

## Article

# Bangladesh and Belt Road Initiative: Unfolding Possibilities

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### Abstract

*Bangladesh has maintained close relations with China over the past four decades. The bilateral cooperation with China straddles a wide spectrum of activities, including a series of infrastructure projects. Thus, when China decided to map out its One Belt and Road network of transport corridors it would have counted on Bangladesh to join the network. Given China's growing interest in the region its invitation to the South Asian states to join its BRI project was inevitable, and Bangladesh's positive response was a continuation of the ongoing trends. Beyond creating large scale infrastructures for transport and energy sectors, BRI also provides opportunities for further engagements with governments, private sector and civil society entities as well as think tanks and academia. However, despite excitement about the MOUs signed during President Xi's visit to Dhaka in 2016, the number of projects that have been initiated or under consideration presently are not too many.*

**B**angladesh has maintained close relations with China over the past four decades. The bilateral cooperation with China straddles a wide spectrum of activities, including a series of infrastructure projects. Thus, when China decided to map out its One Belt and One Road network of transport corridor, it would have counted on Bangladesh to join the initiative. Given China's growing interest in the region, its invitation to the South Asian states to join its Belt and Road Initiative (BRI) project was inevitable, and Bangladesh's positive response was a continuation of the ongoing trends in the relationship and its demand for large international funding on easy terms for building roads, railways, power plants, telecom services, ports, etc. For China, it was yet another opportunity for its state-owned firms to step up its infrastructure projects, especially in the transport and energy

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sectors. BRI also promised opportunities for further engagements with the government, the private sector and civil society entities, as well as think tanks and academia.<sup>1</sup>

Both India and China are engaged in various projects to improve the infrastructure in Bangladesh. Attracting loans and investments from China has enjoyed substantial political consensus in Bangladesh and there has not been much concern so far regarding the financial model China employs in Bangladesh. But India's enormous contribution to Bangladesh's liberation, and thereafter to its overall growth and progress is increasingly visible although may not be always acknowledged.

### **Growing Proximity with China**

For Bangladesh, China has been an important partner over the years, with areas of cooperation spanning diplomacy, economy, and defence. The Bangladesh-China relations formally took off with the visit of President Ziaur Rahman to China in 1977. Coming within months after Chinese diplomatic recognition of Bangladesh, the visit put the bilateral relations firmly in place and both sides quietly buried the previous uneasy and unfriendly phase. The Chinese opposition to the liberation war and break-away from Pakistan, its non-recognition and opposition to Bangladesh's UN membership till 1975 – after the leader of the liberation war and President of Bangladesh Sheikh Mujibur Rahman was killed in a coup d'état-- were diplomatically explained away as being 'within' the Cold War context! Both sides began to expand their bilateral ties. Thus, Bangladesh presently enjoys comprehensive and robust ties with China. China moved from its non-recognition position and became a backer of successive military and civilian regimes in Bangladesh.<sup>2</sup> There are political as well as geographical factors that contributed to this growing proximity.

After mending its ways, China adopted a policy of non-interference in the domestic Bangladeshi politics. At the same time, irrespective of the political developments taking place within Bangladesh, Beijing has refrained from issuing any public statements, as has Bangladesh regarding Chinese internal issues. Since the establishment of diplomatic relations in 1975 following the military coup against Sheikh Mujibur Rahman's Awami League government, it has refrained from taking any position so far on domestic politics. Thus, all the political forces within Bangladesh have been willing to promote closer ties with Beijing. This is amply reflected in the large number of bilateral visits that have been taking place. Indeed, Bangladesh sends its largest delegation of high-ranking officials to China for various conferences or high-level meetings. Symbolism has been a feature of this bilateral relation.<sup>3</sup> The lack of contiguous borders also allowed the two states to deal with their issues differently. Most of the problems that plague Bangladeshi-India relations resulting from contiguity are extraneous to Bangladesh-China ties. China does not have to worry about the

influx of thousands of Bangladeshi migrants into its territories for economic opportunities or a host of other issues that arise out of shared borders. <sup>4</sup>

The importance of China was never lost on Bangladesh. Both Bangladeshi and Chinese leaders were able to prioritise their interests arising out of an understanding of mutual needs. Beginning with the Zia period, the Sino-Bangladeshi cooperation began on various economic, technical, and trade matters. The first ever visit by the Chinese leadership took place in March 1978 when Vice Premier Li Xiannian visited Dhaka. During the visit both sides signed the Agreement for Cooperation in Economy, Science, and Technology. President Zia-ur Rahman paid a second visit to China in August 1980, and this culminated in the Agreement of Loans and the Agreement of Aviation Transportation. Li thereafter again visited Dhaka in 1986 as President of China. Since then, various Bangladeshi leaders, officials and delegations have been periodically visiting China. The long-term trade agreement concluded in 1984 still forms the basis of the growing trade relations between the two countries.

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China has made significant inroads into South Asia as an extra-regional power. It tried to exert its influence in the South Asian Association for Regional Cooperation (SAARC) when it was first mooted by Bangladesh, and it became an Observer at the 14<sup>th</sup> Summit in New Delhi in 2007.<sup>5</sup> China's commitment and intentions in the South Asian region has been questioned.<sup>6</sup> What, however, is more pertinent is China's ability to convert its growing resources into influence over strategic choices of other states and influence the outcomes of regional events.

### **China Proposes BRI Projects**

The Chinese Presidential visit to Dhaka in 2016 after a gap of thirty years is an important milestone in China-Bangladesh relationship. Though President Xi Jinping's stopover visit to Dhaka was not more than 24 hours, it was full of significance because of the large package of projects that were announced by him under BRI. The Memorandum of Understanding (MOU) signed by the two sides were both extensive and varied. According to Chinese Ambassador to Bangladesh, Zuo, this visit resulted in the beginning of a 'Strategic Partnership of Cooperation', leading to a new chapter in the BRI.<sup>7</sup> China's courtship of Bangladesh as well as the other smaller South Asian states around India is evident. For China, befriending Bangladesh meant an opportunity to expand its sphere of influence in the South Asian region. China's growing presence, both political and economic, has been

a factor to reckon with for all regional and extra-regional players in South Asia. China has encouraged all its provinces with international borders to initiate direct engagement with countries across the fence.<sup>8</sup> Bangladesh's location in the Bay of Bengal and the Indian Ocean makes it a player in China's overall ambitions in the region.<sup>9</sup> One of the six proposed economic corridors of BRI – the BCIM (Bangladesh, China, India, Myanmar) — was mooted by Beijing to connect Yunnan province with India, Bangladesh and Myanmar. The corridor was proposed to start at Kunming, pass through Myanmar, enter India's North-east and through Bangladesh, end up in Kolkata in India. The corridor, however, has not taken off because of India's rejection of BRI and was not mentioned in the second BRI Forum declaration in April 2019.<sup>10</sup>

China expects Bangladesh to be an important player in its South Asian BRI scheme. Bangladesh too has expressed its willingness to be part of the BRI. It participated in both the first and second BRI Forums convened by Xi Jinping in Beijing in 2017 and 2019. Bangladeshi Premier Sheikh Hasina has urged India to join the project. According to her, 'being such a big country and big economy, India should not worry about it [OBOR]. Rather, they can also join so that all the countries can benefit economically.'<sup>11</sup> According to Sheikh Hasina, the BRI could have 'significant impact on Bangladesh from an economic and connectivity perspective and the Chittagong Port can act as a central hub to connect Northeast India, Myanmar, Southeast China, Bhutan, Nepal, and Bangladesh'.<sup>12</sup> Bangladesh through its land and water routes sees itself as a natural corridor between South and South-East Asia. As is the case with other Southern Asian states, China has become Bangladesh's biggest trading partner in recent years. Trade was at over \$16 billion in 2017, which grew by 17.6 percent in 2018. Though, there exists a huge trade gap in favour of China, the two sides have sustained a close relationship since 1975.

For Bangladesh, BRI offers the scope for extending its prospects beyond its neighbourhood. For China, befriending Bangladesh means an opportunity to expand its sphere of influence in the Bay of Bengal region. China's presence in South Asia, both political and economic, is a factor to reckon with for all regional and extra regional players, including Bangladesh.

### **Pre-BRI Infrastructural Projects**

China through the years has engaged in developing infrastructure in Bangladesh and has been in the forefront of building several of their bridges, highways, and thermal power plants. The Chinese investment in Bangladesh includes the China-Bangladesh Friendship Centre that was initially built with a \$24 million interest free loan and was subsequently converted into a grant. This apart, the Chinese loans for the 'friendship bridges', have

underscored the growth of the bilateral ties. Seven bridges have been completed and the eighth is under construction in Barisal. China has also shown interest in building the 9<sup>th</sup> and 10<sup>th</sup> -- in Amtoli in Barguna and Golachipa in Patuakhali.<sup>13</sup>

In 2014 China agreed to provide about \$50 million as grant which would cover more than three quarters of the estimated total budget for the 8<sup>th</sup> friendship bridge in southern Bangladesh. This apart it has promised to provide technical support for the 1.48km-long bridge over Kocha River to improve road link in the southern region. The bridge will establish road connectivity between Khulna and Barisal.<sup>14</sup> When completed the bridge will reduce travel time by an hour from the existing time to cross the Kocha river by ferry. It will shorten the journey time from Barisal to Khulna, Pirojpur and Barguna and also link Barisal with Mongla and Payra seaports.

### Proposed BRI Projects – 2016 Xi Jinping Visit

In 2016 China promised to spend some \$26 billion USD for BRI projects and \$14 billion USD on joint ventures, together totalling a sizeable \$40 billion.<sup>15</sup> A list of proposed China-Financed Projects for which the two sides have signed a MOU is placed below with their respected value in parenthesis.

Project	Value million USD:
1. Padma Bridge Rail Link Project	(US \$2,667.93 million)
2. Dhaka–Sylhet four-lane highway project	(US \$2,110 million)
3. Development of the national ICT infra-network project for the Bangladesh Government	(US \$156.56 million)
4. Construction of tunnel under Karnaphuli River	(US \$705.80 million)
5. Installation of Single Point Mooring (SPM) with double pipeline	(US \$500.466 million)
6. Rajshahi WASA Surface Water Treatment Plant	(US \$350 million)
7. System loss reduction by replacing 5 million electromechanical energy metres with electronic energy metres	(US \$165.98 million)
8. Expansion and strengthening of the Power System Network under DPDC area	(US \$1650.51 million)
9. Power Grid Network Strengthening Project under PGCB	(US \$1321.83 million)
10. Construction of Dhaka–Ashulia elevated expressway	(US \$1393.98 million)

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|---|-----------------------------------|
| 11. Establishing six full-fledged TV stations of Bangladesh Television                                  | (US \$127.88 million)             |
| 12. Modernisation of telecommunication network for digital connectivity                                 | (US \$231.00 million)             |
| 13. Construction of a dual-gauge track parallel to the existing Joydebpur–Mymensingh–Jamalpur section   | (US \$581.26 million)             |
| 14. Construction of double line between Joydebpur and Ishurdi sections                                  | 752.79                            |
| 15. Establishing digital connectivity   | (US \$1000 million)               |
| 16. Marine Drive Expressway and coastal protection works from Sitakunda–Chittagong–Cox’s Bazar          | (US \$2856.56 million)            |
| 17. Expansion and modernisation of Mongla port facilities   | (US \$249.17 million)             |
| 18. Extension of underground mining operations of Barapukuria Coal Mine                                 | 256.41                            |
| 19. Gazaria 350 MW coal-fired power plant   | (US \$433 million)                |
| 20. Conversion of MG railway track to DG railway track in the Akhaura–Sylhet section                    | (US \$1756.05 million)            |
| 21. Prepayment metering project for Bangladesh Power Development Board’s (BPDP) distribution zone       | (US \$521.56 million)             |
| 22. New inland container port near Dhirasram railway station  | (US \$200 million)                |
| 23. Replacement of overloaded distribution transformer to provide reliable electricity to the RE region | (US \$230.59 million)             |
| 24. Water supply, sanitation, drainage, and solid waste management for small municipalities             | (US \$150 million)                |
| 25. Modernisation and expansion of public sector jute mills of Bangladesh                               | (US \$280 million)                |
| 26. Chinese economic and industrial zone in Chittagong  | 280                               |
| 27. Modernisation of rural and urban lives through ICT  | (US \$500 million). <sup>16</sup> |

Of the large number of projects in the MoU list, until June 2020, commercial agreements for only seven projects worth \$5.4 billion had been signed and only \$1.54 billion disbursed in four years, according to a report in the *Daily Star*.<sup>17</sup> There are two other Chinese projects that were proposed earlier for which work is underway. In all, this makes 9 projects worth \$7.1 billion of which \$1.8 billion has been disbursed. This is nowhere near

the \$26 billion projects Xi Jinping proposed. To put this in perspective, the government of Bangladesh pays its employees \$8 billion a year. The projects identified by the authors of the report are given below;<sup>18</sup>

## China-Funded Projects

	LOAN AMOUNT	AMOUNT DISBURSED	AGREEMENT SIGNED ON
Padma Bridge rail link	\$2.7b	\$533.6m	27/4/18
Development of National ICT Infra-Network for Bangladesh Government Phase III (Info-Sarkar).	\$151.6m	\$141.3m	27/10/17
Construction of tunnel under Karnaphuli river	\$705.8m	\$326.7m	14/10/16
Installation of single-point Mooring with double pipeline	\$550.7m	\$247.9m	3/11/17
Modernisation of telecommunication network for digital connectivity	\$225m	\$83.4m	10/4/18
Establishment of Tier IV National Data Centre	\$154m	\$137.7m	15/4/16
Dasherbandi sewerage treatment plant	\$280m	\$111.6m	14/10/16
Expansion and strengthening of power system network under DPDC	\$1.4b	\$207.6m	4/7/19
Power Grid Network strengthening project under PGCB	\$970m	Yet to disburse	7/6/20
<b>TOTAL</b>	<b>\$7.1b</b>	<b>\$1.8b</b>	

Source: *Daily Star*, 2019

Work on the most important of the above projects, the Padma Bridge and Rail project, was taken up by China in June 2014 after the World Bank withdrew its proposed \$1.2bn line of credit for the project, citing corruption issues in the contract with the Canadian construction company SNC Lavalin.<sup>19</sup> The Bridge has been designed with a top level being a four-lane highway with a river bridge and railroad project at the lower level. The completion has been delayed and is expected to be completed by June 2022. Once completed it will connect Bangladesh's principal ports and link it to the Dhaka-Chittagong Highway, which can then be accessed easily from north-eastern India, and through India by Bhutan and eastern Nepal.<sup>20</sup> Apart from connecting nearly 30 million people in Bangladesh's southwest region to the rest of the country, the bridge is expected to enhance regional trade and collaboration along the Asian highway No 1 and the Trans-Asian railway network when they

come up.<sup>21</sup>

Among the other important projects in the nine cited above is the Karnaphuli Multi-Channel Tunnel Project in southern Bangladesh, which is now under way. It is expected to ease the heavy congestion on the existing two bridges across the river, while also connecting-up with the Korean Export Processing Zone and Shah Amanat International Airport. It will also feed into two other projects (non-Chinese) that are currently under way – the Asian Highway and the Dhaka-Chittagong-Cox's Bazar Highway. With a total length of 9km – of which 3.4km will run below the river – it will be the first tunnel in Bangladesh to facilitate simultaneous road and rail transit.<sup>22</sup> Once completed, the tunnel will connect the port city of Chittagong, to the Asian Highway and the Dhaka-Chittagong-Cox's Bazar Highway. Over sixty percent of the construction work has been done on the project so far.

Dhaka, however, has cancelled China's proposal for a deep-water port facility at Sonadia, located near Cox's Bazaar 140 kms south of Chittagong originally proposed to connect to Kunming, citing lack of commercial viability in 2016.<sup>23</sup> China's interest in the port area is evident and it had been earlier reported that Bangladesh had agreed to China's proposal to build a 750-acre industrial park in Chittagong. Bangladeshi ports would be used by China for its exports to other markets, benefitting Bangladesh.<sup>24</sup> However, the project is not indicated in the list of nine projects agreed upon for which China has agreed to provide loans.

Bangladesh has so far seen much merit in being associated with the BRI to attract Chinese loans for critical infrastructure. Bangladeshi experts believe that since 'China is moving higher in the manufacturing chain and away from labour intensive low-tech industries, the BRI initiative is also an opportunity for Bangladesh to advance financial sector and capital market infrastructure development, through establishment of a financial corridor.'<sup>25</sup> The development of infrastructure and transport (overland connecting road and railway corridors, dual use ports, thermal and hydro-power power projects) are the core aspects of the BRI in Bangladesh, but the financial component and how it will be built comprises a significant aspect in taking decisions on these projects.

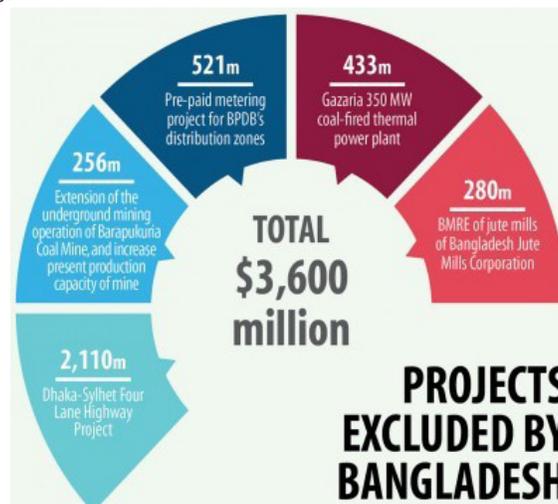
### **Financial Implications**

While the Sri Lanka experience with 'debt trap' has strongly resonated in the region, many Bangladeshi intellectuals and policy makers believe that the BRI will 'lead to greater financial integration and facilitate greater Chinese portfolio investment in the Bangladesh Stock market.' They are optimistic that Bangladesh will also have an opportunity to access China's equity (globally 2nd largest) and bond markets (globally 3rd largest) through this

initiative.<sup>26</sup> There is an upbeat mood about Chinese loans and investments in general in Bangladesh. Many of the Chinese projects in Bangladesh have been funded through Chinese loans, with interest rates for earlier projects reported to be at 2 percent and repayment periods of 20 years.<sup>27</sup> Other reports say high commercial rates of interest are linked to BRI project loans. There is no official data available to confirm these figures. Little authentic information on terms and condition or interest rates, etc., for BRI projects are shared by China or Bangladesh.

As per data from the pre-pandemic period Bangladesh's total external debt stood at 14.3 percent of GDP, which did not seem to be a cause for concern.<sup>28</sup> Bangladesh has recorded economic growth for several years and growth is expected to pick up again once the pandemic subsides. As the past four decades reveal Bangladesh has been managing its loans well without falling into a 'debt trap'. As of now Bangladesh is considered to be in 'low risk' of finding itself in a debt trap as a result of BRI-related lending.<sup>29</sup> Experts estimate that 'Bangladesh carries about USD 8 billion in Chinese debt', and its 'close military relationship, and purchase of many of its latest weapons systems from China,' are unlikely to be sources of anxiety.<sup>30</sup> Unlike the Sri Lankan experience with China, Bangladesh's ability to manage its debt is notable. However, there exists some amount of trepidation regarding the long-term implications of these projects. There is no clarity about the details and 'the financial implications for Bangladesh'. Engaging with China's BRI will depend on Bangladesh doing a real cost-benefit analysis carefully, taking a long-term view.<sup>31</sup>

Bangladesh in the meantime, has canceled five of the proposed projects amounting to USD 3.6 billion. China has also conveyed its recent hesitation to consider projects encompassing high pollution and high energy consumption, such as coal mining and coal-fired power stations.<sup>32</sup>



Source: Daily Star, 2021

Arguably, Bangladesh's cancellation of the Sonadia deep-sea port, and refusal to accept loans in 2018 for the construction of a highway because of its inflated price tag and allegations of corruption appears to convey that the Bangladeshi government seems to be alert about the risks involved.<sup>33</sup> The government has also clarified that it is unlikely to depend on China for loans 'to finance its future development. Instead, other financing models such as public-private partnerships were being investigated'.<sup>34</sup> Also a note of caution has been introduced about connectivity facilitating greater movement of goods from China to Bangladesh, invariably impacting the existing trade imbalance.<sup>35</sup>

### Cautionary Bangladesh

For some in Bangladesh, BRI offers a 'unique and monumental project with the hope that all the countries connected to it, should openly embrace it.'<sup>36</sup> Bangladeshi commentators believe that these projects are a source of employment not only for the Chinese but also for Bangladeshis and they would also provide opportunities for Bangladeshi students graduating from Chinese universities.<sup>37</sup> But at the same time, experts have pointed out that 'BRI should be based on our package that represents our dreams and aspirations. We should be careful about vanity projects'.<sup>38</sup> There has been a certain amount of circumspection within the policy makers about the unbridled scope given to China in Bangladesh. Some security analysts, however, believe that BRI offers Bangladesh an opportunity to be connected beyond its region, as it will be easier for Bangladesh to integrate further with the international market through the BRI. Already, the Chinese company, PowerChina, has been provided land in Mirershorai Economic Zone in Bangladesh to manufacture power plant components. Many experts expect BRI to play a multifarious role in increasing bilateral and multilateral trade by promoting regional integration.<sup>39</sup>

However, others warn that 'it is important to look at the economics of it and not just at the physical aspect.'<sup>40</sup> China has been undertaking infrastructure projects in Bangladesh for several years. Many of the ongoing ones have been brought under the nomenclature

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of BRI, though their launch pre-date the initiation of BRI. In fact, the actual overland physical corridor that is to link China and Bangladesh – the BCIM – remains stalled. Nonetheless, China is keen to ensure that Bangladesh's pivotal location becomes part of its Maritime Silk Road. Experts in Bangladesh say the country is happy to accept Chinese money, but they do not want China to interfere in anything that India sees as a threat to its national security. For many, 'this

is a development opportunity as far as Bangladesh is concerned... we want the benefit of the economic relationship'.<sup>41</sup>

While China's larger plan in the region to build the BCIM land corridor is unlikely to fructify given India's non-participation in BRI. China is, therefore, going ahead with its bilateral infrastructural development plans within the boundaries of Bangladesh. India and China are both important to Dhaka and it is trying to navigate the delicate balancing so that it is not seen as taking sides. Many have also pointed out that the success of BRI in South Asia and in Bangladesh requires a collaborative

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effort by all states in the region to resolve existing regional problems.<sup>42</sup> As pointed out by Touhid Hossain, Former Foreign Secretary of Bangladesh, 'BRI is not going to immediately bring substantial change for Bangladesh as the effectiveness of this strategy depends on the combined effort of the partners in the region.'<sup>43</sup>

It is not that all the projects undertaken by China have been successfully completed. The expansion of the single track 140 km road into a 192 km highway in Chittagong costing the taxpayers Taka 3,600 crore initially scheduled for completion in 2010, has been controversial as the three-year project took six years to complete, doubling the cost. Moreover, the road broke down due to poor construction within months after the expansion work ended in December 2016.<sup>44</sup> It has also been pointed out that the loan disbursement for projects has been slow. Yet, China is expected to provide loans for the power sector, infrastructure and manufacturing industries. Most of the recent loans provided by the Chinese are commercial in nature, with stiff interest rates, according to several reports.<sup>45</sup>

While BRI may not be anywhere near full implementation in Bangladesh, China is likely to pursue the country as a pliable partner for advancing economic and strategic ties.

## Conclusion

Bangladesh and China relationship has grown over the past three decades. Given the sustained development of Bangladesh-China ties in the last three decades, India has viewed it sceptically. The activities undertaken by China in the region have pointed to a larger strategy to contain India, with some of the smaller states in South Asia seemingly complicit in Chinese plans. However, while aspects of China's ties with Dhaka, including their defence relationship, impact India, the development of Indo-Bangladesh ties are also being closely watched by China. The circumstances have contributed to Bangladesh

negotiating skilfully to maximise its national interest. In fact, as Chakma has argued, India's stakes are higher and vital in Bangladesh—particularly in the realms of security and economics—than China's. China's stakes in Bangladesh are not vital in the realm of security; its interest primarily derives from its regional and international strategy manifested in the BRI.<sup>46</sup>

The Covid 19 pandemic will have significant implications for the BRI. Given the economic impact, the Covid 19 pandemic certainly raises many questions about the viability of many of the BRI projects China has promised to build in South Asia. Many major infrastructure projects in Sri Lanka, Bangladesh, Indonesia, Nepal, and other countries are either on hold or progressing slowly. However, as experts suggest, the halting of some of BRI projects should be seen as a brief break.<sup>47</sup> According to an initial assessment by the Asian Development Bank, Bangladesh stands to lose around \$3 billion if the committed BRI projects are not implemented.<sup>48</sup> While the impact of the pandemic on Bangladesh has not been fully studied so far, there are delays in implementing several infrastructure projects, including the commissioning of the Payra coal power plant, which was supposed to begin commercial operations in early February last year.<sup>49</sup>

In the wake of the US-China trade war, there has been some relocation of companies from China to Vietnam, Cambodia, Myanmar and Thailand. India and Bangladesh. Earlier the Hong Kong-based Epic Group rapidly expanded its garment factories in Bangladesh to take advantage of low costs. Epic, which makes casual shirts, lounge and work clothing, and now masks and scrubs, has 25,000 workers in Bangladesh.<sup>50</sup> Around 43 Japanese companies operating in China have shown interest to relocate their units to Bangladesh.<sup>51</sup>

There is thus an upbeat mood despite the ongoing gloom brought on by the pandemic. According to a senior Bangladeshi journalist, most Chinese personnel engaged in the major projects in Bangladesh, including the Padma bridge and Railway project, and the multi-lane Road Tunnel under the Karnaphuli river, are reported to be back from China and working as per schedule.<sup>52</sup> Not surprisingly, the Chinese Ambassador in Dhaka, Li Jiming, echoes similar thoughts and does not see any serious impact on the BRI projects due to Covid-19. He further suggests that Sino-Bangladeshi bilateral ties will continue to grow as 'good friends, good neighbours and trustworthy partners' for economic development and the BRI.<sup>53</sup> However, the recent statement (10 May 2021) by Li Jiming that Beijing-Dhaka ties would be "substantially damaged" if it joins QUAD while speaking on a virtual program has created serious misgivings.<sup>54</sup> While the Bangladeshi Foreign Minister Abdul Momen in no uncertain terms has stated that Bangladesh as an independent and sovereign state decides its foreign policy on its own, the Chinese posture is unlikely to go down well with

Dhaka's political elite. Beijing has mistakenly read Bangladesh's friendship as compliance.<sup>55</sup> Ironically, PM Sheikh Hasina had earlier urged India to join the project while suggesting India had no reason to worry about the China-led One Belt One Road (OBOR);<sup>56</sup> China will try and ensure that the BRI projects are not completely shelved in Bangladesh. However, it is pertinent to note that the success of BRI lies in its connecting with India, if not it will remain confined to Bangladesh's boundaries. Since, India participation in BRI is not taking place, Bangladesh will need to weigh its options carefully. The success of the transportation network of Bangladesh lies in integrating it with the regional transport network, especially India.

At present, India and Bangladesh enjoy strong bilateral ties and it is also being expanded through many of the cross-border infrastructural projects being undertaken between them. Given Sheikh Hasina's understanding of India's security concerns and the existing close ties, the concerns regarding Sino-Bangladeshi engagement could be limited. But given continued Chinese outreach in Bangladesh, in a changed political environment in Dhaka such assurances by the political leadership may not be enough. In the decades ahead, under a different political landscape, it will not be outlandish to suggest that Bangladesh, even if inadvertently, could fall prey to Chinese machinations and more importantly be used to carry out anti-Indian activities. For now, Bangladesh has successfully managed its partnership with China and India, but the strong Delhi-Dhaka bilateral ties could become reversible in future. The substantive cultural, historic and economic ties that India has in common with Bangladesh may not be enough to tide over if there is another unexpected turn in the Bangladeshi polity. As Sheikh Hasina has demonstrated, bilateral ties rooted in security cooperation, and assurances of not allowing any inimical activities to be undertaken by another country from Bangladeshi soil has demonstrated the scope cooperation with India. The two countries are likely to work closely to enhance mutual security and development. Bangladesh will need to ensure that the BRI projects do not negatively impact the momentum in bilateral cooperation that has taken place under Sheikh Hasina and Narendra Modi.

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