted the need to strengthen bilateral ties in areas such as trade, investment, labor migration, technology cooperation, and cultural exchange. The discussions emphasized potential avenues for deepening collaboration between the two countries in the near future.

September 17

WB, Islamic Dev Bank, and Germany Commit Billions to Bangladesh

The interim government of Bangladesh has secured substantial financial commitments from the World Bank, Islamic Development Bank (IsDB), and Germany to support critical areas of development and reform. The World Bank has pledged up to \$2 billion in new financing for this fiscal year, while the IsDB plans to provide \$4 billion to \$5 billion over the next three years. Germany has committed €1 billion over the next decade, including €15 million this year. The World Bank's assistance will include both financial and technical support, while the IsDB's funds will target sectors such as infrastructure, climate change adaptation, and socio-economic development. Germany's contribution will focus on renewable energy generation and enhancing cooperation with private sector organisations, research institutes, academia, and civil society.

Govt to Cooperate with UN Fact-Finding Mission

The Bangladeshi government has expressed its readiness to assist the United Nations' fact-finding mission investigating alleged human rights violations during the recent student movement.

The mission, set to operate impartially and confidentially, will focus on events that occurred between 1 July and 15 August 2024. Its objectives include establishing the facts, identifying those responsible, and making recommendations. The government has pledged non-interference, ensuring that the team can conduct interviews and investigations freely, maintaining strict confidentiality throughout the process.

Bangladeshis to Decide Election and Interim Government: US

US Deputy Secretary of State Richard Verma has reaffirmed that it is the people of Bangladesh who will determine the timing and structure of their elections and interim government. The US has pledged support for a peaceful democratic transition and emphasised the importance of restoring security, rule of law, and basic economic services in the country. In addition to humanitarian aid and development assistance, Verma highlighted the US commitment of nearly \$1 billion through USAID for governance, trade, and development in Bangladesh from 2021-2026.

Bangladesh-India Relations Set to Strengthen Further

Indian External Affairs Minister S. Jaishankar has reiterated that Bangladesh's internal political situation is a matter for the country itself. India remains focused on maintaining and enhancing its strong relations with Bangladesh, founded on cooperation and mutual respect. Jaishankar stressed the interdependence of neighbouring nations and the importance of understanding each other's positions.

Dhaka Seeks IOM Support for Migrant Workers



Abdusattor Esoev, Chief of Mission of the International Organisation for Migration (IOM) in Bangladesh, made a farewell visit to Foreign Affairs Adviser Md Touhid Hossain. During the meeting, the Adviser praised IOM's work in repatriating and reintegrating nationals in irregular situations, as well as its support for Forcibly Displaced Myanmar Nationals (FDMNs) in Cox's Bazar. Esoev expressed his satisfaction with his tenure and reiterated IOM's commitment to assisting with the Rohingya repatriation process. The Adviser congratulated Esoev on his successful mission and extended best wishes for his upcoming role in Yemen.

Direct Shipping Route from China to Chittagong Shortens Transit Time

The first vessel on the new China-Chattogram direct shipping route, MV Kota Angun, has arrived at Chattogram Port, cutting transit time from 20-25 days to just nine. This direct route is expected to provide faster and more cost-effective shipping solutions, particularly benefiting Bangladesh's garment industry. China is Bangladesh's largest trading partner, with significant volumes of imports and exports. Maintaining regular operations on this route is vital for long-term benefits and could lead to reduced freight costs.

September 18

UK to Investigate \$17 Billion in Assets Linked to Hasina Allies

Bangladesh's interim government is investigating the overseas wealth of allies of former Prime Minister Sheikh Hasina, including a £150 million property portfolio in the UK owned by former land minister Saifuzzaman Chowdhury. Central bank governor Ahsan Mansur has sought assistance from the UK and other nations to trace and potentially recover these assets. Mansur alleges that \$17 billion was laundered abroad and believes such activities could not have occurred without the former prime minister's knowledge. Investigations by the Financial Times revealed that Chowdhury-controlled entities acquired at least 280 UK properties, mainly during his time as land minister from 2019 to 2022.

HRW Calls for Oversight in Bangladesh Shipbreaking Industry

A deadly explosion on the MT Suvarna Swarajya oil tanker at a shipbreaking yard in Chattogram has reignited calls for stronger regulations in the industry. The explosion claimed six lives and left four workers critically injured, underscoring the lack of adequate oversight and safety standards. S.N. Corporation, the yard's owner, has a poor safety record with numerous fatalities over the years. Human Rights Watch and other groups are urging for stricter enforcement of international and national regulations to prevent future accidents and ensure better protection for workers.

Bangladesh Climbs 11 Spots in UN's Digital Government Services Index

Bangladesh has advanced 11 positions to rank 100th globally in the 2024 United Nations E-Government Development Index (EGDI), making it the highest-ranked country among the least-developed nations. In South Asia, Bangladesh now holds fourth place, ahead of Bhutan, Nepal, Pakistan, and Afghanistan. Globally, Denmark, Estonia, and Singapore lead the rankings. Bangladesh's rise reflects significant improvements in digital governance, driven by investments in infrastructure and advanced technology.

September 19

Singapore Probes S Alam Group Assets

Singapore's Financial Intelligence Unit (FIU) has requested details from the Bangladesh Financial Intelligence Unit (BFIU) regarding the assets of S Alam Group and its owners. A BFIU official confirmed the inquiry. Investigations by The Business Standard have revealed that S Alam Group has invested at least \$5730 million in hotel, commercial, and real estate ventures in Singapore. Recent media reports have brought renewed attention to the group's overseas assets, particularly in Singapore.

Modi-Yunus Meeting Unlikely at UN General Assembly

A meeting between Indian Prime Minister Narendra Modi and Bangladesh's interim government chief Dr. Muhammad Yunus is not expected to take place during the United Nations General Assembly. Scheduling conflicts and recent critical remarks by Yunus and other interim government officials, including calls for the extradition of former premier Sheikh Hasina, have strained relations. Hasina, who stepped down amid widespread unrest, has been in India at an undisclosed location and remains largely unreachable.

World Bank Commits to Supporting Key Reforms in Bangladesh

The World Bank has pledged support for key reforms in Bangladesh, including banking, taxation, customs, VAT digitisation, and anti-corruption measures. Chief Adviser Dr. Muhammad Yunus reiterated the interim government's dedication to addressing corruption, implementing labour reforms, and advancing youth development. The World Bank has also approved \$700 million to support the Rohingya humanitarian crisis in Cox's Bazar. Up to \$2 billion in additional loans could be provided in the fiscal year 2024-2025 to back health and energy sector projects.

Bangladesh to Request Extradition of Sheikh Hasina

The interim government of Bangladesh is planning to formally request India to extradite former Prime Minister Sheikh Hasina to face trial at the International Crimes Tribunal for her alleged involvement in genocide during the Anti-Discrimination Student Movement. This request will be made under the existing extradition treaty between the two nations. Hasina has been in India since stepping down in August and has unsuccessfully sought asylum in the UK, US, and UAE. Law Adviser Asif Nazrul and Foreign Affairs Adviser Md Touhid Hossain have highlighted the legal and diplomatic dimensions of the case.

UN Passes Bangladesh-Sponsored Resolution on Palestine

The UN General Assembly has adopted a resolution, co-sponsored by Bangladesh, endorsing the International Court of Justice's advisory opinion that Israel's occupation of Palestinian territories is illegal. Bangladesh's Ambassador Muhammad Abdul Muhith delivered a statement supporting the opinion and called for a ceasefire. The resolution also proposes the establishment of an international mechanism to provide reparations for damages caused by Israel in the Occupied Palestinian Territories. The two-state solution, based on pre-1967 borders, was reaffirmed as the path to lasting peace in the region.

September 20

Indian Power Suppliers Seek Bank Guarantees for Unpaid Dues

PTC India and SEIL Energy India have requested the Bangladesh Power Development Board (BPDB) to invoke bank guarantees due to unpaid dues for electricity supplied. While BPDB has begun making payments to Adani Power, which is owed over \$850 million, both PTC India and SEIL Energy India are in discussions with BPDB to resolve the outstanding payments in line with the contractual framework. Ensuring timely payments is essential to maintaining the stability and continuity of power supply to Bangladesh.

Yunus to Honour Student Uprising in UNGA Speech

Chief Adviser Professor Muhammad Yunus will address the 79th session of the United Nations General Assembly on 27 September, focusing on the recent anti-discrimination student movement in Bangladesh. Prof. Yunus will highlight the bravery shown by students during the July-August uprising and outline his interim government's reform agenda, including electoral reforms and the promotion of democratic values. He will also appeal for international support for Bangladesh as it embarks on a path towards good governance and dignity.

154 Bangladeshi Migrants Return from Libya



A total of 154 Bangladeshi nationals have safely returned from Libya. The International Organization for Migration (IOM) provided each returnee with Tk6,000, food, medical care, and temporary accommodation.

The Ministry of Foreign Affairs, the Bangladesh Embassy in Tripoli, and IOM collaborated to ensure the successful repatriation. Efforts are also underway to repatriate other Bangladeshi nationals held in various detention centres across Libya.

September 21

New Cargo Terminal to Open at Benapole

A new cargo vehicle terminal at Benapole Port is set to open next month, aimed at improving loading and unloading operations, reducing congestion, and boosting government revenue. Spanning 24 acres and costing Tk329 crore, the terminal includes a parking yard, cargo and service buildings, utility facilities, a fire station, modern toilet complexes, and a weighbridge, with a capacity to handle 1,200 to 1,500 trucks. The project, which began in February 2022, is expected to enhance trade logistics between Bangladesh and India, reduce traffic congestion, lower costs for importers, and accelerate truck turnaround times.

Bangladesh Plans Roadmap for Relations with Argentina

Bangladesh is working on a strategic roadmap to enhance multi-sectoral cooperation with Argentina, focusing on long-term plans, priorities, and measurable outcomes. The country seeks preferential access within MERCOSUR and plans to hold Foreign Office Consultations to explore collaboration opportunities. Argentina's Ambassador to Bangladesh proposed reopening Bangladesh's Embassy in Buenos Aires, praising Bangladesh's commitment to international conventions. Both nations expressed interest in expanding ties in trade, agriculture, energy, sports, and education.

Bangladesh Approves Export of 3,000 Tonnes of Hilsa to India

Bangladesh has approved the export of 3,000 tonnes of hilsa fish to India ahead of the Durga Puja festival, following requests from exporters. Exporters must submit applications to the commerce ministry by 24 September. In the 2023-24 fiscal year, Bangladesh exported 664.86 tonnes of hilsa to India, generating \$7.71 million in revenue. While the export has been approved, there is an ongoing focus on ensuring a sufficient domestic supply of hilsa.

September 22

Govt Reassesses Mongla Port Contract with China

The interim government is reviewing its contract with China Civil Engineering Construction Corporation, originally appointed through direct purchase for the construction of two jetties at Mongla Sea Port.

Concerns over transparency and potential undue benefits have prompted a reconsideration of the direct purchase method, with a shift towards an open tender process now being explored. The construction of four additional jetties—two by Saif Powertec Ltd and two by India—is progressing, while the Chinese project has faced delays amid internal reviews and rumours of Indian influence.

UN to Support Bangladesh's Police and Election Reforms

The United Nations has pledged assistance to Bangladesh in reforming its police force and electoral systems, alongside support for police rehabilitation and the Rohingya crisis. Chief Adviser Professor Muhammad Yunus' interim government is prioritizing these reforms as part of its governance overhaul. The UN has allocated \$4 million for flood relief efforts and is actively working to improve conditions for Rohingya children in refugee camps. Discussions also covered climate change, environmental concerns, and the situation in the Chittagong Hill Tracts.

India Seeks Closer Ties with BNP

Indian High Commissioner Pranay Verma met with leaders of the Bangladesh Nationalist Party (BNP) at the BNP chairperson's Gulshan office. Discussions covered border tensions, water disputes, and security concerns, with both parties expressing a desire to strengthen bilateral relations. The Indian envoy highlighted India's interest in deepening ties with the BNP, particularly in light of Bangladesh's recent political developments.

Danish Envoy Backs Reforms and Green Investments

Denmark has allocated \$1 million to support the Centre for Policy Dialogue (CPD) in enhancing economic governance in Bangladesh. Denmark is also investing over \$2 billion in key projects, including \$400 million in the Laldia Container Terminal, \$1.3 billion in offshore wind energy, and \$300 million for the Saidabad Water Treatment Plant. Denmark aims to collaborate with Bangladeshi institutions, such as the National Human Rights Commission, to facilitate reforms, while prioritising green transitions in sectors like shipping, energy, and agriculture.

Delays Hit Rooppur Nuclear Power Plant Projects

Delays in the return of Indian workers have slowed critical power transmission projects linked to the Rooppur Nuclear Power Plant, set to begin operations in December. Indian companies Larsen & Toubro, KEC International, and Transrail Lighting are the primary contractors for these transmission projects, valued at Tk10,981 crore. The project is co-financed by Exim Bank, the Bangladesh government, and Power Grid Bangladesh, with timely completion being essential for energy evacuation from the nuclear plant.

September 23

Bangladesh Protests Amit Shah's Remarks

The Ministry of Foreign Affairs of Bangladesh has lodged a strong protest against remarks made by Indian Home Minister Amit Shah, who threatened to remove "Rohingya and Bangladeshi infiltrators" from Jharkhand, and made inflammatory comments about hanging them "upside down." Bangladesh expressed deep displeasure, urging India to advise its leaders to refrain from such statements, which undermine the mutual respect between the two nations.

US Stands with Bangladesh's Indigenous Communities

The United States reaffirmed its support for Bangladesh's indigenous populations, recognising their cultural contributions and calling for their protection from discrimination and violence. US Embassy Charge d'Affaires Helen LaFave met with Chittagong Hill Tracts Adviser Supradip Chakma to discuss these issues, highlighting the importance of creating an inclusive society that safeguards the rights of its most vulnerable citizens.

Bangladesh Seeks UK Assistance in Recovering Laundered Money

Industries Adviser Adilur Rahman Khan met with James Goldman, Deputy High Commissioner at the British High Commission in Dhaka, to seek the UK's help in recovering funds laundered from Bangladesh under the previous government. Both parties discussed strengthening trade and investment ties, with the UK expressing its willingness to cooperate in legal efforts to repatriate the illicit funds.

Turkey Reaffirms Support for Bangladesh

Turkish Ambassador Ramis Sen reaffirmed Turkey's support for Bangladesh's interim government during a meeting with Foreign Secretary Md Jashim Uddin. Discussions included Turkey's offer of medical assistance for those injured during the Anti-Discrimination Movement, as well as ongoing humanitarian aid for flood victims. Both countries expressed satisfaction with their bilateral relations and committed to further enhancing trade and cooperation.

OBOR Delegation Supports Bangladesh's Development

A delegation from the Global Confederation of Belt and Road Economic Cooperation (OBOR) arrived in Bangladesh to explore infrastructure development and foreign direct investment (FDI) opportunities.

Led by Dr. Sharifah Sabrina, the delegation aims to boost investments in Bangladesh's energy sector and smart development projects. The visit coincides with the UN General Assembly's focus on sustainability, aligning with OBOR's vision for a greener, more sustainable future for Bangladesh.

September 24

IMF Probes Fuel and Fertilizer Subsidies

An International Monetary Fund (IMF) mission is in Dhaka to assess Bangladesh's progress on the conditions of its \$4.7 billion loan. Key discussions include the government's plans to raise fuel and fertilizer prices while cutting subsidies. Bangladesh has so far received \$2.3 billion in three installments, with a fourth due in December. The government is also requesting an additional \$3 billion loan, to be discussed at the IMF's annual meeting in October. The mission is set to meet with government officials to address fiscal reforms, debt management, and tax policies.

Biden Pledges US Support to Yunus

In a historic bilateral meeting during the UN General Assembly in New York, US President Joe Biden expressed full support for Bangladesh's interim government, led by Chief Adviser Muhammad Yunus. This is the first time a sitting US president has met with the head of a Bangladeshi government at the UNGA. Yunus highlighted the need for US cooperation to rebuild Bangladesh. He also met Canadian Prime Minister Justin Trudeau and exchanged greetings with leaders like Brazil's President Lula da Silva, Mauritius President Prithvirajsingh Roopun, and UN High Commissioner for Human Rights Volker Turk.

IMF Raises Concerns over Inflation and Revenue

The IMF has identified inflation and weak revenue collection as critical issues for Bangladesh. Comparing the country's revenue-to-GDP ratio to that of South Sudan, the IMF stressed the need for banking, financial, and revenue sector reforms. Bangladesh's finance ministry has sought IMF assistance in determining whether inflation is driven by supply-side factors or demand-side mismanagement. Discussions also addressed the government's plans to manage the budget deficit, reduce subsidies, and seek foreign assistance for economic reforms.

Suspect Arrested in Attack on US Envoy's Convoy

Detective Branch (DB) officers arrested Mohammad Siam Hasan, a suspect in the 2018 attack on former US Ambassador Marcia Bernicat's convoy. The arrest was made in Mohammadpur by a DB Tejgaon team. Hasan is also a suspect in a murder case related to a recent student uprising and faces several other pending charges.

September 25

World Bank Assists Bangladesh in Recovering Stolen Assets

The World Bank has pledged its support to Bangladesh in recovering stolen assets through the Stolen Asset Recovery Initiative, collaborating with international law enforcement agencies. A delegation from the World Bank met with Anti-Corruption Commission (ACC) Chairman Mohammad Moinuddin Abdullah to discuss strategies for recovering laundered money and enhancing the ACC's capacity. The ACC has also been working with the FBI and the United Nations Office on Drugs and Crime (UNODC) to combat money laundering.

Yunus Calls for Global Support at UN Reception

At a reception celebrating Bangladesh's 50 years of UN membership, Chief Adviser Muhammad Yunus called for international support for Bangladesh's reform agenda. Speaking at the UNGA, Yunus emphasized the need for foreign cooperation to help rebuild the country and address the Rohingya crisis, urging action for justice. The US also pledged \$199 million in aid for Rohingya refugees. During his visit, Yunus engaged with global leaders, stressing the importance of strengthening Bangladesh's international relationships.

Election Reforms and Voter List Top Agenda

The election date in Bangladesh will be announced once political consensus is reached on reforms and the voter list is finalised. Discussions are ongoing with political parties based on the recommendations of six commissions focusing on election, civil administration, police, judiciary, anti-corruption, and constitutional reforms. Chief Adviser Professor Muhammad Yunus discussed these plans with IMF Managing Director Kristalina Georgieva, who expressed the IMF's support for the reforms. An IMF team is currently in Dhaka to hold talks with stakeholders on these matters.

ADB Lowers Bangladesh's Growth Forecast

The Asian Development Bank (ADB) has revised Bangladesh's growth forecast downward to 5.1% for the current fiscal year, down from the previous projection of 6.6%. This adjustment considers the impact of recent political unrest and flooding. The ADB also predicts inflation will rise to 10.1% in FY25 due to supply chain disruptions and currency depreciation. The multilateral lender stressed the need for fiscal reforms to restore economic stability, diversify the economy, and stabilise the financial sector through better interest and exchange rate policies.

Jaishankar Stresses Strong India Ties with Bangladesh and Sri Lanka

Indian External Affairs Minister S. Jaishankar reaffirmed India's commitment to maintaining positive and constructive relations with Bangladesh and Sri Lanka, despite recent political changes in the region. Jaishankar highlighted a decade of economic cooperation with Bangladesh, which has boosted regional trade and logistics. He also emphasised India's substantial financial support to Sri Lanka during its economic crisis, noting that the aid came without political conditions. Jaishankar underscored that political dynamics in each country would evolve independently, but regional interdependence would continue to drive cooperation.

UNGA Focuses on Rohingya Repatriation

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Adani Power Explores Domestic Sales Amid Bangladesh Payment Delays

Adani Power's Godda Plant, which supplies electricity exclusively to Bangladesh, is considering selling power domestically due to delayed payments from Bangladesh, which now exceed \$500 million. The Indian government has approved a plan for the plant to connect to India's power grid, but a 130km transmission line still needs to be constructed. India's power ministry recently amended guidelines, allowing domestic plants that supply neighbouring countries to sell power within India. Adani Power has expressed concerns that the unpaid dues from Bangladesh are becoming unsustainable.

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