



RCAS Commentary

China's Financial Assistance: A Boon or A Bane for Bangladesh?

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About RCAS

香港亞洲研究中心| The Hong Kong Research Center for Asian Studies (RCAS) is a nonprofit research organization focusing on Asian affairs. It is a newly established institution founded in February 2022 by Dr. Nian Peng in Haikou and subsequently moved to Hong Kong in September 2023. We currently have an international research team with nearly 100 resident/nonresident researchers from China and other countries.

RCAS aims to become a leading research institute and think tank on Asian affairs in the Indo-Pacific region. To date, RCAS has conducted research programs on maritime disputes in the South China Sea (SCS), China's relations with the Indo-Pacific states, the Belt and Road Initiative (BRI), terrorism/counterterrorism in the Afg-Pak region, and so on. It is committed to promoting maritime cooperation, regional integration, and regional peace in the Indo-Pacific region at large.

RCAS has published nearly ten books in Chinese and English and more than 20 papers in SSCI/SCOPUS/CSSCI-indexed journals. Recent English publications include *Populism, Nationalism and South China Sea Dispute: Chinese and Southeast Asian Perspectives* (Singapore: Springer Nature, 2022); *Pakistan's Foreign Policy: Contemporary Developments and Dynamics* (London: Routledge, 2022); *Crossing the Himalayas: Buddhist Ties, Regional Integration and Great-Power Rivalry* (Singapore: Springer Nature, 2021); *The Reshaping of China-Southeast Asia Relations in Light of the COVID-19 Pandemic* (Singapore: Springer Nature, 2021); *Territorial Disputes, The Role of Leaders and The Impact of Quad: A Triangular Explanation of China-India Border Escalations* (2023); *Managing the South China Sea Dispute: Multilateral and Bilateral Approaches* (2022); *China-Pakistan Cooperation on Afghanistan: Assessing Key Interests and Implementing Strategies* (2022); *Hedging Against the Dragon: Myanmar's Tangled Relations with China since 1988* (2021); and *China-Pakistan Conventional Arms Trade: An Appraisal of Supplier's and Recipient's Motives* (2020).

RCAS has also published hundreds of articles, and its researchers have been interviewed in various local and international media outlets, such as *The Diplomat* in the United States, *East Asian Forum (EAF)* in Australia, *Bangkok Post* in Thailand, *Jakarta Post* in Indonesia, *Lian He Zao Bao*, *Think China* in Singapore, *South China Morning Post (SCMP)*, *China-US Focus* in Hong Kong, *CGTN*, *Global Times*, *World Affairs* in China. RCAS researchers have actively participated in international conferences or study visits in the United States, India, Pakistan, Sri Lanka, Nepal, Myanmar, Cambodia, and other places.

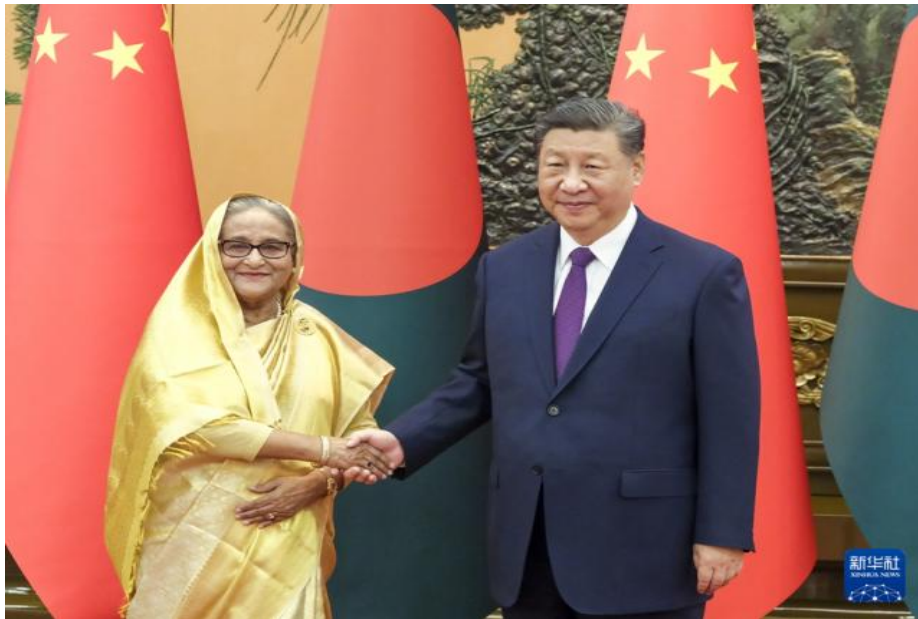
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Ghulam Ali

Prime Minister Sheikh Hasina recently completed a visit to China (July 8-10, 2024), which held great importance for Bangladesh. The meeting with Chinese President Xi Jinping was held Wednesday afternoon at the Great Hall of the People. Xi Jinping made his last discussion at a recent meeting on the sideline of the 15th BRICS Summit in Johannesburg, South Africa.



▲ Chinese President Xi Jinping met with Bangladeshi Prime Minister Sheikh Hasina (Xinhua News)

The Bangladesh Prime Minister also met with Chinese Prime Minister Li Qiang at the Great Hall of the People on Wednesday morning. Li Qiang has announced \$1 billion in financial assistance for Bangladesh, adding new dimensions to Bangladesh's development.

After the meeting, Bangladesh and China signed several Memorandum of Understandings (MoU). Cooperation in the economic and banking sectors, trade and investment, digital economy, infrastructure development, assistance in disaster management, construction of the 6th and 8th Bangladesh-China Friendship Bridge, agro-export from Bangladesh, and communication among the people have been signed.

In the meeting with Xi Jinping and Li Qiang, all topics regarding bilateral relations were discussed. Issues relating to the Rohingya, business and commerce between the nations, and development cooperation were all raised and discussed at length.

The financial support pledged by PM Li Qiang is a massive opportunity for Bangladesh. Proper and effective use of the funds will add a new dimension to the country's development. However, if not used correctly, it can also cause serious harm. Some mega projects in Bangladesh are not profitable and do not significantly contribute to the country's economy. Therefore, they must consider the country's economy's profitability, implementation, and significance when picking new projects.

Considering the country's history of corruption, experts have warned that corruption will likely increase if such a massive amount of money is not used correctly. Proper and transparent use of this money must be ensured. For this, effective monitoring and accountability systems should be introduced so that no money is wasted or corrupted.

During this visit, 21 MoUs and agreements between the two countries were signed to strengthen cooperation. Under the BRI (Belt and Road Initiative) project, infrastructure development will be conducted in Bangladesh. Various more agreements were signed to increase trade and investment. The Education and Cultural Exchange agreement was signed to improve both aspects. China also promised that it will help Bangladesh gain BRICS membership.

In addition, China will back Bangladesh to resolve the Rohingya crisis, and China's role in solving this crisis may be necessary. The Rohingya refugee problem is a severe humanitarian and economic challenge for Bangladesh. If China plays an active role in solving this crisis, it will be a significant boost for Bangladesh.

PM Hasina's visit to China has unveiled a new horizon for Bangladesh. If appropriately used, China's \$1bn financial support will take the country's economy to new heights. Picking need-oriented mega projects, ensuring zero corruption and full transparency, and developing China-Bangladesh relations are essential for the country's overall development. China's cooperation with Bangladesh has unveiled a new horizon and will positively impact the country's economy. However, the country's development must progress through this opportunity's proper and effective use.

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About Author



Sujit Kumar Datta is the Chairman and Professor in the International Relations Department at the University of Chittagong, Bangladesh. He is also nonresident fellow at the Hong Kong Research Center for Asian Studies (RCAS), Hong Kong. Dr. Datta graduated with a BA (Honors) and MA degree in International Relations from the Jahangiragar University and completed his PhD in International Politics from the School of Political Science and Public Administration, Shandong University, China. After that, he had worked at the BRAC Training Division (BTD) as a faculty member. He had joined in the department of International Relations, University of Chittagong, Bangladesh as a Lecturer in January, 2010. Dr. Datta has authored several articles and book chapters in renowned national and international peer-reviewed journals (Web of Science, Scopus indexed).