

## ORIGINAL ARTICLE



**MJSSH**  
Muallim Journal of  
Social Science and Humanities

## CHINA'S VISION OF REGIONAL CONNECTIVITY, ECONOMIC CORRIDOR AND DEVELOPMENT COOPERATION IN SOUTH ASIA: IMPLICATIONS FOR BANGLADESH

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DOI: <https://doi.org/10.33306/mjssh/121>

### Abstract

Geopolitically South Asia is very important for China's vision of regional connectivity, trade and development cooperation. In terms of Sino-South Asian geopolitical and economic relations, it might be said that the Bay of Bengal is very important, because it is connected with Andaman Sea, Malacca Straits, which has direct link with South Asia and South East Asia. Both China and India are very interested in the Bay of Bengal for mineral resources which has an easy link with Bangladesh, Myanmar and Indian Ocean. Through the Bay of Bengal, China wants direct regional connectivity between China and Indian Ocean through either South East Bangladesh (Cox's Bazar) or Rakhine state of Myanmar for the expansion of its trade and development cooperation. This study has dealt with the importance of South Asia in light of the China's geopolitical desire, trade and investment, oil and gas, development cooperation and regional connectivity in South Asia including Bangladesh. It is a qualitative study in nature, which is based on primary and secondary data. Many geopolitical issues of China, South Asia and Bangladesh have been discussed in this study. The finding is that the relationship Between China and South Asia in light of the China's vision of trade and investment, economic corridor, and development cooperation is, of course, pivotal for both regions.

**Keywords:** China, Bangladesh, Bay of Bengal, Geopolitics, Geostrategic, Trade and Investment, Development Cooperation, Oil, Gas, Deep Seaports, Maritime Silk Road, Indian Ocean, Myanmar, Regional Connectivity, Economic Corridor, Cox's Bazar.

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Received 11<sup>th</sup> September 2020, revised 29<sup>th</sup> September 2020, accepted 7<sup>th</sup> October 2020

## Introduction

Geopolitics explains the correlation among topography and politics. Geopolitics involves issues such as environmentalism, drug trafficking, trade and investment, connectivity and international terrorism. Geopolitics is related with the issues of geographic, demographic, and economic effects and international politics. The word of geo-economics is used in describing the so-called domination of economics over political matters in regional relations in recent time (Mark, 2015)<sup>1</sup>. Sino-South Asian relations are based on geopolitical and economic interests on both sides. After the plan of China's Belt and Road Initiative (BRI) in 2013, South Asian countries have often been considered as the cornerstone of regional connectivity amongst BRI-participating nations. This is because economically, South Asia provides one of the world's fastest developing markets. Considering the South Asia's geographic location, it is definitely at the core of China's supply needs. Geopolitically, South Asian region is gradually attaining significance in Beijing's geostrategic and future course of actions (Lian, 2019)<sup>2</sup>. It is very important to know the effect of the foundation of BRI project in South Asia, precisely the Bangladesh-China-India-Myanmar Economic Corridor for Regional Cooperation (BCIM) and the China-Pakistan Economic Corridor (CPEC). Because China claims that BRI project is going to create an economic opportunity for both regions through regional connectivity, trade cooperation and people to people contacts. It is actually very close to "win-win cooperation for both China and South Asia. This article will justify that China can indeed become an active contributor to South Asian industrialization and development. It is important to mention here that considering the China's economic capacity, it can play an important role in the industrial investment in South Asian countries (Lian, 2019)<sup>2</sup>. The World Bank's Competitive Industrial Performance Index (CIP) clearly illustrates that South Asian countries have a slow step of industrialization, which requires more industrial policy formulation and proper implementation with good governance.

Chinese premier Li Keqiang in a 2016 report, identified overcapacity as one of several economic jams in contemporary China. Therefore, China is a potential country to help promote South Asia's industrialization development through trade cooperation and industrial investment (Lian, 2019)<sup>2</sup>. In addition, Beijing is ready to expand its industrial and infrastructural investment through the project of BRI in South Asia. This type of development cooperation is bilaterally favorable, as illustrated by CPEC, which added 20.9 percent to Pakistan's GDP in 2016-17, creating 30,000 jobs between 2015 and 2017. It is anticipated that it will create around 700,000 job opportunities in Pakistan in the next thirty years (Lian, 2019)<sup>2</sup>. A recent report from the ILO International Labor Organization (ILO) also estimates CPEC will generate 1 million jobs within Pakistan. India has usually been BRI's critical observer, but as South Asia's influential leader, it is also one of the nations to which China needs to pay the furthestmost care in terms of economic development and cooperation. Previously, India supported some regional cooperation agreements like the Modi government's 2014 Project Mausam (PM), which along with the 2015 "Cotton Route" has been regarded as India's answer to BRI (Lian, 2019)<sup>2</sup>. Whereas neither of these schemes turned out to be economically practical, they determine India's apparent necessity for establishing contending institutions to BRI project.

However, India is not efficient in stimulating local economic development which has undervalued its political leadership. And economically, intra-regional collaboration presently creates only a partial contribution to the South Asia's economic progress; and it is only 5 percent value addition to the regional total trade and less than 1 percent input to the whole region's total industrial investment. Cooperating politico-economic institutions such as the South Asia

Association for Regional Cooperation (SAARC), the SAARC Preferential Trading Arrangement (SAPTA), and the South Asian Free Trade Area Agreement (SAFTA), only achieve minimal gains because of India's highly politicized economic relations with its neighbors. For instance, in 2016, the Chair of SAARC, Nepal, canceled SAARC's regular meeting after India, Bangladesh, Afghanistan and Bhutan declined to join the occasion scheduled to be held in Islamabad in Pakistan (Lian, 2019)<sup>2</sup>.

In spite of huge doubt, India's government still has keen interest in BCIM project. It is believed by all parties that, the BCIM's planned "Kolkata to Kunming" route will provide an economic opportunity for all four BCIM countries to promote trade complementarities. Furthermore, analysts argue that BCIM offers economic and socio-political profits to India's least-developed northeastern states, which were a source of political concern after India's mostly ineffective 1987 Border Areas Development Program (Lian, 2019)<sup>2</sup>. Besides India, many countries of South Asia and Southeast Asia worry about China's so-called "debt trap politics," mainly after the Hambantota Port incident. But, these worries have failed to consider the 84 instances in the last 15 years where China rebuilt or relinquished loans without grabbing any kinds of assets.

Amongst the twenty-two projects in CPEC, China only provides concessional loans for four programs. A report by 2017 IMF discloses that the top outflow of CPEC debt will be simply protected by Pakistan's gradually increasing exports, which is predicted to reach \$40 billion in 2024. For the case of other countries, debts from BRI scheme are also quite manageable. For instance, Myanmar has been able to slash the price of a Chinese-led port scheme from \$7.2 billion to \$1.3 billion this year without China's repercussions. The country also refuted debt trap in public gatherings in the China-Myanmar Economic Corridor (Lian, 2019)<sup>2</sup>.

Moreover, CPEC proves the non-exclusiveness of the BRI scheme. All of the Chinese investors are in need of following commonly relevant IPP policies, which conform to global standards. Also, China reliably continues to search for multifaceted cooperation in funding the different infrastructure in Iran and other central and Middle Eastern countries. Here an example can be given that; Pakistan has invited the United States, Iran and Saudi Arabia to join CPEC projects. These steps prove China's purpose to build CPEC as an open establishment. In a nutshell, while countries continue to maintain reasonable doubt regarding the nature and scope the of BRI loans, these doubts are mostly inappropriate and should not be taken into consideration while dealing with the loans (Lian, 2019)<sup>2</sup>. The incident of Sri Lanka's Hambantota port is a different issue; China has no intention to politicize its different regional connectivity and development programs. Thus it might be said that the regional connectivity and economic cooperation between China and South Asia is crucial for the region's overall development.

In carrying out this study the secondary data have been employed. Books, journal, research monographs, daily newspapers, and documentaries on Sino-South Asian relations have been used. The main aim of this study is to find out if the relationship between China and South Asia important in the context of regional connectivity and development cooperation. The study finds that the regional connectivity, trade cooperation, development cooperation and people to people contacts are crucial for both China and South Asia including Bangladesh.

## **Research Methodology**

This is a qualitative research in method. This study has been carried out based on secondary data. Besides, the researchers of this study have conducted some focus group discussions in the South East Bangladesh, Cox's Bazar which has direct border with Myanmar where China wants a regional connectivity between China and South Asia. The researchers have been able to obtain required knowledge through the several focus group discussions on regional connectivity, trade and investment in South Asia; and China's vision of development cooperation in the region. Therefore this study is based on both primary and secondary data. Books, journals, weekly magazines, daily newspapers, documentaries, research monographs and journal articles have been employed in carrying out this study.

## **Study Objective**

Bangladesh is developing country which requires a huge foreign investment in the different infrastructural projects for its rapid economic growth. China is an advanced country with huge foreign currency reserves and advanced technologies and logistic supports by which it can come ahead in promoting economic development and technological progress in the developing countries of South Asia including Bangladesh. This study is designed to emphasize on the importance of Sino-South Asia relations for expanding trade and investment, regional connectivity and for accelerating development cooperation in South Asia envisaged by China. South Asian countries are moving forward in terms of economic growth and technological advancement; but it requires cooperation from an advanced economy like China; thus this study has focused on the building of a strong relationship between China and South Asia. The study has also showed that formation of durable relationship between China and South Asia is equally important for China's vision of regional connectivity, trade and investment and development cooperation. Therefore this study has shown that strengthening the relationship between China and South Asia is very crucial for both regions including Bangladesh in terms of the economic progress and regional connectivity as envisaged by the BRI, BCIM and MSR projects. However, the main objective of this research is to focus on the importance of the regional connectivity, building deep seaports, trade and investment, development cooperation and transfer of technology between China and South Asia.

## **Role of China in South Asia**

In comparison with other main political powers in the world, China's development and regional connectivity projects absolutely assimilate accommodating mechanisms with concrete economic opportunities in South Asian countries for long time. For instance, U.S. foreign direct investment in South Asian region has been factually over-politicized, such as the New Silk Road step in 2011, which was aimed in bolstering political steadiness in Central Asian countries, along with other advantages to help promote regional economic connectivity in South Asia in 2014. Regrettably, none of these plans effectively was materialized by the stakeholders. Other important actors like Japan simply offers inadequate projects that do not meet China's possibility of investment in South Asia. Therefore, China always holds a sole attractiveness for trade and investment in South Asian countries (Lian, 2019)<sup>2</sup>. Through foreign direct investments in industrialization process and the simplification of the regional cooperation schemes, China has the prospective to come forward as a key economic contributor to South Asia's development. But, China requires handling with the

real worries regarding the BRI project amongst the South Asian countries, mainly in relation to the investment transparency and the socio-economic and environmental concerns of the BRI projects. Taking step for self-regulating development policies that are restricted to the economic arena is China's top choice for becoming a potential contributor in South Asia.

### **China's Vision for the Belt and Road in South Asia**

Now China is celebrating the fifth anniversary of the Belt and Road Initiative, China is focusing on South Asia as a "priority zone" in the Chinese connectivity scheme. Given South Asia's geostrategic position at the connection point of the Chinese-designed Silk Road Economic Belt and the 21st Century Maritime Silk Road, China's political leaders are thinking that having an access in South Asian region or achieving the economic incorporation with the region is not only vital to combine China's deliberate presence in the Eurasian hinterland but also to prevent any probable attempt by its opponents to restrain China in the East Asia (Antara Ghosal,2019)<sup>3</sup>. So, in spite of many encounters, China rests unwavering in carrying out its Belt and Road dream in South Asian region.

Accordingly, what exactly is that dream? An investigation report disclosed by a confident think-tank in China, titled "Opportunities and Challenges for Belt and Road Initiative in South Asia reflects upon China's extended time dream of opening up South Asia through its Belt and Road Initiative and paths the development made so far in that track. According to the study report, China's Belt and Road Initiative in South Asia comprises four subprojects: the China-Pakistan Economic Corridor (CPEC), the Bangladesh-China-India-Myanmar Economic Corridor (BCIM), the Trans-Himalaya Corridor, and China's cooperation with Bangladesh, Sri Lanka, and the Maldives under the 21st century Maritime Silk Road (Antara Ghosal,2019)<sup>3</sup>.

### **China-Pakistan Economic Corridor (CPEC)**

The \$62 billion CPEC is regarded as the key project, according to the quickness of its progress. There was signed a memorandum of understanding between China and Pakistan in 2013, based on which the establishment of Joint Cooperation Committee (JCC) was made, and the laying out of the "1+4" development cooperation structure (with the Economic Corridor at the center and Gwadar port, infrastructure, energy, and industrial cooperation as the four key areas). Gwadar port has already been completed for operation, carrying Chinese goods to Middle Eastern and African countries (Antara Ghosal,2019)<sup>3</sup>. Also the Gwadar East Bay Expressway and the Gwadar International Airport construction works are undergoing.

The transport connectivity which is now being constructed by China under CPEC project will link Kashgar in China to Islamabad and Lahore over Karakoram Highway (Phase I and II), to Multan via the M4 line, and to Karachi through the M5 line. Besides, of the 16 priority planned energy schemes, accounting for 76 percent of the whole investments in the economic corridor, most are now under construction and are estimated to reach the accomplishment by 2020. Temporarily, amid the 29 prearranged industrial parks, the Gwadar Port Free Trade Zone, for which Pakistan has handed over 30 percent of the land use right (nearly 280 hectares) to China Overseas Port Holdings Co., Ltd., for a lease term of 43 years, has already been made operative (Antara Ghosal,2019)<sup>3</sup>. The Haier-Ruba Industrial Park is planning more expansion and more

investments. The provincial-level financial system of Sichuan, Xinjiang, and Guangxi are booming up to get joined with that of Pakistan.

Moreover, China is keenly interested in expanding the scope of CPEC to the neighboring countries for the greater economic interest of the region. China has long term vision that it has a plan to construct a China-Pakistan-India-Iran-Afghanistan-Kazakhstan Corridor, which is a multinational super regional connectivity project which, will of course, control the hub of Central and South Asian region along with the Eurasian region. It should be noted here that, though India is criticizing the China's connectivity and development cooperation projects, it continues to follow up the CPEC vision of China (Antara Ghosal,2019)<sup>3</sup>. If the project of CPEC is considered positively in the South Asian region including India, it will be, definitely, a good example of regional cooperation for economic development in South Asia. That both India and Pakistan, and China and India can work together for the greater economic and political interest of the region.

### **Bangladesh, China, India and Myanmar Economic Corridor (BCIM)**

Under the BCIM umbrella, China is reportedly developing three railways and three highways in southwestern Yunnan province. The China section of the China-Myanmar Railway (the Western Line of the Trans-Asian Railway) is expected to be completed and opened to traffic in 2020. Moreover, the Dali-Qingshuihe Railway and Baoshan-Tengchong-Houqiao Railway are now under the construction of their preliminary work. Work on the China-Myanmar Highway (including Kunming-Ruili, Kunming-Tengchong, Kunming-Qingshuihe) is also ongoing (Antara Ghosal,2019)<sup>3</sup>.

There are several Chinese development projects in Bangladesh under the scheme of BCIM including the Padma Multipurpose Bridge Project, the Bangladesh-Myanmar Railway, and the Kunming-Dhaka cargo transportation corridor, work on which is presently ongoing. The 2,800-kilometer-long Bangladesh-China-Myanmar Economic Corridor is now open to road traffic (Antara Ghosal,2019)<sup>3</sup>.

China is highly ambitious regarding the establishment of BCIM corridor through which China would be able to connect itself with the South Asian, South East Asian and East Asian economies. But the implementation of BCIM economic corridor is very slow; and it is taking very long time. Thus, China is now interested in building China-Myanmar economic corridor, which would connect the Yunnan province of China with the central city of Mandalay in Myanmar. The connectivity plan would also connect the city of Yangon and the proposed Kyaukpyu Special Economic Zone. This China-Myanmar economic corridor would be connected later with the BCIM economic corridor. This corridor will be of enormous helpful for China to expand its trade, investment and development in not Myanmar but also to other neighboring countries including India and Bangladesh. Moreover, the Middle Eastern and African countries can be connected through the sea route; and China would be able to have an access to both the Bay of Bengal and Indian Ocean for geopolitical and geo-economic interests (Antara Ghosal,2019)<sup>3</sup>.

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**Trans-Himalayan Corridor**

Nepali Prime Minister K.P. Oli's visited Beijing in March 2016, during his visit several development cooperation agreements were signed under the umbrella of Road and Belt Initiative. Through those agreements mutual cooperation in trade and investment, regional connectivity, people to people contacts, transportation and telecommunications was ensured. Some progress has been confirmed in the building of some key projects like the highway bridge over Karnali River at Hilsa of Pulan/Yari port, the Kathmandu Ring Road reconstruction project, and construction of three economic corridors, such as Gandaki Economic Corridor, the Koshi Economic Corridor and Karnali Economic Corridor. In the meantime, both China and Nepal have too signed an agreement for transit purpose under which both parties have approved to upturn the quantity of bilateral intercontinental road cargo passage lines from the prevailing three to 12 (Antara Ghosal,2019)<sup>3</sup>. Besides, the new road and rail transportation facilities would connect Guangdong, Tibet, and Nepal; which have been formally made open. And now different goods are being carried to and from China through this road. Both countries have a plan to explore the future possibilities of China-Nepal special economic zone and a China-Nepal Free Trade Zone. Currently both countries have reached a consensus on mutual cooperation in infrastructural development and cultural exchange particularly in the field of education through providing the Chinese government scholarship to the Nepalese students.

China also wants a passage to the mainland India through the Nepalese territory for trade and development cooperation in both Nepal and India. According to the China's vision of regional connectivity in South Asia, it has planned to construct the "Trans-Himalaya Corridor" which actually starts from Chengdu, Sichuan where the Sichuan-Tibet Highway, would be further stretched from Tibet to Kathmandu, through Ya'an, Qamdo, Lhasa and Shigatse, and it would be connected to India, where it would be connected to the Indian railway link, that means this connectivity plan would form a huge land passage between the territories of China and India in the Himalayas (Antara Ghosal,2019)<sup>3</sup>.

The Chinese government is optimistic that once the project is accomplished, the Trans-Himalayan Magnificent Passage, along with the China-Pakistan Economic Corridor and the Bangladesh-China-India-Myanmar Economic Corridor, would totally open up South Asia, linking 10 countries on both sides of the Himalayan territories. This connectivity and intercommunication would definitely play a pivotal role in booming up the economic growth in the "Trans-Himalayan countries (Antara Ghosal,2019)<sup>3</sup>.

**China's Development Cooperation with Bangladesh, Sri Lanka, and the Maldives under the 21st Century Maritime Silk Road**

China always considers Bangladesh as an important junction of oceanic as well as overland link between the Bay of Bengal, Indian Ocean and the noncoastal districts of southwestern China, especially Yunnan. Therefore, Bangladesh's interest in participating in Belt and Road Initiative and the 21st Century Maritime Silk Road is very crucial for both sides. Since President Xi Jinping's historic visit to Bangladesh in 2016, billions of dollars' worth of Chinese financial assistance has flown into Bangladesh. Thus, Bangladesh has endorsed the China's Belt and Road Initiative in South Asia as one of the development partners of China (Antara Ghosal,2019)<sup>3</sup>.

There have been recent reports that China is currently accomplishing \$10 billion worth of infrastructural development projects in Bangladesh, which include the Chinese Economic and Industrial Zone, the 8th China Bangladesh Friendship Bridge, Payra Power Plant, and the International Exhibition Center. Two other development projects under the scheme of BRI are the Padma Bridge Rail Link project and the Karnaphuli River Tunnel Project. Constructions of these two infrastructural projects are ongoing. Also both China and Bangladesh are keenly interested in establishing the China-Bangladesh free trade zone, through which Bangladesh's trade deficit would reduce to \$15 billion in relation to China's export to Bangladesh (Antara Ghosal,2019)<sup>3</sup>.

Sri Lanka is located between Dubai and Singapore which is sharing strong economic and socio-cultural and political linkages with India; thus China cares about Sri Lanka's prospective as a key shipment point for its carriage and logistics and also from the perspective of the security of its offshore supply chain. Among the completed BRI projects in Sri Lanka are the Colombo Airport Expressway, the Colombo International Container Terminals (CICT), the Norocholai Power Station, and the Moragahakanda Project. Meanwhile, the other two mega projects are Industrial Park project, Colombo Port City project and the Hambantota Port which have seen much debate regarding the China's "debt trap diplomacy," are currently under construction (Antara Ghosal,2019)<sup>3</sup>. Chinese government is also very positive in accelerating the trade negotiations based on free trade agreement; and both countries are committed to launch the China-Sri Lanka Coastal Joint Research and Development Center which would be financed by China.

The Maldives is very important for not only South Asian countries but also China for its geostrategic location. It is located right in the center of the Indian Ocean, having market access to most of the South Asian countries such as India, Pakistan, Bangladesh, and Sri Lanka. The Maldives is regarded by the Chinese side as a "natural node" in the 21st Century Maritime Silk Road scheme. After the visit of president, Xi Jinping, in September in 2014, China-Maldives relations have been further reinforced under the umbrella of the 21st Century Maritime Silk Road scheme. Then China has been maintaining a cordial relationship with Maldives and has been implementing some development and infrastructural activities in the Maldives (Antara Ghosal,2019)<sup>3</sup>. The China-Maldives Friendship Bridge was fully financed and constructed by China has been open to traffic since August 30, 2018. Moreover, the construction and expansion of the Male International Airport, construction of Public Welfare Housing Projects in Hulhumalé, the Laamu Atoll Link Road, and expansion of the Ibrahim Nasir International Airport, etc., are all being developed with the China's development cooperation assistance. China and the Maldives signed a free trade agreement in December 2017, which ultimately raised much debate worldwide and had a vast impression on Maldives' socio-economic and geopolitical landscape and China-Maldives relationship has come into a new height (Antara Ghosal,2019)<sup>3</sup>.

### **Trade and Investment Cooperation between China and Bangladesh**

Likewise, China has gradually become the development cooperation partner of Bangladesh and China is now one of the main sources of its military hardware. They have been instrumental in providing aid in the fields of communications, technology, power and energy, and infrastructure. As a result, China overtook India as Bangladesh's largest trading partner in 2005 (Sreeradha , 2008 & Md. Safiqul, 2013)<sup>4</sup>. In addition to trade, China is developing the Chittagong port and establishing a Special Economic Zone on 774 acres of land at Anwara in Chittagong (The Inqilab, 2015 & Md. Safiqul , 2013)<sup>5</sup>. The two countries have agreed to construct rail connections between



Kunming in Yunnan Province and the strategically important port of Chittagong in Bangladesh via Myanmar, and build container port facilities there. These will be used for commercial access (Gurudas , 2013 & Md. Safiqul, 2013)<sup>6</sup>. Bangladeshi Prime Minister, Sheikh Hasina requested greater developmental assistance from China for a deep seaport at Sonadia Island of Cox's Bazar district in south eastern Bangladesh, which could be used by all the neighboring countries.

The Chinese government responded very positively to her proposal with an interest of developing a deep seaport at Sonadia Island; and within a short time, then-vice president of China Xi Jinping came to Bangladesh to forward the discussions. The two countries agreed to sign a memorandum of understanding during the visit of Prime Minister Sheikh Hasina to China in 2014. However, India put diplomatic pressure on Bangladesh to call-off the memorandum signing, causing it to be shelved at the last minute (Muinul , 2016 & Md.Shafiqul, 2020)<sup>7</sup>.

India's geopolitical rivalry with China regarding the latter's access to the Bay of Bengal sabotaged the deep sea port of Sonadia. However, through Xi Jinping's visit to Bangladesh on October 14th 2016, this time as the leader of China, strategic partnerships between the two countries in international relations went beyond simply strengthening cooperation. During that visit, China inked 27 deals worth \$24 billion in soft loans for various key development projects (The Daily Star, 2016 & Md.Safiqul, 2020)<sup>8</sup>. Thirteen Bangladeshi and thirteen Chinese firms contracted joint venture treaties of \$13 billion to enhance bilateral trade between the two countries (The New Age, 2016 & Md.Shafiqul, 2020)<sup>9</sup>.

They also signed important agreements on sharing intelligence information to combat terrorism and on the procurement of six military vessels and military hardware from China. According to the agreement, China has already provided Bangladesh with four submarines for its navy. Bangladesh and China have agreed to go forward with constructing the Bangladesh-China-India-Myanmar Economic Corridor (BCIM-EC) and China's Maritime Road. India is apprehensive of China's pursuit of friendly ties with India's eastern and western neighbors, Bangladesh and Pakistan respectively, as an attempt to frame the country and subvert its leadership in South Asia. Further, New Delhi considers South Asia as its backyard, exerting influence over it, and so a growing relationship between China and Bangladesh could disrupt Indian interests in this region (Piyali , 2010 & Md.Safiqul, 2013)<sup>10</sup>.

Nonetheless, due to geography, the two countries have remained important for each other in terms of security and economic dependence (Smruti S ., 2012 & Md.Safiqul, 2013)<sup>11</sup>. During that time Sheikh Hasina led the Awami League government, and their relations reached a new height. In the last five years during this regime, the trade between the two countries has grown by more than seventeen percent with bilateral trade at \$6.8 billion in 2015-16 (The Times of India, April 4, 2017)<sup>12</sup>. The current trade volume between the two countries is around 20 billion.

### **Bangladesh's Exports Prospects to China**

With annual GDP growth of more than 6% for many years, Bangladesh will remain one of the most dynamic economies in South Asia and the world, says Chinese expert. Bangladesh can benefit hugely from the vast Chinese market as China's imports will exceed US\$30 trillion in next 15 years, says its ambassador Li (Li , 2020)<sup>13</sup>. According to statement of Chinese ambassador, there will be a win-win circumstance for both China and Bangladesh

to explore the China's import capability fully; it will also strengthen the existing trade and development cooperation between the two nations. It is assumed that in the upcoming 15 years, China would be able to exceed its import to \$30 trillion. China is going to be a potential country in trade and development cooperation, and it will also provide high quality goods to the Bangladeshi markets (Li , 2020)<sup>13</sup>.

He further told that the continuous development cooperation and trade relations between the two countries will definitely provide a strong foundation for the understanding of Bangladesh's development visions such as "Sonar Bangla" and "Digital Bangladesh." It is praiseworthy to mention here that strengthening cooperation in trade and regional development is crucial for economic development, as well as to effectively respond to the global outbreak of Covid-19 in protecting the trade and investment and development cooperation in the whole region of South Asia (Li , 2020)<sup>39</sup>. Ambassador Jiming further said that China is going to implement the 97% zero tariff treatment, Bangladesh-China development and trade cooperation will certainly come into a momentous new stage (Li , 2020)<sup>13</sup>.

In 1975, when political relationship was established between the two nations, the two-sided trade volume between Bangladesh and China was only \$3.06 million. But in 2019, the volume touched \$18.33 billion, an intense rise compared with that of the early time, said Jiming. During the same time, China has been the major trading partner in Bangladesh, and Bangladesh has turned itself into the second biggest trading partner of China in South Asian countries. The trade volume between the two neighboring countries has upheld a comparatively high level of progress in the past five years, with an upward rate of 24.6%, emphasizing the rapid progress of development cooperation between China and Bangladesh (Li , 2020)<sup>13</sup>.

### **Regional Connectivity between China and Bangladesh in the Context of the Bay of Bengal**

China seeks to reinforce its influence in the Bay of Bengal, and thereby reduce its strategic vulnerability through connectivity initiatives. Its strategic vulnerability is, in particular, strengthened by the scarcity of overland transport connections between China and the Bay of Bengal. The primordial Silk Road scheme linked the southwestern region of China to the bay through Bengal (Bangladesh) and Burma (Myanmar) but until the twentieth century, there were no major transport routes (roads, railways, and rivers) connecting the region with the Bay. A lack of consensus on connectivity projects between India and China has made the construction of a land route difficult. Its geographical position, therefore, puts limits and narrows China's options (David, 2015)<sup>14</sup>.

Formidable geographical barriers caused by the mountain ranges, deserts and jungles along the southwestern region of China have made the development of such links difficult. In contrast, India's geographical location has given it a natural advantage in the Bay. New Delhi can control the Bay of Bengal as well as look southward into the deep Indian Ocean and its sea lanes of communications from its bases and resources within Indian Territory. Its eastern naval command is able to oversee and conduct operations into the Bay at any time from its naval bases at Paradip in Orissa and Tulicorin in Tamil Nadu. Its naval air station, INS Parundu, further to the south at

Uchipuli was elevated in 2009 to accommodate larger aircraft that can operate in the Bay (David, 2006 & Md.Shafiqul, 2020)<sup>15</sup>.

If China could develop a series of overland pathways to the Bay, using Yunnan Province as a base facing South Asia and Southeast Asia, it could effectively counter India's strategic advantage. Significantly, the BCIM-EC will run from Kunming of Yunnan Province in China to Kolkata of West Bengal in India through Bangladesh, Northeast India, and Myanmar that will link the Bay of Bengal and subsequently the Indian Ocean. The corridor that was the road map of the Bangladesh-China-India-Myanmar (BCIM) Forum was included as one of the six economic belts of China's "Belt and Road" initiative presented by Chinese President Xi Jinping in September 2013 (Md.Shafiqul, 2020)<sup>16</sup>. Thus it might be said that the economic corridors and regional connectivity between China and Bangladesh is, of course, pivotal for both sides for socio-economic development in the entire region.

### Map of BCIM Corridor



Source: Belt and Road News (BRI), 2020

The map shows the connectivity between China and Bangladesh through BCIM Corridor. However, two routes of the BCIM-EC will link seaports at Chittagong in Bangladesh and Sittwe in Myanmar located on the Bay of Bengal. Moreover, China-Indochina Peninsula Economic Corridor will follow the same route up to Myanmar and then will go to the countries of Southeast Asia through the Bay of Bengal. They would involve the creation of a transport and manufacturing corridor. China's Proposed BCIM and China's twenty-first century maritime Silk Road will touch major sea ports of coastal countries in the Bay as it enters the region from the South China Sea (Md Shafiqul, 2020)<sup>16</sup>.

The Maritime Road will comprise 29 coastal counties from the South China Sea to Indian Ocean. Among them; there are eight coastal countries of the Bay-Bangladesh, India, Indonesia, Malaysia, Myanmar, Singapore, Sri Lanka, and Thailand. China is going to develop seaports, other infrastructures, and establish Special Economic Zones (SEZ). China envisages that it will link

together all the countries in the northeastern Indian Ocean. Most importantly, in the Bay region there are already Chinese industrial parks in Myanmar, Thailand, Malaysia, Indonesia, Sri Lanka, and Bangladesh (Md Shafiqul, 2020)<sup>16</sup>. The overland and maritime connectivity projects and engagement with the littoral countries of the Bay will work as a response to the changing geopolitical situation marked by the US as a rebalance to Asia, and reduce China's historic vulnerability to India in the Bay of Bengal region. This will allow Beijing to ensure its security there. China envisages that it will link together all the countries in the northeastern Indian Ocean.

### **China-Bangladesh Relations and Implications for Bangladesh**

China is well aware of the risks associated with implementation of the Belt and Road Initiative in South Asia. The challenges were faced so far are varied in nature, such as political instability and unsustainable public policies by the different governments; radical threats and armed attacks by the different violent extremist forces, geopolitical rivalries, operational risks including unsustainable debt accumulation and constraints put by issues like environment, culture, religion, and governance. However, it is anticipated that these kinds of challenges are not problem at all in the rise of China at both regional and global level. Currently China has not only emerged as an economic giant but also a regional and global political actor where it can play a pivotal role to mitigate strategic and political problems at both local and global level. Bangladesh has some disputes along the Bay of Bengal with Myanmar and India where China can play a role in resolving the issue, particularly the Rohingya issue can be solved with the active role of China. Moreover, Bangladesh is a lower middle income country which requires huge foreign investment in the infrastructure and development projects; China being a global economic giant may come ahead to provide necessary development cooperation to the different infrastructural development projects in Bangladesh. Also Bangladesh having a maritime access to the Bay of Bengal is a potential country for China in the context of regional connectivity, and trade and investment. Both Bangladesh and China would be greatly benefitted from the projects of the building of the deep seaports in the South East Bangladesh, Cox's Bazar, exports and imports activities by building a connecting road between China and Bangladesh through Myanmar will help boost the economies of Bangladesh, Myanmar and China. And the China's oil imports and exports of different products to the different countries would be very easy; and would save huge time and money that is now done through the Malacca strait. Moreover, Bangladesh would be able to collect a huge amount of revenues from the China's exports and imports done through the deep seaports in Cox's Bazar.

### **Conclusion**

In this situation, Bangladesh and China should come forward to cooperate in constructing deep seaports in Cox's Bazar along with infrastructure development and construction of roads and highways. If deep seaport is built in Sonadia, it will, of course, be a milestone for Bangladesh's economic progress that it will collect a huge amount of revenues from deep seaports. Besides, a large number of Bangladesh's citizen could be employed in the deep seaports and Asian highways projects connecting China and Bangladesh through Myanmar. On the other hand, China's exports and imports will be very easy through these deep seaports where their time and billions of dollars foreign currency could be saved easily (Md Shafiqul, 2020)<sup>16</sup>. Therefore, China-Bangladesh geopolitical relations are so much important for both China and Bangladesh. India, being a poor nation with very weak infrastructure and low foreign currency reserves is not able to come ahead

to establish deep seaport in Sonadia, rather it always tries to contain Bangladesh's development activities and foreign investments through political pressure and threatening to destabilize the regime. The government of Bangladesh and its people should realize that the economic capacity of India is very fragile compared to China. Bangladesh should think about its foreign policy which can strengthen diplomatic ties with China for the future course of action in terms of regional connectivity, building deep seaports, building of the connecting roads between China and Bangladesh. Strengthening of Bangladesh's political ties with China would be more appropriate and profitable than India.

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