

# Bangladesh Foreign Policy Watch

CGS Centre for Governance Studies



## A Bi-Weekly Roundup of Key Events

Emphasizing commercial ties via the Bangladesh-Saudi Arabia Joint Business Council, both sides addressed privileges for Saudi oil imports, migrant worker transparency, Rohingya repatriation, and solidarity against actions in Gaza and the formation of a joint task force to protect Bangladeshi job seekers from fraud.

### July 2

## Bangladesh Secures \$400M AIIB Loan for Climate Initiatives

Bangladesh inked a \$400 million loan agreement with the Asian Infrastructure Investment Bank (AIIB) to bolster the "Climate Resilient Inclusive Development Program-Subprogram-1". Targeting climate priorities across ministries, the initiative accelerates climate adaptation and mitigation efforts. The loan spans 25 years with a 5-year grace period, featuring an interest rate structured on the Reference Rate Variable Spread and a 0.25% Front-End Fee.

### July 3

## New Proposal for Bangabandhu Satellite-2

Thales Alenia Space proposed constructing Bangabandhu Satellite-2 for approximately \$290 million, marking a substantial reduction compared to prior Russian and French proposals. Bangladesh evaluates potential government-to-government arrangements this year, with Italian Export Credit Agency SACE interested in financing over 80% of project costs.

### July 1

## Bangladesh and Saudi Arabia Strengthen Bilateral Cooperation



Bangladesh and Saudi Arabia convened their second Political Consultation in Riyadh, focusing on enhancing Saudi investments in Bangladesh's special economic zones and offshore banking systems. Led by Foreign Minister Dr. Hasan Mahmud and Saudi counterpart Prince Faisal bin Farhan Al Saud, discussions encompassed regional development, economic partnerships, and energy cooperation.

The satellite aims to aid earth observation, benefiting marine research, agriculture, urban planning, and includes a radar satellite crucial for Bangladesh's cloudy conditions.

## UNHCR Funds €1.5M for Rohingya Refugee Support in Bangladesh

France allocated €1.5 million to assist Rohingya refugees in Bangladesh, focusing on resilience and climate action. Funding will support education, skills development, and environmental rehabilitation in Cox's Bazar. Emphasizing safe, sustainable refugee returns to Myanmar, initiatives combat camp insecurity and enhance humanitarian efforts amidst 2024's \$852 million funding shortfall, urging increased donor support.

**July 4**

## Major Expansion of Bangladesh's Land Ports

Bangladesh's eight key land ports are set for substantial development by 2025-2026 to enhance their operational capabilities. Initiatives such as Access Bangladesh Phase-I and BRCP aim to modernize border control systems, upgrade infrastructure, and improve efficiency. Investments under SASEC and other initiatives will facilitate the construction of service centers, warehouses, and enhanced security systems across various ports. The Land Port Authority aims to leverage Bangladesh's strategic location for global trade, potentially boosting revenue through port rentals.

## Chinese Firm to Invest \$22.92 Million in Bepza Economic Zone

Sanxin Accessories MFC BD Ltd, a Chinese company, will invest \$22.92 million to establish an interlining and garment accessories unit in the Bepza economic zone of BSMSN in Chattogram. This project is expected to create job opportunities for approximately 2,346 people. The investment agreement was signed by Md Ashraful Kabir of Bepza and Li Li of Sanxin Accessories, with Bepza's executive chairman present.

## Bangladesh Pays Russia in Taka for Rooppur Nuclear Plant Amid Sanctions

Bangladesh has made a \$15 million payment in taka to Russia for the Rooppur Nuclear Power Plant project, due to sanctions affecting dollar transactions. The Rooppur project, featuring two 1,200MW units, is 78.14% complete. The first unit is nearing completion, with trial production expected by year-end. Russia, covering 90% of the \$12.65 billion project cost through a loan, structured payments in 32 installments, with over \$1.07 billion already paid. Originating during Pakistan-era plans, significant progress occurred from 2013 onward.

## "We Can't Keep Our Doors Closed": PM on Granting Transit to India

Prime Minister Sheikh Hasina defends granting transit facilities to India, emphasizing economic benefits and the strategic importance of joining the trans-Asian highway. Responding to critics of her India visit and transit policy, Hasina contrasts her government's proactive stance with past leaders' neglect of national interests.

## Bangladesh to Import Renewable Energy from India

Bangladesh plans to import 1,000 MW of renewable electricity from India, with an agreement already in place to facilitate the integration into Bangladesh's national grid. This initiative supports Bangladesh's goal to transition from fossil fuel-based electricity, aiming for 10% renewable energy by 2025 and 40% by 2041.

## President Seeks Myanmar's Regional Support

President Shahabuddin seeks Myanmar's cooperation as Bangladesh prepares to chair BIMSTEC in September, emphasizing the strengthening of regional relationships. Highlighting the safe return of forcibly displaced individuals to Myanmar as a significant issue, the President anticipates collaborative efforts under Bangladesh's upcoming BIMSTEC chairmanship. Welcoming the new Myanmar ambassador Kao So Mo, the president emphasized enhancing trade and investment between Bangladesh and Myanmar.

**July 5**

## UK Election: Bangladeshi Origin Candidates Reelected

Tulip Siddiq has been reelected as the Member of Parliament for Hampstead and Highgate in the UK. First elected in May 2015, Tulip Siddiq is recognized as one of London's influential politicians. Labour candidates Rupa Huq and Afsana Begum have also been reelected as Members of Parliament from Ealing Central and Acton, and Poplar and Limehouse constituencies, respectively. Rushanara Ali, the first person of Bangladeshi origin elected to Britain's House of Commons in 2010, has also secured reelection.

## Bangladeshi Youth Shot Dead by BSF

Raju Islam, a 28-year-old Bangladeshi youth from Gariali village, was fatally shot by the Indian Border Security Force (BSF) along the Baliadangi border. Allegedly attempting to smuggle cattle, Raju was fired upon in the Tingaon area, resulting in immediate death. The Border Guard Bangladesh (BGB) has been notified, and a flag meeting with the BSF is scheduled to address this incident.

## July 6

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### Foreign Loan Commitments Rise 9%

Bangladesh has secured \$9.88 billion in foreign aid for the fiscal year 2023-24, marking an 8.92% increase from the previous year. With caution towards high-interest loans tied to the SOFR, the government avoided project funding from AIIB in recent fiscal years and remains mindful of NDB loans. Significant commitments include \$2.941 billion from ADB, \$2.618 billion from the World Bank, and \$2.039 billion from Japan for FY24, supporting various development initiatives.

### Quader: India Political Ally, China Economic

Transport Minister and General Secretary of the ruling party Awami League Obaidul Quader highlighted Bangladesh's relationship with India as a political ally and with China as a development partner, contributing significantly to the nation's progress. Speaking at the inaugural session of the "Hilly Fruits Fair-2024" in Dhaka, Quader emphasized Bangladesh's openness to opportunities from countries like China to further its economic development.

### Dhaka, Delhi Consider Port Sharing

Bangladesh and India are exploring mutual port utilization to enhance trade with third countries, aiming to bolster logistics and economic ties. A Bangladeshi delegation assessed Indian ports for potential agreements to facilitate exports via Chattogram port to third countries. The Bay Terminal at Chattogram Port, expected to be operational by 2027, is pivotal in ongoing feasibility assessments for future trade expansion.

### Myanmar Trawler Capsized, BGP Detained

Following the capsizing of a Myanmar Navy trawler en route to Maungdaw town, a Myanmar Border Guard Police (BGP) member was detained by Bangladesh's Border Guard Bangladesh (BGB) after swimming ashore on Shahpari Island, Teknaf, with ammunition. The situation escalated amid reports of heavy shelling from Maungdaw, sparking concern among residents in border areas.

## July 7

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### Starmer's Immigration Policy on Bangladesh

Following the Labour Party's victory in the UK elections, leader Keir Starmer proposed reducing reliance on foreign workers through British workforce training, focusing on sectors like construction, IT, and healthcare. Starmer's remarks on curbing illegal migration, which singled out Bangladeshi immigrants despite Bangladesh not being a top origin for UK boat arrivals, received criticism. Experts suggest a minimal impact on bilateral relations, given the significant economic ties with the Bangladeshi diaspora and legal immigration.

### PM's China Visit: MoUs Only, No Agreements

Foreign Minister Hasan Mahmud clarified that Prime Minister Sheikh Hasina's China visit from July 8-11 will focus on signing approximately 20-22 MoUs related to economic cooperation. Discussions on reserve support, budget support, and loans will not lead to immediate agreements, contingent upon meeting specified parameters under the MoUs.

### UN Sends \$6.2M for Bangladesh Flood Victims

The UN has allocated \$6.2 million to aid flood-affected families in Bangladesh, emphasizing proactive disaster management with early interventions to support 400,000 vulnerable individuals. Assistance includes cash transfers, water purification, agricultural support, and healthcare services, marking a strategic response to mitigate flood impacts.

### South Korea Offers Aid for Skill Training

KOICA has proposed Tk100 crore to modernize the Bangladesh-Korea Technical Training Centre in Chattogram, aimed at fostering demand-driven skilled manpower in Bangladesh. State Minister for Expatriates' Welfare and Overseas Employment welcomes the initiative, highlighting its potential to enhance technical training efficiency in Bangladesh.

## July 8

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### BSF Enhances Border Security in Tripura

The Border Security Force (BSF) has intensified security measures along the India-Bangladesh border in Tripura, deploying AI-enabled cameras and facial recognition tools. These advanced technologies aim to combat illegal infiltration and smuggling activities effectively. The BSF is augmenting its efforts with additional teams and improvised methods to secure the border fence. In 2024 alone, the BSF seized contraband valued at Rs29 crore and detained 210 foreign nationals, including 198 Bangladeshis and 12 Rohingyas. A dossier containing information on Bangladeshi criminals has been handed over to the Border Guard Bangladesh (BGB), with collaborative actions expected.

## July 9

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### Wheat Imports from Russia Ukraine Hit 5-Year High

Bangladesh's wheat imports for FY24 have surged to a five-year peak, predominantly sourced from Russia and Ukraine. Despite global wheat prices stabilizing post-war, local prices remain elevated due to a strong dollar. Russia supplies the majority of imported wheat, complemented by shipments from Ukraine, Romania, Bulgaria, and Uruguay.



With imports meeting nearly 85-90% of local consumption, Bangladesh continues to grapple with high domestic demand for wheat.

## Government Seeks Spain's Assistance in Transportation Infrastructure

Bangladesh is partnering with Spain to develop critical transportation projects, including the Dhaka Subway Route (Tongi-Jhilmil) and other key initiatives. Spain has offered non-reimbursable grant aid to support these projects. Additionally, plans are underway for the Dhaka East-West Elevated Expressway and the proposed Danga Bazar Bridge over the River Shitalakhya, aimed at enhancing connectivity to economic zones. Spain's involvement includes providing technical expertise, conducting feasibility studies, and developing detailed engineering designs for these infrastructure ventures.

## Bangladeshi, Chinese Firms Sign 16 MoUs



Prime Minister Sheikh Hasina participated in a summit in Beijing where Bangladeshi and Chinese companies signed 16 Memoranda of Understanding (MoUs) to foster investments across various sectors. These agreements are expected to bring approximately \$490 million in initial investments to Bangladesh, with potential overall investments exceeding \$5 billion. Prime Minister Hasina invited Chinese firms to explore business opportunities in Bangladesh and encouraged the establishment of research and development centers. The summit aimed to narrow trade gaps, with Chinese investments poised to bolster Bangladesh's export capabilities.

## PM Hasina Seeks Lower Interest Rates from AIIB

During discussions, Prime Minister Sheikh Hasina urged the Asian Infrastructure Investment Bank (AIIB) to consider reducing loan interest rates for Bangladesh. The talks encompassed financing for infrastructure projects, river dredging initiatives, and support for climate-resilient housing in coastal areas. Prime Minister Hasina underscored AIIB's substantial role in Bangladesh's development trajectory and explored possibilities for special interest rate concessions. AIIB officials acknowledged Bangladesh as a major borrower and discussed avenues for future cooperation.

## Dhaka Plans Trade Through Indian Ports

A Bangladeshi delegation visited Vizag and Adani Krishnapatnam Port to bolster maritime trade collaboration with India, aiming to optimize trade advantages along India's Eastern Coast. Discussions focused on enhancing business facilitation, customs clearance procedures, transshipment efficiency, cruise passenger handling, congestion management, and dredging initiatives. This visit signifies a pivotal step in strengthening bilateral trade relations, with both nations acknowledging the potential for increased cooperation and the importance of overcoming logistical challenges.

## Bangladesh and Germany Sign Conservation Agreements

Bangladesh and Germany formalized agreements for conservation efforts, including the Swatch of No Ground (SONG) Project and the Sundar-Bay Project. These initiatives aim to enhance marine conservation in Bangladesh and promote collaborative efforts for the preservation of the Sundarbans. The projects emphasize community engagement, capacity-building for marine protection, and support for local communities, aligning with Sustainable Development Goals (SDGs) focused on biodiversity and environmental sustainability.

## July 10

## Hasina and Xi Pledge to Strengthen Strategic Ties

China has promised to provide economic support to Bangladesh, including grants and three types of loans, one of which is interest-free. This commitment was made as Prime Minister Sheikh Hasina concluded her visit to China, where she held talks with Chinese President Xi Jinping. China also pledged one billion Yuan (approximately \$140 million) as economic assistance, according to Foreign Minister Hasan Mahmud during a press briefing in Beijing.

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Technical committees from both countries will discuss the specifics of the financial assistance. The visit highlighted the strengthening of bilateral ties, elevating the relationship to a "comprehensive strategic cooperative partnership." Hasina invited Chinese leaders to visit Bangladesh next year to celebrate 50 years of diplomatic relations.

The visit is seen as a strategic move to balance relationships with Asian powers. During her trip, Hasina also addressed trade imbalances and sought Chinese support in various sectors, including agriculture and infrastructure development.

## Record Number of Bangladeshi Students in the US

A record-breaking 13,563 Bangladeshi students pursued higher education in the United States last year, marking a notable 28% increase from the previous year. To support these students, the US Embassy in Dhaka organized a pre-departure orientation session for 120 students who will be attending US colleges and universities in Fall 2024. The session included insights from US Embassy officials and current students, providing valuable guidance on adapting to academic, cultural, and lifestyle transitions in the US. EducationUSA services throughout Bangladesh continue to offer group sessions and personalized counseling to assist students throughout their educational journeys.

### July 11

## Calls to End Judicial Harassment of Prof Muhammad Yunus

Civicus and the Asian Human Rights Commission have urged Bangladeshi authorities to stop the "judicial harassment" of Nobel laureate Prof Muhammad Yunus. As Yunus's trial approaches, they demand his conviction be quashed and all charges dropped. Prof Yunus, facing over 100 cases of corruption and labor law violations, claims the government is conducting a harassment campaign against him. In September 2023, the UN expressed concerns over the long-standing intimidation against him. Civicus downgraded Bangladesh's civic space rating to "closed" due to attacks on civil society and critics.

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