

## **China-Bangladesh Relations: Need for Economic Partnership**

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### **Introduction**

Relations between Bangladesh and China can be traced back to centuries in their history, geography and culture. Historically, Chinese travellers visited areas of the South Asian subcontinent and people from this subcontinent also used to go to China for the pursuit of knowledge, preaching Buddhism as well as for commercial benefits. During the current century, there was a close bilateral relation between China and Pakistan, and being one of the two wings of the later, the then East Pakistan (now Bangladesh) enjoyed the same warmth of relations with China.<sup>1</sup> Sheikh Mujibur Rahman, in his capacity as a functionary of the government of erstwhile Pakistan, travelled to China twice in 1953 and 1957 and Chinese Premier Zhou en-Lai also paid a visit to Dhaka in 1956.<sup>2</sup>

However, in 1971, China's attitude towards Bangladesh's struggle for liberation was very negative. China was very much critical about the expansion of Indo-Soviet influence in South Asia for its security implications and did not want break-up of Pakistan-her principal ally in South Asia. From China's point of view the emergence of Bangladesh as an independent nation was considered to be an expansion of Sino-Soviet bloc in South Asia and quite naturally she sided with Pakistan. And from 1971 to 1975, there was virtually no diplomatic relations between the two countries.<sup>3</sup>

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<sup>1</sup> Abu Taher Salahuddin Ahmed, "Bangladesh- China Relations: An Assessment," *BISS Journal*, (Vol. 13, No.2, 1992), p. 265

<sup>2</sup> Waliur Rahman, "PRC: Prime Minister's First Official Itinerary, Daily Star, September 23, 1996

<sup>3</sup> Bhumitra Chakma, "Bangladesh- China Relations: Determinants and Interlinkages", Abul Kalam (ed.) *Bangladesh: Internal Dynamics and External Linkages*, Dhaka, UPL, 1996, p. 257.

The formal diplomatic relations between Bangladesh and China resumed when China accorded its recognition to Bangladesh on August 31, 1975 following assassination of her founder president Sheikh Mujibur Rahman who was believed to be sided with IndoSoviet bloc and the emergence of anti-Indian government in Bangladesh, which constituted a strategic consensus in the perceptions of both Bangladesh and China and forms the basis of their friendship. Since then the most spectacular feature of Bangladesh China relations was said to be its relative stability and continuity despite minor shifting of priorities and interests over time.<sup>4</sup> Both have tried to maintain good and friendly relations and forged close cooperation with each other on different fields. China gradually became the development partner of Bangladesh, one of the main sources of military aid, assistance provider especially in the fields of communications, power and energy and political relations flourished over the years. Premier Zhao Ziyang, in his annual major speech before the Chinese legislature in 1984, described Bangladesh as one of the "five friendly countries in Asia".<sup>5</sup> Bangladesh also attached great importance to its relations with China, which became evident with the regular official visits to China by almost all the heads of state and government of the country of post-1975 regimes immediately after assuming power.

Initially the convergence of interests marked by IndoSoviet threat perception brought Bangladesh and China closer to each other. But with the normalisation of Sino-Soviet and Sino-Indian relations in late 1980s and following Chinese economic reforms, the traditional dimension of relationship between Bangladesh and China began to change. In the post-cold war era characterised by economic power, the common stake in the inter state relationships is no more military-strategic but economic, which had rightly been, perceived by the President of Chinese People's Institute of Foreign Affairs, Liu Shuqing who commented, while visiting Bangladesh in 1997, security of any country depends on economic progress.<sup>6</sup>

However, with all the significant developments in Sino Bangladesh relations in political, military, economic and cultural fields in post 1975

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<sup>4</sup> Ibid.

<sup>5</sup> Ibid, p-270

<sup>6</sup> The Independent, May 4,1997

period, one of the remarkable observations in their relationships is considerably lower economic interactions and a huge trade imbalance existing against the latter. Bangladesh's export performance with China is very insignificant compared to its share with other trade partners in the world. In 1999, share of Bangladesh's export to EU, US and China was 46.36%, 37.05% and 0.2% respectively. In the same year Bangladesh's imports from China amounted for USD 547.27 million whereas its export was only USD 19.61 million.<sup>7</sup> This represents a very deplorable picture of economic engagement between the two, although there exists a huge potential.

It is anticipated that after World Trade Organisation (WTO) coming into being by 2005, Bangladesh will face a tough global competition resulting in shrinking global market access for its products. Moreover, with China's accession into WTO, which is in the process, Bangladesh is very likely to face more competitiveness in its external sector. Given this situation, Bangladesh will have no other ways but to diversify its export products and to search for alternative sources of market access in the days ahead. And it is China, a market of a large population, which can provide a prospective alternative market for Bangladesh.

In this age of geo-economics a lasting economic engagement and increasing interactions in trade and commerce are more likely to cement the relationship between the countries of the world to face the new reality of 21st century. It is, therefore, increasingly felt that the relation paradigm between Bangladesh and China should be shifted from politico-strategic to economic, at least from the Bangladesh point of view.

In this context the present paper is an attempt to examine the Sino-Bangladesh relations in the light of their economic engagement. It will try to seek why Sino-Bangladesh relationship pattern should shift from politico-strategic orientation to economic partnership and to explore how to initiate the process. The paper has been divided into three sections. Section One delves into the existing economic relationship between China and Bangladesh; Section Two discusses why Bangladesh should go for economic partnership with China and what is

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<sup>7</sup> Centre for Policy Dialogue, 2001.