US MIDTERMS

Why Bangladesh has a stake in the result

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Bangladesh has spent nearly two years paying for decisions made in Washington without having any say in them. US tariffs on its garments have been revised five times since April 2025, the war against Iran has sent the cost of its imported fuel soaring, and a strong dollar has made every foreign debt repayment more expensive. On 3 November, Americans will elect a new House of Representatives and about a third of the Senate. A Democratic Congress would not restore the America that Bangladesh dealt with for half a century, but it could restore some restraint on the administration it faces today, and Dhaka has every reason to welcome that restraint.

Nowhere has the absence of such restraint been clearer than in trade policy. Washington announced a 37 per cent tariff on Bangladeshi goods in April 2025, imposed 20 per cent in August and settled on 19 per cent under a trade agreement signed on 9 February this year. Eleven days later, the US Supreme Court ruled that the emergency law underpinning those duties gave the president no authority to impose them. A temporary 10 per cent tariff followed, replaced in July by a new measure under Section 301 of the Trade Act, and Dhaka is still seeking clarity on what its February agreement is worth.

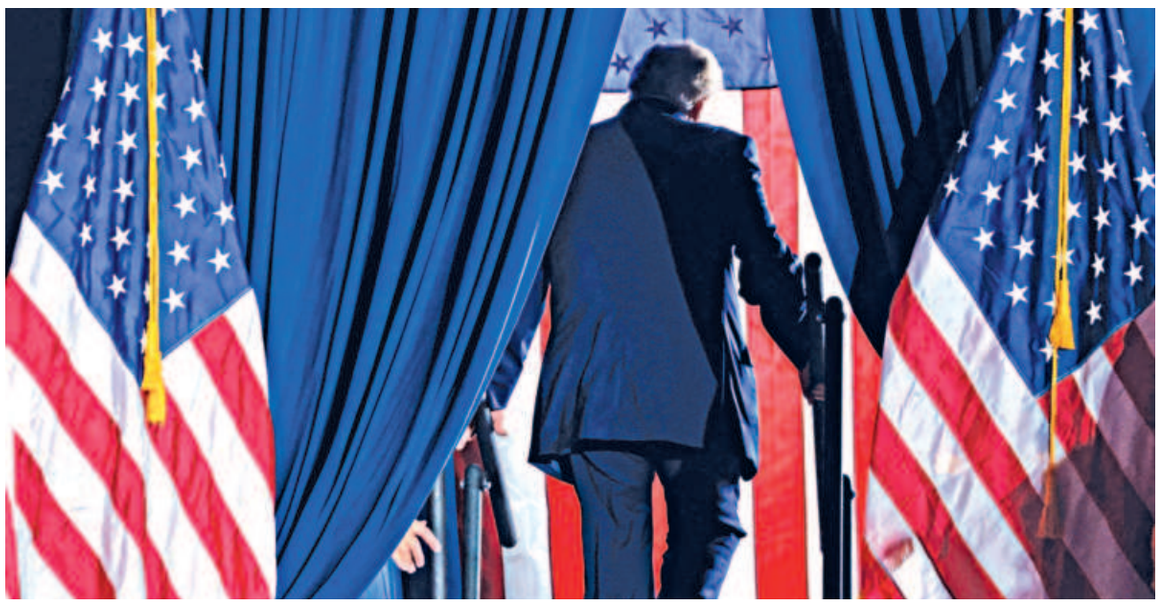
American voters appear ready to deliver their verdict. Polls and forecasters suggest that Democrats could win the House comfortably and gain a narrower advantage in the Senate, consistent with a long historical pattern in which the president's party has lost House seats in 20 of the 22 midterm elections since 1938. This time, discontent is driven primarily by the cost of living. The vote will also reflect whether Americans support an administration that treats alliances as transactions and shows little interest in the democratic partnerships that once defined American leadership. That is the broader question the rest of the world will be watching.

A Democratic victory would not, however, give Congress the power to reverse the administration's policies. Democrats are unlikely to secure two-thirds of either chamber, meaning a presidential veto would remain a significant obstacle. A War Powers Resolution aimed at ending the Iran conflict would struggle to overcome such a veto. Tariffs demonstrate how readily the White House can circumvent congressional constraints. The temporary 10 per cent levy required congressional approval to remain in force beyond 150 days; rather than seek it, the administration shifted to Section 301, which requires no such approval. What a Democratic majority could do is provide a check on executive power, challenging both the tariffs and the war while forcing officials to defend publicly decisions they currently make with limited scrutiny.

For Bangladesh, that counterweight matters first in trade. The US buys roughly a fifth of the country's garment exports, and the damage over the past 18 months has resulted less from any single tariff rate than from the uncertainty surrounding successive changes. An American buyer placing an order for spring delivery needs to know the final landed cost. The risk has not disappeared, as the administration has demonstrated its ability to impose new duties under Section 301 without seeking congressional approval. A Congress empowered to investigate cannot prevent such measures on its own, but it can raise the political cost of each escalation. For Bangladeshi exporters, predictability may be worth more than a percentage point or two in tariff reductions.

That predictability would, however, come with demands of its own. Democrats have traditionally pressed harder on labour standards, and it was the Obama administration that suspended Bangladesh's trade preferences in 2013 following the Rana Plaza collapse. A Democratic-controlled House would therefore be expected to scrutinise factory conditions and supply chains as closely as it scrutinises the president's trade policies.

In foreign affairs, Congress has less power to restrain the president, but its influence still matters. American presidents have traditionally enjoyed considerable latitude in foreign policy, and a president facing constraints at home may have greater incentives to exercise that authority abroad. This is one of the rare American elections in which foreign policy is a prominent electoral issue, as voters feel the economic consequences of the war against Iran whenever they fill their fuel tanks. The bigger question is how President Donald Trump will behave once the midterms are over and no further national election stands between him and 2028. For Bangladesh, the war has been the costliest American decision of all. When the Strait of Hormuz closed, all three of its long-term LNG suppliers declared force majeure. QatarEnergy later halved its scheduled deliveries for 2026, and Dhaka has had to purchase more than 30 cargoes on the spot market, some at twice their pre-war prices.



US President Donald Trump leaves the stage after a rally ahead of the midterm elections at the University of South Alabama's Mitchell Center in Mobile, Alabama, on October 2, 2026. PHOTO: REUTERS

No vote in Congress can reopen the strait, but a Democratic majority could at least seek to bring the war to an end. It could hold hearings on its costs, force repeated votes on war powers and seek to attach conditions to the funding a prolonged conflict requires. Such measures could raise the political cost of continuing the war and strengthen the case for a negotiated settlement. Even if the president vetoes the legislation Congress passes, that pressure would matter to Bangladesh, because a diplomatic resolution could help bring down the price of its imported gas.

The war also affects Bangladesh through the US dollar. The country repaid a record $4.49 billion in foreign debt in the 2025–26 fiscal year, mostly in dollars, and the government expects that bill to approach $7.6 billion annually by 2028–29. Expensive oil has kept American inflation high, and the Federal Reserve, which raised interest rates in September for the first time since 2023, has signalled that further increases may follow. Higher American interest rates attract capital into dollar-denominated assets, and each time the dollar strengthens, Bangladesh needs more taka to service the same debts and pay for the same fuel imports. Washington's own borrowing adds to the pressure, as the government must offer investors increasingly higher returns to sustain its borrowing. A dispute over the federal budget before funding expires on 11 December could intensify that pressure. A Democratic Congress could seek to restrain borrowing by challenging spending proposals it considers fiscally unsustainable. It cannot directly bring down oil prices, however, and the dollar could therefore remain strong for some time, regardless of the outcome on 3 November.

Above all, the war points to a broader loss. For 80 years, the US helped establish and largely uphold the rules on which smaller economies depended, including open markets, a rules-based trading system with an impartial dispute settlement mechanism and development finance through institutions it helped lead. Bangladesh built its garment industry within that system, on the assumption that market access, once negotiated, would remain relatively stable. The US once expected other countries to uphold those standards. It now appears increasingly willing to set them aside when they become inconvenient, imposing tariffs under a law the Supreme Court found did not authorise them, dismantling its aid agency within weeks and signing trade agreements whose legal foundations were subsequently challenged. A Democratic majority in Congress could signal renewed support among American voters for elements of that earlier approach.

The election could also influence the future of the concessional financing on which Bangladesh depends. Congress, rather than the White House alone, approves America's contributions to the World Bank's International Development Association (IDA) and the Asian Development Fund, which provide financing to developing countries at low or no interest. Bangladesh is the largest borrower from IDA, with $22.7 billion outstanding in March this year. In July last year, the Republican-led House Appropriations Committee approved a spending bill that excluded contributions to both funds, while the administration's budget proposal for next year asks Congress to reduce the World Bank contribution from approximately $1.07 billion to $867 million. A Democratic-controlled House could be more inclined to protect such funding rather than support further reductions. If these funds shrink, Bangladesh may have to rely more heavily on financing from China, Gulf countries and lenders such as the BRICS New Development Bank, which it joined in 2021. Such financing could involve higher borrowing costs or different political and commercial conditions. Bangladesh would need to engage with these partners on terms consistent with its own interests, recognising that none can necessarily replace the role the US once claimed in supporting the international economic order.

Bangladesh cannot vote on 3 November, but it will live with the consequences of the result. A Democratic Congress would not necessarily make the United States more generous or even more consistent. It could, however, subject the administration to greater scrutiny and accountability. For an economy that can ill afford another two years of unpredictable decisions from Washington, greater institutional restraint could offer some much-needed stability.

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BEYOND ECONOMIC PARTNERSHIP

Japan's strategic long game in Bangladesh

MD. HIMEL RAHMAN

"See distant things as if they were close, and take a distanced view of close things." — Miyamoto Musashi, The Book of Five Rings (1645)

As Prime Minister Tarique Rahman becomes the first Bangladeshi head of government to visit Japan since the elevation of Japan–Bangladesh relations to a 'strategic partnership' in April 2023, it is tempting to view the expanding ties between Dhaka and Tokyo primarily from an economic perspective, particularly amid reports of possible economic agreements between the two countries. Dhaka seems primarily interested in boosting bilateral trade with Tokyo, securing increased Japanese investment and expanding access to the Japanese labour market. Japan is currently Bangladesh's ninth-largest export destination, but Bangladesh is not among Japan's top 25 trading partners. In fact, while Dhaka's approach to the bilateral partnership is largely focused on its economic dimensions, Tokyo's objectives in Bangladesh appear to be more strategic in nature and longer-term in scope.

SEEING DISTANT THINGS AS IF THEY WERE CLOSE

Japanese interest in South Asia and the Bay of Bengal, along with apprehensions about Japan's objectives in the region, dates back more than a century. After centuries of relative isolation, Japan underwent rapid modernisation in the late 19th century under Emperor Meiji and emerged as the only major Asian power capable of competing with the established Western powers. For anti-colonial activists in British India, including British-ruled Bengal, Japan's victory over Russia in the Russo–Japanese War of 1904–1905 represented a triumph of Asia over a seemingly 'invincible' Europe and instilled renewed confidence in their anti-colonial aspirations. On the other hand, following the fall of Port Arthur, Russia's ice-free naval base on the Pacific coast, to Japan in 1905, British strategists became increasingly apprehensive about the security of Kolkata, then the capital of British India, in the face of possible naval attacks by hostile powers. This concern was one of the factors that reportedly motivated the British decision to shift the capital from Kolkata to Delhi in 1911.

During the Second World War, British apprehensions about Japanese military expansion towards South Asia eventually materialised. At that time, Japan envisioned South Asia, including the territory of present-day Bangladesh, as part of the Japanese-led Greater East Asia Co-Prosperity Sphere. Japan sponsored the pro-independence Indian National Army, which was led by a Bengali, Subhas Chandra Bose, and included numerous Bengali troops. Japanese forces also bombed Kolkata and Chattogram. The Japanese had plans to enter Bengal and advanced as far as Manipur and Nagaland, but their offensive was eventually halted by British victories at the Battles of Imphal and Kohima. Meanwhile, British authorities, apprehensive about a possible Japanese advance into British-ruled Bengal, destroyed or confiscated boats across Bengal, seriously disrupting the transportation of grain within the region. These policies contributed to the devastating Bengal famine of 1943, which killed an estimated two to three million people.



PHOTO: PID

Prime Minister Tarique Rahman shakes hands with his Japanese counterpart, Sanae Takaichi, upon arriving at the Japanese Prime Minister's Office in Tokyo for a bilateral summit on October 27, 2026.

After the Second World War, Japan recalibrated its foreign and security policies, aligned itself closely with the United States (US) and, supported by its growing economic, industrial and technological capabilities, began using its economic strength as an instrument for expanding its influence abroad. Interestingly, although the US backed Pakistan during Bangladesh's War of Independence, its ally Japan recognised Bangladesh soon after the war and subsequently became one of the country's principal aid donors and development partners. Since then, regardless of the political orientation or nature of the government in Dhaka, the partnership between Bangladesh and Japan has continued to expand. Between 1972 and 2022, Tokyo provided Bangladesh with $24.72 billion in grants and loans, primarily through the Japan International Cooperation Agency (JICA). Numerous infrastructure projects, including major bridges, roads and other transport facilities, have been implemented in Bangladesh with Japanese financial and technological assistance. In 2014, Bangladesh and Japan elevated their bilateral relations to the level of a 'comprehensive partnership'. In 2023, they further upgraded their relationship to a 'strategic partnership'.

TAKING A DISTANCED VIEW OF CLOSE THINGS

During the Bangladeshi prime minister's recent visit to Japan, six agreements were signed between the two countries to expand cooperation in maritime security, investment, agriculture, fisheries, skills development and climate change. Japan also pledged two loans worth a combined $295.5 million to Bangladesh. In particular, Japan decided to provide Bangladesh with $13.44 million for the acquisition of a patrol vessel. Earlier, Japan had provided Bangladesh with five patrol boats under its Official Security Assistance (OSA) programme. According to the recent joint statement issued by the two countries, Japan has upgraded the Bay of Bengal Industrial Growth Belt (BIG-B) initiative to 'BIG-B for Shared Prosperity'. One of the stated objectives of this upgraded initiative is to strengthen resilience against risks arising from geopolitical uncertainties by integrating the development of power, energy, deep-sea port, industrial and information and communication technology (ICT) infrastructure.

This objective reflects what appears to be one of the principal motivations behind Japan's engagement with Bangladesh. While Dhaka values the partnership primarily for its economic benefits, Tokyo increasingly views it through the broader lenses of geopolitics and geostrategy, particularly in relation to regional connectivity, maritime security and the evolving strategic environment of the Indo-Pacific.

First, according to Japan's 2026 Diplomatic Bluebook, Japan seeks to strengthen the maritime order in the Indo-Pacific, where several "important sea lanes" are located. Bangladesh is a key littoral state of the Bay of Bengal and occupies a geographically significant position at the crossroads of South and Southeast Asia. Japan is overwhelmingly dependent on imports of oil, gas, other minerals and food to sustain its economy. Nearly 50 per cent of Japan's seaborne trade is conducted through the Indian Ocean, and many of the vessels involved must traverse the Bay of Bengal. Consequently, the Bay of Bengal constitutes one of those "important sea lanes" for Japan. By developing closer ties with Dhaka, Tokyo is seeking to strengthen the existing maritime order in the Bay of Bengal, which facilitates Japan's unhindered maritime access, commercial connectivity and freedom of navigation.

Second, following Bangladesh's independence, Japan's decision to recognise the new state quickly and establish extensive relations with it was partly motivated by its Cold War policy of anti-communism. Bangladesh achieved its independence with considerable diplomatic and political support from the Union of Soviet Socialist Republics (USSR) and the Eastern Bloc, creating the possibility that the newly independent country might align itself with the communist world. Accordingly, Japan moved to recognise Bangladesh and provide it with substantial economic assistance, partly to prevent the new state from moving into the Soviet sphere of influence.

The underlying motivation has not changed significantly in the 21st century. As the intensifying strategic rivalry between the US and China increasingly resembles a new Cold War, Japan seeks to counter the possibility of growing Chinese predominance in Bangladesh. It should be noted that opposition from Japan, along with the US and India, to the proposed Chinese-backed deep-sea port project on Sonadia Island contributed to Bangladesh's decision to shelve the project. Instead, Japan is now supporting the construction of a deep-sea port at Matarbari, which has become a major component of Japanese-backed infrastructure development in Bangladesh.

Third, following the Second World War, Japan was compelled to adopt a pacifist and largely non-interventionist foreign policy, and Article 9 of the Japanese Constitution formally renounced war as a sovereign right of the nation. However, Japan reinterpreted Article 9 in 2014 to allow for the limited exercise of collective self-defence under certain circumstances. Today, the Japan Self-Defence Forces (JSDF) constitute one of the most technologically advanced military establishments in the world. Japan has acquired counterstrike capabilities, modified its Izumo-class destroyers to operate F-35B stealth aircraft, and approved a record $58 billion defence budget. Moreover, according to the 2025 JMSDF Capstone Doctrine, one of the core objectives of the Japan Maritime Self-Defence Force (JMSDF) is to secure strategically important sea lanes. Thus, Japan is undergoing a gradual but significant process of military expansion and modernisation, and it increasingly views the security of important maritime routes, including those connected to the Bay of Bengal, as crucial to its national security.

Accordingly, Bangladesh's strategic importance to Japan has increased, and Tokyo is increasingly using military cooperation as a policy instrument in its engagement with Dhaka. Historically, Japan has refrained from supplying Bangladesh with military equipment. However, following the elevation of bilateral relations to a 'strategic partnership' in 2023, Japan supplied Bangladesh with four patrol boats, signed the landmark Agreement concerning the Transfer of Defence Equipment and Technology in February 2026, and has now decided to provide Bangladesh with a patrol vessel. By enhancing military cooperation with Dhaka and strengthening Bangladesh's maritime capabilities, Tokyo is laying the foundations for stable and cooperative military-to-military relations between the two countries. At the same time, it is seeking to reduce, at least partially, Bangladesh's traditional dependence on Chinese military hardware and broaden the country's defence partnerships.

Finally, Tokyo seeks Bangladesh's diplomatic support for its initiatives and positions in global politics. In 2023, when bilateral ties were upgraded to a 'strategic partnership', Bangladesh effectively aligned itself with Japan's position on certain aspects of the Russia–Ukraine war and North Korea's military activities by expressing support for Ukraine's territorial integrity and concern about North Korean missile tests. In the recent joint statement, Bangladesh shared Japan's concerns about North Korea's nuclear programme and the issue of Japanese citizens abducted by North Korea, while also expressing support for Japan's aspiration to become a permanent member of the United Nations Security Council (UNSC). For its part, Tokyo commended Bangladesh for providing shelter to Rohingya refugees and agreed with Dhaka that a sustainable solution to the Rohingya crisis must be found in Myanmar.

Thus, taking a broader and more strategic view of the outcomes of the prime minister's recent visit to Japan, it becomes evident that Tokyo is seeking to expand its partnership with Bangladesh not merely for economic cooperation but also to enhance its strategic influence in the country, establish a stable foothold in the Bay of Bengal, secure important sea lanes, strengthen maritime cooperation, counter perceived Chinese predominance, and obtain Dhaka's diplomatic support for its regional and global policy objectives.

CONCLUSION

Ultimately, Bangladesh must look beyond the immediate economic dividends of its growing partnership with Japan and recognise the broader strategic calculations behind Tokyo's engagement. Japanese investment, infrastructure development and maritime assistance offer significant opportunities for Dhaka, but they also carry geopolitical implications amid intensifying Sino–US strategic competition. Dhaka's challenge is to translate this partnership into tangible national benefits without compromising its strategic autonomy or alienating other important partners. By combining economic pragmatism with geopolitical foresight, Bangladesh can strengthen its maritime security, diversify its defence relationships and expand its diplomatic leverage. The key is to recognise distant strategic interests clearly while managing immediate opportunities wisely, ensuring that the partnership serves Bangladesh's long-term national interests.

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