

## Development perogatives for South Asia's economic progress

CONTINUED FROM PAGE 30

Foreign Ministers of China, Afghanistan, Pakistan, Nepal, Sri Lanka and Bangladesh agreed to deepen cooperation as South Asian countries are facing a new wave of the Covid-19 pandemic.

### Changing geo-politics and Bangladesh

Chinese President Xi Jinping's visit to Bangladesh in October 2016 was a landmark one owing to a number of factors. After three decades, a Chinese President visited Bangladesh, signifying growing importance of the country in South Asia's economics and geo-politics. A number of high-profile investments and other business deals worth billions were agreed during President Xi's trip. The mega projects under implementation are examples of cooperation.

There is no denying that the United



in Bangladesh.

The two parties also affirmed that, in addition to Chinese domestic banks, the AIIB will be an important financial source for Bangladesh's economic development needs, as witnessed by the fact that one of the first four AIIB loans was for a Bangladeshi power distribution system upgrade and expansion project.

China already has FTAs with a handful of countries, including Pakistan, as well as with ASEAN. China's FTA practice is evolving, and its existing agreements provide a reliable indicator of the extent of trade and investment facilitation and liberalisation we can expect under the future China Bangladesh FTA.

### Conclusion

China has always believed in mutual respect and treating each other as equals, and advocated mutual accommodation and dialogue among civilisations. Despite their differences in national condition, development stage and cultural background, all participants of Belt and Road are equally important partners. All the Belt and Road projects must be open and transparent, and should be aligned with the development strategy and long-term plan of the participating countries. Flexibility to and fully accommodate the reasonable concerns of all parties in the spirit of seeking common ground, respecting differences and pursuing common prosperity are essential.

The partners must be transparent and corruption free, which is also beneficial for China. As long as China is not tone-deaf and is able to take effective steps to correct the problems, it will have a good chance to succeed. China, for example, may set up a mechanism to review current and future projects, which will enable it to continually refine its policies and practices so as to bring greater transparency, open competition, inclusive growth and wider acceptance overseas. Going forward, China's door will open even wider, for this serves our own interests as well as those of others.

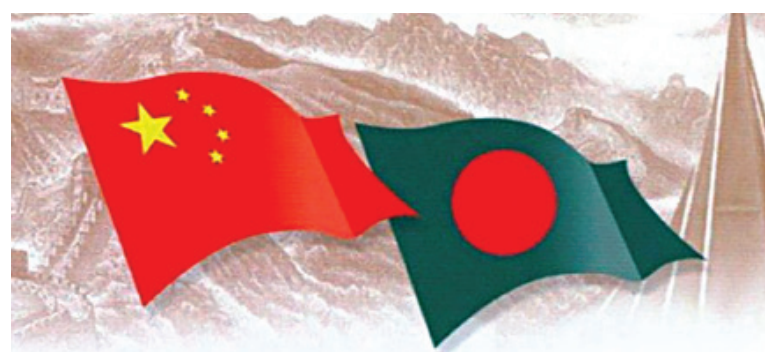


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States remains the top global power. However, the nation is in a relative decline. This is largely due to the rise of China and a number of other emerging economies including India. The global economy's shifting centre of economic gravity towards Asia is making China and India two powerful economic engines as well as geo-political rivals.

Geo-political rivalry between the two Asian giants means smaller South Asian countries, including Bangladesh, could face mounting challenges in managing a balanced relation with them in the years ahead. Nevertheless, it is critical for these

countries to maintain balanced ties with India and China, preserving their national interests. Too much alignment with a single power risks the country becoming a vassal state.

For centuries, China had been well-connected with its immediate neighbours as well as Europe, Middle East and Africa through the Silk Road. Beijing intends to re-establish this historical connection, creating a vast network of railway, energy pipelines, highways and modernising border points.

Beijing is also developing new institutions and channelling funds, such as the Asian Infrastructure Investment Bank (AIIB) and the Silk Road Fund, to support the largest undertaking since America's Marshall Plan, implemented after World War II.

The BCIM Economic Corridor, involving Bangladesh, China, India and Myanmar, is also a part of OBOR. However, the progress of BCIM has been less than satisfactory, although its origin dates back to the 1990s, as China and India's strategic rivalry has slowed down the pace of BCIM.

Dhaka needs to employ its diplomatic

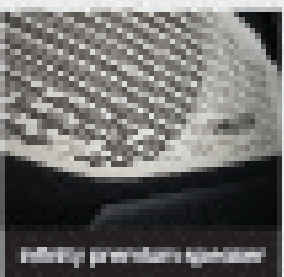
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apparatus to integrate with China and other Southeast Asian countries, taking the institutional advantages of OBOR in general and BCIM in particular. Dhaka and Beijing should work closely to find ways for Bangladesh to access the most dynamic region of the world, i.e., East Asia, through Myanmar, taking advantage of China's leverage over the country.

China's plan to revive the Maritime Silk Route (MSR) and development of economic belts offer immense opportunities for Bangladesh. The plan of the 21st century MSR coincides with Bangladesh's demarcation of its maritime boundary with two of its Bay of Bengal neighbours—India and Myanmar. This gives the country an opportunity to build a blue economy in the world's largest Bay.

It is expected that both Dhaka and Beijing will forge greater cooperation involving blue economy. According to the Sino-Bangladeshi Joint Statement, the two countries will also commence feasibility studies on the establishment of the China-Bangladesh Free Trade Area and China will continue to support Chinese enterprises in the construction of special economic and industrial zones



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