

BANGLADESH-CHINA ECONOMIC RELATIONS: INVESTMENT, PROJECTS, AND PARTNERSHIPS

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Abstract

In recent years, Bangladesh-China economic relation has emerged as a strong and mutually beneficial relationship due to steady development. Bangladesh and China have expanded their economic cooperation in infrastructure, transportation and communication, information technology, power, maritime, and other sectors. Chinese investment, assistance, and cooperation are being carried out on the basis of equality, mutual benefit, and economic development. Both Bangladesh and China are trying to develop and employ innovative ideas for increasing economic engagement. As a result of this, it is expected that in the near future Bangladesh-China economic relation is going to emerge as an obligatory part for each other's economic development. To ensure mutual and faster economic development, both sides are giving importance to economic investment, projects, and partnerships. In the process, several potential sectors have been identified which can play an important role in increasing investment as well as for engaging in new projects. This paper gives a descriptive view of Chinese investments, projects, and partnership on the economy of Bangladesh and at the same time assesses the scope and prospect of Chinese investment, projects, and partnerships in recent years.

Keywords: *Bangladesh, China, economic, investment, partnerships, prospects.*

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Introduction

In the last few decades, Bangladesh and China have got closer and have been working together to achieve common goals of development and prosperity. Extensive economic cooperation at the turn of the twenty-first century has added a new stanza in Bangladesh-China economic relations. To accelerate the development based on common desire and to ensure a bright future, both countries agreed to promote bilateral relations. As a result of this, China's role in economic development of Bangladesh has increased significantly. As regards Bangladesh-China economic relations, a huge development has been noticed in investments, projects, and partnerships. Chinese investment has increased significantly. Numerous potential sectors have drawn the attention of Chinese investors. Attractive geographical location, cheap labour, and low production costs have attracted Chinese investors. Although infrastructural weaknesses and several other obstacles are a major concern for an investment-friendly environment, investment projects and partnerships are the major areas where Bangladesh-China economic relations are getting stronger and surging ahead. This paper discusses Bangladesh-China economic relations focusing on investment projects and partnerships in recent years.

Scenario of Boosting Investment and Cooperation between Bangladesh and China

Chinese investment is growing in Bangladesh. Bangladesh aims at achieving upper middle-income country (UMIC) status by FY 2031. To meet the ambitious goal of Bangladesh, it needs a huge investment. Therefore, Bangladesh is trying to attract foreign direct investment (FDI) from China to develop her infrastructure.¹ Beijing expressed its interest in investing in various promising sectors like ports, infrastructure, and energy sectors. As a result, investments have risen faster than before in the last few years. According to Chinese Ambassador Li Jun, more than 200 Chinese entrepreneurs are eager to

invest in Bangladesh. This investment would increase Bangladesh's exports to China, leading to a more balanced bilateral trade.² In 2015, Bangladesh received \$200 million from India and \$600 million from Japan. During the visit of Chinese President Xi Jinping in 2016, China wished to begin a new era with Bangladesh on the basis of the expansion of 'One Belt, One Road' and, as a result, Dhaka has been promised to get \$24 billion in investment. In this context, former Foreign Secretary Moufle R Osmani said that there was ample potential for Bangladesh-China economic cooperation. Since Bangladesh has infrastructural deficiencies, this huge investment will help in making the best use of the potential economic sectors. Osmani thinks that relations with China have moved to a new horizon of economic cooperation.

Table 1 shows that from 2001 to 2017, the total annual FDI inflow from China increased from a paltry \$0.11 million to \$90.12 million. After 2017, a rapid increase was seen in FDI inflow, which jumped to \$1029.90 million although a dramatic fall was seen 2019. Mainly after 2010, an upward trend of FDI inflow from China emerged. China has invested \$3.5 billion in readymade garments, two and three-wheeled auto-motives, paper mills, plastic, textile products, and various other sectors from 1977 to 2015. Bangladesh has a huge market of 160 million people through which Bangladesh is attracting Chinese investment in different new sectors such as shipbuilding, heavy industries, agricultural sectors, etc. Besides, the special economic zone is also a highly promising sector for Chinese entrepreneurs.³ In 2014, Prime Minister Sheikh Hasina urged Chinese entrepreneurs to invest more in manufacturing and service sectors. She also suggested that drugs, ceramics, tourism, roads and railway communication, as well as petrochemical and agricultural sectors could be promising, profitable, and meaningful sectors for Chinese enterprises. She encouraged them for joint investments in these sectors as well.⁴ Chinese investment has increased at a higher rate in

recent years than before. Yet, only a few sectors attracted Chinese investment the most. Bangladeshi Prime Minister Sheikh Hasina predicted that public-private partnership (PPP) and build-operate-transfer (BOT) projects like international airports, seaports, waterways, roads, and highways could bring good prospects for both countries and Chinese enterprises might be interested in these sectors.⁵ Although the estimated FDI from China in 2015 was \$50 million, Bangladesh was expecting more in future.⁶

Table 1**FDI Inflows from China**

Year	January-June (\$ million)	July-December (\$million)	Total (\$ million)
2001	0.05	0.06	0.11
2002	-	2.64	2.64
2003	3.94	0.07	4.01
2004	-	0.37	0.37
2005	1.44	1.18	1.62
2006	-	0.92	0.92
2007	-	0.18	0.18
2008	2.99	1.51	4.50
2009	1.03	2.21	3.24
2010	2.96	5.70	8.66
2011	12.87	5.78	18.65
2012	8.57	9.32	17.89
2013	16.69	23.29	39.98
2014	16.81	26.25	43.06
2015	31.15	25.64	56.79
2016	26.73	34.67	61.40
2017	33.91	56.21	90.12
2018	449.92	579.68	1029.90
2019	579.44	46.48	625.92

Source: Foreign Direct Investment in Bangladesh, Survey Report-2014, 2018, 2019, Statistics Department, Bangladesh Bank.

Table 2

**FDI Inflows from China in Major Sectors
from 2015-'16 (In Million \$)**

Sectors	2015		2016	
	Net Inflows	Gross Inflows	Net Inflows	Gross Inflows
Textile and Wearing	34.25	47.97	23.08	30.83
Power	0.91	1.28	0.42	0.42
Trading	0.46	0.52	1.92	2.17
Chemicals and Pharmaceuticals	0.02	0.02	0.07	0.07
Agriculture and Fishing	0.87	0.87	-	-
Leather and Leather Products	5.26	6.90	6.22	12.00
Fertilizer	---	---	-0.30	0.91
Construction	---	---	0.03	---
Metal and Machinery Products	0.30	0.30	---	-
Vehicle and Transport Equipment	0.02	0.02	---	---
Other Sector	7.75	9.45	20.93	21.53
Total	49.84	67.33	52.37	67.93

Source: Foreign Direct Investment in Bangladesh, Survey Report- 2015, 2016, Statistics Department, Bangladesh Bank.

Table 2 shows that the major attractive sectors for investment are almost similar. In this situation, when Bangladesh was seeking more and more, Xi Jinping's visit in 2016 brought about a good opportunity for Bangladesh to attract Chinese investment. During this visit, China committed to invest \$40 billion. Economists, businessmen, and industrialists of the country assess that if this amount of money is invested, the entire economy will change and it will affect the Bangladesh-China relation remarkably. Moreover, Bangladesh will not be dependent on the World Bank, International Monetary Fund (IMF), and Asian Development Bank (ADB) anymore.

Table 3

**FDI Inflows from China in Major Sectors
from 2018-'19 (In Million \$)**

Sector	2018		2019	
	Net Inflows	Grows Inflows	Net Inflows	Grows Inflows
Power	834.13	837.31	562.06	562.06
Food	0.03	0.03	0.97	0.97
Textile and Wearing	39.56	59.64	29.94	52.87
Leather and Leather Products	1.42	10.83	1.56	38.85
Trading	14.67	20.70	5.65	9.22
NBFI (Including Financial Intermediaries)	113.07	113.07	---	---
Construction	8.62	10.29	4.83	6.88
Chemicals and Pharmaceuticals	0.01	0.01	3.51	3.51
Fertilizer	0.03	0.03	0.21	---
Computer Software and IT	---	---	0.20	0.20
Agriculture and Fishing	0.06		0.05	0.05
Metal and Machinery Products	---	---	0.09	0.09
Telecommunication	-0.12	---	---	---
Other Sectors	18.42	22.01	16.85	20.95
Total	1029.90	1073.92	625.92	695.65

Source: Foreign Direct Investment in Bangladesh, Survey Report- 2018, 2019, Statistics Department, Bangladesh Bank.

These investments are expected to create a promising environment for short and long term business as well as a better opportunity for technology and skill transfer.⁷ Commercial Councilor of Chinese embassy Li Guangyam, stated that Chinese government was

encouraging investors to invest more and establish factories. Explaining the Chinese investment potential, he said that China intended to use the cheap labour force of Bangladesh and believed that it would be a profitable sector for China.⁸ Sheikh Hasina expressed her optimism about infrastructural development, emerging electronic sectors, and the special economic and industrial areas in Chittagong. She believed that there were a lot of opportunities to expand the involvement of both countries in these sectors and expect that Chinese investors and enterprises would invest more in those potential sectors.⁹ As a result, Chinese investment in recent years has increased more rapidly than in previous years.

A comparison of Tables 2 and 3 clearly shows that although the investing sectors are quite similar, a huge difference is noticed in the invested amount. Chinese government has encouraged its enterprises to invest more in Bangladesh. The following factors are encouraging the Chinese investors and firms:

1. Geographical and strategic location of Bangladesh has identified it as an important destination for investment;
2. Bangladesh is suitable for setting up agro-based industries, as it has a favourable natural environment and plenty of raw materials;
3. Increasing wage of Chinese labour in comparison to available low-cost and easily trainable labour in Bangladesh encourages Chinese enterprises to relocate in Bangladesh and invest more in Bangladesh;
4. Investing in infrastructural development projects in Bangladesh is a way to export goods with duty-free privilege to other countries;
5. Huge potential of electronic sector because of the increasing demand for electronic products both in domestic and international market;

6. Available raw materials for high-quality leather and leather goods in low-cost and low-tariff facilities to major importing countries;
7. Avoidance of double taxation and tax holiday for more than five years;
8. Export Processing Zone with additional facilities for China.¹⁰
9. Reserve of natural gas has created enough energy sector potential to attract Chinese investment;
10. Potentiality of Sonadia deep sea port, which can be profitable for both Bangladesh and China for being an important regional economic hub, also motivates China to invest in Bangladesh;
11. Beijing's intention to create regional connectivity and world-wide access for China;
12. Flexible environmental laws of Bangladesh in comparison to China.¹¹

Scenario of Projects and Partnership between Bangladesh and China

From the view-point of current China-Bangladesh economic cooperation, China has presented itself with a good opportunity in Bangladesh to strengthen cooperation on projects and partnerships. Bangladesh, from the very beginning, reiterated its utmost willingness to involve Chinese companies in different projects and hoped for partnerships as well. In 2014, Bangladesh sought China's support in five huge projects. The five proposed projects were the national ICT infra-Network for Bangladesh Government (Phase-III), construction of Rajshahi surface water treatment plant, construction of second railway-road bridge over the Karnaphuli at Kalurghat point, construction of a New Dual Gauge Railway line from Chittagong to Cox's Bazar via Ramu and Ramu to Gumdhum near Bangladesh-Myanmar border, and establishment of Eastern Refinery Unit-2 and

Single Point mooring Project.¹² In 2015, China funded five projects worth \$820 million and seven other projects were in the pipeline. Numerous projects were under Chinese grants also. They are the Exhibition Centre Project, Second Batch Shipment for Calamity Rescue and Medical Equipment, Flood Management Project, Bangladesh-China 8th, 9th, and 10th Proposed Friendship Bridge, Hybrid Rice Institute, agricultural equipment, etc.¹³ 2016 was also a significant year for both Bangladesh and China, as during the visit of President Xi Jinping Bangladesh and China signed several agreements and Memorandums of Understanding (MoUs) under which China agreed to fund 21 projects.¹⁴ Bangladeshi Prime Minister Sheikh Hasina said, “China is our biggest business partner and we consider China as a trusted partner in implementing our dreams. China is a major player in funding and providing technical support for many of our mega projects.”¹⁵

Table 4**Major Projects with Chinese Assistance in Bangladesh**

Area	Name of Project	Amount
Industrial Park	China Special Economic Zone in Anwara. Garments Industrial Park	\$280million
Railway	Padma Bridge rail link Double line (Joydevpur-Ishwardi) Double track ((Joydevpyur-Mymensingh) Conversion of dual-gauge rail line (Akhaura-Sylhet) New ICD near Dhirasram Railway Station	\$3.3 billion \$867 million \$258 million \$1.76 billion \$200 million
Roads	Marine Drive Expressway (Sitakunda-Cox's Bazar) Dhaka-Sylhet four-lane Highway Dhaka-Ashulia Elevated Expressway Karnapuli tunnel	\$2.86 billion \$1.6 billion \$1.39 billion \$703 million

<p>Power and Energy</p>	<p>Installation of single point mooring with double pipeline Expansion and strengthening of power system network under DPDC Power grid network strengthening project under PGCB Five million electrometers 350 MW Gazaria Coal-fired Thermal Power Plant Replacement of old transformers Prepayment metering Project</p>	<p>\$550 million \$2.04 billion \$1.32 billion \$165 million \$433 million \$230 million \$521 million</p>
<p>Livelihood Projects</p>	<p>Rajshahi Wasa Surface Water Treatment Plant Five full-fledged TV stations BMRE in public sector jute mills Water supply and sanitation in small municipalities Modernization of Mongla port facilities</p>	<p>\$500 million \$128 million \$280 million \$150 million \$249 million</p>
<p>Information Technology</p>	<p>Info-Sarkar-III Modernization of telecommunication network Establishing digital connectivity Modernization of rural and urban lives through ICT</p>	<p>\$150 million \$200 million \$1billion</p>

Source: The Daily Star, 14 October, 2016.

Moreover, in 2016, Bangladesh and China jointly inaugurated six projects, namely, Karnafuli Multilane Tunnel in Chittagong, Confucius Institute of Dhaka University, Tire National Data Center in Kaliakoir of Gazipur, 1320 MW Thermal Power Plant at Patia in Patuakhali, 1320 MW Thermal Power Plant at Banshkhali in Chittagong, and Shahjalal Fertilizer Company at Fenchuganj of Sylhet in 2016.¹⁶ Subsequently, several other projects were also approved. In 2017, China funded \$151.64 million and \$550.67 million for National ICT Infrastructure Network for Government Phase III and Installation of Single Point Mooring with Double Pipeline, respectively. Besides, modernisation of telecom network for digital connectivity, expansion

and strengthening of power system network under DPDC area project were also undertaken in 2017. In 2018, China funded \$224.96 million and \$1402.93 million, respectively. Very recently, in 2020, China funded for Power Grid Network Strengthening Project under PGCB.¹⁷ It is expected that these projects will bring about a dramatic change in the economy as it is a big opportunity for Bangladesh to exchange technology and skill and also employment.

Joint Venture Projects

Presently, China considers Bangladesh a vital partner in South Asia and desires to increase convenient dealings with Bangladesh. The number of collaborative projects is increasing since China has expressed its willingness to invest in joint venture projects with Bangladesh. So far, China has signed several joint venture projects of which the following projects were prominent. In 2014, Bangladesh's state-owned North West Power Generation Company Ltd and Chinese Company CMC jointly started building 1,320 MW power plant at Patuakhali. China and Bangladesh jointly started constructing 1.2 km 4-lane flyover on Dhaka-Sylhet highway. The deal was signed between the China Railway 24th Bureau Group Co Ltd and the local Spectra En Ltd.¹⁸ A leather products industry at Mongla Export Processing Zone was set up by Bangladesh-China joint venture Company M/S Rich Time Enterprise of which the Chinese side holds 75 per cent of the company and Bangladesh holds the rest. The project was worth \$21.5 million and its annual production capacity is 5 million square feet of finished leather, 0.2 million pieces of bags, and one hundred thousand pieces of shoes. The Chinese enterprises created employment opportunities for 3,162 Bangladeshi employees.¹⁹ A number of collaborative projects between Bangladesh and China were signed in 2016. During the signing ceremony of these joint venture projects, Chinese President Xi Jinping said "China-Bangladesh relationship is now at a new historical beginning point and it is heading towards a promising future."²⁰ Chinese companies signed 13 joint venture agreements with

Bangladesh to boost up the trade relations which was worth \$13.6 billion.²¹ The Table below shows the joint venture projects of 2016.

Table 5
Bangladesh-China Joint Venture Projects 2016

Project Name	Chinese Signatories	Bangladeshi Signatories	Amount (US\$)
Construction of International Cricket Complex at Purbachal in Dhaka	China Civil Engineering Construction Corporation	Youth and Sports Ministry	Not Revealed
Construction of Sheikh Kamal Football and Cricket Stadium at Cox's Bazar	China Civil Engineering Construction Corporation	Youth and Sports Ministry	Not Revealed
Establishing Digital Connectivity	China Railway International Group	Department of ICT	1 billion
Teesta Solar Power (200 MW)	TBEA	Beximco Power	About 400 million
Mirsarai 2x660 MW Coal-Fired Power Plant	Zhejiang Jindun Holding Co	Bangladesh Economic Zones Authority	2.5 billion
Designing and Building Double line between	China Civil Engineering Construction Corporation	Bangladesh Railways	1.5 billion

Joydevpur-Ishwardi Section of Bangladesh Railway			
Dhaka Safe City Project for Bangladesh Police	CETC International	Home Ministry	620 million
660 MW Coal-Fired Power Plant Boalkhali	China Electric Power Construction Group Co	Beximco Power	861 million
2x660 MW Coal-Fired Power Plant at Daudkandi	Power Construction Corporation of China	Meghna Electricity Generation Co	1.7 billion
350 MW Coal-Fired Power Plant at Gazaria	Power Construction Corporation of China and Hubei Hongyuan Group Co	Bangladesh Rural Power company	433 million
2x660 MW Coal-Fired Power Plant at Rajakhal	China Electric Power Construction Group Co	Beximco Power	Not Revealed
Investment on Renewable Power Projects and Power	China Electric Power Construction Group Co	BEZA	2.8 billion

Industry Park			
Sustainable River Management in Bangladesh	China Electric Power Construction Group Co	Bangladesh Water Development Board	1.5 billion

Source: R. U. Mirdha, 2016.

Bangladesh and China also have signed several joint venture projects in 2017 among which the construction of 100 km rail lines and necessary infrastructure in the country's southeastern district of Cox's Bazar bordering Myanmar is prominent. It is expected to be completed in three years.²² Bangladesh and China have also jointly invested \$0.11 billion in Southeast Union Ceramic Industries Limited (SEUCIL) to manufacture high quality and colorful tiles. The current goal of the company is to produce 269,000 square feet of tiles per day. It has 1,050 technical staff and workers who have been trained by 50 Chinese personnel. It is expected that after the completion of the second phase of this company, it will be able to produce 430,000 square feet of tiles per day and also be able to create new employment opportunities.²³ In 2019, a Chinese and Bangladeshi joint venture has started construction of the 48 km mega expressway bypassing Dhaka. The project will cost \$0.47 billion and is expected to be completed in 2022. The expressway will establish an easy link for the industrial belts around Dhaka with the port city Chittagong and northeastern Sylhet region.²⁴ Another joint venture project was signed in 2019 between Bangladesh and China to implement a mega water project in Dhaka's new township under public-private partnership (PPP) initiative. The project will cost \$72 million and expected to be completed in 2023.²⁵ The growing trend of joint venture projects highlight the fact that Bangladesh-China relation is not limited only in the areas of aid, grants, and loans. It has reached a higher level and Bangladesh has emerged as a trusted trading partner of China.

Growing Tend of Project Aid and Loans

In the past decade, Bangladesh made steady and moderate progress and achieved economic growth of around 6 per cent and at the same time continuing to be a home of a vast population where majority of people are poor. According to the estimation of the Household Income and Expenditure Survey, 31.5 per cent people of Bangladesh used to live below the poverty line and could not fulfill nutrition requirement of 2,122 calories per day in 2010.²⁶ In such circumstances, Bangladesh received Chinese assistance in the form of grants, interest-free loans, and supplier's credits, which generated prospects of future cooperation. Bangladesh received \$181 million interest-free loans, \$75 million as ISP loans, \$764 million as supplier's credits, and \$32.94 million as grants until 2005. Later in 2010, Chinese Premier declared that all debt-free loans given to Bangladesh up to 2008 would be released. They also committed to provide 40 million RMB to Bangladesh to ease Bangladesh's loan burden.²⁷ As Bangladesh-China relation is getting deeper in the recent years and China wants to be a development associate of Bangladesh in the future, so, it seems cooperation in these sectors will grow to a great extent. Bangladesh has received a noticeable amount of development assistance as food aid, project aid, and commodity aid. Payments for food and other associated costs with food supply including transportation, distribution, and storage are covered up with food aid while commodity aid covers fund for consumer items, intermediate inputs, and industrial raw materials. Likewise, project aid covers the financial assistance for developmental projects. During the early stage of independence, most of the development assistance was for food and other commodities. The amount of project aid was very small. But with the passage of time, project aid has increased greatly compared to food and commodity aid. Data show that food and commodity aid in 1971-80 accounted for 42 per cent and 32 per cent, respectively, of the total aid to Bangladesh. In 2001-12, they accounted for only 4 per

cent and 2 per cent respectively compared with 26 per cent project aid during 1971-80 and 94 per cent during 2000-10. At present, loans constitute a huge amount of total foreign assistance. For example, during 2000-10, it was 68 per cent of the total aid while during 1971-80 it was 42 per cent.²⁸ Starting from 2010-12, China is increasing its foreign assistance in the form of complete projects, goods and materials, technical cooperation, and human resource development cooperation, emergency charitable aid, reducing or exempting the debts of the recipient countries. All these sectors, especially, in Asia, Africa, and low income developing countries have experienced growing assistance from China. In giving assistance, China strongly adheres to the principle of non-interference in internal affairs of any country and allows the recipient countries to make up their own mind which is really good for the developing countries.²⁹ China's principle of mutual respect, benefit, equality, win-win strategy, and keeping promises has made China a very close partner of Bangladesh. As a trusted friend of Bangladesh, China always helps Bangladesh by giving food aid, commodity aid, and project aid.

Table 6

**Commitment and Disbursement of Chinese Aid
from 1971/'72-2018/'19 (In Million \$)**

Sector	Commitment			Disbursement			Pipeline on July 1, 2019		
	Grant	Loan	Total	Grant	Loan	Total	Grant	Loan	Total
Food Aid	2.170	8.457	10.627	2.170	8.457	10.627	—	—	0.000
Commodity Aid	0.725	15.187	15.912	—	14.479	14.479	—	—	0.000
Project Aid	384.349	2914.568	3298.917	42354	2733.506	2775.860	297.573	461.623	759.196

Source: Flow of External Resources into Bangladesh 2018-'19, Economic Relations Division, Ministry of Finance, Government of Peoples Republic of Bangladesh

From 1971-72 to 2015-16 China's total aid disbursement to Bangladesh was \$122.3 million. During this period, China committed

\$15.9 million as commodity aid of which actual disbursement was worth \$14.5 million. Similarly, project aid disbursement was worth \$1,197.2 million from committed amount of \$1,492.843 million and food aid disbursement was worth \$10.6 million.³⁰ But according to table 6 from 1971-72 to 2018-19 China committed \$ 3325.456 as food, commodity, and project aid and disbursed \$2,800.966 million. A rapid increase was seen in Chinese project aid in the recent year.

China always helped Bangladesh through its aid and assistance. In 2007 China donated \$1 million for relief and reconstruction of the Sidr-affected people of cyclone-hit areas.³¹ In 2007, it gave an aid of \$10.5 million.³² In 2009, 4 million women and children received Chinese help as food assistance under WFP's 'vocational training' aimed at making them skilled manpower.³³ Recently, though China supported Myanmar on the Rohingya issue, she has expressed her sympathy with the displaced people (the Chinese government uses this term for the Rohingyas) and appreciated Bangladesh's humanitarian activities for the refugees. According to Lu Kang, spokesperson of the Chinese Foreign Ministry, "the Chinese side is highly concerned about the difficulty faced by Bangladesh in resettling the displaced people in the Myanmar-Bangladesh border area. In order to help the government of Bangladesh with the resettlement efforts, the Chinese government has decided to provide emergency humanitarian supplies to the government of Bangladesh. The Chinese side supports Bangladesh's efforts to resettle the displaced people properly and stands ready to continue providing assistance to Bangladesh as its capacity allows".³⁴ China has given 150 tons of aid including 2000 relief tents and 3000 blankets.³⁵ China is also positive to play constructive role to end the Rohingya issue.

So far, China has given a huge amount of development assistance for projects including roads, bridges, tunnels, and power plants in the form of project loan and supplier's credit. China has made

outstanding contributions to the construction of seven friendship bridges, the enormous conference center named Bangabandhu International Conference Centre, Shahajalal fertilizer factory, Barapukuria coal mine and coal-based electricity generation, upgrading mobile networks and many other joint projects through concessional lending. China also has expressed her intention to play a significant role in alleviating the power shortage of Bangladesh by developing the country's natural gas resources. Recently, both countries have reached an accord on the eighth China-Bangladesh Friendship Bridge and China-Bangladesh Friendship Exposition Centre. China also agreed to give financial support for the renovation of the Bangabandhu International Convention Centre. China's increasing financial support has made China one of the most important development associates of Bangladesh.³⁶ China has granted \$23.8 million for setting up economic and technical cooperation projects in March 2017 and then again \$133 million as a soft loan for the Phase-II of Development of National ICT Infra-Network for Bangladesh Government. These projects will help bring Bangladesh in the platform towards the implementation of Sheikh Hasina's Vision 2021.³⁷ In 2017, Bangladesh asked for \$8.93 billion in Chinese assistance as a follow-up step of Chinese President Xi Jinping's 2016 visit. This is mainly for the eight most important projects of which \$3.13 billion was sought for Padma Bridge Rail Link Project, \$1.60 billion for Dhaka-Sylhet Four-Lane Highway, \$1.65 billion was for the Expansion and Strengthening of Power System Network project and the rest was sought for Development of National ICT Infra-Network for Bangladesh Government Phase III, Installation of Single Point Mooring with Double Pipeline, Power Grid Network Strengthening Power under PGCB, Modernization of Telecommunication Network for Digital Connectivity and Industrial Zone in Chittagong.³⁸ Bangladesh is reaching its goal by implementing all these projects taken so far with Chinese assistance. It

is hoped that China's growing economic assistance will help Bangladesh to meet up its economic goals in future also.

Scope and Prospect of Bangladesh-China Economic Investment, Projects, and Partnerships

Bangladesh and China are having excellent economic relations. Mutual trust between these two countries has created scope for further investment projects and partnerships. Investment in readymade garments sector, special economic zones, chemical and pharmaceuticals, leather and leather products, power generation, and water management has come out as potential sectors for mutual benefit. So far, China has invested a significant amount in infrastructure development too. Numerous projects have been undertaken on roads, railways, and information and communication technology realizing the prospects of these sectors. Bangladesh and China have already made many developmental moves to achieve the best from these sectors. Both the governments are trying to increase investment and at the same time trying to develop the infrastructure so that investment in the potential sectors may not be hampered due to the infrastructural weakness. Moreover, the signing of the BCIM-EC and its rapid operation agreement is aimed to establish connectivity all over the world. It is predicted that proper implementation of this worldwide connectivity will increase investment, and joint venture projects and will facilitate economic growth and ensure economic development. Initiatives taken under BCIM-EC for the development of roadway, railways, waterways, and also for airway will increase the chances of success of all the ongoing projects. As readymade garment manufacturing business is growing faster in Bangladesh compared to the other South Asian countries and the terms and conditions of labour laws are more flexible in Bangladesh, it holds a good prospect for Chinese investors as well for Bangladesh. Due to the cheaper labour cost in Bangladesh, total cost of the production will be much lower than many other countries. On the other hand, Bangladesh can

get entry into the huge Chinese market by supplying garment products to the middle and lower middle classes at a cheaper rate. Establishment of special economic zone for China could also be a good move to attract Chinese investment. Bangladesh's plan to establish new economic zones in Maheshkhali, Gojaria, Miresarai and in the southern part of Noakhali will attract investment in machinery, equipment, raw materials, chemicals, and other industrial products. China is also willing to assist Bangladesh in developing substitute energy technology. Many projects taken by both sides for power generation will help develop its energy sector, solve its power problem, and ensure results in all the invested projects. So, considering the current trend of investment projects and partnerships and also China's mega projects like BCIM-EC, Bangladesh's attractive geographical location, cheap labour cost, etc. Bangladesh and China hold a great prospect for Chinese investment projects and partnership in the future also.

Conclusion

Given the overall scenario of Chinese investment projects and partnerships with Bangladesh, it can be said that economic cooperation between Bangladesh and China holds a bright prospect, which can play an incredible role in the overall development of both the countries. Mutual cooperation to raise Chinese investment, joint venture projects, and partnerships will help Bangladesh eliminate its infrastructural weakness and at the same time will help implement all the ongoing projects. It will ultimately help Bangladesh to stand on a very strong footing in the world economy. For this, Bangladesh and China will need to establish and ensure a friendly environment for economic cooperation. In this case, the government of Bangladesh can form an attractive and conducive climate for investment to attract more Chinese investors. Policymakers should adopt various policies for the improvement of business environment. Some necessary arrangements in this regards have been taken to facilitate large, small,

and medium enterprises. As the workers' wage is high in China, those who are losing their competitiveness due to the increasing wage rate can relocate their factories to Bangladesh, work jointly, and could be benefited by using the low cost labour in Bangladesh. Both governments should take the responsibility to assist and support the business delegations during their trade visits so that new business associates could have the chance to start businesses in both countries. Besides, both the governments of Bangladesh and China should also explore new potential areas to engage in trade, commerce, and investment and to enhance economic cooperation. To ensure a positive business environment, they have to take effective initiatives to develop the industrial sector. They can even make efforts to establish industrial cities. It will create new opportunities for trade and investment. It can also create job opportunities for a large number of workers through the upcoming projects.

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