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BANGLADESH-CHINA RELATIONS: FROM CLOSER COMPREHENSIVE PARTNERSHIP TO STRATEGIC PARTNERSHIP

Abstract

The growing weight of China in terms of power and influence, defined either as a pole of attraction or as a pole of opposition, shapes the strategic environment of the Asia Pacific as well as the South Asian region. China has taken up its One Belt, One Road (OBOR) project, which is aimed at building trade and infrastructure network and ensuring access to trade and energy passage. It is both a development and diplomatic project for China focused on creating an economic and political sphere of influence not only in the region but also in the global context. Most countries in South Asia are engaged with this OBOR initiative. In this backdrop, Chinese President Xi Jinping visited Bangladesh in October 2016. During the visit, Bangladesh joined the OBOR initiative and both the countries pledged to upgrade their relations from the existing 'closer comprehensive partnership' to 'strategic partnership'. In this respect, the main objectives of this paper are to understand the strategic partnership in the context of Bangladesh-China relations, to identify the factors shaping Bangladesh-China strategic partnership and to explore the implications of this partnership for both Bangladesh and China. The paper also elucidates its regional ramifications.

1. Introduction

Bangladesh and China established official diplomatic relations in the 1970s. Since then, the bilateral relations have grown stronger significantly over the years. Bangladesh-China relations reached to a new height when the two countries concluded 'closer comprehensive partnership' in 2010 on the basis of friendship and mutual benefit. Recently, Bangladesh and China upgraded their relations to the next level with the initiation of 'strategic partnership' during Chinese President Xi Jinping's visit to Bangladesh from 14 to 15 October 2016. The transformation of this partnership from 'closer comprehensive partnership' to 'strategic partnership' has marked a new milestone in Bangladesh-China relations. It has opened up a new vista for further cooperation and discussion. Concurrently, Bangladesh agreed to work with China-led One Belt, One Road (OBOR) initiative as declared in the Joint Statement of the People's Republic of China and the People's Republic of Bangladesh on Establishing Strategic

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Partnership of Cooperation. Most importantly, Bangladesh's joining in the Belt and Road Initiative and the elevation of the Bangladesh-China partnership to 'strategic' level at the same time leave scopes for further research. It is pertinent here that China is strongly promoting its Belt and Road Initiative in the region. The project aims at building trade and infrastructure network and ensuring access to trade and energy passage. The focal point of this initiative is connectivity. This project provides a focus and direction for China to create an economic as well as political sphere of influence in the Eurasian continent. In this process, most of the countries in the region such as Afghanistan, Bangladesh, the Maldives, Nepal, Pakistan and Sri Lanka joined the Belt and Road Initiative.

Given this context, a number of pertinent questions arise. How do Bangladesh and China perceive the concept of strategic partnership? What are the defining factors shaping Bangladesh-China strategic partnership? What are the implications of this emerging strategic partnership for Bangladesh and China? And, what are the regional ramifications? To address these questions, this paper reviews literature comprised of books, journals, government documents, documents of various international organisations, newspaper clippings and internet based articles. Besides, it includes data and ideas collected from experts' interviews.

The paper is divided into five sections. Following the introduction, section two discusses the background and attempts to understand the strategic partnership between Bangladesh and China. Section three identifies the factors shaping Bangladesh-China relations from closer comprehensive partnership to strategic partnership. Section four deals with the implications of emerging strategic partnership for Bangladesh, China and the region. Finally, the fifth section summarises and concludes the paper.

2. Revisiting Bangladesh-China Relations and Emerging Strategic Partnership

Whereas as a newly independent country, Bangladesh needed to expand and diversify its foreign relations with various countries for political and economic needs, China wanted to cultivate its relations with South Asian countries for its geo-strategic needs.¹ Against this backdrop, Bangladesh and China established formal diplomatic relations in 1975. In June 1974, China supported the admission of Bangladesh's membership at the United Nations Security Council (UNSC).² In August 1974, China sent relief goods for the flood victims of Bangladesh and the following year, invited

¹ Abul Kalam Azad, "Bangladesh-China Relations in the Context of South Asia", paper presented in the Seminar on *Bangladesh-China Relations in the Context of South Asia*, organised by BIISS, Dhaka, on 19 February 2003.

² Shaheen Afroze, "Bangladesh-China Relations: An Overview", paper presented at the BIISS-AADESC Dialogue on *South Asian Security and Sino-Bangladesh Relations*, organised by BIISS, Dhaka, on 28 December 2002.

Bangladesh to Canton Trade Fair.³ Bangladesh-China friendship has endured for 41 years, and heads of states and governments of the two countries have exchanged frequent visits in all these years. Following these visits, a number of important agreements on cooperation were concluded in various areas. In signifying the stronger ties, both countries declared the year 2005 as 'Bangladesh-China Friendship Year.'⁴ Over the years, Bangladesh-China relations have transformed from cooperation to partnership.⁵ During the Bangladeshi Prime Minister Sheikh Hasina's official visit to China in 2010, the two countries agreed to establish 'closer comprehensive partnership of cooperation' from the economic and strategic perspectives on the basis of the principles of longstanding friendship, equality and mutual benefit.⁶ During the visit of Bangladesh Prime Minister in 2014, both countries agreed to further expand and raise the closer comprehensive partnership of cooperation to a new height. In this regard, the two sides agreed to explore further ways and opportunities of cooperation.⁷ Finally, the recent official visit by President Xi Jinping to Bangladesh is being viewed as a historical one in the time-tested friendly relations between the two countries. During this visit, Bangladesh and China agreed to upgrade their relationship from closer comprehensive partnership to strategic partnership.

To have a better understanding of the emerging strategic partnership, it is essential to understand the rise of China and the significance of South Asia to China. China looms large over the emerging strategic landscape of global politics. And South Asia is likely to receive more significance due to the emergence of China as a great power.⁸ Chinese scholars have worked on numerous projects since the late 1990s regarding 'strong rise', 'peaceful permutation' and 'peaceful rise'.⁹ The accession of Xi Jinping to power in 2012 has transformed this concept to 'China Dream'. China advocated its transition to great power status through peaceful means. China's extraordinary economic growth and active diplomacy increased the importance of the Asian region.¹⁰ China's rise is seen both as a challenge and an opportunity. There are two major theoretical paradigms in relation to the interpretation of China's rise. On the one hand, there is a group of scholars who view China as the most likely

³ *Ibid.*

⁴ Iftekhar Ahmed Chowdhury, "Bangladesh-China: An Emerging Equation in Asian Diplomatic Calculations", ISAS Working Paper, Institute of South Asian Studies, No. 105, 2010, p. 4.

⁵ M. Ashique Rahman and Mohammad Jashim Uddin, "Bangladesh-China Relations: Potentials of Growing Partnership and Its Implications", in Bhuian Md. Monoar Kabir (ed.), *Sino-South Asian Relations: Continuity and Change*, Chattogram: Department of Political Science, University of Chattogram, 2013.

⁶ Muhammad Samad, "One Belt and One Road Initiative: Bangladesh-China Relationship, Development Partnership and Cooperation", *The Daily Observer*, 29 December 2016.

⁷ *Ibid.*

⁸ Harsh V. Pant (ed.), *The Rise of China: Implications for India*, Bengaluru, India: Cambridge University Press India Pvt. Ltd, 2012, p. 1.

⁹ Rashed Uz Zaman and Lailufar Yasmin, "The Rise of China and India: An Inevitable Confrontation in the Indian Ocean?" in Bhuian Md. Monoar Kabir (ed.), *op. cit.*, 2013, p. 111.

¹⁰ G. John Ikenberry, "The Rise of China and the Future of the West", *Foreign Affairs*, Vol. 87, No. 1, 2008, pp. 23-37.

challenger to the existing world order and global preponderance of the US. Historian Niall Ferguson noted that the twentieth century had witnessed “the descent of the West” and “a reorientation of the world” toward the East.¹¹ It signals that the centre of power is shifting from the West to the East and an Asia-centred world order can emerge. John Mearsheimer, a realist scholar predicts that with the erosion of the US’s position, China will get more stronger. Consequently, there will be tension and conflict.¹² On the other hand, for some, China’s rise is not a threatening one. Its rise is not perceived as a threat to the neighbouring countries. According to the neoliberal institutionalist paradigm, China has focused on developing global and regional economic interdependence to further its growth, utilising numerous institutions while reducing security concerns among others.¹³ For example, China is leading Asian Infrastructure Investment Bank (AIIB) which is a new multilateral financial institution. It is headquartered in Beijing and has 84 members from around the world. It started functioning in 2016. It aims at investing in sustainable infrastructure projects and to promoting economic development in Asia and beyond.

China’s growing need for energy and raw materials and its huge dependence on international trade makes the region of South Asia a sphere of interest for China.¹⁴ South Asia is very significant region for China to facilitate its trade and energy corridors throughout the region that China can access. China is also focused on enhancing its ties with the South Asian states to further secure its energy and trade flows from the Middle East and Europe as well as to extend its diplomatic and economic influence.¹⁵ Moreover, South Asia’s economic and demographic trajectory makes the region too large market to be avoided. Relationship with South Asia is likely to have an important effect on China’s global power in terms of having a strong foothold in the world’s most populous region.

In recent years, China has roped most of the countries of South Asia with its Belt and Road Initiative. Chinese President Xi Jinping announced the OBOR initiative on a visit to Kazakhstan in September 2013. In his speech, President Xi put forward the idea of an economic “belt”. One month later the maritime version was added. Hence, the OBOR initiative consists of two components, a route on land called “Silk Road Economic Belt” (SREB) and a sea-route labelled “Maritime Silk Road” (MSR).¹⁶ The

¹¹ *Ibid.*

¹² John J. Mearsheimer, “Can China Rise Peacefully?”, *The National Interest*, 25 October 2014.

¹³ Kent Goldingay, “Which International Relations Theories Best Explains the Rise of China in the International System?”, 4 April 2014, available at <http://kentgoldingay.com/2014/04/04/which-international-relation-theories-best-explain-the-rise-of-china-in-the-international-system/>, accessed on 20 January 2017.

¹⁴ Adil Najam and Moeed Yusuf (eds.), *South Asia 2060: Envisioning Regional Futures*, Delhi, India: Anthem Press, 2013, p.117.

¹⁵ Lisa Curtis, “China’s South Asia Strategy”, The Heritage Foundation, 10 March 2016, available at <http://www.heritage.org/research/testimony/chinas-south-asia-strategy>, accessed on 25 January 2017.

¹⁶ “The Implications of the Chinese OBOR One Belt One Road Concept for the EU”, We Build Europe, available at <http://webuildeurope.eu/think-europe/the-implications-of-the-chinese-obor-one-belt-one-road-concept-for-the-eu>, accessed on 30 January 2017.

SREB focuses on bringing together China, Central Asia, Russia and Europe (the Baltic); linking China to the Persian Gulf and the Mediterranean Sea through Central Asia and the Indian Ocean. The twenty first-century MSR is designed to go from China's coast to Europe through the South China Sea and the Indian Ocean in one route, and from China's coast through the South China Sea to the South Pacific in the other.¹⁷ In this regard, it can be mentioned that at the turn of the twentieth century, the English geographer Halford John Mackinder wrote that "who rules East Europe commands the Heartland; who rules the Heartland commands the World-Island; who rules the World-Island commands the world."¹⁸ In practice, however, it is still necessary to coordinate the control of land routes with maritime transportation along the coast of this World-Island.¹⁹ The OBOR has land and sea dimensions that converge at certain points. The "Belt" is made up of railways, highways, oil and gas pipelines and major energy projects.²⁰ Under the OBOR initiative, China is focusing on building a trade and infrastructure network for connecting Asian countries with Europe and Africa along the ancient silk routes.²¹ China's growing requirement to export production commodities such as manufactured steel can also be achieved through OBOR.²²

It is in this context, the paper attempts to answer a vital question: how do both China and Bangladesh perceive the concept of strategic partnership? First of all, it is important to understand how does China perceive the concept. China's strategic partnership is a product of China's multidimensional diplomacy. China has successfully employed it as a diplomatic tool in order to guarantee a benign environment for its rise. Brazil was China's first strategic partner. China established its strategic partnership with Brazil in 1993.²³ In the 1990s, China built strategic partnerships with Russia and the US. China also concluded a strategic partnership with the European countries. In South Asia, both India and Pakistan became strategic partners to China in 2005. Until 2013, forty seven countries and three international organisations – namely the EU, the Association of Southeast Asian Nations (ASEAN) and the African Union (AU) were on China's strategic partnership list.²⁴ China has built strategic partnerships to sustain its growth and its evolving global role, as well

¹⁷ "Chronology of China's Belt and Road Initiative", *Xinhua*, available at http://news.xinhuanet.com/english/2015-03/28/c_134105435.htm, accessed on 30 January 2017.

¹⁸ H. J. Mackinder, *Democratic Ideals and Reality: A Study in the Politics of Reconstruction*, Washington DC, USA: National Defense University Press, 1996, p. 150.

¹⁹ Erebus Wong, Lau Kin Chi, Sit Tsui and Wen Tiejun, "One Belt, One Road: China's Strategy for a New Global Financial Order", *Monthly Review*, Vol. 68, No. 08, 2017.

²⁰ Talmiz Ahmad, "Who is Afraid of One Belt One Road?", *The Wire*, 03 June 2016, available at <https://thewire.in/40388/one-belt-one-road-shaping-connectivities-and-politics-in-the-21st-century/>, accessed on 30 January 2017.

²¹ Shakhawat Liton, "Silk Road in South Asia: Designed to be a Game Changer?", *The Daily Star*, 16 October 2016.

²² D. S. Rajan, "China in the Indian Ocean", South Asian Analysis Group, 20 April 2016, available at <http://www.southasiaanalysis.org/node/1977>, accessed on 30 January 2017.

²³ Feng Zhongping and Huang Jing, "China's Strategic Partnership Diplomacy: Engaging with a Changing World", European Strategic Partnerships Observatory, 2014.

²⁴ *Ibid.*

as to manage important bilateral relations. In general, China's strategic partnerships are designed to protect China's core interests and to construct a better environment for China's rise. Strategic partnerships have helped China constructively engage with the world and rise peacefully. How the two components of strategic partnership are enumerated by the Chinese perspective can be well understood by quoting Chinese Premier Wen Jiabao in 2004 during his first European trip, which is as follows:

"By 'strategic', it means that the cooperation should be long-term and stable...It transcends the differences in ideology and social system and is not subjected to the impacts of individual events that occur from time to time. By 'partnership', it means that the cooperation should be equal-footed, mutually beneficial and win-win. The two sides should base themselves on mutual respect and mutual trust, endeavour to expand converging interests and seek common ground on the major issues while shelving differences on the minor ones."²⁵

Bangladesh is yet to define officially its new partnership with China. The paper attempts to understand how Bangladesh is looking at it by bringing in different perspectives. Munshi Faiz Ahmad explained why the new partnership between Bangladesh and China is being called strategic partnership. According to him,

"In Bangladesh, Chinese strategic partnership, the contents of the cooperation have broadened substantially. Bangladesh and China are looking at cooperation on many new areas including further extending and intensifying the older ones, which are likely to be spanned over an extended period of time. This partnership will not only benefit Bangladesh but also China. It is a win-win situation for all."²⁶

Ashfaqur Rahman, former ambassador of Bangladesh to China, views this strategic partnership with China from an economic perspective. According to him, "It is a purely economic strategy since China is planning huge investments in Bangladesh."²⁷ M. Humayun Kabir, former ambassador of Bangladesh to the US, believes that this strategic partnership has flourished because of China's "huge investment". This partnership will look at issues from the perspective of long-term relations where both parties will cooperate and collaborate with each other, and both will work together and benefit from each other.²⁸

²⁵ *Ibid.*

²⁶ Authors' interview with Munshi Faiz Ahmad, Former Ambassador of Bangladesh to China, 18 December 2016.

²⁷ "What is Meant by a Strategic Partnership Between Bangladesh and China?", 14 October 2016, available at <https://bdnews24.com/bangladesh/2016/10/14/what-is-meant-by-a-strategic-partnership-between-bangladesh-and-china>, accessed on 23 October 2016.

²⁸ *Ibid.*

Strategic partnership between Bangladesh and China would include efforts to widen, deepen and broaden the engagement between the two nations. For China, the partnership is a part of its grand strategy designed to protect the Chinese interests. This partnership will be long term and will help regulate China's important bilateral relations with Bangladesh. For Bangladesh, under the grand strategy, it can seek bilateral cooperation, which covers many bilateral issues ranging from defence cooperation to trade and investment. It is a cooperation strategy, which is more economic than military. Both the countries will work on bilateral issues from the perspective of long-term relations. The relations between Bangladesh and China have evolved into a holistic, all-inclusive strategic partnership. As Iftekhar Ahmed Chowdhury puts it, "Bangladesh and China are today 'all weather' strategic partners. The process, however, evolved at its own pace and took some time. This development, of course, is owed to the perceived national self interest of both countries."²⁹

3. Factors Behind the Transformation

There are several factors which are shaping Bangladesh-China bilateral relations to a new strategic level, namely: connectivity in terms of the inclusion of Bangladesh into China-led OBOR initiative; defence, security and terrorism; trade, ODA and investment; energy; cultural cooperation; maritime cooperation; and cooperation in UN peacekeeping missions.

The visit of the Chinese President to Bangladesh in October 2016 was a welcome step in the new direction. As declared in the visit, Bangladesh and China have become strategic partners. There are several decisive features translating the existing partnership into a strategic one. First, Bangladesh's joining of China-led OBOR initiative will have an overall impact on the subregional strategic environment. With Bangladesh's joining in OBOR project, all countries of South Asia, except India and Bhutan, will be partnering China with its OBOR project. Second, China has committed to provide US\$24.45 billion to Bangladesh as financial assistance. If it goes as planned, it will be considered as the biggest bilateral financial assistance from any country to Bangladesh. Third, for the first time, the issue of terrorism was addressed as a major area of cooperation between the two countries. Along with that, the defence cooperation between Bangladesh and China has reached a new height with Bangladesh's entrance in the submarine age with the Chinese support. China handed over to the Bangladesh Navy two Ming-class submarines which were commissioned as BNS Nobojatra and BNS Joyjatra.

²⁹ Iftekhar Ahmed Chowdhury, "China and Bangladesh: New Strategic Partners", *ISAS Working Paper*, Institute of South Asian Studies, No. 249, 14 December 2016.

3.1 *Connectivity*

Connectivity is a matter of common interest for both Bangladesh and China. Therefore, the issue of connectivity got much attention in the recent visit of Chinese President to Bangladesh. Both Bangladesh and China believe in regional cooperation and China's OBOR initiative fits into Bangladesh's goals of connectivity and increased trade. China wishes to build mega infrastructure projects within the Belt and Road areas to increase multilateral trade in goods and services, offering substantial prospects for Bangladesh.

To develop mutual cooperation in connectivity issue, earlier, Bangladesh and China negotiated a highway project to connect Chattogram and Kunming through Myanmar.³⁰ In 2010, during her visit to China, Bangladesh's Prime Minister Sheikh Hasina had discussed the project of building a deep seaport near *Sonadia* Island with the then Chinese Vice President Xi Jinping, who is the current Chinese President. However, in the recent visit of the Chinese President, the two countries agreed to work together for the implementation of the OBOR project and the Bangladesh, China, India, Myanmar Economic Corridor (BCIM-EC), a part of the new SREB. To facilitate connectivity in the region, enhanced cooperation and significant support are observed in terms of hard and soft infrastructure development in Bangladesh and maritime cooperation between the two countries. The multipurpose road-rail Padma Bridge, being built by the China Major Bridge Engineering Company, a two-lane tunnel underneath the Karnaphuli River, expansion and modernisation of Mongla port facilities, conversion of meter-gauge to broad-gauge track from Akhaura to Sylhet, Bangladesh Power Development Board's (BPDB) pre-payment metering project and the construction of a marine drive expressway in the southern coastal belt³¹ are noteworthy to name a few of the key hard infrastructure projects in Bangladesh supported by China. Furthermore, transfer of technology and soft infrastructure development are the other fields of cooperation. For establishing digital connectivity, China agreed to give US\$1 billion assistance to Bangladesh.³²

3.2 *Defence, Security and Terrorism*

Bangladesh and China have developed a strong defence relationship. China is Bangladesh's largest military equipment supplier.³³ In 2002, Bangladesh-China signed

³⁰ Borhan Uddin Khan, "China-Bangladesh Economic Cooperation: Current Trends and Future Prospects", *The Financial Express*, 12 October 2016.

³¹ Mustafizur Rahman, "The Window of Opportunity: Bangladesh China Emerging Partnership", *The Financial Express*, 10 November 2016.

³² Rejaul Karim Byron and Md. Fazlur Rahman, "\$24.45b Deals, Two Countries Put It on Paper", *The Daily Star*, 15 October 2016.

³³ Shannon Tiezzi, "China and Bangladesh Pledge Deeper Military Cooperation", *The Diplomat*, 04 December 2015.

a 'Defence Cooperation Agreement' which incorporated the purchase of arms.³⁴ Since 2010, Bangladesh has received 5 maritime patrol vessels, 2 corvettes, 44 tanks and 16 fighter jets, surface-to-air and anti-ship missiles from China.³⁵ In 2014, Bangladesh and China signed four bilateral military agreements³⁶ under which Bangladesh receives training and equipment from the Chinese military. Most recently, the Bangladesh Navy purchased 2 'Type 035G-class' (Ming-class) submarines from China.³⁷ With the purchase of these two submarines, Bangladesh navy moves towards becoming a three-dimensional force.³⁸ A three-dimensional navy will be able to operate above, on and under water.³⁹ Beside military hardware exchanges, there is a regular practice of training and military exchanges between the two countries. Recently, the two sides condemned terrorism in all of its forms and manifestations and agreed to explore the possibility of establishing a dialogue mechanism on countering terrorism.⁴⁰ In this regard, China conveyed its support for Bangladesh's efforts in combating terrorism and maintaining national security and stability and expressed its readiness to cooperate with Bangladesh through sharing of information, capacity building and training.⁴¹

3.3 Trade, ODA and Investment

Bangladesh-China economic relations have grown significantly in last five years. Whereas the trade between Bangladesh and China was only more than a billion US\$ in 2002, it crossed the US\$10 billion mark in 2013.⁴² Trade, ODA and investment have made the bilateral relations more significant. China is the Bangladesh's largest trading partner. According to Mafuz Kabir, "statistics of Export Promotion Bureau of Bangladesh shows that Bangladesh's total merchandised export to China was US\$808.14 million in the fiscal year (FY) 2015-16 whereas the data of Bangladesh Bank show that import from China was worth about US\$9.8 billion in 2015-16".⁴³ About 26.5 per cent of Bangladesh's trade with the world is with China.⁴⁴ Bangladesh's import items from China are mainly raw materials for its textiles and clothing such as

³⁴ Roshni Kapoor, "Parrikar's Visit to Dhaka: Significance for Security in South Asia", *ISAS Insights*, Institute of South Asian Studies, No. 393, 23 February 2017.

³⁵ Shannon Tiezzi, *op. cit.*

³⁶ Iftekhar Ahmed Chowdhury, *op. cit.*

³⁷ Roshni Kapoor, *op. cit.*

³⁸ Deepak Acharjee, "Bangladesh Enters the Submarine Era", *The Independent*, 14 November 2016.

³⁹ Pushan Das, "A Three-Dimensional' Bangladesh Navy in the Bay of Bengal", *The Diplomat*, 12 February 2015.

⁴⁰ Kamran Reza Chowdhury, "Bangladesh, China Sign off on 27 Bilateral Deals, Including Counter-Terror Cooperation", 14 October 2016, available at <http://www.benarnews.org/english/news/bengali/bangladesh-china-10142016170137.html>, accessed on 20 December 2016.

⁴¹ Kamran Reza Chowdhury, *op. cit.*

⁴² "Bangladesh China Trade and Economic Relations", Embassy of Bangladesh in Beijing, available at <http://www.bdembassybeijing.com/index.php/commerce/bangladesh-china-trade-and-economic-relations>, accessed on 01 December 2016.

⁴³ Mahfuz Kabir, "Expanding the Bangladesh-China Trade Frontier", *The Daily Star*, 10 October 2016.

⁴⁴ *Ibid.*

cotton, yarn, fabrics, staple fibers and accessories for its Readymade Garments (RMG) industry. Other import items are boilers, machinery, mechanical appliances, electrical machinery and equipment and parts, fertiliser, plastic, chemicals, and iron and steel. Some food items are also included in the import list. Since 2004, China has been the largest source of imports for Bangladesh.⁴⁵ On the export side, the main items of export of 2015-16 were woven garments (24.5 per cent), leather products and travel items (17.9 per cent), knitwear (17.8 per cent), paper yarn and woven fabric (12.6 per cent), and raw leather (6.5 per cent).⁴⁶ Bangladesh has a high bilateral trade deficit with China. To address the growing trade imbalance, 5,054 products of Bangladesh were given a duty-free facility to China bilaterally.⁴⁷ Furthermore, Bangladesh enjoys a duty benefit to 97 per cent of Bangladesh-originated products from China in line with the World Trade Organisation rules.⁴⁸ The products include medical materials, plastic appliances, leather, timber, textiles, RMG and poultry products.⁴⁹ However, Bangladesh cannot take full advantage of this offer as Bangladesh lacks diversity in its export items. Bangladesh also needs more favourable Rules of Origin (RoO), so that it can increase its export to China.⁵⁰ The RoOs “prescribed by China demand higher value addition of Bangladeshi products, meaning the goods should have 40 per cent local contents”.⁵¹ If China relaxes RoO clause to 25 per cent, Bangladesh’s export to China will increase.⁵² All depend on the negotiations, but the situation on the ground has not changed much in this regard.

ODA occupies a significant place in Bangladesh-China relations. China has provided assistance in the form of grants, interest free loans, Interest Subsidised Preferential (ISP) loan and supplier’s credits. Until 2005, China has provided Bangladesh with US\$181 million as interest free loans, US\$75 million as ISP loans, US\$764 million as supplier’s credits and US\$32.94 million as grants.⁵³ The data of past three years show that in FY 2013 China provided US\$77.04 million; in FY 2014, US\$472.71 million; in FY 2015, US\$121.23 million and in FY 2016 up to January, China had provided US\$22.72 million as ODA.⁵⁴ Compared to these figures, during the Chinese President’s visit to Bangladesh in October 2016, China has committed Bangladesh to provide US\$24.45 billion as financial assistance which is going to be the biggest assistance for Bangladesh from any country. During the last visit of Chinese President to Bangladesh, total 34 projects and programmes got commitment

⁴⁵ M. Ashique Rahman and Mohammad Jashim Uddin, *op. cit.*

⁴⁶ Mahfuz Kabir, *op. cit.*

⁴⁷ “7 Chinese Firms Look to Invest in Bangladesh”, *The Daily Star*, 14 October 2016.

⁴⁸ *Ibid.*

⁴⁹ M. Ashique Rahman and Mohammad Jashim Uddin, *op. cit.*

⁵⁰ Fahmida Khatun, “China and Bangladesh: On a Transformational Journey”, *The Daily Star*, 10 October 2016.

⁵¹ Sajjadur Rahman, “Duty-free, Not Hurdle-free”, *The Daily Star*, 14 October 2016.

⁵² *Ibid.*

⁵³ M. Ashique Rahman and Mohammad Jashim Uddin, *op. cit.*

⁵⁴ Mohammad Jasim Uddin, “Bangladesh-China Economic Relations”, paper presented in the Seminar on *Connectivity and Bangladesh-China Relations*, organised by BIISS, Dhaka, on 19 September 2016.

of Chinese assistance. The two countries signed an Memorandum of Understanding (MoU) on strengthening investment and production capacity cooperation. This MoU includes 28 projects. Bangladesh would get US\$21.5 billion from China to finance these 28 projects.⁵⁵ China agreed to provide US\$3.3 billion to Padma Bridge rail link project and US\$1.76 billion to dual gauge rail line (Akhaura-Sylhet) project under rail sector. China also offered financial assistance for projects including marine drive expressway (US\$2.86 billion), Dhaka Ashulia elevated expressway (US\$1.39 billion), Dhaka-Sylhet four lane highway (US\$1.6 billion) and Payra port in Patuakhali (US\$1.9 billion).⁵⁶ In addition, other promised Chinese assistance on several projects are the expansion and strengthening of power system (US\$2.04 billion), power grid network strengthening project (US\$1.32 billion), establishing digital connectivity (US\$1 billion) and Karnaphuli Tunnel (US\$703 million) (see Table 1).

Projects	Amount of Assistance
Padma Bridge Rail Link	US\$3.3 billion
Marine Drive Expressway	US\$2.86 billion
Expansion, Strengthening of Power System Network	US\$2.04 billion
Power Plant in Payra	US\$1.9 billion
Dual Gauge Rail Line(Akhaura-Sylhet)	US\$1.76 billion
Dhaka- Sylhet 4-lane Highway	US\$1.6 billion
Dhaka Ashulia Elevated Expressway	US\$1.39 billion
Power Grid Network Strengthening Project	US\$1.32 billion
Establishing Digital Connectivity	US\$1 billion
Karnaphuli Tunnel	US\$703 million

Source: “\$24.45b Deals, Two Countries Put It on Paper”, *The Daily Star*, 15 October 2016.

The above table shows some of the major projects with proposed Chinese assistance. Though the details of the deals and the amount of assistance are not officially revealed yet, some other sources have come out with an analysis that in total, sector wise, China agreed to finance US\$5.52 billion for power and energy projects. Five rail projects are likely to be given US\$6.64 billion. China also agreed to provide US\$6.65 billion for four projects under Roads and Bridges Division and US\$1.31 billion for five livelihood projects. Finally, US\$1.15 billion is expected from China for four projects in the ICT sector.⁵⁷

⁵⁵ Rejaul Karim Byron and Md. Fazlur Rahman, *op. cit.*

⁵⁶ “Strategic Partners”, *The Daily Star*, 15 October 2016.

⁵⁷ Rejaul Karim Byron and Md. Fazlur Rahman, *op. cit.*

Apart from the projects under MoUs and agreements, the two countries signed framework and loan agreements on two projects. The two projects involve purchasing six ships from China with a loan of US\$184 million and setting up of Dasherbandi Water Treatment Plant with a loan of US\$280 million.⁵⁸ Bangladesh would receive US\$83 million in grants for the project of 'Disaster Emergency Operation Centre and Information Platform' and assistance of US\$500 million (2016-2020) for disaster prevention and reduction projects.⁵⁹

On the issue of investment, the volume of Foreign Direct Investment (FDI) from China was not very significant until 2010. Since 2010, a significant increase in Chinese FDI was visible.⁶⁰ Recently, 13 Bangladeshi companies and the same number of Chinese companies signed 13 joint venture agreements worth US\$13.6 billion. Traditionally, China is used to invest on infrastructure projects and service sectors. Recently, China has shifted its focus towards the manufacturing sector, specifically to the RMG sector. China is also interested to invest in sectors such as commerce, agriculture, industry, energy and infrastructure.⁶¹ Besides, during the latest Chinese President's visit to Bangladesh, seven Chinese state-owned companies made investment and import agreements worth US\$186 million with 13 Bangladeshi companies. Most of the Chinese investments are expected to be made in the jute, jute goods and leather sectors.⁶²

3.4 Energy Cooperation

In 2005, China offered assistance to Bangladesh in developing alternative energy technology by signing an agreement on peaceful use of nuclear technology and helped Bangladesh explore gas and coal by making huge investment in Barapukuria coal mine.⁶³ Eventually, Bangladesh-China energy cooperation has further developed during the Chinese president's visit to Bangladesh in 2016. The two countries agreed and signed documents of cooperation in the areas of power and energy. In this regard, China has offered assistance for several other major energy projects. China pledged US\$1.9 billion for setting up a 1320 MW coal based power plant near Payra port in Patuakhali. Besides, China has offered US\$2.04 billion as financial assistance for the purpose of expansion, strengthening of the power system network and US\$1.32 billion was offered in the power grid network strengthening project.

⁵⁸ *Ibid.*

⁵⁹ "Chinese President for Strategic Partnership with Bangladesh", *The Daily Star*, 14 October 2016.

⁶⁰ Fahmida Khatun, *op. cit.*

⁶¹ "Sino-Bangla Venture: 13 Companies to Invest \$13.6 b", *The Daily Star*, 15 October 2016.

⁶² "7 Chinese Firms Look to Invest in Bangladesh", *op. cit.*

⁶³ M. Ashique Rahman and Mohammad Jashim Uddin, *op. cit.*

3.5 *Other Areas of Cooperation*

Bangladesh-China relations have widened and expanded to incorporate some other areas of cooperation. Bangladesh and China have designated 2017 as the Year of Bangladesh-China Friendly Exchanges. It is aimed at further strengthening people-to-people exchanges. It can also boost up the tourism sector of both countries and facilitate exchanges between the media, youth, women organisations and local governments.⁶⁴

In terms of capacity building, the two countries have agreed to maintain deep cooperation in areas such as UN peacekeeping missions.⁶⁵ On the subject of maritime cooperation, both sides have agreed to establish a dialogue mechanism during the last visit of Chinese president in 2016. This will help Bangladesh develop blue economy and build up its capacity in relevant areas.⁶⁶ These efforts of the two countries would help further strengthen the framework of strategic partnership.

Apart from these, there are huge potentials for future expansion of the two countries' engagement in emerging fields such as Information and Communications Technology (ICT), agro-processing, electronics, textiles, leather, petrochemicals, pharmaceuticals, shipbuilding and renewable energy.⁶⁷ Bangladesh and China can also cooperate on strengthening disaster management capacity building, seeking waste management and water treatment solutions for both urban and industrial areas and developing earthquake resilient infrastructure.⁶⁸ In addition, there are some other areas where both parties can work together for their mutual interests. China's support will be very helpful in Bangladesh's efforts to mitigate severe effects of climate change, floods and other natural calamities. In the coming years, Bangladesh and China can also forge cooperation in terms of modernising capabilities of Bangladesh Navy and Coast Guard as well as providing technological know-how for harnessing deep-sea resources by Bangladesh.⁶⁹ The following chart shows the factors transforming the Bangladesh-China partnership to strategic level.

⁶⁴ Amit Ranjan, *op. cit.*

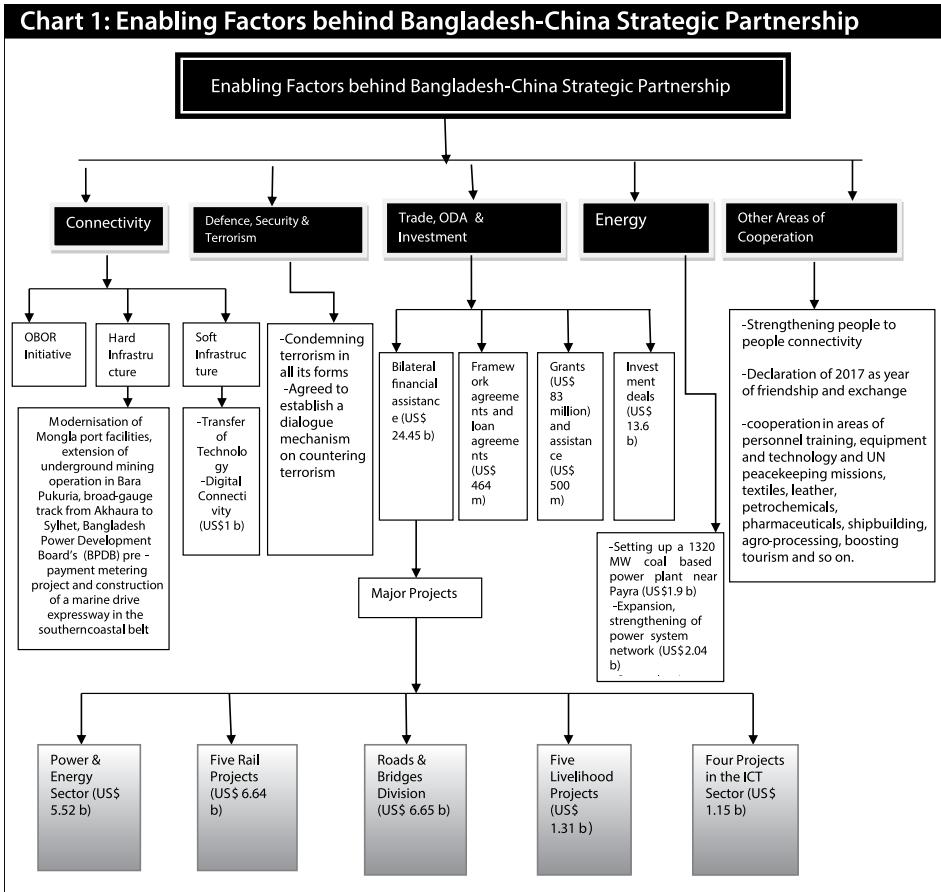
⁶⁵ "The Asian Dream", *op. cit.*

⁶⁶ Ministry of Foreign Affairs, "Joint Statement of The People's Republic of China and The People's Republic of Bangladesh on Establishing Strategic Partnership of Cooperation", Dhaka, 14 October 2016.

⁶⁷ "China a Trusted Friend", *The Daily Star*, 14 October 2016.

⁶⁸ Ministry of Foreign Affairs, *op. cit.*

⁶⁹ M. Ashique Rahman and Mohammad Jashim Uddin, *op. cit.*



Source: Compiled from different sources.

4. The Future Outlook

This section will discuss the future outlook of the partnership. It will explore the dynamics of the partnership taking into the consideration of various stakeholders. It examines various options the new partnership offers to both China and Bangladesh. Besides, it will also analyse the regional ramifications of this partnership. On the one hand, the strategic partnership helps China experience a surge in its involvement with South Asia, and Bangladesh has become an important strategic partner for China in the regional context. China will also be able to maintain its influence in the Indian Ocean. On the other hand, transport connectivity is of great importance to Bangladesh. Bangladesh will also be beneficiary in terms of gaining more investment and ODA. Moreover, Bangladesh and China can have energy and security cooperation. With regards to regional ramifications, the paper observes that China's increased

involvement in South Asia is closely monitored by other regional and extra-regional actors.

4.1 *Gains for China*

The strategic partnership with Bangladesh for China bears immense significance. First, this partnership will embody Bangladesh as an important partner for China in its OBOR project. China is currently focusing on two geographical areas: Eurasia and the Indian Ocean. The Indian Ocean consists of a vital route under the OBOR initiative. Bangladesh is an Indian Ocean littoral state.⁷⁰ Bangladesh is situated in a central position along the BCIM-EC. It also figures along the twenty first century maritime silk road. Bangladesh's Chattogram Port is considered as a "major maritime pivot through the Indian Ocean".⁷¹ The BCIM-EC suggests that a corridor can be initiated from China's Kunming province to Kolkata (India), which will span across eastern China and part of India via Myanmar's Mandalay through Bangladesh's Chattogram. There are various ongoing projects under OBOR. According to *The Economist*, there are 900 deals worth US\$890 billion.⁷² One among them is a gas pipeline from the Bay of Bengal to the southwest China via Myanmar.⁷³ By including Bangladesh into OBOR initiative, China wants to develop its southwestern part (Yunnan province) that is much closer to Chattogram than Beijing or Shanghai. Accessing the Bay of Bengal would add huge value to the development of this region and economic growth of China.⁷⁴

Second, China can consolidate its sphere of influence in the Indian Ocean through its strategic partnership with Bangladesh. China is the world's second largest economy. It is heavily dependant on imported energy resources. This energy resources pass through the strategic channels located in the Indian Ocean. China imports 82 per cent of its energy supply, both in gas and oil, passing through the Indian Ocean. In addition, China conducts 30 per cent of its maritime trade (worth around US\$300 billion annually) through the Indian Ocean⁷⁵ and 80 per cent of it passes through the Malacca strait over which China has little control.⁷⁶ So, maintaining close ties with littoral states in the Bay of Bengal is important for China. China is gradually expanding its economic and political influence among states in the region. One of the most

⁷⁰ Sudha Ramachandran, "China's Sinking Port Plans in Bangladesh", The Jamestown Foundation, 21 June 2016, available at <https://jamestown.org/program/chinas-sinking-port-plans-in-bangladesh/>, accessed on 30 January 2017.

⁷¹ Avia Nahreen, "The Growing Strategic Importance of Bangladesh to China", *The Daily Star*, 21 April 2017.

⁷² "Our Bulldozers, Our Rules", *The Economist*, 02 July 2016.

⁷³ *Ibid.*

⁷⁴ Mohammad Aminul Karim, "China's Proposed Maritime Silk Road: Challenges and Opportunities with Special Reference to the Bay of Bengal Region", *Pacific Focus*, December 2015, pp. 297-319.

⁷⁵ Roshni Kapoor, *op. cit.*

⁷⁶ Md. Safiqul Islam, "Sino-Bangladesh Relations: Geo-political and Geo-strategic Implications", in Bhuian Md. Monoar kabir (ed.), *op. cit.*, p. 202.

important impacts of the OBOR in regard to the Indian Ocean is the announcement to include the Gwadar Port as part of the China-Pakistan Economic Corridor (CPEC), which has raised security concerns in India. India is also sensitive to developing sea ports by China at Hambantota in Sri Lanka and Coco Island in Myanmar. China is thus competing with India and the US to make its presence stronger in the Bay of Bengal and Indian Ocean region.⁷⁷ The strategic partnership with Bangladesh matters for China because it intends to make a transport channel from China's southwest part to the Indian Ocean, which will bypass the Strait of Malacca. It can be a potential route that would pass through Bangladesh to the Bay of Bengal and Indian Ocean.⁷⁸ It appears that China wants to lay the basis for increased access to the Indian Ocean so that in the future in any crisis situation China can defend its sea lines of communication. Finally, China is investing much of its attention towards South Asia. Bangladesh is one of the most important countries for China to expand its influence in South Asia. By developing stronger ties with Bangladesh along with other South Asian countries, China can check the growing Indian influence in the region.

4.2 Benefits for Bangladesh

The strategic partnership has several implications for Bangladesh. First, transport connectivity can bring benefits for Bangladesh. Bangladesh can develop economic zones under the BCIM-EC. It will increase activities along the corridor. It will also create new opportunities for development of the ports of Chattogram, Mongla and Payra as the ports will facilitate connectivity for the southwestern part of China and the northeast part of India.⁷⁹ This, in turn, it will also benefit the economy of Bangladesh. Bangladesh will be able to ensure seamless transport connectivity with China, India and the Southeast Asian region. This will enable Bangladesh to increase its access to foreign markets and reduce transport costs for its goods and services, making them more competitive in the international market. Basically, Bangladesh will benefit from better infrastructures to be built with Chinese assistance under OBOR initiatives. The multipurpose Padma rail link project will improve transportation in Bangladesh's northeast and southwest regions and bolster Bangladesh's economy.⁸⁰ The two-lane tunnel under the Karnafuli River will expedite further socioeconomic progress in Bangladesh. With the completion of the multi-lane tunnel project under the Karnaphuli River, Chattogram can be developed as the financial capital of the country.⁸¹ Furthermore, other infrastructure related projects with proposed Chinese assistance like modernisation of Mongla port facilities, BPDB's pre-payment metering project, etc. will help remove some of the key blockages that undermine

⁷⁷ Ataur Rahman, "India, China and the US", *The Daily Star*, 13 December 2014.

⁷⁸ Erebus Wong, Lau Kin Chi, Sit Tsui and Wen Tiejun, *op. cit.*

⁷⁹ "Bangladesh-China Relations: Focus on Better Economic Ties", *The Daily Star*, 11 October 2016.

⁸⁰ "Spotlight: Upgraded Ties Usher in New Era for China-Bangladesh Cooperation", *Xinhua*, 15 October 2016.

⁸¹ Muhammad Azizul Haque, "Xi Jinping's Milestone Visit: Transforming Dynamics", *The Daily Star*, 19 October 2016.

Bangladesh's competitiveness in regional and global markets. In addition, offering special economic zone to China would help attract Chinese investors to relocate their factories in Bangladesh. Moreover, transfer of technology will also help Bangladesh become a middle income country by 2021 and a developed nation by 2041.

Second, in terms of ODA and investment, Bangladesh's economic relations with China have experienced notable dimensions. This largest financial assistance from China in terms of development of both soft and hard infrastructures implies that Bangladesh and China are willing to promote infrastructure construction and industrialisation process together. Through the development of both soft and hard infrastructures, Bangladesh can improve its trade and investment environment. Bangladesh would become a good investment destination to attract more FDI from different countries including China. Moreover, better infrastructure would facilitate the sub-regional transport connectivity. Besides, with Chinese grants, Bangladesh can further strengthen disaster management capacity and enhance social and public awareness about disaster in Bangladesh.

Third, Bangladesh-China energy partnership has attained a new height. China will have a strong energy footprint in Bangladesh. The proposed energy projects are already at various stages of planning.⁸² Finally, mutual consent for establishing a dialogue mechanism on countering terrorism is an indication that China would like to enhance its strategic relationship with Bangladesh. Furthermore, by sharing information on global and regional, transnational terrorist threats, the two countries could help each other to ensure their development goals.⁸³

China's support for ushering in a new level in connectivity, defence and security, trade and investment, and energy sector can strengthen Bangladesh's efforts towards accelerated economic growth and enhanced national welfare.

4.3 *Regional Ramifications*

Bangladesh is a nation of strategic importance not only to the South Asian sub-region, but also to the larger geopolitical dynamics of Asia as a whole.⁸⁴ The dynamics of Bangladesh-China relations are also taking place in a particular geopolitical context. China regards Bangladesh as a potential actor to facilitate its security interest in the

⁸² "Bangladesh Signs US\$13.6bn Investment Package with China", 20 October 2016, available at <http://country.eiu.com/article.aspx?articleid=1544727338&Country=Bangladesh&topic=Economy>, accessed on 08 January 2016.

⁸³ Authors' Interview with A. S. M Ali Ashraf, Associate Professor, Department of International Relations, University of Dhaka, 20 December 2016.

⁸⁴ Bruce Vaughn, "Bangladesh: Political and Strategic Developments and U.S. Interests", Congressional Research Service, 2010, available at <https://fas.org/sqp/crs/row/R41194.pdf>, accessed on 02 December 2016.

region of which India is concerned of, on the other hand, geopolitical interests and realities of Bangladesh also overtures toward China.⁸⁵ Due to the geopolitical context, Bangladesh has considered both China and India as important partners in realising its development needs. In this process, from time to time, China and India have offered partnership to Bangladesh. Bangladesh has joined the OBOR project led by China. China has also come up with the largest bilateral financial assistance of US\$24.45 billion. It has created some concerns in the region and beyond. It is because South Asian states have always tried to reduce the influence of India by seeking to build security links with extra-regional powers like China and the US. They have viewed it as the imposition of Indian version of "Monroe Doctrine".⁸⁶ China and India have rivalry which involves competition for influence over South Asian states. China's entry into the region makes India suffer from fear of encirclement. Previously, the signing of the Bangladesh-China defence cooperation in 2002 raised some concerns in India.⁸⁷

In this backdrop, a debate rises whether Bangladesh is being too aligned with China. Does this growing Bangladesh-China relations pose any challenge to Bangladesh-India friendship? And how will Bangladesh deal with it? Here, it is noteworthy that the Indian Defence Minister Manohar Parrikar visited Bangladesh on 30 November 2016.⁸⁸ Manohar Parrikar is the first Indian defence minister to visit Bangladesh in last 45 years. The visit was made to strengthen defence cooperation between India and Bangladesh. The Indian defence minister visited Dhaka shortly after Chinese President Xi Jinping's visit to Dhaka in October 2016. It is also interesting that during that period, Bangladesh purchased two submarines from China.⁸⁹ It seems that in the way of mounting ties between Bangladesh and China, India is interested to firm up its military and defence ties with Bangladesh. Besides, the US encourages China's involvement in anti-piracy efforts, but it remains wary of China's deep engagements with South Asia. For the US, China has challenged its long established primacy in the region. Overall, certain features of regional ramifications have come to the fore. First, on the issue of transport connectivity, Bangladesh has formally joined Chinese President Xi Jinping's 'Road and Belt Initiative'. Bangladesh has said that it is 'appreciative' of China's initiative of the SREB and twenty first century MSR. Earlier, several countries in the region have joined the OBOR project. But, India has had its concern for China-led OBOR project. To build consensus on the OBOR initiative, Beijing is hosting a Silk Road summit in May 2017. To date, leaders from approximately 20 countries have accepted the invitation to participate in the summit.⁹⁰ However, Bangladesh's joining of the OBOR project may make India rethink about joining the

⁸⁵ Md. Safiqul Islam, *op. cit.*, p. 205.

⁸⁶ *Ibid.*

⁸⁷ *Ibid.*

⁸⁸ Roshni Kapoor, *op. cit.*

⁸⁹ *Ibid.*

⁹⁰ Ben Blanchard and Elizabeth Piper, "China Invites Britain to Attend New Silk Road Summit: Sources", *Reuters*, 08 February 2017.

alliance. Second, China has become more influential player in the region.⁹¹ China is in the process of deepening its interests in South Asia. Its influence in the region is by no means reduced to Pakistan, though Pakistan continues to be its closest ally. China's footprint is growing larger in the region. Finally, whatever the regional implications may be, both China and India are very important for Bangladesh. Bangladesh is willing to grow with both China and India through win-win cooperation.⁹²

5. Conclusion

Bangladesh and China are strategic partners. This partnership evolved at its own pace and was guided by perceived national interests of both countries. The strategic partnership between Bangladesh and China can be understood as a long term widened and broadened partnership, which will address not only the trade, investment, technology issues but also some political and security issues. There are several factors, which are transforming the bilateral relations to a new strategic level, namely: connectivity; cooperation in defence, security and terrorism sectors; trade, ODA and investment; energy cooperation, maritime cooperation, cultural cooperation and cooperation in the UN peacekeeping missions.

This very partnership is expected to produce win-win situation for both the countries. For China, the strategic partnership with Bangladesh will regulate its growing bilateral relations with Bangladesh which has consolidated its position as an emerging power in South Asia and China is now more deeply engaged with South Asia. South Asia hosts important trade and energy corridors. In this context, China is promoting its OBOR initiative, which is aimed at creating trade and infrastructure network and promoting regional and cross-continental connectivity between China and Eurasia. The inclusion of the South Asian countries into OBOR initiative would secure its energy and trade routes through bypassing the Strait of Malacca. Earlier, several countries joined the initiative, and Bangladesh has agreed to work with China under the OBOR project during the Chinese president's recent visit to Bangladesh in 2016. With the joining of Bangladesh into the OBOR initiative, China will be able to strengthen its footprint in the region. This partnership for China is intended to maintain its core interests in the region and create an enabling environment for its continual advancement. For Bangladesh, the strategic partnership is designed to broaden and deepen the level of engagements in the long run. This would further strengthen its connectivity in terms of infrastructure construction, defence and security cooperation, unimpeded trade, energy, financial integration and people-to-people ties. Through joining the OBOR initiative, Bangladesh will be able to ensure transport connectivity within and beyond the region of South Asia through various routes. Bangladesh will

⁹¹ Iftekhar Ahmed Chowdhury, *op. cit.*

⁹² Prarthana Kashinath, "To Fend off China, India Must Galvanize Ties with Bangladesh", *The Diplomat*, 29 October 2016.

benefit from the better infrastructures to be built with Chinese assistance under OBOR initiatives. It will improve its trade and investment environment and facilitate the subregional transport connectivity. If Bangladesh can manage the investment opportunities efficiently, the prospect of substantial inflow of Chinese investments and development assistance in future years remains very bright. More importantly, this emerging strategic partnership has also some regional geopolitical implications. Against the backdrop of the Bangladesh-China growing partnership, there re-appears the traditional debate whether Bangladesh has become too aligned with China. In general, the strategic partnership has brought some regional ramifications. Most importantly, China has become a major power in the region whose partnership is not confined to Pakistan. India seems also wary of growing defence cooperation between Bangladesh and China. Finally, it seems that Bangladesh appears poised to use its linkages with both India and China to its advantage. Thus, it can be perceived that the situation in the region would evolve in a way that would bring a 'win-win situation' for all. Thus, Bangladesh would substantiate its policy of 'friendship to all and malice to none'.