



Bangladesh Institute of International and Strategic Studies (BIISS)  
1/46 Old Elephant Road, Eskaton, Dhaka

**Roundtable Discussion**

On

**Bangladesh-China Relations: Political and Economic Dimensions**

Organised by

**Bangladesh Institute of International and Strategic Studies (BIISS)**

20 June 2013

BIISS Auditorium, Dhaka, Bangladesh

**SUMMARY OF THE PROCEEDINGS**

**Introduction**

The Bangladesh Institute of International and Strategic Studies (BIISS) organised a roundtable on 'Bangladesh-China Relations: Political and Economic Dimensions' at the BIISS Auditorium on 20 June 2013. The roundtable aimed at assessing the existing scenario of Sino-Bangladesh relations and finding out more areas of cooperation, to formulate policies which increase opportunities to strengthen economic and political ties; and to formulate policy guidance for policymakers to conduct successful negotiations with China.

Major General Sajjadul Haque, afwc, psc, Director General of BIISS delivered the Address of Welcome. H.E. Mr. Md. Shahidul Haque, Foreign Secretary, Ministry of Foreign Affairs, Government of Bangladesh attended the Seminar and gave his valuable speech. Ambassador Munshi Faiz Ahmad, Chairman, Board of Governors, BIISS chaired the session. The key note paper was jointly presented in the seminar: Mahbubur Rashid Bhuiyan, Research Officer, BIISS presented the first part on the political dimension of Bangladesh-China relations and the second part was presented by Dr. M Jashim Uddin, Senior Research Fellow, BIISS who covered the economic dimensions of bilateral relations.

Following the presentation of the key note paper, a lively Open Discussion session took place where distinguished scholars, members of the academia, representatives of multi-disciplinary professional bodies, representatives from the foreign missions, government and non-government agencies and policy makers actively participated, raised questions and queries, and gave their valuable comments, suggestions, and recommendations.

**Address of Welcome**

In the Address of Welcome, Major General Sajjadul Haque, Director General, BIISS, stated that Bangladesh and China maintain extremely warm relationship and extend cooperation to the domain of trade, commerce, culture, defence, education. He expressed appreciation to the designation of Bangladesh as the 'Theme Country' of the first China-South Asia Expo that began in Kunming, viewing this as a phenomenal breakthrough in the Sino-Bangladesh relations. He emphasised that it is high time to boost the volume of trade and accelerate our export to China, utilising the opportunities of China as our largest

trading partner. In this regard, he mentioned that the landlocked Yunnan province of China has shown interest to engage in economic cooperation with Bangladesh and to gain access to the Bay of Bengal. Bangladesh too has offered to set up a Special Economic Zone for China, he added.

In his discussion, he considered connectivity as an essential requirement to enhance trade relationship as well as bilateral relations between the two countries. In this regard, he mentioned that China and Bangladesh have been negotiating a highway project to connect Chittagong and Kunming through Myanmar. He thought that this highway would connect Bangladesh with neighbouring China, Myanmar, and India, and will give Bangladesh an entry to the Mekong sub-region which will accelerate trade and facilitate people to people contact across the border. He told that the new leadership in China has already shown its interest to work together with Bangladesh which is reflected in the March 2013 Chinese delegation's visit to Bangladesh where they pledged to sanction a loan of \$133 million to the decentralisation process of Bangladesh Government. He added that China also has expressed its interest to contribute in Bangladesh government's vision to build a Digital Bangladesh by 2021. Referring to the Joint Statement to establish and develop a "Closer Comprehensive Partnership of Cooperation" between the two countries, he expressed his hope that Bangladesh delegation led by Foreign Secretary will unwrap a new arena of friendship and cooperation between the two countries.

## **Key Note Presentation**

### **Mahbubur Rashid Bhuiyan**

In the key note presentation titled "Bangladesh-China Relations: Political and Economic Dimensions" which attempts to examine the bilateral relations between these two countries from political and economic perspectives, Md. Mahbubur Rashid Bhuiyan, Research Officer, BIIS covered the political dimension including China's relations with South Asia, Bangladesh-China historical ties, development of bilateral political relations and defence cooperation between the two countries. In the introduction, he outlined that Bangladesh and China are tested friends; since the establishment of formal diplomatic relations, they have developed strong cooperation in various fields including high level mutual visits regularly occurring between them. He also noted that all political parties in Bangladesh whether in government/opposition, try to maintain good relations with China and there are numerous agreements, accords, MoUs between the two countries testifying the depth of relations.

On China-South Asia relations, the presenter emphasised on the Chinese approach towards forming a "harmonious world" based on assuring global peace, development and cooperation advancing strong relations with developing nations. Hence, China is broadening its relations with South Asian nations, being a global and regional power, for mutual economic benefits such as growing trade and economic cooperation, he explained. This region has become a good market for the second largest economy of the world, China, he added. Another dynamics of Chinese relations with South Asia, as he mentioned, is the status of China as an observer of SAARC.

Mr. Bhuiyan, in section on Bangladesh-China historical ties, discussed the rich heritage of millennia old cultural and trade relations, such as the Southern Silk Route, between Bangladesh and China. He also noted the substantial contributions from religious scholars like Fa Xian, Xuan Zhang, Yijin of China and Atish Dipankar of Bangladesh in that process. The Yuan dynasty and Bengali sultans had close relations, they exchanged gifts and Emperor Zhu Di offered his personal condolence on the death of Sultan Ghiyasuddin Azam Shah.

On the development of bilateral political relations, the presenter mentioned the key visits by high ranking political personalities including Chinese Premier Zhou Enlai and Sheikh Mujibur Rahman, later who became the founder father of Bengali nation. He told that informal communications with China before formal diplomatic relations, helped Bangladesh to reduce the gap created on the issue of Chinese support to Pakistan in the liberation war of Bangladesh. This process was also instrumental to secure Chinese support at different bodies of the United Nations. He added that since 1975 China has been contributing significantly to the economic development of Bangladesh and there have been many high level political visits afterwards including the visit of Wen Jia Bao in 2005. In this connection, he mentioned that Bangladeshi Prime Minister Sheikh Hasina's visit to China in March 2010 and former Chinese vice-president Xi Jinping (now president) visit to Bangladesh in June 2010 are two milestones, leading the political relations to a comprehensive partnership. He also touched upon the importance of cultural relations in augmenting the political relations to a new height.

In the defence cooperation, Mr. Bhuiyan mentioned that most weaponry of the Bangladesh Armed forces is of Chinese origin and importantly China provides interest free loans to Bangladesh for buying weapons. He expressed his opinion that every country has the right to build military relations with others and Bangladesh should go for that party which can provide it with more privileges. Hence, he believed that Bangladesh-China military relations should not worry anyone.

#### **Dr. M Jashim Uddin**

Dr. M Jashim Uddin, Senior Research Fellow, BIISS, in his part of the presentation, focused on the economic dimension of Bangladesh's bilateral relations with China. By noting rich heritage of cultural and trade cooperation, he said that economic cooperation between China and Bangladesh has grown from strength to strength since the bilateral agreement was signed in 1976. He opined that Chinese impressive economic growth is an opportunity for Bangladesh and it can gain a lot of benefit from the increased cooperation with China. He provided some statistics to elaborate the current status of commercial and trade cooperation. He mentioned that both import from and export to China are increasing over the last few years, import amounting to around USD 6.4 billion and export up to USD 400 million. But still the trade balance is massively in Chinese favour, Bangladesh's portion being only 6 percent in the total trade volume in the financial year 2011-12. He then outlined some of the key import products from China such as cotton, fabrics, machinery, electrical products, chemical and dyes and export products from Bangladesh including knitwear, garments, vegetables and leather.

In his discussion, Dr. Uddin detailed out many projects implemented in Bangladesh with the Chinese assistance. He mentioned that China's assistance to Bangladesh over the years centered on diverse areas, some key examples being six friendship bridges, Barapukuria Power Plant, Bangabandhu International Convention Centre and so on. He noted the progress made during Bangladesh Prime Minister's visit to China in 2010 that included agreements on fertiliser factory and telecommunication network systems; talks on Second Padma Bridge, 8<sup>th</sup> Bangladesh China Friendship Bridge, Chinese Exhibition Centre, river and disaster management technology and satellite launching and so on. The presenter also discussed about 4 ongoing projects, financial agreements for two more projects including the construction of Padma Water Treatment Plant, the development of national ICT infra-network. He also brought into discussion the 2 projects in pipeline such as installation of NGN based telecommunication network and six new vessels for Bangladesh Shipping Corporation. The total Chinese assistance for the ongoing projects and the projects whose financial agreements were signed amounts USD 1244 million. Besides, he touched upon the proposed big projects including deep sea port building offer by China in Bangladesh, Chittagong-Kunming connectivity through Mandalay in Myanmar, and projects in nuclear power and

other energy sector including gas, oil and electricity. With regard to these projects, he raised many questions on necessities, challenges that are essential to address to ensure desired progress in the planning and implementations of the big projects.

Dr. Uddin identified some new vital areas for bilateral cooperation which he believed would play instrumental role in further advancing mutual commitment for development and friendship. The new areas could be: firstly, cooperation in the human resource management particularly the utilisation of abundant labour force in Bangladesh by China at even cheaper prices than China itself and exploration of Chinese labour market by Bangladesh; secondly, cooperation in the pharmaceuticals sector, since Bangladesh has a great deal of potential to export medicine to China; thirdly, cooperation in the agricultural and food production sector, jointly producing hybrid seeds for instance; fourthly, Bangladesh can seek cooperation in river dredging sector, since it requires huge funding and advance technological knowhow; and finally, cooperation in the shipbuilding sector, as Bangladesh has 15% less shipbuilding cost than China. In addition to these sectors, the presenter also noted cooperation in the production of computer hardware, solar energy, tourism sector and climate change adaptation and mitigation measures and so on.

He provided some concrete policy recommendations to strengthen bilateral relations between the two countries. Key suggestions that he put forward include: (1) to convince China to grant duty free access to more Bangladeshi products specially those have good demands in Chinese market; (2) to attract more Chinese investment in Bangladesh by ensuring greater infrastructural facility, (3) to undertake effective measures to implement the ongoing projects on a priority basis and to speed up negotiation for the proposed projects, and to seek more assistance for new potential areas. (4) to further reduce tariff and non-tariff barriers and raise awareness among the port authorities about the regulations and policies, (5) to seek Chinese investment in new areas, (6) to promote new trade fairs and exhibitions and involve business communities more, (7) to make the visa regime more flexible and easier to increase people to people contact, (8) to enhance cooperation in the education and cultural sector, and (9) to allow think tanks to play vital role in strengthening inter-state relations. He concluded the presentation by summing up the key points of the presentation, emphasising on the necessity to engage on the part of Bangladesh to explore more avenues for cooperation and to obtain more and more advantage from the rising economic super power.

### **Address by the Chair**

Ambassador Munshi Faiz Ahmad, Chairman, Board of Governors, BIIS, viewed that Bangladesh-China friendship has roots deep in history which took a new dimension with the establishment of formal diplomatic ties in October 1975, flourishing into a closer comprehensive partnership and a time-tested, all-weather friendship. He told that Bangladesh unswervingly follows a "One China" policy and supports China on issues related to Taiwan, Tibet and human rights, while China has continued to firmly support Bangladesh's efforts at economic development. The two countries have also cooperated and coordinated closely in the international arena on issues of common and shared interests to promote peace, security and stability as well as sustained and shared development regionally and globally, he noted. Considering Asia as the centre of global economic gravity shifts revolving around China's emergence as an economic giant, he believed that time has come to revive the historic routes of connectivity between China and Bangladesh for the mutual benefit of both nations. He expressed his expectation that Bangladesh delegation to China led by Foreign Secretary would contribute significantly in further strengthening friendship and cooperation between our two countries.

He emphasised that Bangladesh should identify its interests and needs in right earnest, pursue them autonomously and independently with friends, and should reach out to whoever can provide best what it needs. In this regard, he mentioned sustained economic development as the paramount national interest of Bangladesh, and China is one of our most dependable partners in its pursuit of economic development. He further noted that there is greater demand for connectivity in different forms, easier visa regimes, harmonisation of standards, customs and banking procedures and policies ensuring easy transit of goods and services, vehicles and people across borders, bilaterally and regionally. He recommended that both countries should work together to facilitate greater connectivity between the people of both countries.

## **Open Discussion**

### **Ambassador Humayun A. Kamal**

Ambassador Humayun A. Kamal welcomed the forthcoming visit of the foreign secretary and he hoped this visit would open the possibility of expanding the bilateral relation, particularly in the trade sector. China has been generous and giving almost zero tariff on many Bangladeshi products. Now it is up to the government of Bangladesh and the private sector to seize the opportunity, he added. He mentioned that China has been the world's largest market with 1.3 billion people and it gives Bangladesh an opportunity of expand trade. Then he gave some suggestions regarding trade expansion. One is to opening up new consulates in major commercial cities of China like Shanghai and Guangzhou. His second suggestion was to invite the Chinese business delegation by the FBCCI to Bangladesh within a gap of few months. These regular visits by the Chinese business delegation should expand the possibility of expanding the export possibilities of Bangladeshi products.. The Bangladesh embassy in China should open a large trade and display center to exhibit the major export items from Bangladesh, thus the Chinese buyers can visit and place their orders, he further added. Alternatively as he suggested, all the business associations of Bangladesh (i.e. BGMEA, FBCCI, DCCI, BKMEA) can open large trade and display center of Bangladeshi products which can be self financing and also play major role to promote the export of Bangladesh.

He believed that Bangladesh can be a big destination for Chinese tourists, since millions of Chinese are travelling to Southeast Asia and Europe. Bangladesh should facilitate to attract Chinese tourists. The visa regime between the two countries should be more flexible, he emphasised. For the business community in Bangladesh, getting Chinese visa is still a complicated procedure. The recommendation of Bangladeshi business associations should get priority to get the Chinese visa and that will promote trade between the two countries.

### **Professor Chowdhury Mohammad Shamim**

California State University

Professor Chowdhury Mohammad Shamim basically put a question forward on the standing of Bangladesh in the overall dynamics of power transition from USA to China and prospective US engagement in the Asia Pacific strategic theatre to contain China. He elaborated that with rise and fall of the great powers there have always been hegemony and a challenger. During the cold war it was United States and Soviet Union. After the collapse of the Soviet Union the United States became the hegemony. Now it is the time to see how US reacts to the Chinese rise. He theoretically explained China's relation with Bangladesh and opined that China wants to deeply engage with Bangladesh as part of challenging US presence in the region. He also thought that China's initiative to make more regional allies is mainly a part of its counter-US strategy.

**Professor Dr. Syed Anwar Hossain**

Department of History, University of Dhaka

Professor Dr. Syed Anwar Hossain said that the first diplomatic contact between undivided Bengal and China was made in the later part of the 14<sup>th</sup> century which continued to mid 15<sup>th</sup> century and person behind this diplomatic contact was Gias Uddin Ajam Shah. Ajam Shah ruled Bengal independent from Delhi's rule from 1392-1408, and sent his official envoy to Chinese emperor's court and the Chinese emperor reciprocated by sending his envoy to Bengal, he added. He mentioned that much before this diplomatic contact, through Atish Dipongkar, contact was made between Bengal and China. He considered Gias Uddin Ajaam Shah to be the pioneer of diplomatic relations in Bengal and mentioned his method as small state diplomacy. Delhi was a big Muslim empire and Gias Uddin Ajam Shah was one of those rulers who ruled Bengal independent from the Delhi's control. To counterbalance Delhi's military and economic clout, Ajam Shah made diplomatic relation with the Persian Empire and the Chinese Empire which is the essence of small state diplomacy, he noted. He recommended that Bangladesh and China should work more on the education sector and he believes both Bangladeshi and Chinese universities can work extensively on this.

**Syed Mahmudul Huq**

Chairman, Bangladesh-Myanmar Business Promotion Council

Syed Mahmudul Huq opined that the road linkages with China and Myanmar would be a positive measure on mitigating the energy problem of the country. He told that regional connectivity will bring positive outputs for the countries like Bangladesh and Myanmar. Cox's Bazar should be made international airport so larger aircrafts can land here and there should be direct Cox's Bazar-Kunming flight which will eventually contribute to our tourism sector, he recommended.

**Ambassador Afsarul Qader**

Ambassador Afsarul Qader said that when Taiwan set up an office in Dhaka to issue visa China protested strongly. He mentioned China as a matured nation. Taiwan is one of the biggest investors in China and in Indonesia, Taiwan has a visa office Indonesia, yet China has very good relationship with Indonesia. Given the economic context in Bangladesh Taiwanese investment will be very much welcomed. On the other hand China itself sympathetic to Palestinian cause and at the same time has a great relationship with Israel. So he thinks Bangladesh-China relationship should be based on a more matured friendship. He also suggested, making the visa regime more flexible to make the people to people easy.

**Rear Admiral (retd) Khurshid Alam**

Additional Foreign Secretary (UNCLOS), Ministry of Foreign Affairs

Rear Admiral (retd) Khurshid Alam said that China has been the biggest ship recycling country in the world while India is being the second and Bangladesh being the third. So Bangladesh-China has a scope of cooperation in this sector since Bangladesh's ship wrecking industry has been criticised both in home and abroad.

He identified another sector in maritime cooperation where China can help Bangladesh to foster. China already has a MoU with the ASEAN countries in terms of Maritime cooperation. In time of natural disaster or manmade disaster in the deep sea, China can help Bangladesh with their technology, he explained. Besides, he noted that in any case of oil spill at the sea China can help us with their technological recourses and experiences. He added that cooperation can be made among the universities of China and Bangladesh for oceanographic research, thus more natural resources can be found in the deep sea.

He further identified that deep sea fishing and marine academy are other major areas of cooperation where China can contribute. Currently Bangladesh has thirteen marine academies graduating six hundred cadets every year while Philippines have hundred of academies and currently providing 40% of mariners of total demand in the world. So, he recommended that these are the areas which should be flagged for cooperation between the two countries.

### **Ambassador Ashfaqur Rahman**

Ambassador Ashfaqur Rahman told that China always thinks that it is the middle Kingdom or located in the centre of the world and is a predominant power in the world for more than 2500 years. The Chinese people are modest but in recent times the country is moving fast towards economic development. Bangladesh in this regard has the opportunity to learn a lot from China, he noted. Former ambassador mentioned some new areas from where Bangladesh can benefit largely including (1) Bangladesh can borrow scientific knowledge from China for rapid industrialisation, (2) China can help Bangladesh on sports sector, especially on athletics, (3) there are scopes to more religious and cultural exchanges with China, (4) Bangladesh has the opportunity to export crabs to China, and (5) number of flights between the two countries should be increased.

### **H.E. Qu Guangzhou**

Chargé d'affaires of Chinese Embassy

H.E. Qu Guangzhou Chargé d'affaires of Chinese Embassy in Dhaka stated that China and Bangladesh are friendly neighbours signified by the visits of top ranked leaders of both of the countries in 2010. China and Bangladesh are developing and peace loving countries and both work together in several UN peacekeeping operations, he noted. He expressed that China-Bangladesh trade till today is unsatisfactory. It was 8 billion in previous fiscal year which is only 0.2% of China's aggregate trade. Regional connectivity will incorporate Bangladesh in realm of fastest communication linkages, he mentioned. He assured that China is a developing country and she has no hidden agenda in relations with various countries including Bangladesh. In response to the question on rigid Chinese visa regulation, he informed that China tightens its visa process mainly to stop illegal intrusions in China and the government of China welcomes people from Bangladesh. He also informed that Bangladesh has scopes to send more students in China while in last year different universities of China approved scholarships for 160 Bangladeshi students.

### **Muhammad Aminul Islam**

Former Economic and Commercial Minister  
Embassy of the People's Republic of China

Muhammad Aminul Islam expressed his opinion on the prospect of multilateral trade agreement signed in 2010 and he mentioned that without the treaty, Bangladesh couldn't be able to boost trade with China. He recommended that Bangladesh should increase its competitiveness in the trade so that it can effectively cooperate with its trading partners including China in the trade and investment sector. He also stressed that the policymakers should hold positive attitude and pursue strongly to receive more infrastructural assistances from China.

**Ambassador Masud Mannan**

Additional Foreign Secretary, Ministry of Foreign Affairs

Ambassador Masud Mannan emphasised on the development of language efficiency of Bangladeshi diplomats. In this regard, he mentioned that our diplomats posted in China should have training on Chinese language and we can concentrate on translating Chinese books. He also stated that China can help Bangladesh on Satellite technologies. He recommended that Bangladesh should pursue China in developing its technological and infrastructural abilities and establishments.

**Brigadier General Sultan Uddin Iqbal**

Brigadier General Sultan Uddin Iqbal gave his opinion on the necessity of Bangladesh's membership of Shanghai Cooperation Organisation. In this regard, he suggested that Bangladesh should ask membership for Shanghai Cooperation Organisation to have various economic opportunities. He also discussed on the importance of deep sea port. He believed that deep seaport will increase the export of Bangladeshi products. Besides, he thought that Bangladesh can learn disaster management capacity building from China.

**H.E. Md. Shahidul Haque**

Foreign Secretary, Government of Bangladesh

In his address, Foreign Secretary H.E. Md. Shahidul Haque considered the seminar, which is the second one after Bangladesh-Myanmar Seminar, as an initiative organised to make Foreign Office more informed in terms of policy decision making. He outlined threefold aims of the Seminar that included revisiting the historical aspect of China-Bangladesh relations, anchoring this historical relation with the contemporary politics and development between Bangladesh and China and looking forward the ways to improve and strengthen bilateral relations. He informed the audience that the objective of the upcoming visit to China is to explore new avenues of cooperation in the diverse sectors. Expressing similar opinion to the discussants in the open discussion session, he acknowledged that our problem lies in the implementation. There are laws and agreements but we lack implementation, he mentioned.

He identified three possible ways out to overcome the challenges that Bangladesh is facing in strengthening its bilateral relations with China and other countries. He mentioned that Bangladesh needs continuous appetite for change and development, capacity building, and appropriate mechanism. He said that we are awfully behind in terms of capacity and where solution lies is a million dollar question. He stated that Bangladesh-China relations are established on extremely solid foundation based on mutual respect and confidence.

He informed the audience that the upcoming visit will give priority to many crucial issues of Bangladesh's national interest. These include (1) the whole issue of connectivity: BCIM and land connectivity will get priority in this regard. India, China and Myanmar all are interested in BCIM corridor. Bangladesh will actively participate in the study taken by China and India; (2) education and knowledge management cooperation; (3) shipbuilding and shipping cooperation; (4) marine cooperation; (5) sports and cultural exchanges; and tourism sector cooperation. He also expressed his willingness to include two emerging issues in the agenda: climate change and natural disaster and peacekeeping cooperation. He also noted that multi-modal communication and connectivity will get a major priority during the visit. Bangladesh will try to seek ways to revive the missing links and make progress in the matter of Asian highway, but best route selection is a dilemma, he said. He expressed hope that Bangladesh will try to bridge the gap in terms of implementation.