

# Bangladesh Foreign Policy Watch

CGS Centre for Governance Studies



## A Bi-Weekly Roundup of Key Events

**January 19**

### China Considers Lowering Bangladesh Loan Rates



China is considering lowering interest rates on its credits for Bangladesh, as discussed in a meeting between Chinese Ambassador Yao Wen and Foreign Affairs Adviser Md Touhid Hossain. China is ready to sign an implementation plan for hydrological data exchange and explore medical treatment opportunities for Bangladeshis in Kunming. Bangladesh has offered land in Purbachal for a Chinese hospital. The visit, marking 50 years of diplomatic ties, aims to enhance cooperation, with Bangladesh seeking China's role in Rohingya repatriation and support for economic reforms, infrastructure, and post-LDC market access. Discussions also covered fruit storage and railway coach expansion.

**January 18**

### Three Bangladeshis Injured in Border Clash

Three Bangladeshis were injured in an attack by Indian nationals at the Chapainawabganj border. The attack occurred around noon, with the presence of the Indian Border Security Force (BSF). The injured individuals are Mesbahul Haque, Md Rony, and Md Faruk. Faruk and Mesbahul were injured by a sharp weapon called 'hansua,' while Rony was injured by stones. A flag meeting between the Border Guard Bangladesh (BGB) and BSF took place later in the day. The BSF expressed regret over the incident and assured appropriate action. The tensions arose due to the cutting of mango trees within Bangladesh by Indian citizens. The situation is currently under control, according to BGB Commander Lt Col Golam Kibria.

## US Supports Interim Govt's Democratic Efforts

US Embassy's new Charge d'Affaires, Ambassador Tracey Ann Jacobson, met with Foreign Affairs Adviser Md. Touhid Hossain and Foreign Secretary Md. Jashim Uddin to discuss bilateral priorities. Ambassador Jacobson reaffirmed US support for Bangladesh's interim government's efforts towards a prosperous and democratic future. Discussions covered key areas including trade, investment, human rights, labor reforms, and Rohingya repatriation. The foreign adviser emphasized the government's commitment to free and fair elections. Ambassador Jacobson expressed optimism about Bangladesh's economic stability through ongoing financial reforms, highlighting the shared commitment to strengthening bilateral relations between the two nations.

## EU Apparel Exports Rise 24%

Bangladesh's apparel exports to the European Union grew by 24.09% in November 2024, reaching €1.53 billion (\$1.57 billion), driven by easing inflation and declining interest rates in Western countries. Apparel shipments maintained steady growth over four months, with positive performance in six of the first 11 months of 2024. Knitwear exports increased by 0.89% to €10.05 billion, while woven exports rose by 5.13% to €6.67 billion. The growth was fueled by demand for higher-value-added products. Despite optimism, exporters highlighted challenges such as rising energy costs and labor wages. Bangladesh remains the EU's second-largest apparel supplier after China.

**January 20**

## Russian Envoy Optimistic on Loan Settlement

Russian Ambassador to Bangladesh, Alexander Khozin, expressed optimism about resolving debt repayment issues for the Russia-funded Rooppur Nuclear Power Plant. Khozin mentioned that discussions with the Ministry of Finance of Bangladesh are ongoing and moving in a positive direction. He had separate meetings with Foreign Secretary Md Jashim Uddin and Foreign Adviser Md Touhid Hossain. The talks also covered mutual interests and cooperation between Bangladesh and Russia in areas such as food security, agriculture, shipbuilding, and the Rohingya issue. On December 30, 2024, Khozin presented his credentials to President Mohammed Shahabuddin.

## BGB Approved to Procure Tear Gas Grenades

The government of Bangladesh has decided to equip the Border Guard Bangladesh (BGB) with sound grenades and tear gas canisters. This decision was made to match the capabilities of their Indian counterparts, the Border Security Force (BSF), who already use similar weaponry. Home Affairs Adviser, retired Lieutenant General Md. Jahangir Alam Chowdhury, announced the decision after a meeting on law and order.

The adviser mentioned that there is no reason for India to react negatively to this decision. The BGB is currently equipped with lethal weapons, but the new non-lethal weapons will be used as needed. The current border situation is described as stable.

## US Reaffirms Support for Bangladesh



US Charge d'affaires in Dhaka, Tracey Ann Jacobson, met with Chief Adviser Prof. Muhammad Yunus at the State Guest House Jamuna to discuss bilateral cooperation. Jacobson reiterated US support for Bangladesh's interim government on development and counter-terrorism efforts. Discussions covered political reforms, the upcoming general election, and concerns over journalist arrests and violence against religious minorities. They also addressed regional ties, the Rohingya crisis, and Myanmar's security situation. Prof. Yunus highlighted Bangladesh's SAARC role and sought US support for Rohingya repatriation. He also urged increased US imports of Bangladeshi apparel and textiles, emphasizing economic cooperation.

## 33,000 Foreigners Illegally Reside in Bangladesh

Over 33,000 foreigners are illegally staying in Bangladesh, according to Home Affairs Adviser Lt. Gen (retd) Md Jahangir Alam Chowdhury. The adviser mentioned that strict action will be taken against these illegal foreigners and those employing them. As of 30 October 2024, there were 49,266 illegal foreigners, but this number decreased to 33,648 by January 18, 2025. A penalty amounting to Tk 10.53 crore was collected from these illegal foreigners.

## USAID Unveils 70M Rohingya Aid Initiative

USAID has launched a 70.2 million initiative to enhance the well-being and resilience of communities in Cox's Bazar and the Chattogram Hill Tracts from 2024 to 2029. The program focuses on inclusive market systems, resilience-building, women's empowerment, social inclusion, and improving access to income, WASH services, and climate adaptation. It aims to foster collaboration among government bodies, civil society, and the private sector to protect over 35,000 hectares of land and address challenges in education, food security, and agriculture. This initiative builds on over \$2.5 billion in US support for Bangladesh's Rohingya response since 2017.

## January 21

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### **BSF Halts Border Fence After BGB Intervention**

The Indian Border Security Force (BSF) attempted to erect a barbed wire fence along the Bangladesh-India border in Joypurhat. The Border Guard Bangladesh (BGB) intervened and stopped the construction, as international law prohibits building fences within 150 yards of the border. A flag meeting between the BGB and BSF has been called to resolve the issue. The situation along the border remains tense, with previous incidents of violence and attempts to build fences by the BSF. The Bangladesh government has authorized the BGB to use sound grenades and teargas shells to maintain security along the border.

### **Asif Nazrul: India Must Repatriate Hasina**

Asif Nazrul, a law adviser, emphasized that India must return former Prime Minister Sheikh Hasina to Bangladesh in accordance with the India-Bangladesh extradition agreement. A letter has been sent to India for Hasina's extradition. Should India fail to comply, Bangladesh's Ministry of Foreign Affairs will seek international support to address the issue. Additionally, a second tribunal may be formed to expedite the trial of those involved in the July mass killings, which will proceed independently of the upcoming elections.

### **Germany Backs Bangladesh's Democratic Transition**

At the World Economic Forum in Davos, German Chancellor Olaf Scholz assured Bangladesh's Chief Adviser Muhammad Yunus of Germany's support for the country's democratic transition. Yunus briefed Scholz on the interim government's reform agenda and the effort to build political consensus through the July Charter. Their discussions covered the July uprising, regional relations, the Rohingya crisis, and Myanmar's security situation. Yunus also called for greater German investment in Bangladesh, particularly in Nepalese hydroelectric power for South Asia's renewable energy transition, and sought support for establishing a UN-supervised safe zone for Rohingyas in Myanmar's Rakhine State.

### **Bangladesh Seeks US Support for Rohingya Rehabilitation**

Bangladesh's Home Affairs Adviser, Lt Gen (retd) Jahangir Alam Chowdhury, urged the United States to take a more active role in rehabilitating additional Rohingyas. The US Embassy's Charge d'Affaires in Bangladesh, Tracey Ann Jacobson, highlighted the US's significant contributions to the development and rehabilitation of Rohingyas, including rehabilitating about 17,000. The discussion also covered various areas of cooperation, including security, counterterrorism, law enforcement cooperation, police reforms, border issues, minority rights, and agriculture. The US has also increased the number of Bangladeshi students pursuing higher education in the US and will provide additional training for Bangladesh's law enforcement agencies.

## January 22

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### **Foreign Adviser Secures Loan Extension from China**

China has agreed to extend the repayment period for its loans to Bangladesh from 20 years to 30 years. Bangladesh requested a reduction in the interest rate on Chinese loans from 2-3% to 1%. China also promised to continue providing duty-free and quota-free access to Bangladeshi products for three years after Bangladesh graduates from the least-developed country status in 2026. Furthermore, China will designate hospitals in Kunming for the treatment of Bangladeshi patients and is considering setting up a specialized tertiary-level Chinese hospital in Dhaka. Both countries reaffirmed their commitment to continued cooperation under the Belt and Road Initiative.

### **Yunus Seeks Global Support for Asset Recovery**

Chief Adviser Professor Muhammad Yunus attended the World Economic Forum in Davos, seeking international support to recover stolen assets from Bangladesh. He engaged with global leaders from Germany, Belgium, Thailand, Switzerland, UAE, the UN, and Congo, urging them to send experts to investigate corruption during Sheikh Hasina's tenure. Bangladesh has established an Asset Recovery Committee targeting the top 20 money launderers. Discussions covered economic cooperation, climate financing, energy security, and the Rohingya crisis. Yunus also highlighted the role of microcredit in job creation and peacebuilding, and briefed leaders on Bangladesh's reform plans and upcoming general elections.

## January 23

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### **UN to Release Uprising Report Soon**

UN High Commissioner for Human Rights Volker Türk announced that the UN fact-finding mission report on the July-August uprising will be finalized and released by mid-February. The report will be shared with Bangladesh before publication. Chief Adviser Prof. Muhammad Yunus expressed gratitude for the UN's investigation and sought support for resolving the Rohingya crisis. Türk assured continued engagement, citing discussions with stakeholders, including UN Special Envoy Julie Bishop. Yunus proposed a UN-overseen safe zone in Myanmar's Rakhine State, and the two discussed the upcoming high-level Rohingya conference.

### **Touhid Urges China to Set Up EV Plant in Bangladesh**

Foreign Affairs Adviser Md Touhid Hossain urged Chinese automobile companies to establish an electric vehicle (EV) manufacturing plant in Bangladesh. He made the request during his visit to a high-tech EV manufacturing facility near Shanghai that produces approximately 500 EV units daily. Hossain also met with the Acting Mayor of Shanghai to discuss strengthening business and people-to-people ties between Dhaka and Shanghai.

He also proposed relocating Chinese manufacturing plants to Bangladesh, particularly in the Chinese Special Economic Zone in Chattogram, and establishing air connectivity between Chattogram and Shanghai.

## South Korea Supports Bangladesh's Interim Government

South Korea reaffirmed its support for Bangladesh's interim government and reform efforts during a meeting between Special Envoy Ambassador Lee Jeongkyu and Foreign Secretary Md Jashim Uddin. Discussions focused on strengthening trade and investment, with 150 Korean companies operating in Bangladesh and more interested in agriculture, high-tech RMG, smart city development, and electronics. Both sides emphasized enhancing business engagements and urged swift progress on the Economic Partnership Agreement. South Korea also pledged continued support for addressing the Rohingya issue and highlighted its cultural influence in Bangladesh, including the popularity of K-Pop and K-Dramas.

## Global Port Giants Plan Bangladesh Investment

DP World and AP Moller-Maersk, two major global port operators, expressed interest in investing in Bangladesh's shipping industry. During a meeting with Chief Adviser Prof Muhammad Yunus at the World Economic Forum in Davos, they proposed investments to enhance port infrastructure. DP World plans to invest in the New Mooring Container Terminal near Chittagong Port to alleviate congestion and reduce emissions. AP Moller-Maersk is interested in transforming the Laldia terminal into a green port. Both companies aim to introduce a digital online customs procedure at Chittagong Port to reduce corruption, as part of Bangladesh's goal to expand its ports along the Bay of Bengal.

## Pakistan Envoy Stresses Strengthening B2B Relations

Pakistan's High Commissioner in Dhaka, Syed Ahmed Maroof, underscored the importance of strengthening business-to-business (B2B) relations between Pakistan and Bangladesh to address the trade deficit. He highlighted developments such as direct maritime communication and Bangladesh's import of 50,000 metric tonnes of rice from Pakistan. Maroof also invited Chattogram business owners to explore trade opportunities and proposed direct flights between Dhaka and Islamabad. Trade Attaché Zain Aziz assured the high commission's commitment to resolving trade challenges.

**January 24**

## World Bank Grants \$30M for Power Transmission

The World Bank will provide Bangladesh with an additional \$30 million to enhance power transmission in Cumilla, Chattogram, and Noakhali.

The financing agreement was signed by ERD Secretary Md Shahriar Kader Siddiky and World Bank Acting Country Director Gayle Martin. Power Grid Bangladesh PLC is implementing the project to meet the rising electricity demand. Initially funded at \$450.64 million in 2018, \$50 million was redirected for COVID-19 response. The new loan has a five-year grace period and a 30-year repayment term, with an interest rate of 1.25% and a 0.75% service charge.

## 71 Undocumented Bangladeshis Detained in Malaysia

The Kuala Lumpur Immigration Department arrested 176 illegal immigrants, including 71 Bangladeshi nationals, during a raid in the Jalan Alor area of Bukit Bintang. The operation was carried out in collaboration with Kuala Lumpur City Hall, following public complaints and investigations. Along with the Bangladeshis, individuals from Myanmar, Indonesia, Nepal, Pakistan, Egypt, and Sudan were detained. The arrestees are being investigated under Malaysian laws regarding lack of documentation and overstaying in the country.

## Saudi Firm Eyes Matarbari Port Management

Saudi-owned Red Sea Gateway Terminal has shown interest in managing Bangladesh's Matarbari deep-sea port, with plans to transform it into a regional hub. During a meeting with Chief Adviser Prof Muhammad Yunus at the World Economic Forum in Davos, Chairman Aamer A. Alireza discussed plans to invest \$200 million to improve Patenga Terminal's efficiency and capacity. The company has ordered \$25 million worth of container handling equipment from China, with further investments planned. Hybrid equipment will reduce emissions and improve sustainability. Yunus encouraged further investment to attract foreign manufacturers and boost Bangladesh's trade and economic growth.

## WTO Backs Bangladesh's LDC Transition

The World Trade Organization (WTO) Director General, Dr. Ngozi Okonjo-Iweala, expressed support for Bangladesh's smooth graduation from the Least Developed Country (LDC) category. Dr. Ngozi highlighted the WTO's efforts to persuade global businesses to shift their supply chains to Bangladesh. Chief Adviser Prof Muhammad Yunus praised Bangladesh's potential as a major manufacturing hub with a skilled workforce and emphasized the government's economic reforms. Dr. Ngozi urged Bangladesh to ratify the fisheries subsidy agreement and facilitate other WTO instruments currently under negotiation.

**January 25**

## Bangladesh Leads Mobile Money Growth in South Asia: GSMA

Bangladesh has emerged as the leader in mobile money growth in South Asia, significantly advancing financial inclusion and economic progress.

In 2023, mobile transactions globally reached \$2.7 million per minute, with a 10 percentage point rise in mobile money usage contributing to a potential GDP boost of 0.4% to 1.0%. Bangladesh accounts for 56.12% of South Asia's mobile money users and 12.82% globally. Awareness of mobile financial services is high, with 81% of men and 72% of women aware of the services. Mobile money account ownership in Bangladesh grew by 18%, surpassing South Asia's average of 11%.

## January 26

### Bangladesh Inks LNG Agreement with US

Bangladesh has signed a heads of agreement (HOA) with US-based Argent LNG to import up to 5 million tonnes of liquefied natural gas (LNG) annually for the next 20 years. The agreement, which was signed in Washington, DC, is non-binding and will undergo further negotiations. The LNG supply from Argent's Louisiana facility, slated to commence by 2030, aims to diversify Bangladesh's energy sources and strengthen energy cooperation with the US, complementing existing LNG imports from Qatar and Oman.

### USAID Halts Operations in Bangladesh

USAID operations in Bangladesh have been suspended following an executive order by US President Donald Trump, halting aid to most countries, except for Israel and Egypt, with exemptions for emergency food support. The US Embassy in Dhaka confirmed the suspension but reassured that food and nutrition assistance for Rohingyas would continue. A UN meeting will assess the impact of this suspension on refugee aid.

### India Aims for Stronger Bangladesh Ties

Indian High Commissioner Pranay Verma expressed India's commitment to strengthening its relationship with Bangladesh at a reception celebrating India's 76th Republic Day. Verma emphasized India's support for a democratic, stable, and inclusive Bangladesh, focusing on cultural ties, environmental sustainability, and improved economic and connectivity opportunities. He stressed the importance of leveraging geographical proximity and acknowledged Bangladesh's role in India's development, aiming to deepen bilateral cooperation based on shared history, geography, and traditions.

## January 27

### EU Explores Partnership Deal with Bangladesh

European Commission President Ursula von der Leyen has expressed interest in a comprehensive partnership agreement with Bangladesh. In a letter to Chief Adviser Prof. Muhammad Yunus, von der Leyen reaffirmed the EU's support for Bangladesh's democratic principles, human rights, and sustainable development goals.

The EU's Global Gateway initiative envisions cooperation on secure networks, climate adaptation, digital finance, health, and energy, with a focus on green transition and anti-corruption efforts, while leaving room for further discussions on sectoral cooperation.

### Amit Shah Vows to Expel Immigrants

India's Interior Minister Amit Shah has promised to expel "illegal" Bangladeshi immigrants from Delhi if the BJP wins the upcoming provincial elections. Shah criticized the current Delhi government for allegedly allowing illegal immigrants, including Rohingyas, to settle in the city.

### 8,000 Bangladeshi Workers Head to Malaysia

Approximately 8,000 Bangladeshi workers have been selected to travel to Malaysia in the first phase of a larger group of nearly 18,000 workers who were unable to travel by May 31, 2024. Bangladesh's High Commissioner to Malaysia met with the Malaysian Home Affairs Minister to resolve the issue, leading to the formation of a Joint Technical Group to finalize the list of workers. The first phase will include 7,964 workers, and plans are in place to address the remaining workers in subsequent phases.

### Bangladesh, ADB Partner for Green Data Center

Bangladesh has partnered with the Asian Development Bank (ADB) to establish the country's first green digital data center. The agreement involves the Posts and Telecommunications Division, BTCL, and the Public-Private Partnership Authority. Located near Chattogram, the center will be powered by renewable energy and meet international standards for scalability and reliability. The initiative aims to support both public and private enterprises while fulfilling BTCL's data storage needs. This project advances Bangladesh's digital vision and encourages private sector investment in information technology.

### Modi Extends New Year Greetings to Yunus

Indian Prime Minister Narendra Modi sent New Year greetings to Bangladesh's Chief Adviser Prof. Muhammad Yunus, reaffirming India's commitment to working with Bangladesh for peace, security, and development. Modi's greeting follows his earlier congratulations to Yunus on his appointment as Chief Adviser in August 2024.

### Rizwana Urges China, India on Dams

Syeda Rizwana Hasan, Bangladesh's Environment Adviser, has urged China and India to consider Bangladesh's interests when constructing dams on the Siang River and near the Tibet border. The construction of these dams threatens to disrupt the flow of the Brahmaputra River, already facing reduced water levels in the Padma and Teesta rivers.

Bangladesh has requested information from China regarding its hydropower project near Tibet and is awaiting a response. The government is also expanding studies on pollution and river sand extraction as part of broader environmental concerns.

## January 28

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### Bangladeshi Youth Killed at Border

A 34-year-old Bangladeshi man, Ahad Ali, was hacked to death by a group of Indians in Eolachhara, Kulaura, Moulvibazar, over a land dispute. The attackers, including Indian national Haider Ali, were reportedly relatives of his in-laws. Ahad's wife filed a case against seven individuals at Kulaura Police Station. He was taken to Kulaura Health Complex and later died at MAG Osmani Medical College Hospital. Border killings remain a serious issue, with 30 Bangladeshis killed by BSF in 2024 and 31 in 2023. Since 2009, BSF has reportedly killed 588 and injured 773 Bangladeshis along the border.

### UAE Firms to Invest in Bangladesh Ports, Solar

Two UAE-based companies, Abu Dhabi Ports Group and Masdar, plan to invest in Bangladesh's port development, logistics, and renewable energy sectors. Masdar proposed a \$500 million investment for a 250MW solar power project on reclaimed coastal land. Abu Dhabi Ports Group expressed interest in developing one of three proposed Bay Terminals through financing, operations, and maintenance in partnership with the Chittagong Port Authority. Chief Adviser Prof. Muhammad Yunus welcomed the proposals, encouraging further investments. The UAE ambassador also delivered an invitation from Dubai's ruler for Yunus to attend the World Government Summit in the UAE in February.

### Croatia Halts Work Permits for Bangladeshis

Croatia will halt work permits for Bangladeshi workers due to recruitment agency violations, as reported by the Bangladesh Embassy in The Hague. Issues include workers migrating to other Schengen countries despite holding Croatian permits. In 2024, Croatia issued 12,400 work permits, but 8,000 workers never arrived. The EU criticized this unauthorized migration, urging Croatia to curb such practices. Currently, 6,000-7,000 Bangladeshis work in Croatia, mainly in construction, restaurants, and food delivery. The embassy warned of reputational damage and proposed a workforce cooperation agreement to prevent irregularities and sustain Bangladesh's access to the Croatian labor market.

## January 29

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### 36,000 Tonnes of Rice Imported

Two ships carrying 36,000 tonnes of rice from India and Myanmar arrived at Chattogram port. The shipment includes 22,000 tonnes of atop rice from Myanmar and 14,000 tonnes of parboiled rice from India. This is part of a government-to-government (G2G) agreement to import 105,000 tonnes of atop rice from Myanmar. The rice from India was brought through an open tender. Unloading has commenced for the rice shipments.

### China Offers Hydrology Equipment to Bangladesh

China has offered hydrology equipment to Bangladesh under the 'Implementation Plan of the MoU on Hydrological Information Sharing of the Yaluzangbu-Jamuna River.' The announcement followed a meeting between Chinese Ambassador Yao Wen and Foreign Secretary Md Jashim Uddin. Discussions also covered cooperation in health, trade, culture, and defense, including designating three hospitals in Yunnan for Bangladeshi patients and establishing a specialist hospital in Dhaka. The Foreign Secretary emphasized educational and medical fairs to boost connectivity. Regional issues, including the Rohingya crisis, were addressed, with Bangladesh seeking China's continued support for the repatriation of displaced Myanmar nationals.

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