Bangladesh’s Foreign Policy

Selected Issues

2015

Geostategically Bangladesh is a bridge between South and Southeast Asia, and is important in the region for its geopolitical and geoeconomic position. Therefore Future Direction of Bangladesh’s Foreign Policy is of utmost importance.

This info-page highlights few of Bangladesh’s foreign policy issues in the subcontinent and beyond.

Bangladesh with Indian Elephant?

“Living next to [USA] is in some ways like sleeping with an elephant. No matter how friendly or temperate the beast, one is affected by every twitch and grunt.”

~ Pierre Elliott Trudeau
Canada’s Prime Minister
(Washington, 1969)

RECENT ISSUES

Solved the prolonged dispute over maritime boundary with India and Myanmar at the international tribunal for the law of the sea (ITLOS).

A active involvement in 163 peace-keeping missions in 38 countries.

Six new embassy establishment in three European countries: Denmark, Austria, Poland as well as Afghanistan, Sudan and Sierra Leone.

Bangladesh India Trade Agreement Renewal in 2015.

Trading with neighboring giants remain the challenge with huge trade deficit:

<table>
<thead>
<tr>
<th>Year</th>
<th>India</th>
<th>China</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
<td>2995</td>
<td></td>
</tr>
<tr>
<td>FY2009</td>
<td>3316</td>
<td></td>
</tr>
<tr>
<td>FY2010</td>
<td>3611</td>
<td></td>
</tr>
<tr>
<td>FY2011</td>
<td>5516</td>
<td></td>
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<tr>
<td>FY2012</td>
<td>6026</td>
<td></td>
</tr>
<tr>
<td>FY2013</td>
<td>5848</td>
<td></td>
</tr>
<tr>
<td>FY2014</td>
<td>4795</td>
<td></td>
</tr>
</tbody>
</table>

UNRESOLVED ISSUES

Cross-border Terrorism
Water Share
Exchange of Enclaves
Refugees
Insurgency
Border Killing
Fair Trade

SOLUTION APPROACH

01 Multidimensional
02 Multilateral
03 Multimode
Bangladesh’s Strategic Relations

**European Union**
- Bangladesh’s main trading partner. From 2008 to 2012, EU28 imports from Bangladesh increased from $5.496 million to $9.212 million, which is more than half of Bangladesh’s total exports.
- Post-2021 middle-income country Bangladesh will lose trade preferences (GSP) in EU, and need to prepare to qualify for GSP Plus in the EU market.

**USA**
- Bangladesh signed TICFA with the USA in 2013, however needs to work on getting back the suspended GSP.
- Bangladesh also enjoys significant trade surplus with USA ($4387 mln in 2017-18).

**Middle East**
- Major share of total remittances come from the Middle East.
- Saudi Arabia signed agreement with Bangladesh to recruit domestic workers from Bangladesh on 10th February 2015. Safety of migrants still remain an issue.
- In 2013, the Omani authorities expressed interest to set up an Oman-Bangladesh Joint Development Fund to explore opportunities for investment in mutually beneficial areas like agriculture, oil and gas.

**Hydropower:**

<table>
<thead>
<tr>
<th>Country</th>
<th>Technical-Economically Feasible Hydropower Potential (MW)</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bangladesh</td>
<td>7,187</td>
<td>0.8</td>
</tr>
<tr>
<td>Bhutan</td>
<td>332,930</td>
<td>32.9</td>
</tr>
<tr>
<td>India</td>
<td>1,167,701</td>
<td>70.3</td>
</tr>
<tr>
<td>Nepal</td>
<td>482,139</td>
<td>30.0</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>2,649</td>
<td>1.6</td>
</tr>
<tr>
<td>TOTAL</td>
<td>2,115,691</td>
<td>100.0</td>
</tr>
</tbody>
</table>


**Japan**
- Signing 21 point Japan-Bangladesh Comprehensive partnership during PM’s visit to Japan in 2014.
- Bangladesh’s support to Japan regarding Japan’s aspiration to a permanent seat in the UNSC.
- Japan committed ODA of US $8 billion over the next five years which is crucial for infrastructural development of Bangladesh.

**China**
- Bangladesh’s largest trade deficit is with China.
- China agreed to provide assistance for the construction of a power plant in Paharpur and building a multi-lane road tunnel under the Karnaphuli river during PM’s visit to China in 2014.
- Negotiation with China regarding Construction of Sonadia Deep Sea Port.

**Russia**
- Moscow granted a $1 billion loan for Dhaka to purchase Russian military hardware.
- Deals were signed during PM’s visit to Moscow in 2014 to build the Rooppur nuclear power plant.
- Bangladesh was among 58 nations that abstained from the vote held in 2014 on the Crimea referendum at the UN General Assembly.

**Bangladesh’s Foreign Policy**
- Friendship towards all, Malice towards none.

**Bangladesh’s Regional Policy**
- The South Asian Association for Regional Cooperation (SAARC)
- Bangladesh-India-China-Myanmar Forum for Regional Cooperation (BIMSTEC)
- Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC)
- Indian Ocean Rim Association (IORA)
What is Connecting?

Bangladesh-India Connectivity
Bangladesh-India River protocol is being renewed.

‘Bangladesh-India Joint Communique (2013)’ agreed to give Nepal and Bhutan access to Bangladesh’s sea ports through India by road and rail.

BCIM Economic Corridor
Connecting China’s Yunnan Province, Bangladesh, Myanmar and Bihar in Northern India through the combination of road, rail, water and air linkages.

Bangladesh, Bhutan, India, Nepal (BBIN) Connectivity
Rail link from Khulna to Mongla port will facilitate the transportation of goods from India, Bhutan and Nepal.

South Asia Sub-regional Economic Cooperation (SASEC) Information Highway Project
It aims for cross-border optical fibre connectivity among Bangladesh, Bhutan, India and Nepal.

Asian Highway
The 1, 41,000 km highway route will pass through 32 countries including India and Bangladesh.

Trans-Asian Railway Network (TAR)
TAR to create an integrated freight railway network across Europe and Asia.

Bangladesh-Myanmar Friendship road
To be extended up to Kunming in the future.

Silk Route
Chinese President Xi Jinping’s pledge to grant a 40-billion-USD Silk Road Fund for Eurasian infrastructure in February 2015.

SAARC Motor-vehicle Agreement (MVA)
It will also help transform transport corridors linking the four countries into economic corridors and enhance people to people contact.