



SIPG Policy Brief - 31

Reassessing Sino-Bangla Relations: Chief Adviser's Landmark Visit



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Introduction

The landmark visit of Bangladesh's Chief Adviser Dr. Muhammad Yunus to China in late March 2025 underscores a pivotal moment in South Asia's evolving geopolitical and economic landscape. Marking the 50th anniversary of diplomatic relations between the two nations, this visit has significant implications for bilateral cooperation, particularly in light of Bangladesh's shifting foreign policy priorities post-July Revolution.

Key Issues for Discussion

- **Strategic Autonomy and Foreign Policy Reorientation:** The visit reflects a shift toward reclaiming Bangladesh's autonomy in foreign affairs post-July Revolution. In many ways, this visit demonstrates a step in that direction, strengthening our diplomatic posture and reasserting our role in shaping our foreign policy agenda.
- **Trade Imbalance and Economic Cooperation:** Emphasis on cooperation, MOUs signed across key sectors, addressing trade imbalance and dependency risks.
- **Belt and Road Initiative (BRI) Engagement:** China's BRI positions it as a key player in the region, but serious challenges remain, chief among them a growing trade imbalance with Bangladesh, with a deficit of approximately USD 20 billion.
- **Transboundary Water Cooperation:** Cooperation on transboundary water issues will introduce a new layer of complexity to regional diplomacy. This could shift existing alignments and create new tensions or opportunities for collaboration. Second, connectivity and cross-border communication are emerging as critical concerns.
- **Rohingya Crisis and China's Potential Role:** Bangladesh has long anticipated more substantial support from China. While China has the longstanding principle of non-interference, it has also shown flexibility in other aspects of its engagement with Myanmar.
- **Human-Centric Development and Cooperation:** Focus on healthcare, vocational education, and tech transfer.
- **Sustainable Partnerships and Post-LDC Graduation:** China supports Bangladesh's economic transition beyond 2026.
- **Regional Balance and Geopolitical Implications:** Balancing ties with China and India, navigating Bay of Bengal interests.

Key Findings, Views, and Observations

Key Quotes

- *"The visit is a testament to Bangladesh's strategic autonomy. China's engagement is no longer government-dependent but people-driven."* – Dr. Khalilur Rahman, National Security Adviser.
- *"It is time for Bangladesh to advocate more assertively for a meaningful role from China in facilitating a durable and just solution to the crisis."* – Ambassador Md. Sufiur Rahman, SIPG.
- *"The recent visit by the Chief Adviser of Bangladesh was indeed a milestone—both symbolically and strategically. It sent a strong political message: regardless of domestic or international shifts, the foundation of our bilateral relationship remains solid."* – H.E. Mr. Yao Wen, Chinese Ambassador.
- *"Our youth stand to benefit immensely from China's technological and industrial expertise, as well as from institutional partnerships that will create new pathways for skills development and innovation."* – Prof. Abdul Hannan Chowdhury, Vice-Chancellor, North South University.
- *"Following the July Revolution, it is clear that Bangladesh's foreign policy is undergoing a critical transformation—one aimed at regaining the strategic autonomy we had gradually lost over the years."* – Professor Sk. Tawfique M. Haque, Director, South Asian Institute of Policy and Governance (SIPG).



Key Quotes

- *"The visit was a success, affirming that nations can have strategic disagreements even within strong partnerships."* – Dr. Mohammed Nuruzzaman, Professor, PSS, NSU.
- *"China remains optimistic that policy-driven reforms on both sides will further enhance this relationship. Now, through initiatives such as the BRI, Chinese companies have made meaningful contributions to Bangladesh's infrastructure and development landscape."* – Dr. Liu Zongyi, Senior Research Fellow, Shanghai Institutes for International Studies (SIIS).
- *"Economic linkages can serve as a pathway to broader cooperation and peace-building."* – Brig Gen (Retd) Hasan Md Shamsuddin, CBGA.



Policy Recommendations

Enhance Strategic Autonomy

- Bangladesh must institutionalize a foreign policy framework that promotes autonomy by clearly articulating national interests, rather than reacting to shifting power dynamics in South Asia. This includes maintaining robust economic and political engagement with China and India while avoiding entanglement in their geopolitical rivalries. Bangladesh should expand its diplomatic and economic ties with a broader array of partners, including ASEAN, the EU, Japan, South Korea, and the Gulf States, to prevent over-reliance on any single country. This approach will reduce dependency risks and enhance negotiating leverage.
- Establish a cross-party, consultative platform to develop and periodically revise a long-term national strategic document outlining priorities in trade, investment, connectivity, energy security, and defense cooperation. This ensures continuity across different administrations and builds internal consensus.

Mitigate Trade Imbalances

- Bangladesh's growing trade deficit with China poses a significant challenge. To address this, Bangladesh should implement diversified trade strategies prioritizing value-added exports and promoting sectors with a competitive advantage, such as ready-made garments, pharmaceuticals, and IT services. Establishing sector-specific export targets, increasing domestic production capacity, and improving compliance with international standards can make Bangladeshi products more attractive in the Chinese market.
- Simultaneously, Bangladesh must proactively renegotiate existing trade agreements with China to secure better terms, including expanded product lines under the duty-free quota, longer-term tariff relief beyond the 2028 timeline, and commitments for joint ventures that enhance domestic value chains. Encouraging more Chinese companies to source materials and intermediate goods locally would help reduce the outflow of foreign exchange and support the growth of local industries. A strategic trade policy that combines assertive negotiation with structural export reforms can create a more equitable and resilient economic partnership.

Strengthen BRI Engagement

- Bangladesh should deepen its participation in BRI projects by aligning them closely with national development priorities, particularly in transport, energy, digital infrastructure, and logistics. Priority should be given to projects that offer high developmental impact, create local employment, and enhance regional connectivity without compromising economic sovereignty.
- To ensure long-term benefits, all BRI engagements must uphold principles of transparency, environmental sustainability, and financial prudence. Bangladesh should establish a clear evaluation framework for proposed BRI investments, focusing on cost-benefit analysis, debt servicing capacity, and technology transfer potential. This approach will help maximize returns while avoiding infrastructure-led debt traps.

Deepen Educational and Technical Cooperation

- To meet the demands of an evolving economy, Bangladesh should prioritize the establishment of vocational and technical training centers in partnership with China. These centers can focus on high-demand sectors such as manufacturing, renewable energy, healthcare, and digital technology, preparing the workforce with market-relevant skills and reducing youth unemployment.
- Such cooperation should also emphasize curriculum development, faculty exchange, and certification standards aligned with international benchmarks. Leveraging China's experience in technical education and industrial upskilling will enhance productivity and position Bangladesh as an attractive destination for relocated industries seeking skilled labor.

Promote Water Resource Cooperation

- Bangladesh should engage China in collaborative transboundary water management initiatives to address shared concerns over river basin sustainability, flood control, and agricultural resilience. Such cooperation can help ensure equitable water usage, reduce regional tensions, and support long-term resource security in the face of climate change and growing population pressures.

Assertive Diplomacy in the Rohingya Crisis

- Bangladesh must continue to push for a more proactive and constructive role from China in resolving the Rohingya crisis. As a key ally of Myanmar and a major regional power, China holds significant influence that can facilitate safe, voluntary, and dignified repatriation. Diplomatic efforts should focus on encouraging China to support sustainable solutions, including humanitarian aid, rehabilitation initiatives, and political dialogue involving all stakeholders.
- At the same time, Bangladesh should leverage multilateral forums and bilateral engagements with China to ensure the crisis remains a strategic priority. Advocating for China's involvement in creating conditions conducive to return, such as safety guarantees and citizenship pathways, will not only ease the burden on Bangladesh but also enhance regional stability and China's global image as a responsible power.

Maintain Regional Stability

- Bangladesh should actively pursue balanced diplomatic strategies that reduce friction among major regional powers, particularly China and India, while promoting inclusive dialogue and multilateral cooperation. Bangladesh can foster a stable environment conducive to trade, investment, and shared security interests by positioning itself as a South Asian bridge-builder.

Conclusion

The Chief Adviser's landmark visit to China symbolizes a transformative phase in Bangladesh's foreign relations, highlighting strategic autonomy and balanced regional engagement. This visit reinforced a paradigm shift in Bangladesh's foreign policy. As Bangladesh crosses complex regional dynamics, leveraging economic partnerships, infrastructure cooperation, and diplomatic agility will be essential to ensuring national stability, prosperity, and geopolitical resilience.

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