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Bangladesh Foreign Policy Watch

cgs Centre for
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December 16

India's BSF Shoots Two Bangladeshis, Returns Bodies After 14 days



In Darshana upazila of Chuadanga, Bangladesh, Sajedur Rahman, 27, and Khaja Moinuddin, 35, were fatally shot by India's Border Security Force (BSF) while allegedly crossing the border. The victims, from Chhoygharia village, were possibly attempting to bring cattle from India. Despite a letter from Bangladesh Border Guard (BGB), the bodies weren't returned promptly. After a flag meeting on December 27 and legal complexities, the BSF handed over the bodies on December 30.

A Bi-Weekly Roundup of Key Events

December 18

Bangladesh Emerges as the Top EU Knitwear Exporter to EU

Bangladesh has achieved a milestone by becoming the leading knitwear exporter to the European Union, surpassing China. Eurostat data for January-September 2023 shows Bangladesh's knitwear imports at \$9 billion, outpacing China's \$8.96 billion. The success is attributed to investments in high-value activewear. President of BGMEA, Faruque Hassan, sees this as a testament to Bangladesh's competitiveness, crediting the EU's Everything but Arms (EBA) scheme for fostering growth. Bangladesh also dominates in denim sourcing in the EU and the US, with expectations to reclaim the top spot in cotton apparel in the US by the end of 2024.

December 19

Bangladesh-India Shipping Secretaries Meet



A two-day meeting of shipping secretaries from Bangladesh and India commenced at the Intercontinental Hotel in Dhaka.

The first day saw discussions on the standing committee of the Protocol on Inland Water Transit and Trade (PIWTT) and the intergovernmental committee. Led by Sheikh Md Sharif Uddin and Sanjay Bandopadhyay, the teams addressed India's nine agendas, focusing on optimizing routes, berthing efficiency, cargo cost reduction, and facilitating bulk cargo movement through the ACMP trade route. The shipping secretary-level meeting, led by M Mustafa Kamal and TK Ramachandran, is scheduled for the following day.

Asian Development Bank Revises Bangladesh's Growth Forecast to 6.2%

The Asian Development Bank (ADB) has adjusted Bangladesh's growth projection for the fiscal year, down from its September estimate of 6.5%. While the exact figure was not disclosed, an ADB official revealed a new forecast of 6.2%, citing moderate export and manufacturing growth, economic slowdowns in major markets, energy shortages, and high inflation. Despite these challenges, the ADB maintained a 6% growth forecast for South Asia, revising regional inflation to 6.7%, influenced by Bangladesh and Nepal. Bangladesh's inflation is expected to ease with contractionary monetary policies and improved crop outlook.

December 20

Australian High Commissioner Commends Bangladesh's Achievements and Collaboration

The Australian High Commissioner's envoy, bidding farewell to High Commissioner Jeremy Bruer, met with Foreign Secretary Masud Bin Momen. Expressing satisfaction with the current status of cooperation in trade, commerce, education, and people-to-people contacts between the two countries, the envoy praised the collaboration during Bruer's tenure. The now former high commissioner reiterated his country's continuous support for Rohingya refugees and agreed with Bangladesh on the repatriation issue.

December 21

China Eyes Teesta River Project Post Bangladesh Elections

Chinese Ambassador to Bangladesh, Yao Wen, expressed optimism about initiating the Teesta River Comprehensive Management and Restoration Project after Bangladesh's national elections. Speaking at a seminar on the "National Image of China in Bangladesh," Wen mentioned receiving proposals for the high-cost project and suggested phased implementation. The Teesta project, seeking a \$983 million loan from China, involves dredging, embankment construction, and infrastructure development. Wen anticipates improved China-Bangladesh relations post-election, emphasizing Chinese investments and the Belt and Road Initiative's role. Academics at the event urged China to clarify its Rohingya crisis stance and counter suspicions of a debt trap narrative.

December 22

US Experts Arrive in Bangladesh to Assess Electoral Violence

A team of experts from the International Republican Institute (IRI) and the National Democratic Institute (NDI) arrives in Bangladesh to assess incidents of electoral violence surrounding the January 7 national polls. The team, including five long-term analysts, will stay for six to eight weeks, conducting a thematic analysis of election-time violence types. The assessment aims to evaluate the causes and consequences of such violence, offering constructive recommendations. The move aligns with the US commitment to supporting free, fair, and peaceful elections in Bangladesh, with several other countries and organizations confirming their participation as observers.

UN Urges Thorough Probe into Dhaka Train Arson

The United Nations calls for a thorough investigation into the arson attack on a moving train in Dhaka that claimed four lives, including a mother and child, on December 19. UN Secretary-General's Spokesman, Stéphane Dujarric, emphasized the responsibility of Bangladeshi authorities to identify and bring the perpetrators to justice. The UN extended condolences to the victims and reiterated the need for "free and fair" elections in Bangladesh, expressing concerns about intimidation. Bangladesh's Ministry of Foreign Affairs affirms the country's determination to combat terrorism and violence, prioritizing peace and socio-economic development amid upcoming elections.

December 23

UN Urges Urgent Rescue of Rohingya Refugees Stranded at Sea

The United Nations has issued a plea for the immediate rescue of 185 people, predominantly women and children, stranded on a distressed boat near the Andaman and Nicobar Islands. The UNHCR refugee agency reports that at least a dozen individuals are in critical condition, with one death already reported. The stranded group consists of Rohingya refugees attempting the perilous sea journey from Myanmar. The UNHCR emphasizes the need for timely rescue and calls on coastal authorities to avert a potential human disaster in the region.

December 24

IMF Highlights Capital Flight Concerns in Bangladesh, Urges Exchange Rate Flexibility

The International Monetary Fund (IMF) has expressed concerns over potential capital flight from Bangladesh, citing an unusual outflow of funds and unrealized export proceeds in the last fiscal year. The IMF's paper suggests that the financial account experienced a 0.5% of GDP outflow (\$2.1 billion) in 2022-23, indicating potential capital flight. Factors include foreign currency shortages, letter of credit margin requirements, and delayed export repatriation. The IMF recommends a more flexible exchange rate regime for Bangladesh to enhance external resilience and integrate into the global financial system post-LDC graduation.

December 27

Japanese Garment Retailers Push for Duty-Free Access to Bangladesh Post LDC Graduation

Japanese garment retailers are advocating for the continuation of duty-free market access to Bangladesh after its expected graduation from least developed country (LDC) status in 2026, according to Japanese Ambassador to Bangladesh Iwama Kiminori. Riding on duty-free facilities, Bangladesh's garment shipments to Japan saw a 45% YoY growth to \$1.6 billion in the last calendar year. The Economic Partnership Agreement (EPA) being negotiated includes tariff benefits, services, investment, trade customs procedures, trade facilitation, and price competition. The EPA aims to be signed by December 2025 or June 2026 to ensure continued duty-free trade between the two countries beyond 2026.

Bangladesh Eyes 20th Spot in Global Economy by 2038, CEBR Forecasts

A projection by the Centre for Economics and Business Research (CEBR) anticipates Bangladesh becoming the world's 20th largest economy by 2038. The CEBR predicts robust annual GDP growth of 6.8% from 2023-2028, later stabilizing at 6.2% per year over the ensuing decade. Currently ranked 37th, Bangladesh is forecasted to ascend 17 places by 2038. The CEBR cites economic expansion, with an anticipated 23rd position by 2033. Challenges include inflation, addressed by Bangladesh Bank's tight monetary policy. The CEBR also highlights shifts in Bangladesh's monetary policy framework and participation in the IMF program.

December 28

PM Hasina Criticizes US Double Standards

Bangladesh's Prime Minister Sheikh Hasina criticized what she deemed the US's double standards, asserting that the country would eventually be held accountable. During the "Let's Talk" show organized by the Awami League's research wing, Hasina cited the US's selective silence on incidents in Bangladesh and accused them of interference. She recounted objections to selling gas, linking it to her loss in the 2001 elections. Hasina pointed out the US's critiques on human rights while overlooking issues within its borders, condemning US actions in Palestine.

December 29

Bangladeshi Garment Factories Steer Clear of Xinjiang Materials

Faruque Hassan, President of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA), stated that there is no chance of Bangladeshi garment factories using materials like cotton, yarn, and fabrics produced in China's Xinjiang region. Responding to concerns raised by the US Department of Homeland Security, Hassan highlighted that Bangladesh does not import cotton from Xinjiang, and efforts are made to avoid materials from the region in their supply chain to adhere to the Uyghur Forced Labor Prevention Act regulations enforced by the US Customs and Border Protection.

December 30

Bangladeshi Man Allegedly Shot Dead by BSF in Indian Territory Near Sylhet Border

A 26-year-old Bangladeshi man, Kaswar Ahmed, was reportedly shot and killed by the Border Security Force (BSF) inside Indian territory near Sylhet's Bichnakandi border area. The victim entered Indian territory for unknown reasons when he was allegedly shot by the BSF. He succumbed to his injuries after being brought back to his home by others accompanying him. Authorities are investigating the incident to determine the circumstances of his entry and the details surrounding the shooting.

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