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Bangladesh Foreign Policy Watch

CGS Centre for Governance Studies



A Bi-Weekly Roundup of Key Events

16 Februray

Benapole Rice Imports Reach 13,968 Tonnes

Over the past three months, 13,968 tonnes of duty-free rice have been imported from India through Benapole. Despite this, prices in Benapole and Jashore have risen by Tk1-2 per kg. The government has extended the rice import deadline to 15 March, allowing importers to open LCs for non-Basmati parboiled and Atap rice. Importers cite rising costs in India, while consumers suspect market manipulation

Musk's DOGE Halts \$750M Funding Globally

The Department of Government Efficiency (DOGE), led by Elon Musk, has cancelled \$750 million in US-funded overseas projects across 11 countries. These include \$29 million for strengthening Bangladesh's political landscape and \$21 million for voter turnout in India. Other cancelled projects include fiscal federalism and biodiversity conservation initiatives in Nepal, Mozambique, Cambodia, and Serbia.



Dhaka Seeks Rohingya Inclusion in OIC Plan

Dhaka has urged the inclusion of Rohingya repatriation in the OIC's Ten-Year Plan of Action (2026-2035). During a meeting between OIC Special Envoy on Myanmar, Ambassador Ibrahim Khairat, and Bangladesh's Foreign Secretary Md. Jashim Uddin, the OIC expressed willingness to co-organise a high-level conference on the Rohingya crisis. Discussions focused on strengthening humanitarian support and coordinated diplomatic efforts for repatriation. Bangladesh acknowledged the OIC's support in the ICJ case against Myanmar and urged member states to increase humanitarian aid. The Special Envoy reaffirmed OIC's commitment to supporting repatriation through collaborative efforts.

20 Workers Kidnapped in Bandarban

At least 20 workers were abducted in Lama upazila of Bandarban near the Goyal Mara Murungjhiri rubber plantation last night. Armed individuals took them hostage at gunpoint while they were working. Joint forces are conducting a rescue operation, according to Lama Police Station Officer-in-Charge Md Shahadat Hossain. Most of the abducted workers are from Cox's Bazar's Ramu and Bandarban's Naikhongchhari upazilas. The region has seen a rise in criminal activities, extortion, and kidnappings. Earlier incidents on 14 January and 1 February saw 14 workers abducted in the same area, though they were later rescued

India Drops to 4th in Bangladeshi Card Spending

Bangladeshis' credit card transactions in India have declined due to ongoing visa complications between the two nations. Since August 2024, following the fall of the Sheikh Hasina-led government, India has slipped from first to fourth place in Bangladeshi credit card spending abroad. In December 2024, the USA topped the list, followed by Thailand and Singapore. Total credit card spending abroad stood at Tk491 crore, up from Tk432 crore in November. Specifically, spending in India dropped from Tk92 crore in June to Tk40 crore in December.

17 Februray

IMF Postpones Fourth Tranche Again

The IMF has delayed the fourth tranche (\$645 million) of its \$4.7 billion loan to Bangladesh, now set for June alongside the fifth tranche. Bangladesh failed to meet two key conditions: implementing a market-driven exchange rate and collecting an additional Tk12,000 crore in VAT. The government's reduction of import duties on essentials and public criticism contributed to the delay. The IMF demands a fully floating exchange rate, while Bangladesh Bank maintains dollar price caps. Finance Adviser Salehuddin Ahmed stated that Bangladesh is not desperate for the loan and will implement IMF conditions gradually while prioritising inflation control and economic stability.



Fakhrul to India: Resolve Teesta, End Border Killings

BNP Secretary General Mirza Fakhrul Islam Alamgir has urged India to resolve the Teesta water-sharing issue, halt border killings, and abandon its "big brother" approach for balanced relations with Bangladesh. Speaking at a two-day sit-in at 11 Teesta points across five northern districts, he criticised the interim government's weak stance on securing Bangladesh's water rights. Fakhrul stressed that Bangladesh seeks a fair partnership and lamented the unfulfilled Teesta agreement since 2009. The protest, organised by the Teesta River Protection Movement, also called for the immediate implementation of the Teesta Mega Project.

Bangladesh Eyes Stronger Energy Ties with Oman

Bangladesh seeks deeper energy cooperation with Oman to secure a guaranteed supply. Foreign Affairs Adviser Md Touhid Hossain met with Oman's Foreign Minister Sayyid Badr Albusaidi during the 8th Indian Ocean Conference (IOC) in Muscat. Both sides expressed satisfaction with their excellent bilateral relations and agreed to celebrate the 50th anniversary of diplomatic ties. Bangladesh also requested Oman to recruit more professionals, including doctors, engineers, IT specialists, and shipbuilding technicians. Similar discussions took place with Qatar's State Minister for Foreign Affairs regarding labour cooperation.

18 Februray

Trump's Ukraine Peace Plan Sparks Hope

The Russia-Ukraine war has severely impacted Bangladesh's economy, leading to inflation, a foreign exchange crisis, and rising fuel costs. Disruptions in global supply chains have increased shipping expenses and prices of essentials like wheat and oil,

while garment exports have suffered due to inflation in Europe. Former US President Donald Trump's peace initiative in Ukraine offers hope for economic stability, potentially boosting exports, easing import costs, and resolving investment challenges. However, uncertainty remains, as the European Union and Ukraine are excluded from negotiations, raising concerns over sanctions and market access.



Bhutan Proposes Hydropower Partnership with Bangladesh

Bhutan's ambassador to Bangladesh, Rinchen Kuentsyl, has expressed interest in a joint venture with Bangladesh to harness Bhutan's hydropower potential. Bhutan is also negotiating an agreement with Bangladesh's submarine cable company for an alternative internet connection. Progress is being made toward establishing an exclusive SEZ for Bhutanese investors in Kuri-gram, expected to create thousands of jobs. Additionally, both countries are exploring avenues to strengthen educational ties. During a farewell visit to Chief Adviser Professor Muhammad Yunus, the ambassador highlighted the growing relationship between the two nations.

EU Urges Swift Democratic Transition in Bangladesh

The European Union (EU) has reaffirmed its commitment to supporting Bangladesh's democratic transition and economic growth. EU Ambassador Michael Miller emphasised the importance of political reforms, human rights, and stability. The EU aims to strengthen global partnerships, promote sustainable investment, and support climate resilience in Bangladesh. Through the Global Gateway strategy, the EU is looking to collaborate in digital energy, transport, health, and education. The EU also seeks to increase foreign direct investment (FDI) in Bangladesh, which currently stands at €2 billion, while pushing for greater renewable energy initiatives and economic diversification.

Chinese Envoy: Bangladesh's Reforms an Internal Affair

Chinese Ambassador Yao Wen reaffirmed that Bangladesh's reforms are solely its internal matter while expressing hopes for the country's stability, unity, and development. He underscored China's commitment to cooperation in the digital and green economy, renewable energy, agriculture, and AI. To boost investment, 30 Chinese enterprises have pledged \$230 million. From May, China will start importing mangoes and jackfruits from Bangladesh. As the two nations celebrate 50 years of diplomatic ties, a series of events are planned. During Bangladesh's Foreign Affairs Adviser's recent visit to China, both sides reiterated support for each other's sovereignty and national interests, further strengthening economic and diplomatic relations.

19 Februray

Tarique Criticizes India's Water Policy

Tens of thousands gathered on the dried-up Teesta riverbeds, demanding Bangladesh's fair share of water from India under international law. Organised by the Teesta River Protection Movement with BNP's support, the protest, Jaago Bahe Teesta Bachao, highlighted the crisis's impact on agriculture and livelihoods. Addressing the event virtually, BNP Acting Chairman Tarique Rahman stressed the urgency of implementing the Teesta Master Plan, including dredging and embankment construction, to prevent desertification. Legal expert Palash Kanti Nag called for joint river basin management, while BNP Secretary General Mirza Fakhrul Islam Alamgir blamed the Awami League for failing to secure Bangladesh's water rights.

Bangladesh Seeks Stronger Renewable Energy Ties with Australia

Strengthening collaboration with Australia in renewable energy can enhance Bangladesh's clean energy capacity, fostering sustainable growth and climate resilience. However, financing remains a major challenge, with a projected \$230 billion gap in climate funding by 2050. Transitioning to solar, wind, and hydropower is crucial for energy security, and joint financing with Australia could accelerate renewable infrastructure development. Bangladesh has adopted key climate policies, while Australia's Climate Change Act (2022) reinforces its net-zero commitment. With

encouraging industries to adopt renewables is vital for sustainability and emissions reduction.

Italy Backs Bangladesh's Political, Economic Reforms

Italian Vice Minister Maria Tripodi reaffirmed Italy's strong support for Bangladesh's interim government's political and economic reforms during a meeting with Chief Adviser Prof. Muhammad Yunus. Discussions focused on expanding legal migration, combating human trafficking, and increasing skilled worker exports. Tripodi's visit marks the first ministerial visit from an EU nation since the interim government took office. Italian companies expressed interest in investing in textiles, energy, and defence. Yunus encouraged Italy to relocate factories to Bangladesh and initiate youth exchange programmes. Italy also pledged continued development assistance, including support for Rohingya refugees.



20 Februray

Bangladesh, India Commit to Border Peace

Bangladesh and India reaffirmed their commitment to upholding human rights and preventing border violence through enhanced joint patrolling, vigilance, and public awareness programmes. At the Director General-level coordination conference in New Delhi (Feb 17–20), both nations prioritised socio-economic development, real-time information sharing, and implementing the Coordinated Border Management Plan (CBMP). Agreements were made to curb trans-border crimes, human trafficking, and illegal crossings while resolving disputes amicably. The BSF reiterated its non-lethal policy, and both sides pledged to implement conference decisions effectively, strengthening bilateral relations and cooperation in border management.

21 Februray

Bangladesh Walks Out of Morocco Conference Over Israel

Bangladesh's Ministry of Foreign Affairs (MoFA) confirmed that its delegation walked out of the 4th Global Ministerial Conference on Road Safety in Marrakesh, Morocco, on 18 February, in protest against the speech of Israeli Minister Miri Regev. The walkout aligned with Bangladesh's long-standing stance on the Palestinian cause. Turkey, Jordan, Ireland, and the Palestinian Authority also left the session, while Gulf states such as Bahrain, Saudi Arabia, the UAE, and Qatar remained. MoFA refuted claims that the Bangladeshi delegation stayed in the conference, reaffirming its support for Palestine.

22 Februray

\$1.29B WB Projects Stalled Over Consultant Delays

The World Bank's \$1.29 billion loan for five projects in Bangladesh, covering education, health, urban development, and climate resilience, is stalled due to delays in recruiting consultants. Bureaucratic inefficiencies and a slow approval process have hindered project implementation, raising concerns about Bangladesh's ability to utilise the funds effectively. The government and the World Bank are discussing ways to expedite the recruitment process. Timely execution is essential to achieving the intended development outcomes and maximising the benefits of external financial assistance.

\$29M USAID Funded 2-Person Bangladesh Firm: Trump

US President Donald Trump criticised a \$29 million USAID-funded project in Bangladesh, alleging that the funds were allocated to an unidentified firm with only two employees. Referring to the firm's beneficiaries as "great scammers," he suggested upcoming media scrutiny. Trump also questioned US financial support for other countries, including a \$21 million voter turnout initiative in India. On 16 February, the Department of Government Efficiency (DOGE) listed these projects among several overseas initiatives cancelled under cost-cutting measures.

23 Februray

Bangladesh to Import 40MW Power from Nepal

Bangladesh will import 40 megawatts of electricity from Nepal through India for five months (June–November 2025) under a tripartite agreement. The announcement followed a meeting between Nepalese Ambassador to Bangladesh Ghanshyam Bhandari and Commerce Adviser Sk Bashir Uddin. Discussions covered bilateral trade, energy cooperation, connectivity, and the Nepal Economic Summit. The commerce adviser emphasised connectivity's role in economic development, while Ambassador Bhandari highlighted the strong historical ties between Nepal and Bangladesh. Both sides expressed optimism about expanding trade and electricity exports to strengthen economic cooperation.

CA Yunus Invites Elon Musk to Launch Starlink in Bangladesh

Chief Adviser Prof. Muhammad Yunus has invited Elon Musk, CEO of SpaceX, to visit Bangladesh and launch Starlink satellite services. Integrating Starlink's connectivity could significantly impact Bangladesh's infrastructure, benefiting enterprising youth, rural and vulnerable women, and remote communities. Yunus has tasked his High Representative Khalilur Rahman with closely coordinating with SpaceX to facilitate Starlink's launch within the next 90 working days. On 13 February, Yunus held an extensive telephonic discussion with Musk to explore future collaborations and advance Starlink's introduction in Bangladesh.

24 February

Dhaka Must Clarify Ties with Delhi: Jaishankar

Indian External Affairs Minister S. Jaishankar urged Bangladesh to clarify its stance on bilateral relations, criticising contradictory messaging. He noted that while Bangladesh seeks strong ties with India, it also attributes domestic issues to New Delhi. Jaishankar highlighted recent attacks on minorities in Bangladesh, stating that such incidents influence India's response. Stressing the historical ties between the two nations since 1971, he called for consistency and commitment from Dhaka to maintain a stable and cooperative relationship.

Trump: \$29M USAID Funded Bangladesh's Left

At the Conservative Political Action Conference (CPAC), US President Donald Trump criticised a \$29 million USAID grant to Bangladesh, claiming it supported a "radical left communist." The controversy emerged after Elon Musk announced the

cancellation of several USAID projects, including in Bangladesh and India, on 15 February. Trump highlighted that the fund was allocated to a firm with only two employees and also criticised an \$18 million USAID initiative in India. He framed these as examples of wasteful foreign spending and defended his administration's cost-cutting measures.

Textile millers demand anti-dumping duty on Indian yarn

Bangladeshi textile millers allege that Indian exporters are dumping yarn and fabric at below-cost prices, destabilising the local industry. The Bangladesh Textile Mills Association (BTMA) has urged the government to impose anti-dumping duties on Indian yarn imports and suspend imports via land ports until stricter regulations are enforced. Increased imports have led to stockpiling and declining sales for local mills, which already face high production costs due to rising gas prices, wages, and supply shortages. Indian exporters benefit from subsidies and incentives, including the RoDTEP scheme, creating an uneven playing field. Millers demand lower gas prices and reduced interest rates to sustain the industry.

Touhid: India must clarify ties with Bangladesh

Foreign Affairs Adviser Md Touhid Hossain responded to Indian External Affairs Minister S Jaishankar's remarks on Bangladesh-India relations, stating that India must also decide the nature of its relationship with Bangladesh. While Bangladesh maintains a clear stance on mutual respect and shared interests, Hossain emphasised the need for India's clarity to ensure a balanced partnership. He criticised former Prime Minister Sheikh Hasina's remarks from India, suggesting they harmed bilateral ties.

Three Chinese bidders fail Teletalk 4G project

All three Chinese bidders for Teletalk's Tk3,000 crore rural 4G expansion project have been disqualified. The evaluation committee deemed China Machinery Engineering Corporation (CMEC), China International Telecommunication Construction Corporation (CITCC), and Yunnan Construction and Investment Holdings Group Co (YCIH) non-responsive. CITCC and YCIH failed to meet tender requirements and did not pay the \$3 million security deposit, while CMEC proposed alternative products of questionable quality. Teletalk has sought guidance from the Bangladesh Public Procurement Authority (BPPA) on the

next steps. The project, jointly financed by China and Bangladesh, aimed to expand 4G coverage to rural areas.

25 Februray

US aid freeze worsens Rohingya crisis.

The U.S. suspension of foreign aid has deepened the funding crisis for Rohingya refugees in Bangladesh. Amid political instability, economic slowdown, and fiscal constraints, Bangladesh is struggling to support the refugees as international funding declines. In response, the government secured a \$407 million World Bank loan and urged the EU to increase its contributions. UN agencies and NGOs warn of severe disruptions in refugee services, leading to layoffs and program shutdowns. The growing funding gap threatens essential humanitarian support, complicating efforts to sustain Rohingya refugees.

26 Februray

UN chief Guterres expresses solidarity with Bangladesh

UN Secretary-General António Guterres reaffirmed the UN's support for Bangladesh's transition under Chief Adviser Muhammad Yunus. In a letter dated 25 February, he acknowledged the challenges posed by the Rohingya crisis and the deteriorating humanitarian situation in Myanmar's Rakhine State. Guterres pledged continued UN assistance and efforts to secure a political solution in Myanmar while maximising humanitarian aid. The UN plans to host a High-level Conference on the Rohingya crisis later this year. Guterres is scheduled to visit Bangladesh from 13-16 March at Yunus' invitation.

US sanctions UAE firm over alleged Iranian links in LPG supply to Bangladesh

The US Treasury Department's OFAC and the State Department have sanctioned over 30 entities and vessels for allegedly facilitating Iranian petroleum trade, including UAE-based Octane Energy Group FZCO, which supplies LPG to Bangladesh. In October 2024, Octane delivered a 40,039-tonne LPG shipment to Bangladesh, with concerns that it originated from Iran. An investigative committee found no evidence of Iranian links, stating the shipment was loaded in the UAE. Despite this, the US sanctions raise doubts about the investigation. The move could impact Bangladesh's energy security and supply chain, posing risks for companies dealing with Octane Energy.

Bangladesh's freedom score improves

Bangladesh's freedom rating increased by five points to 45 out of 100 in the Freedom in the World 2025 report by Freedom House, reflecting developments in 2024. Political rights improved to 16 out of 40, and civil liberties rose to 29 out of 60. The gains followed mass protests, the resignation of former Prime Minister Sheikh Hasina, and the establishment of an interim government under Muhammad Yunus, which introduced political, economic, and legal reforms. Despite Bangladesh's progress, global freedom declined for the 19th consecutive year, with 60 countries experiencing setbacks. Bhutan remains the only "Free" country in South Asia.

27 Februray

Russia extends Rooppur loan disbursement

Russia has extended the credit utilisation period for the Rooppur Nuclear Power Plant until the end of 2026 following a meeting between Rosatom Director General Alexey Likhachev and Chief Adviser Muhammad Yunus. The \$12.65 billion project is 90% funded by a Russian loan, with Bangladesh covering the remainder. Bangladesh has received \$7.70 billion so far. Delays caused by the Covid-19 pandemic, the Russia-Ukraine war, and US sanctions led to the extension request. Unit-1 is 94% complete, and Unit-2 is 76% finished. The plant aims to generate 2,400MW, though full operation by 2026 remains uncertain.

China keen to import ilish from Bangladesh

Chinese Ambassador Yao Wen has expressed interest in importing 1,000 metric tonnes of ilish from Bangladesh to meet rising demand in China. During a meeting with Commerce Adviser Sk Bashir Uddin, he also discussed importing mango, jackfruit, and guava, along with increasing investments in these sectors. The discussions covered strengthening bilateral trade, improving market access, and potential Chinese investment in Bangladesh's agriculture, transport, agro-machinery, and healthcare sectors. The ambassador noted that 30 Chinese companies are keen to invest in the Chittagong Economic Zone.

Political instability hampers investment: South Korean envoy

South Korean Ambassador Park Young-sik has cited political instability in Bangladesh as a major obstacle to investment and economic growth. Investors remain cautious due to uncertainty

under the interim government, affecting private investment and consumption. Park advised Bangladesh to improve its investment climate by addressing political issues, lowering tariffs on raw materials, simplifying visa procedures, and finalising the Economic Partnership Agreement (EPA) before LDC graduation in 2026. He stressed the importance of innovation, technology, and knowledge-driven growth to attract foreign direct investment (FDI) and enhance trade with South Korea.

Japan, UNHCR partner for Rohingya aid

Japan and UNHCR have signed an agreement to enhance living conditions, healthcare, and self-reliance for Rohingya refugees in Bangladesh. Japan contributed \$1.6 million to improve shelter safety, provide essential medicines, and train refugees as community health workers. The funding will support infrastructure development, primary healthcare access, and skills training, particularly for women in Cox's Bazar and Bhasan Char. Since August 2017, Japan has contributed over \$243 million to Bangladesh's Rohingya response.

28 Februray

CA Calls for Rohingya Crisis Conference

Chief Adviser Muhammad Yunus stressed the significance of the upcoming international conference on the Rohingya crisis to secure global attention and support for refugees. UNHCR Chief Filippo Grandi endorsed the initiative, viewing it as a means to rebuild confidence in Rakhine and refocus international efforts. The meeting discussed financial mobilization for over a million Rohingya in Bangladesh, humanitarian challenges in Rakhine, and the necessity of a ceasefire to facilitate aid. Bangladesh's contributions to education and shelter improvements were acknowl

edged, with an emphasis on creating conditions for the sustainable repatriation of Rohingya refugees to Myanmar.

Bangladesh, Indonesia Strengthen Sustainable Finance Collaboration

A Bangladesh delegation from the Economic Relations Division (ERD) visited Jakarta from February 24-27 for high-level discussions on sustainable finance. Supported by UNDP and Impact Investment Exchange (IIX), the visit focused on learning from Indonesia's success in thematic bonds, including Green Bonds, Sukuk, and Orange Bonds. Discussions centred on mobilizing private capital for sustainable development, climate goals, and inclusive economic growth in Bangladesh. The collaboration emphasized financial innovation, particularly gender-responsive investment through Orange Bonds. Both countries reaffirmed their commitment to diversifying financial instruments and integrating best practices to achieve the Sustainable Development Goals and address climate change challenges.

Bangladesh Drops 25 Spots in Democracy Index

Bangladesh fell 25 places to rank 100th among 167 countries in the Economist Intelligence Unit's (EIU) Democracy Index 2024, marking the largest global decline. The country's score dropped by 1.44 points to 4.44 due to a disputed election, the ousting of Prime Minister Sheikh Hasina, and ongoing political unrest. While still classified as a "hybrid regime," Bangladesh now ranks at the lower end of this category. The report highlights rising grassroots movements and youth-led initiatives despite democratic setbacks. It also notes increased sectarian violence and anti-Hindu sentiment. The EIU suggests Bangladesh's democratic reversal could be temporary if future elections are conducted fairly.

Contributors

Nuzhat Tabassum

Program Assistant at Center for Governance Studies (CGS)
nuzhat@cgs-bd.com

Bahauddin Ahmed

Digital Coordinator at Centre for Governance Studies (CGS)
bahauddin@cgs-bd.com