

Proceedings

Country Lecture Series

on

Booming Chinese Economy: Prospects for Bangladesh

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Organised by



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Bangladesh Institute of International and Strategic Studies (BISS) organised the 13th lecture



in its Country Lecture Series titled “**Booming Chinese Economy: Prospects for Bangladesh**” at its auditorium in Dhaka on 1st October 2015. H.E. Mr. Ma Mingqiang, Ambassador of China in Bangladesh delivered the lecture. Among others, ambassador of France, Indonesia, Korea, Myanmar, High Commissioner of Pakistan were present in the event. Major General A K M Abdur Rahman, ndc, psc, Director General, BISS delivered the address of welcome while Ambassador Munshi Faiz Ahmad, Chairman, Board of Governors, BISS, wrapped up the session with his concluding remarks.

Following the lecture, a lively open discussion took place where officials from different ministries including secretary of cultural affairs, secretary (bilateral and consular) of Ministry of Foreign Affairs, representatives of international organisations, researchers, members of different civil and military institutions, media and specialised academia participated and raised their valuable opinions, observations, questions and suggestions.

Opening Address



Major General AKM Abdur Rahman, ndc, psc, Director General, BISS, welcomed all to the country lecture series of BISS. He rendered heartfelt gratitude to H. E. Mr. Ma Mingqiang, Ambassador of China in Bangladesh for his presence and consent to deliver the lecture on **“Booming Chinese Economy: Prospects for Bangladesh”**. While Talking about

China, Mr. Rahman stated that with economic development, China is becoming an increasingly more active and important player in major global issues e.g. trade regimes, sustainable development, global economic governance etc.

Focusing on China-Bangladesh Relations, Mr. Rahman highlighted that since 1975, Bangladesh-China relations are being transformed from cooperation to partnership. China has extended substantial grants and loans to Bangladesh and provides technical and financial assistance to many projects of significance for the Bangladesh economy. He added China’s extensive support to Bangladesh in building and maintaining Bangladesh’s defence capabilities is noted with particular appreciation in the country.

China is the largest trading partner of Bangladesh with total annual trade reaching US\$ 12.5 billion in the last year, which is expected to exceed US\$ 24 billion by 2030. FDI from China has been growing noticeably; total investments covering both private and public sector have reached more than US\$ 2 billion.

General Rahman expressed his belief that there are huge scopes for increasing trade and realising investment opportunities between the two countries. He added connectivity is a potential area of further cooperation, where the existing BCIM-EC initiative and China’s mega concept of ‘one belt one road’ are relevant. Other potential areas of cooperation include energy resources, water resources, maritime affairs, capacity building of Bangladesh’s rivers and sea ports, infrastructure investment, education, human resources development, science and technology, etc. He hoped that the more cooperation is open, the more prospects will be attained. He concluded his speech by rendering heartfelt thanks to

the learned audiences and hoped the lecture delivered by Mr. Ma Mingqiang, would give a new direction to the beneficial bilateral economic relations between Bangladesh and China.

Lecture by the Chinese Ambassador



His Excellency, **Mr. Ma Mingqiang**, Ambassador of China in Bangladesh started his lecture by saying that the development of China would not pose any threat to the world. He defined current state of China and elaborated that China has emerged from the

ruins of war in 1949 and adopted its open up policy for the world since 1978. In 1971, the per capita GDP of China was \$ 224 USD. However within last thirty to forty years China has become the second largest economy which surpassed Japan in 2010.

Ambassador Ma stated that, Chinese economy is generally stable. The GDP growth is 7 per cent in the first half of current fiscal year. But many years ago, the growth of GDP was 13



percent. The growth remains forefront. He narrated that the employment of China remains stable in first half of the year. The country has created 7.2 million employment opportunities. He summed up by saying that employment situation in China is good and unemployment rate is 5.4 percent in 31 megacities of China. According to him, the

commodity price in China remains stable and there is a rare fluctuation in price rate as it is an agricultural country. And here, stability is relevant with commodity price. He briefed that the speed of foreign trade is quite stable. China is one of the world's top exporters. But the export fell 0.8 percent in first half of this fiscal year. The overall export structure is quite good. On the whole, China's global market is expanding. The seasonal fluctuations of stock market have no impact on overall economy. Moreover, the stock market of China is 15 percent of the total wealth of residents which is very significant. And the investment in infrastructure is slow but steady.



He argued that the Chinese are creative; they are creative in terms of technology, industry, knowledge etc. Government of China is closing down forty thousand polluting industries. He added that China has maintained a medium growth and slows down its growth to maintain sustainable

development, and a pollution free economy. Consumption and economic growth both are increasing. In the last 20 years, the economy has become too hot. He added that by 2020 China wants to rebuild the cities and will accommodate 100 million people in the central and the western part of China. The country will build houses and provide other services too. Moreover, China will continue industrial upgrading, integration of internet, implementation of technology, and focus more on bio-medicine, energy saving industry and open up research centres for greater development in China. The country will balance the development in different regions. He said that it will help to speed up the economy as well. With this comprehensive regional advantage the economy will be total cost innovative.

He gave importance on mass entrepreneurships, more innovation and encouraged more domestic consumptions in China. It has more than 7.5 million university graduates every year, which is a momentum of service sector. He assured that China is one of the locomotive economies of the world. The country wants to work with all with the support of AIIB (Asian Infrastructure Investment Bank), and step up together. China believes in "One Belt, One Road" and gives importance on South-South co-operation and Silk Road. According to him, with all this regional cooperation, China and all other countries will be benefited through

win-win cooperation. Regarding bilateral relations with Bangladesh, he stated that Bangladesh and China has 40 years of long trusted partnership and friendship. There are lots of consensus and follow up projects here. There are many ongoing projects too from which Bangladesh will be benefited and developments will surely come.



Finally he briefed about BCIM, which holds a conceptual history dating back to two thousand years ago. It declares how to facilitate cooperation. And the idea of Silk Road is not a new concept as well. Both will facilitate growth in

this region. And One Belt, One Road is very important in his view point. He added that, China is interested in contributing in “World Economic Growth”. It is also working for climate change. He hoped that China’s relation with Bangladesh, India and Myanmar will move forward in coming days. He added that Bangladesh is so well located among three big economies: India, ASEAN and in the Northeast Asia- China, Japan and South Korea. Bangladesh can be benefited with this connectivity.

Open Discussion



Mokammel Haque, Former Secretary of Commerce Ministry, and President of the Commonwealth Association of Bangladesh expressed his view that China is a great country and it would continue to be a great one. China’s total GDP will surpass the GDP of the United States by 2050. The country has developed a lot in the last 30-35 years. He suggested arranging a meeting of senior

people including top ambassadors with a view to choose the right way to explore better ideas and brainstorm regarding all sunset industries. He also pointed out that Bangladesh would lead the garments industry in future and he wanted to know whether China is going to help Bangladesh in garments sector and pharmaceuticals by providing supervision.

Response: In response, Ambassador Ma replied that they really want to extend helping hand to Bangladesh. China is not a labour intensive country but a technology intensive one. Nowadays the labour force is getting much more expensive. The country will relocate and

provide more facilities with giving much more importance on this. He added that Chinese investors will invest in jute sector and they are optimistic about economic zone as well.

Tanzila Chowdhury, a student of Dhaka University wanted to know whether China is going to set up a deep sea port in Chittagong or not.



Response: In reply to her query, Chinese Ambassador stated that China is very capable of building this kind of infrastructure and it is like making a piece of cake to them. He also added that Bangladesh should keep faith in China and Chinese capability.



Colonel Shahadat (Retd.) suggested two things, first was that the Chinese President should visit Bangladesh. Second, he asked Chinese assistance in learning oceanography for higher education.

Response: Ambassador Ma thanked Colonel Shahadat for spreading Chinese culture in Bangladesh. He added that in future, China will think of receiving labour from Bangladesh. In case of helping in Oceanography, China is ready to help and cooperate with Bangladesh. He explained that there is a warm relation between China and Bangladesh. So China will extend its helping hands when Bangladesh is in need of it.

Dr. Sheikh Maqsood Ali, Former Secretary of Bangladesh asked ambassador that whether they could help Bangladesh in managing surplus water in the rainy season and store unnecessary water in order to use in winter season and also to tackle down devastating flood in low lying areas by Chinese technology and experience.



Response: In reply to the question, Ambassador Mr. Ma said China is mountainous and Bangladesh is low lying flat country. But China has a mutual cooperation with Bangladesh. China will take initiatives to contain groundwater.



Colonel Emdad Uddin Ahmed (Retd.) commented on Chinese development and asked a question with a prolonged discussion. The key point of his question was "will China donate and invest in Bangladesh as development partner?"

Response: In reply to his query, Ambassador remarked that China is ready to invest in Bangladesh and the companies of China are ready. As per his view, it's a win-win co-operation. Here, both countries will be benefited.



Shariar Zaman, working for *The Dhaka Tribune*, raised two questions; one was whether China is going to issue any travel alert for its citizens in Bangladesh as there was a murder of an Italian citizen working in an NGO of Bangladesh. Second, "Does China addressing this as a terrorist attack or normal criminal activity?"

Response: Ambassador Ma ensured that China has not issued any alert for travelling. And he is not in the position to say anything about whether it is a criminal activity or not. He made it clear that depends on further investigation.



Mr. Humayun Kabir Bhuiyan, working for *The Daily Independent*, praised Chinese prosperity and development. Later he wanted to know, whether everything in connection with BCIM is going fine or not. The second part of his query was China has a huge investment in Myanmar and Pakistan. But in Bangladesh, it does not have that much investment; he wanted to know the reasons behind it.

Response: In response the Chinese Ambassador stated that BCIM is very important to China and they are very optimistic about it. He mentioned that they should not stop ongoing co-operation and should emphasise on further relation. About investment, he answered that China and Chinese companies are ready to invest in Bangladesh and have invested already in many projects.



Ambassador Humayun Kamal asked a question regarding how Bangladesh could be benefited from booming Chinese economy and stressed on increasing people to people connectivity through tourism. He also suggested to ease the visa system between the countries and to lessen the interest rate regarding loan to Bangladesh.

Response: In reply to the question, the Ambassador Mr. Ma Mingqiang said that they are working to ensure people to people connectivity through promotion of tourism. He also mentioned of his efforts to ease the visa system. Regarding loan, the ambassador said in contrast to other project, cost of China is 10-20 per cent lower. He informed that they are working in reduction of interest rate and there will be a solution.



Ambassador Afsarul Kader wanted to know about connectivity in the regional context with regard to China-Nepal-SriLanka-Pakistan-India relations. He mentioned about US\$1 trillion Chinese investment in the USA and opined that it is safer to invest in Bangladesh.

Response: Answering to the question the ambassador said that it is necessary to know each other for the promotion of regional cooperation. In this regard he told that many people of China don't know much about Bangladesh and the vice versa. He added that they are working for promotion of Bangladesh in China and the same in Bangladesh.

Dr. Mustafizur Rahman, Chairman, Institute of Development Strategy stated that craziness



of China for technology is one of the reasons for its development. He suggested that if Bangladesh wants to be benefited from China then she needs to know how Chinese economic growth happened, how the technological development took place, and how the education system was developed.

Response: In reply to the question, Ambassador Mr. Ma Mingqiang said that development model of China might not be same for Bangladesh because perspectives of China are different from Bangladesh. Regarding technology he mentioned about cooperation between Bangladesh and China in technology transfer. The ambassador informed that he would encourage the investors of China to set up a factory in Bangladesh for easy transfer of technology.

Ambassador Farooq Sobhan thanked the Chinese Ambassador for his wide ranging and



thought provoking speech as well as greeted him for the occasion of National day of China. He asked the Ambassador whether Afghanistan-Pakistan-India-Bangladesh and China could

link the New Silk Route through combined initiative. He also asked how states could establish cooperation regarding connectivity and energy in this region. In his last question he wanted to know whether the AIIB would support the major projects in this region.

Response: Answering the question about New Silk Route Mr. Ma Mingqiang mentioned that it has been included in the 'One Belt, One Road' policy that helps to ensure connectivity. He emphasized on infrastructural development for accelerating connectivity. It was noted by the ambassador that China is working in its own way to bring peace in Afghanistan as it is a part of this route. He expected that AIIB would fund for infrastructural development of major projects in this region.



Mr. Sohel Chowdhury, Former Commerce Secretary, informed that he was in China in 1983 and said, since then China made a tremendous progress in the last 32 years. With regard to Bangladesh-China trade, he mentioned about huge trade deficit and asked about any speedy ways to reduce the gap.

Response: In responding to the question the ambassador said that China is going to invest heavily in Bangladesh to reduce the gap as well as informed about eagerness of China to invest in jute sector in Bangladesh.



Mr. Fazlul Haque, Chairman, National Youth and Social Welfare Council, said that he visited China for about 65 times and observed the development process of China. He gave importance on people to people connectivity to strengthen the relations and added that visit of young entrepreneurs from Bangladesh to China would be useful to learn the effective ways to become a successful entrepreneur.

Response: Answering the question the Ambassador reiterated his efforts to strengthen people to people connectivity.



H. E. Iwan Wiranata-atmadja, Ambassador, Embassy of the Republic of Indonesia in Bangladesh raised two questions. One for the Ambassador of China and, the other for the Chairman of BIIS. He asked the Chinese Ambassador how optimistic he is in

establishing industrial park in Bangladesh and added that if China could make a breakthrough in this regard then many investors from other countries would come forward to do the same. In his second question he asked the Chairman of BISS, if BISS could arrange a discussion to find the solution of internal problems of Bangladesh regarding trade and mentioned that if Bangladesh could solve its own problems then it would be easier to implement joint projects quickly.

Response: In replying the second question, the Chairman of BISS confessed to the fact that there are quite a few problems to be faced in implementing joint venture projects. Thanking the Ambassador of Indonesia for his advice the Chairman informed that some of the problems have been identified as well as addressed. Answering the first question Mr. Ma Mingqiang told that he is optimistic because not only they are working on the fact but also the Chinese government is encouraging the investors to invest globally.

Summing up by the Chair



Ambassador Munshi Faiz Ahmed, Chairman, Board of Governors, BISS, summed up the session stating that Bangladesh and China have enjoyed warm and excellent relations, since the recognition of Bangladesh. He thanked the Ambassador for his very enlightening lecture that included some important insights of Chinese economy today and its future. He mentioned that the Chinese Ambassador indicated that how the steadily growing Chinese Economy would help to push the win- win comprehensive partnership of cooperation between the two countries to a new level. He stated that the prospects of Bangladesh-China relations continue to be good and better in the coming days. It was suggested by the Chair that trade imbalance should be settled in a holistic way.

At the end, he extended his special thanks to the Ambassador Mr. Ma Mingqiang and his colleagues from the Chinese Embassy and rendered his heartfelt gratitude to the members of diplomatic corps, academia, business bodies, representatives of think-tanks, and media for their vibrant participation.