

BELT AND ROAD INITIATIVE: WHAT ARE BANGLADESH'S INTERESTS?

Presented at the International Conference on
Belt and Road Initiative
Positioning Bangladesh within Comparative Perspectives

Presented by

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1. Understanding the Belt and Road Initiative

1. Understanding the Belt and Road Initiative

- **The Chinese President Xi Jinping launched both the Silk Road Economic Belt and the 21st Century Maritime Silk Road initiatives in 2013.**
- **Afterwards, these were renamed as the Belt and Road Initiative (BRI). Also known as the New Silk Road, the BRI is an ambitious infrastructure project which stretches from East Asia through Europe.**
- **The initiative's objective is to build connectivity and cooperation across six main economic corridors. These are: (1) New Eurasia Land Bridge; (2) China-Mongolia-Russia Economic Corridor; (3) China-Central Asia-West Asia Economic Corridor; (4) China-Indochina Peninsula Economic Corridor; (5) China-Pakistan Economic Corridor; and (6) China-Bangladesh-India-Myanmar Economic Corridor.**

1. Understanding the Belt and Road Initiative



1. Understanding the Belt and Road Initiative

- **Through the BRI, China intends to engage in the global economy mainly through investments in infrastructure.**
- **Five major goals of the BRI are: policy coordination; infrastructure connectivity; unimpeded trade; financial integration; and people-to-people collaboration.**
- **China plans to rebuild the land network connecting China to Europe via Central Asia (‘One Belt’) and the maritime route from China to Southeast Asia, South Asia, the Middle East and Eastern Africa (‘One Road’).**
- **By the end of July 2019, 136 countries and 30 international organisations had signed 194 cooperation documents with China to build a “Belt and Road” cooperation document.**

1. Understanding the Belt and Road Initiative

- **The Silk Road Economic Belt and the 21st Century Maritime Silk Road span across the territories of 72 countries, which covered 66.09 per cent of the world population and 33.65 per cent of the global Gross Domestic Product (GDP), as of 2018.**
- **The BRI has generated a lot of discussion and speculation across the world.**
- **Many least developed and developing countries which are in need of infrastructures such as roads, railways, ports and other infrastructure, have welcomed BRI investments.**
- **Though the BRI aims to promote regional cooperation through investment, it is seen as China's a plan to strengthen its influence in the region.**
- **There is opposition in some participating countries, as costs of many proposed projects have risen substantially.**

2. Financing Mechanism of BRI

2. Financing mechanism

- **Institutions that finance BRI include China Development Bank, China Exim Bank, Agricultural Development Bank of China, Industrial and Commercial Bank of China, Bank of China, Silk Road Fund, China Construction Bank, New Development Bank (NDB), China Export and Credit Insurance Cooperation, and Asia Infrastructure Investment Bank (AIIB).**
- **Following the BRI announcement, the Chinese government established the Silk Road Fund in December 2014 with USD40 billion.**
- **The AIIB was established in January 2016. The AIIB approved USD 1.73 billion by the end of 2016 (AIIB, Approved Projects).**

2. Financing mechanism

- **By the end of 2015, China Exim Bank had provided more than USD 80 billion to 49 countries for BRI-related projects.**
- **China Development Bank had supported 37 countries for BRI projects, totalling an amount of USD 110 billion by the end of 2015 .**
- **The AIIB has been co-funding projects with international funding organisations, such as the World Bank and the Asian Development Bank.**

3. Linkages between BRI and Global Goals

3.1 Achieving SDGs through BRI

BRI approach	SDGs
Reduction of poverty through economic growth	Goal 1, Goal 10
Infrastructure connectivity	Goal 9
Energy modernisation	Goal 7
Focus on green and low-carbon development	Goal 6, Goal 12, Goal 13, Goal 14 and Goal 15
Focus on people's livelihood through economic growth: employment, health, education, etc.	Goal 2, Goal 3, Goal 4, Goal 5, Goal 8, Goal 11 and Goal 16

Source: Authors' compilation based on Honghui & Ting, 2016.

3.2 Paris climate agreement and BRI

- China is a signatory of the Paris Agreement on climate change. It is gradually aiming to move towards more sustainable infrastructure. It has taken the lead in international discussions on climate change by committing to fulfil the Paris Agreement.
- China has also heavily invested in solar and wind power industries. As a result, in the past decade global prices of renewable energy had fallen sharply.
- However, reliance on fossil fuel to implement BRI projects may be contradictory to its climate commitment. Two leading Chinese banks, namely the China Development Bank and the Export-Import Bank of China have invested about USD 244.2 billion globally and USD 186.3 billion in BRI regions in energy between 2000 and 2018; approximately three-quarters of this went to oil, coal and gas.
- China can use more special funds to green opportunities, that would bring in positive impact on green growth in the BRI countries. A study by World Resource Institute estimated that just 25 per cent of BRI special funds would be equivalent to more than USD 28 billion additional dollars for climate finance in BRI countries. This will make China a major player for low carbon development in the BRI regions.

4. Bangladesh in the Belt and Road Initiative

4.1 Bangladesh in the BRI

- **Bangladesh is connected with the BRI initiative through the BCIM economic corridor which was formally endorsed during the first inter-governmental study group meeting held in December 2013 in Kunming .**
- **The corridor covers 1.65 million square kilometres and includes about 440 million people. It connects China's Yunnan province, Bangladesh, Myanmar, and Kolkata in India, through road, rail, water and air linkages.**

4.1 Bangladesh in the BRI

- It may be mentioned here that economic cooperation within the BCIM region was promoted by *Professor Rehman Sobhan*, Chairman of the Centre for Policy Dialogue (CPD), Bangladesh. His pioneering ideas eventually led to the development of the platform in the 1990s, known as the "Kunming Initiative", which later on came to be known as the BCIM Forum.
- Under his leadership, CPD later on pursued various activities to promote greater collaboration in the region. During the 11th BCIM Forum organised by CPD in 2013, a car rally was coincided which started in Kolkata and completed in Kunming, popularly coined as K2K Car Rally.

4.1 Bangladesh in the BRI

- **Indeed, research conducted at CPD at least 14 years before the BRI showed that there existed significant economic complementarity between Yunnan province of China and the South Asian countries of Bangladesh, India and Myanmar.**
 - **Rehman Sobhan (2000). Rediscovering the Southern Silk Route. CPD and University Press Limited, Dhaka.**
 - **Rehman Sobhan (1999). Transforming Eastern South Asia: Building Growth Zones for Economic Cooperation, CPD and University Press Limited, Dhaka.**
- **These studies found that improved infrastructure connectivity and increased international trade would be mutually beneficial for all countries in the region.**

4.2 BCIM in the BRI



China in red; Members of the [Asian Infrastructure Investment Bank](#) in orange; The six Belt and Road corridors in black; [Maritime silk road](#) in blue.

4.2 BCIM in the BRI

- BCIM had the ambition to build regional cooperation through building economic corridor connecting the sub-regions of South Asia, Southeast Asia and East Asia.
- Connectivity through the BCIM economic corridor has the potential to benefit North East Indian states through trade with Yunnan province. Bangladesh can also benefit through linkages with North East Indian region and Yunnan.
- BCIM has also the potential for benefiting from the blue economy and international maritime trade through the Bay of Bengal, the Indian Ocean and the Andaman and Nicobar Islands.
- In order for BRI to be successful, operationalization of the BCIM is crucial. With India outside the BRI implementation of BCIM is also uncertain.

4.3 Materialising BRI in Bangladesh

- A number of measures have been rolled out to materialise the ideas embedded in the BRI.
- During the visit of the Chinese President to Bangladesh in October 2016, an understanding was reached as regards implementation of various government-to-government (G2G) and business-to-business (B2B) projects. In total China promised about USD 40 billion investment in Bangladesh.
 - USD 24.45 billion in bilateral assistance for infrastructure projects
 - USD 13.6 billion in joint ventures
- In addition, USD 20 billion in loan agreements was committed.
- In 2016, Bangladesh and China signed eight (8) projects costing more than USD 9.45 billion financed by China. This include: Padma Bridge rail link worth USD 3.3 billion; the power plant in Payra worth USD 1.9 billion; digital connectivity worth USD 1 billion; power grid network strengthening project worth USD 1.32 billion.

4.3 Materialising BRI in Bangladesh

Toll Roads

- Bangladesh's first toll road project was signed on 6 December 2018. The Government of Bangladesh signed a contract with a China-Bangladesh consortium to upgrade the 48 kilometres Dhaka Bypass Road to a dual carriageway. The objective is to improve connectivity between the north and northwest parts of Bangladesh and the Chattogram Port.
- This toll road is only one of the many transportation projects which China is investing in Bangladesh. During 2009-2019, China has invested an estimated USD 9,750 million in various transportation projects in Bangladesh.

Energy and Power

- Large Chinese FDI is observed in the power sector of Bangladesh. China has invested around USD 11,510 million in the power and energy sector of Bangladesh during the period 2009-2019.
- Investment in coal power constituted of USD 6,390 million or 55.52 per cent of the total Chinese investment in the power and energy sector of Bangladesh.

4.3 Materialising BRI in Bangladesh

- The Zhejiang Jindun Pressure Vessel Co Ltd of China has proposed to invest USD 5 billion in one zone to build up heavy industry in Chattogram, including establishing a 2.6-gigawatt power plant.

SEZ for Chinese Investment

- As part of Bangladesh government's initiative on establishing Sepecial Economic Zone (SEZ), Chinese Economic and Industrial Zone (CEIZ) is being developed in Anwara Upazilla of Chattogram district on a land of 783 acres. State-run China Harbour Engineering Company holds 70 percent share in the joint venture. CEIZ will be the first specialized G2G economic zone.

Financial Sector

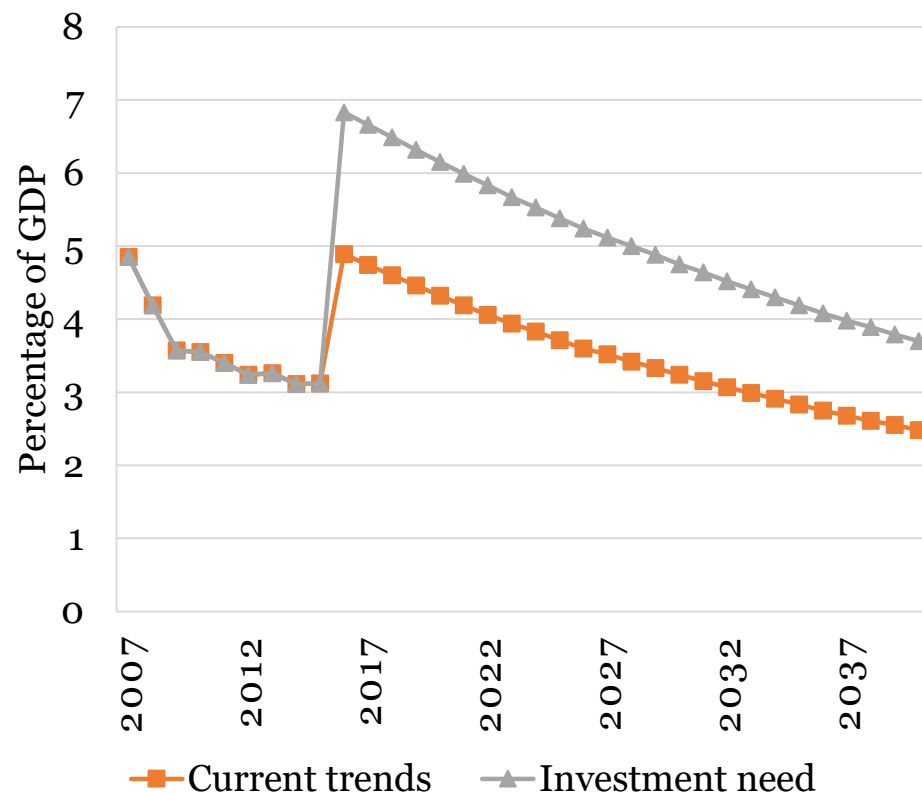
- Agreement has been reached between the Dhaka Stock Exchange and the Shanghai Stock Exchange and Shenzhen Stock Exchange. According to the agreement DSE would sell 25 percent stake to the Shanghai and Shenzhen Stock Exchange for USD 119 million in May 2018. The Chinese consortium also agreed to provide technical support equivalent to USD 37 million.

5. Infrastructure Connectivity

5.1 Infrastructure gap in Bangladesh

- Due to the rapid pace of growth of the Bangladesh economy, the infrastructure investment needs as a percentage of GDP is expected to fall in the coming years.
- However, the difference between the infrastructure investment needs and the current trends of infrastructure investment in Bangladesh is predicted to be more than 1 percent of GDP.

Figure: Infrastructure investment in Bangladesh, current trends vs. need (% of GDP)

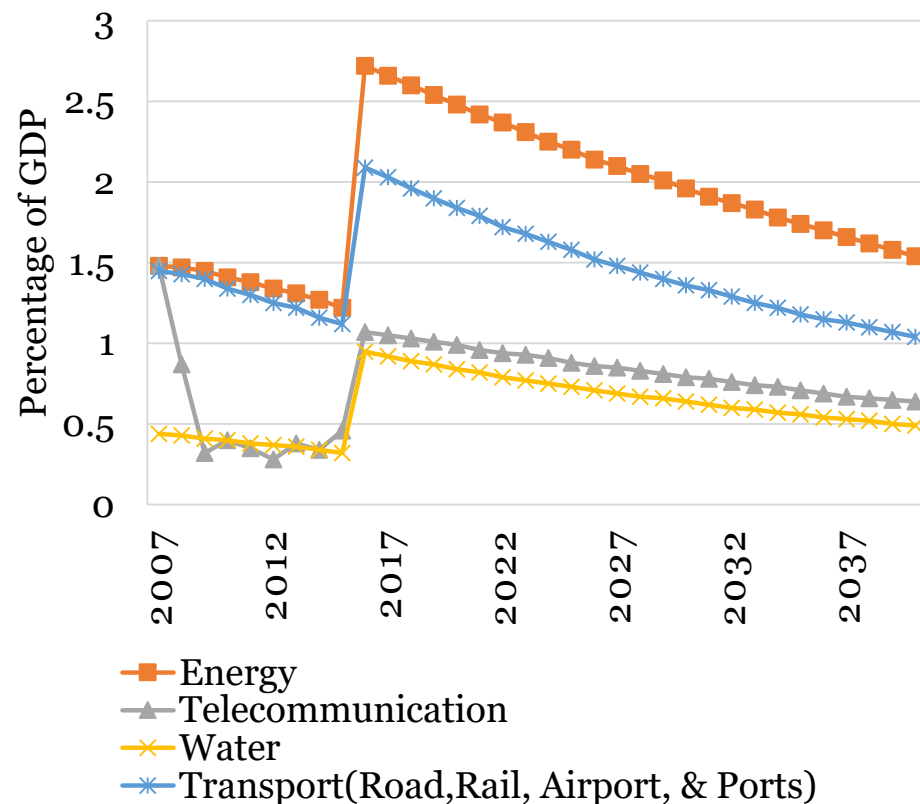


Source: Authors' illustration based on data from Global Infrastructure Hub, available at <https://outlook.gihub.org/countries/Bangladesh>

5.2 Sector-wise infrastructure gap

- Sectoral decomposition of infrastructure investment needs shows that the greatest need for investment in Bangladesh are in the energy and transport sectors.
- Predictions show that in 2040, infrastructure investment needs of the energy and transport sectors will be around 1.5 percent and 1 percent of GDP.

Figure: Sector-wise infrastructure investment need (% of GDP)

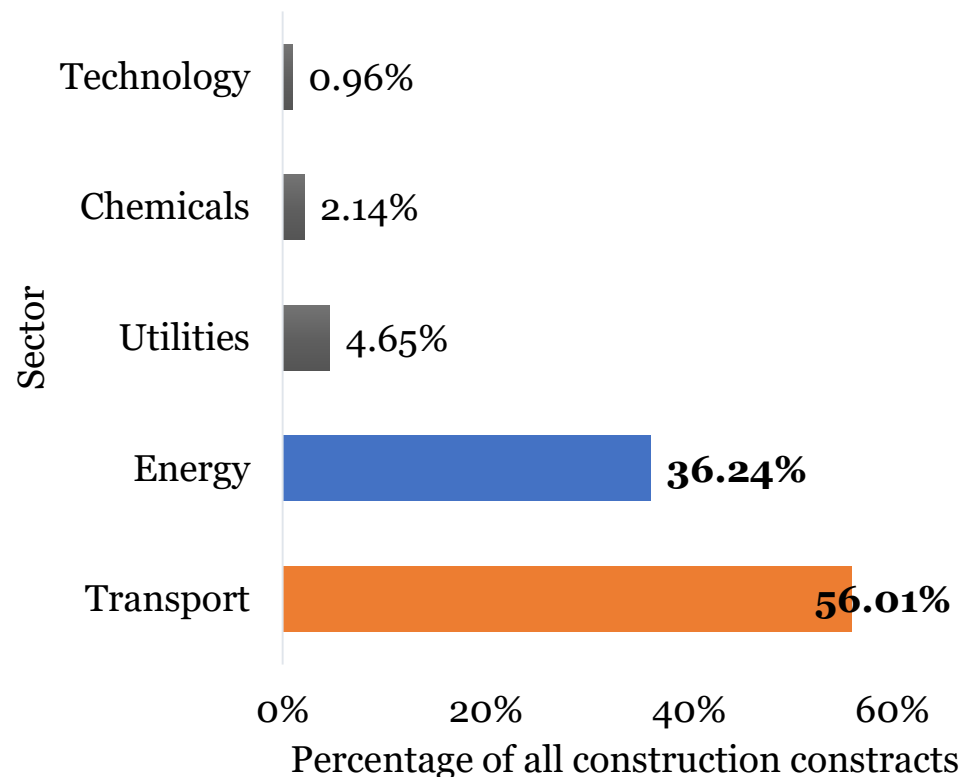


Source: Authors' illustration based on data from Global Infrastructure Hub, available at <https://outlook.gihub.org/countries/Bangladesh>

5.3 BRI's role in filling the gap

- **The largest proportion of BRI projects in Bangladesh are in the energy and transport sectors.**
- **Thus, BRI effectively and efficiently fills in the infrastructure gaps in Bangladesh.**

Figure: Sector-wise BRI Construction Contracts in Bangladesh (as % of total investment), 2009-2019



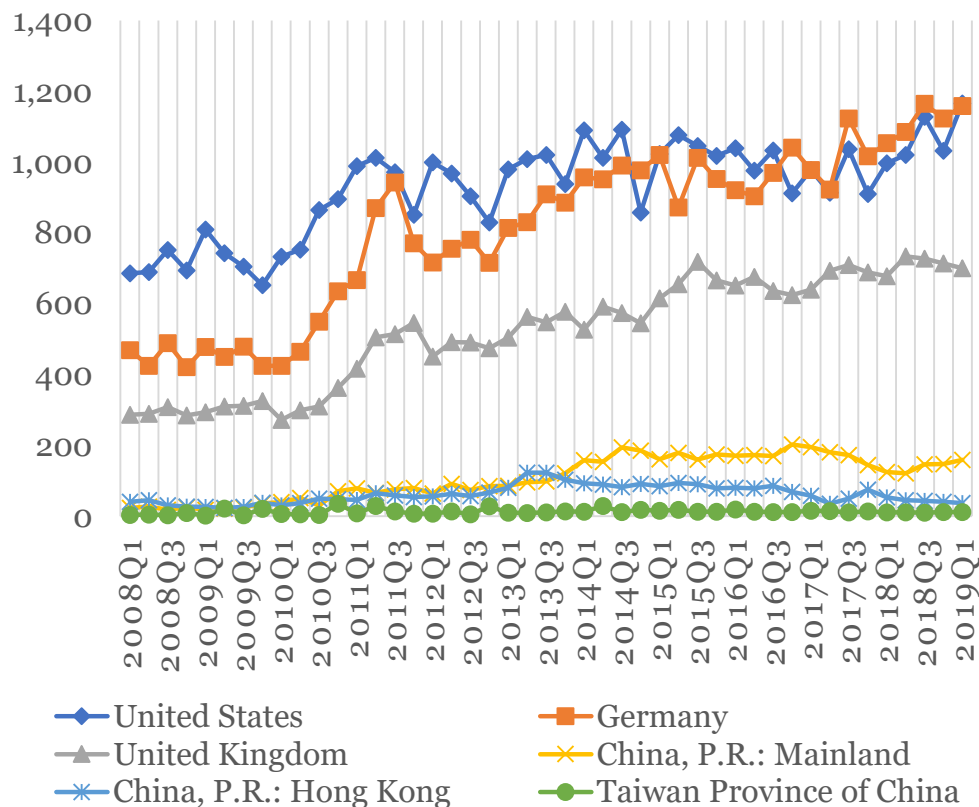
Source: Authors' illustration based on data from China Global Investment Tracker. Available at <http://www.aei.org/china-global-investment-tracker/>

6. Unimpeded Trade

6.1 Top export partners of Bangladesh

- Over the past ten years, exports to the USA have grown slower than exports to Germany.
- As a result, exports to Germany in Q1 of 2019 was almost as high as exports to the USA.
- China had not been one of the traditional markets for Bangladeshi exports.
- China was in the tenth position in case of Bangladesh's export destination.

Figure: Bangladesh's exports (FOB) to partner countries, in million USD

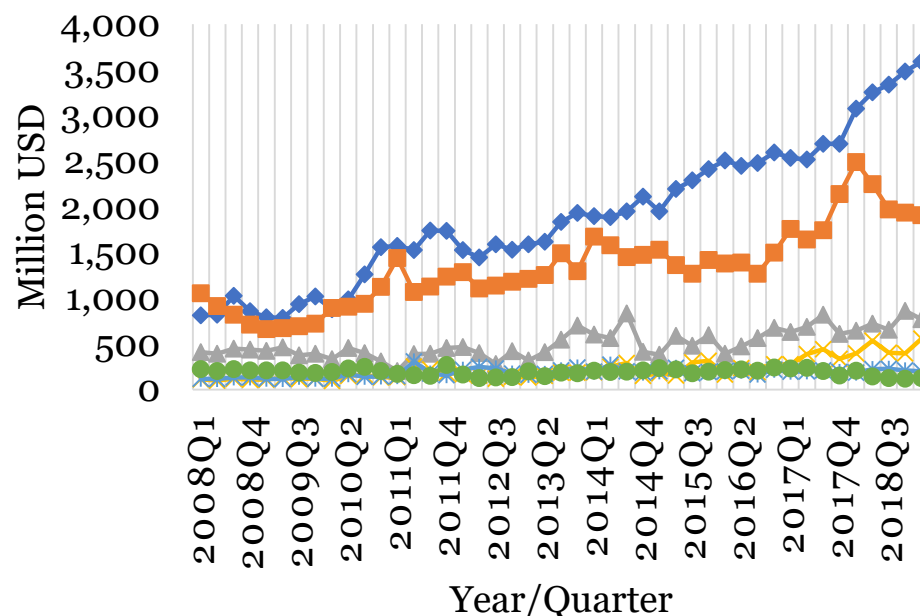


Source: Authors' illustration based on data from Direction of Trade Statistics (DOTS). Available at: <https://data.imf.org/?sk=9D6028D4-F14A-464C-A2F2-59B2CD424B85>

6.2 Top import partners of Bangladesh

- Since Q3 of 2010, China has become the biggest import partner for Bangladesh, overtaking the place previously held by India.

Figure: Bangladesh's imports (CIF) from partner countries, in million USD



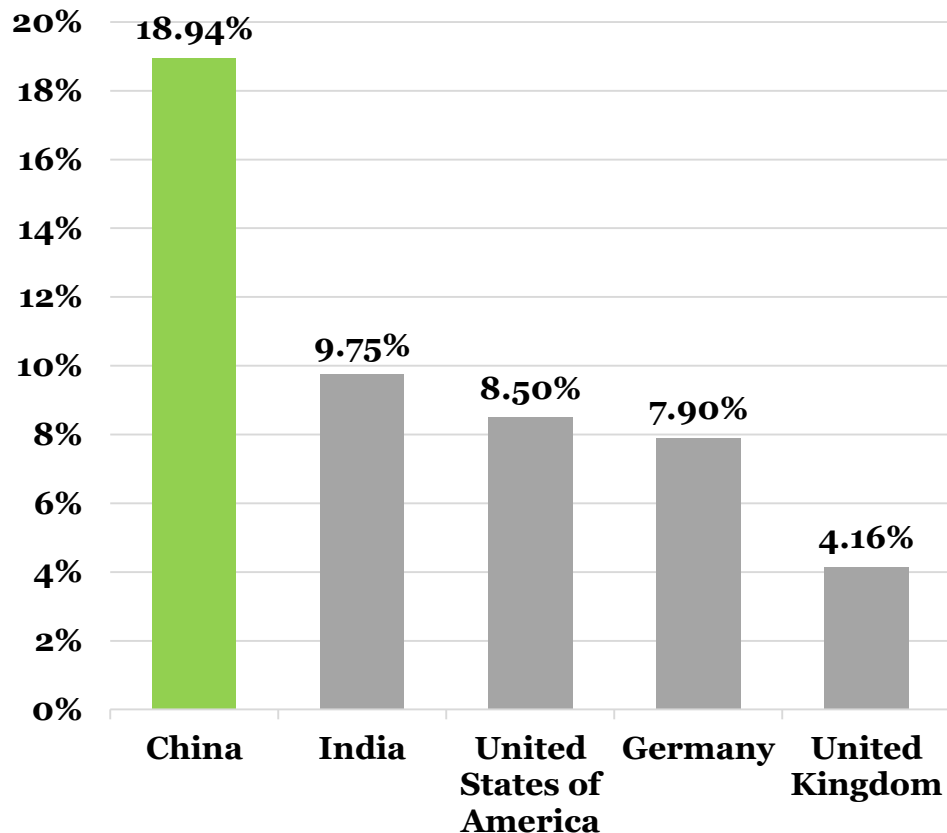
- ◆ China, P.R.: Mainland
- India
- ▲ Singapore
- ✕ United States
- ✱ Taiwan Province of China
- China, P.R.: Hong Kong

Source: Authors' illustration based on data from Direction of Trade Statistics (DOTS). Available at: <https://data.imf.org/?sk=9D6028D4-F14A-464C-A2F2-59B2CD424B85>

6.3 Top trading partners of Bangladesh in 2018

- In 2018, China was the largest trading partner of Bangladesh with a share of 18.94 per cent of total trade.
- This was almost double the amount of trade with India and more than the trade with the USA and Germany combined.

Figure: Largest trading partners of Bangladesh in 2018



Source: Authors' illustration based on data from International Trade Centre Trade Map. Available at <https://www.trademap.org/Index.aspx>

7. Financial Integration

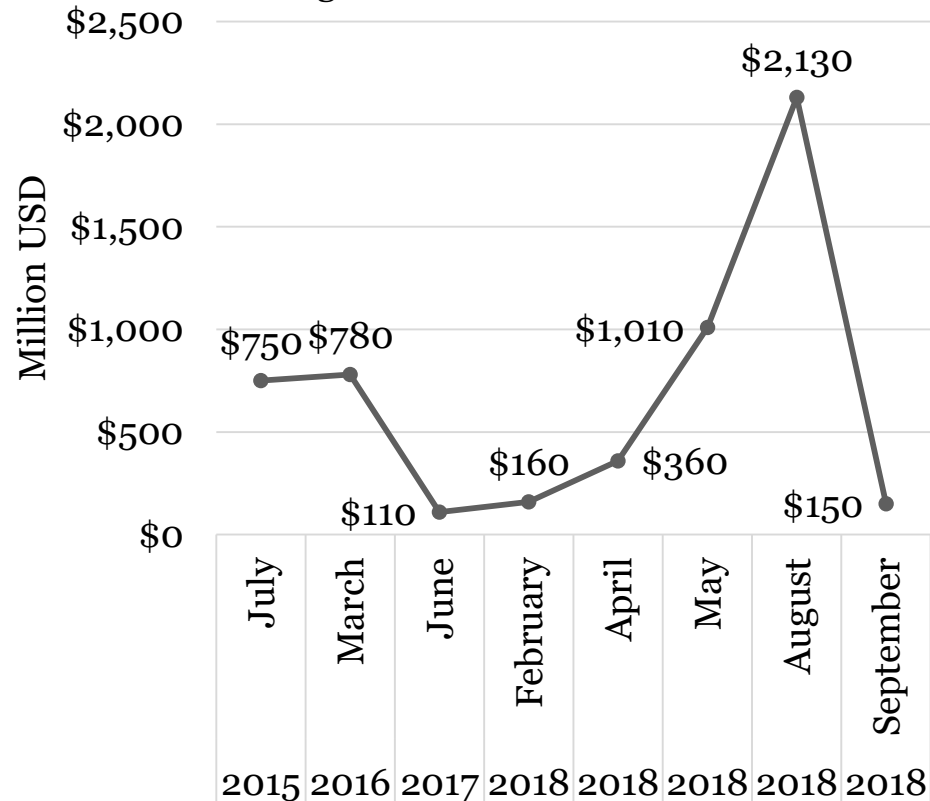
7.1 Inward foreign investment

- **In FY 2019, Bangladesh witnessed a record high net foreign direct investment (FDI) inflow of USD 3232.89 million between the months of July-March (Bangladesh Bank, 2019). This surge in FDI was largely driven by Chinese investment.**
- **During the period January-March 2019, Chinese net FDI inflow amounted to USD 396.99 million, which was 38.34 per cent of total net FDI inflow into Bangladesh during that period (Bangladesh Bank, 2019).**
- **In April 2018, Alipay, a concern of China's e-commerce and tech giant Alibaba Group, bought 20 percent stakes in bKash, Bangladesh's largest mobile financial service provider.**

7.2 Inward Chinese investment

- **China's investment in BRI projects has usually been in the range of USD 100 million to USD 1 billion. The only exception to this was in August 2018, when USD 2.13 billion was invested in BRI projects in Bangladesh.**

Figure: Total Chinese investment in BRI projects in Bangladesh (in million USD)



Source: Authors' illustration based on data from China Global Investment Tracker. Available at <http://www.aei.org/china-global-investment-tracker/>

8. Cultural Exchange

8.1 Chinese government scholarships

- **Cultural exchange, through means of knowledge sharing, research collaboration and strengthening of *people-to-people* bonds, is one of the five components of BRI.**
- **Since the declaration of BRI in 2013, there has been a steady increase in the number of Chinese government scholarships offered to foreign students.**

Figure: Number of foreign students going to China for study per year (in thousand)

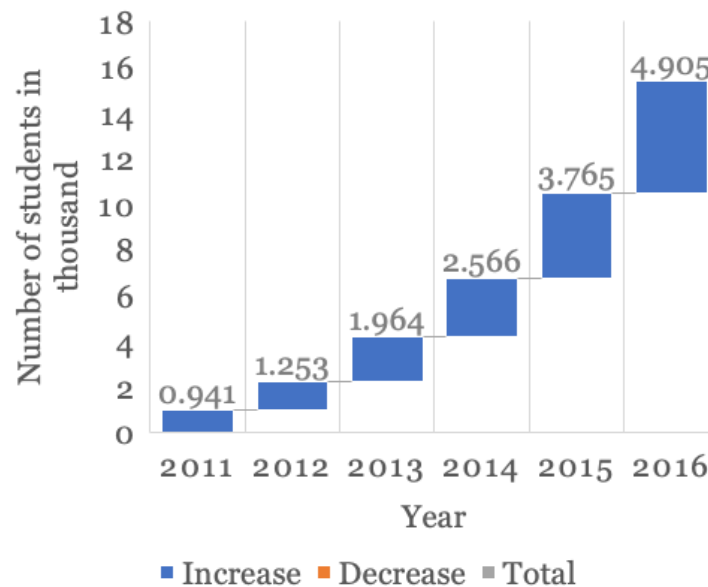


Source: Authors' illustration based on data from Ministry of Education, P.R.C.

8.2 Bangladeshi students in China

- Since the inception of BRI, the number of Bangladeshi students pursuing higher education in Chinese universities has grown rapidly over the years.
- For example, 4,905 more Bangladeshi students went to study in China in 2016, compared to 2015.
- Chinese government scholarships are offering lucrative higher education opportunities to students from Bangladesh.

Figure: Number of Bangladeshi students going to China for higher education per year (in thousand)

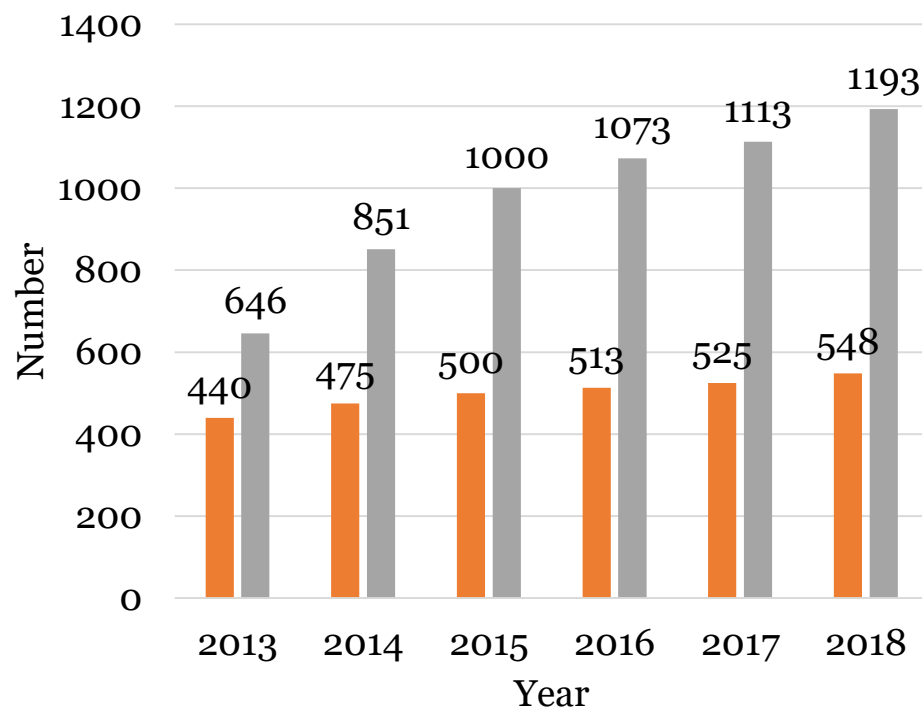


Source: Authors' illustration based on data from China's Foreign Affairs (2012-2017), Department of Policy Planning, Ministry of Foreign Affairs P.R.C

8.3 Spread of Chinese language

- Since the start of BRI, the number of Confucius institutes all over the world has increased from 440 in 2013 to 548 in 2018.
- On the other hand, the number of Confucius classrooms has increased from 646 in 2013 to 1,193 in 2018.
- The increase in the demand for learning Chinese language has been driven not only through cultural exchange, but also through other components of BRI, such as trade and investment.

Figure: Number of Confucius institutes and classrooms worldwide



■ Confucius Institutes ■ Confucius Classrooms

Source: Authors' illustration based on data from Statista. Available at:

<https://www.statista.com/statistics/879340/china-confucius-institutes-and-confucius-classrooms-worldwide/>

9. Challenges

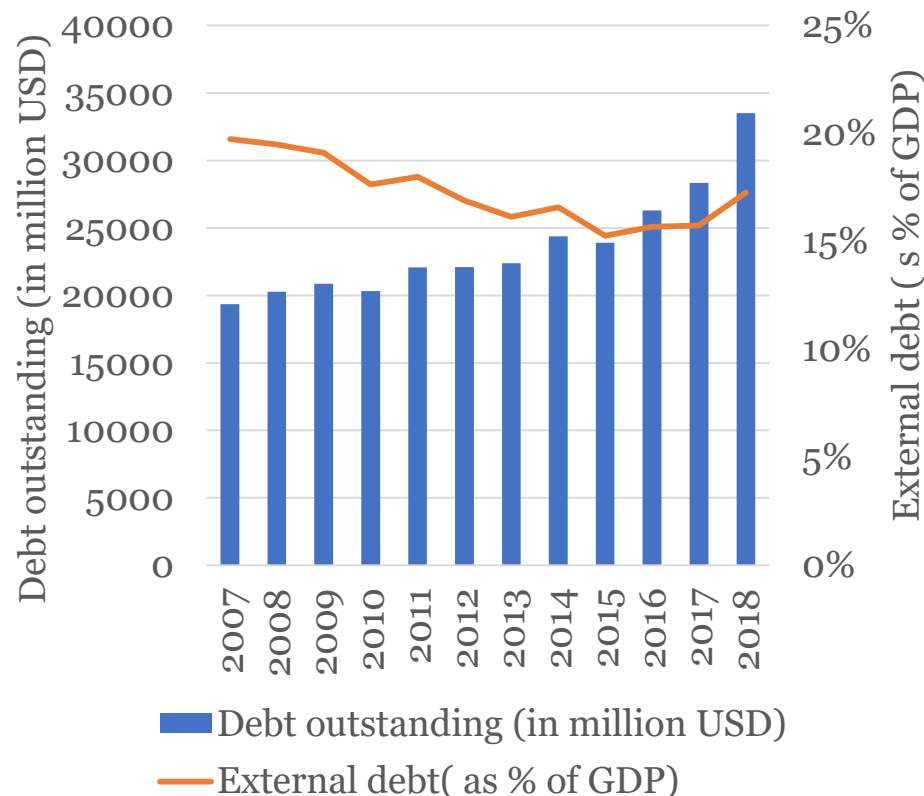
9.1 Debt issues

- **Sustainable financing of the BRI projects in the participating countries is an important issue. Hence, dealing with debt sustainability is also a priority for the Chinese Government.**
- **The Chinese Government has provided debt relief to countries which have been suffering from debt distress, on a case-by-case manner.**
- **Major official creditors actively participate in multilateral mechanisms dealing with sovereign defaults, in particular the Paris Club. China is not a member, but an observer at meetings of the Paris Club.**
- **There are several examples how China has approached debt issues in various countries. According to the IMF, China was a creditor to 31 of the 36 HIPC countries, and it provided relief in at least 28 of them, including 100 percent forgiveness for several (for example, Burundi, Afghanistan and Guinea) (AidData database and references to debt relief in IMF public documents).**
- **In case of Sri Lanka, China agreed in July 2017 to a debt-for-equity swap for USD 8 billion loan and a 99-year lease for managing the Hambantota Port.**

9.1 Debt issues: Bangladesh

- The external debt of Bangladesh fell from 20 per cent of GDP in 2007 to 15 per cent of GDP in 2015, but rose again to 17 per cent of GDP in 2018.
- The absolute amount of outstanding external debt has also increased from USD 19354.81 million in 2007 to USD 33511.83 million in 2018.

Figure: External debt of Bangladesh

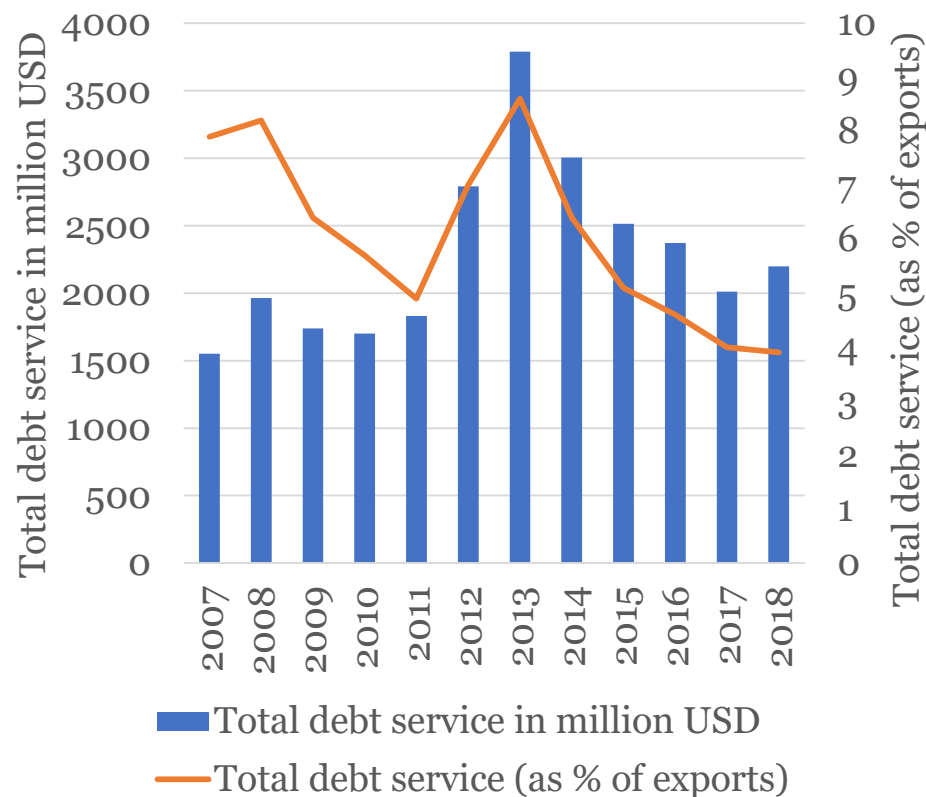


Source: Authors' illustration based on data from Economic Relations Division (ERD), available at <https://erd.gov.bd/>

9.1 Debt issues: Bangladesh

- Despite the recent trend of increasing external debt, Bangladesh's good debt servicing record has ensured that external debt has not piled up.
- The total debt service as a percentage of total exports decreased from 8.6 per cent in 2013 to 3.9 per cent in 2018.

Figure: Debt servicing record of Bangladesh



Source: Authors' illustration based on data from Economic Relations Division (ERD), available at <https://erd.gov.bd/>

9.2 Environmental concerns

- While the BRI has the potential to bring in positive economic development, it may cause irreversible damage to the environment. Infrastructure may threaten the ecosystems and the livelihoods of the people who depend on environmental resources surrounding them.
- It is feared that with China's focus on higher-value goods and services and adoption of stricter emission standards, high-emission manufacturing industries and unsustainable technologies may be moved to low income BRI countries.
- Construction and operation of infrastructure, including power, transportation and building contribute to approximately, 70 percent of global greenhouse gas (GHG). Hence, it is crucial that the BRI countries adopt green and low-carbon projects to achieve the goals of the Paris Climate Agreement.

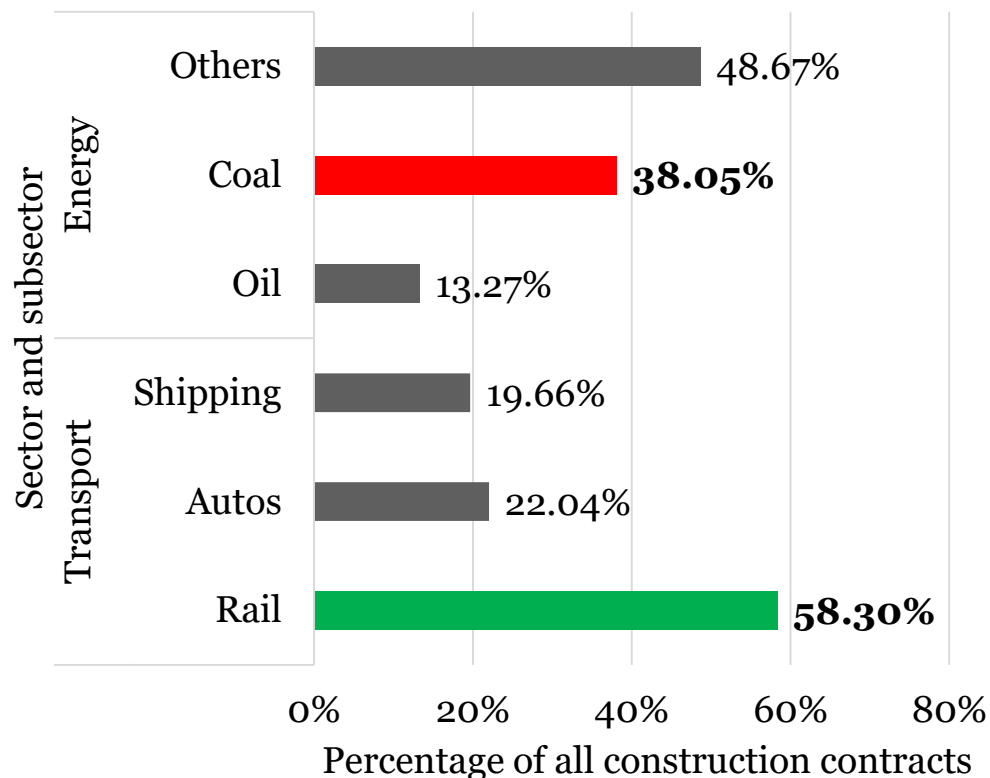
9.2 Environmental concerns

- However, China is the world's leading producer of renewable energy products (e.g., PV cells, windmills, etc.). BRI has already helped export of USD 8 billion of solar goods in 2017. This put China on the top surpassing Germany as an exporter of environmental goods and services.
- China's own national sustainability commitments could be used across the whole of BRI. Making its environmental guidelines mandatory overseas, China can improve local standards in the developing countries where they work.
- President Xi Jinping's concept of "ecological civilization" could provide China to contribute to environmental governance.
- China is developing its green financing system. The green "One Belt, One Road" demonstrates China's commitment for global ecological security and sustainable development.

9.3 Environmental issues: Bangladesh

- A positive sign is that 58.3 per cent of BRI transport sector construction contracts are in railways, which are relatively environment-friendly, compared to other modes of transportation.
- However, 38.05 per cent BRI construction contracts in the energy sector are in coal, which is highly damaging to the environment.

Figure: Subsector-wise BRI construction contracts in Bangladesh (as % of total investment), 2009-2019

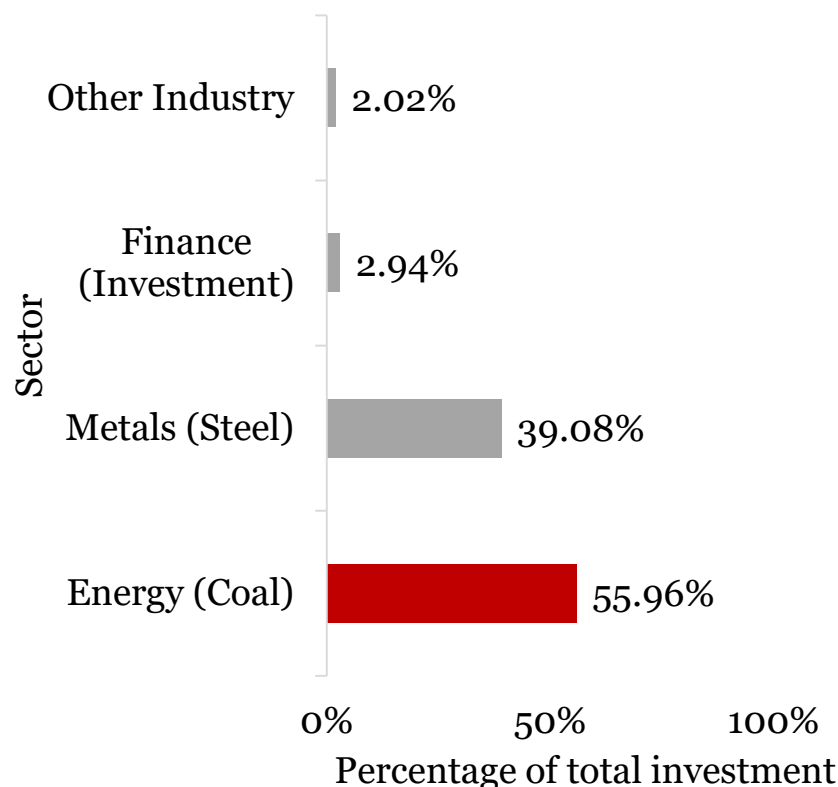


Source: Authors' illustration based on data from China Global Investment Tracker. Available at <http://www.aei.org/china-global-investment-tracker/>

9.3 Environmental issues: Bangladesh

- **Around 56 per cent of China's total investment in Bangladesh is in the energy sector, and more precisely – in coal.**
- **Such large investment in coal-based energy sector projects may have adverse impacts on the environment.**
- **BRI is partly responsible for the soaring investment in renewable energy worldwide.**
- **So it is strange that there was not enough BRI investment in renewable energy in Bangladesh.**

Figure: Sector-wise Chinese investment in Bangladesh, 2015-2018 (as % of total investment)



Source: Authors' illustration based on data from China Global Investment Tracker. Available at <http://www.aei.org/china-global-investment-tracker/>

9.4 Social implications

- The social dynamics of BRI can also be significant as people may be affected in various ways. Moreover, the impact could be disproportionate on different sections of the society.
- Infrastructure requires large pieces of land, which are acquired through clearing forests or acquisition from people. Such actions increase GHG emission and pollutes the environment. Also, people are often displaced from their roots involuntarily in exchange of compensation.
- Transport investment projects require movement of people and labour. For large projects labour force has to be brought from outside the locality. Others also follow to look for opportunities.
- These put pressure on natural and physical resources leading to price hikes, social conflicts, spread of diseases and insecurity. Thus vulnerability of the poor may increase with BRI projects.

9.5 Governance issues

- Lack of open, transparent and competitive procurement process can lead to poor performance of projects in terms of missing timeline, cost overrun, and low quality services.
- Implementation of the BRI has been associated with concerns regarding governance, which are voiced internationally.
- Due to lack of transparency, financial risks and benefits of projects cannot be evaluated, corruption cannot be curtailed and environmental and social sustainability cannot be ensured.
- The Corruption Perception Index (CPI) score of the World Bank indicates that the perceived corruption in Belt and Road corridor economies is higher than the global average and higher among lower middle and low income countries.
- Increased transparency in procurement process and other compliances can benefit BRI projects in terms of co-financing by other financial sources including the multilateral development agencies.

10. China's Response to Challenges

10.1 Promises at the 2nd Belt and Road Forum

- In response to accusations that it lacked transparency, facilitated corruption and that some projects contributed to pollution, a number of initiatives were announced at the
- 2nd Belt and Road Forum in Beijing held in April 2019.
- President Xi Jinping pledged that the BRI will be "open, green and clean". He also promised that everything should be done in a transparent way, and there would be zero tolerance for corruption.

Clean Silk Road

- “The Beijing Initiative for Clean Silk” Road has been launched. This calls for international cooperation to promote transparency and integrity and combat corruption. The Initiative urges for implementation of the BRI in line with the spirits of the United Nations Convention Against Corruption and other international rules and legal frameworks.

10.1 Promises at the 2nd Belt and Road Forum

Green BRI

- President Xi Jinping also added “We may launch green infrastructure projects, make green investment and provide green financing to protect the Earth which we all call home.”
- The “Green Investment Principles (GIPs) for the Belt and Road” call for environment-friendly, climate-resilient and socially-inclusive investments under the new BRI projects.

Sustainable BRI

- The Ministry of Finance of People’s Republic of China had published a Debt Sustainability Framework (DSF) for Participating Countries of the BRI in April 2019. BRI-DSF aims to promote economic and social development by ensuring debt sustainability.
- However, results of this initiative are yet to be observed. Countries are not bound to use BRI-DSF since at present it is a voluntary policy tool. They are only “encouraged to use this framework to conduct debt sustainability analysis and manage debt risks”.

11. Conclusions and Way Forward for Bangladesh

11.1 Conclusions

- BRI promises to deliver physical and soft infrastructure to foster connectivity and economic development across its corridors.
- For Bangladesh too, BRI provides an opportunity to seize benefits, particularly in areas of trade, investment, connectivity, education and tourism, through strong ties with countries particularly in the Southern Asian region, more specifically, with China and India.
- K2K corridor can reduce costs of transport and benefit Bangladesh through enhanced trade and investment. This will create opportunities for employment and income. Bangladesh's enhanced competitive strength through BRI will help Bangladesh to be better integrated into the global economy.
- Bangladesh needs formidable resources to build the required transport infrastructure to be connected with the BCIM corridor.
- Realisation of the BRI objectives will also help Bangladesh in achieving the Sustainable Development Goals (SDGs).

11.2 Way forward for Bangladesh

- Implementation of BRI projects will require trade facilitation reforms. Some of these measures include standardisation and harmonisation of procedures and regulations across countries, improvement of trade facilitation and logistics at the border, cross-border electronic data exchange, and speedy customs clearance, and customs cooperation and measures to ensure security of people, vehicles and cargo on the move.
- Formidable resources will need to be mobilised to build the needed transport infrastructure. Bangladesh has to mobilise domestic resources through tax reform and public-private partnerships.
- Selection and planning of BRI projects should be sound with a full understanding of the economic and social benefits that will be created through such projects.
- In order to address the challenges associated with the BRI projects, the Government of Bangladesh should implement the BRI projects through open, transparent and competitive contracting and procurement process in order to ensure the quality of the projects.

11.2 Way forward for Bangladesh

- For timely completion of projects and minimize cost overrun, public disclosure of BRI projects, terms and conditions of project finance, and monitoring, reporting and anti-corruption measures should be in-built in the project implementation mechanism.
- Debts should be managed well and debt sustainability issue should be closely monitored in order to avoid any possible debt traps.
- For green and clean governance mechanisms in the BRI projects, financing and environmental information should be disclosed in advance, and on a continuous basis.
- Social and environmental impact assessments of projects should be done through meaningful and informed participation and engagement of local people.
- On the whole, while the BRI projects hold high promises for economic development, the outcome will be determined by the way Bangladesh plans and executes these high value projects.

11.3 Areas of research collaboration

At the 2nd Belt and Road Forum, “Belt and Road Studies Network” was launched. The objective of the network is to bring together think tanks in the BRI countries to carry out research on different aspects of the initiative and make policy suggestions. Bangladeshi and Chinese think tanks can undertake collaborative research on a number of issues. These are also applicable for think tanks in other BRI countries. Seven areas of research are suggested here.

1. Revisiting the trade patterns with China and suggest how to minimise the trade imbalance and receive larger market access for Bangladeshi products in China.
2. Understanding the focus of the BRI projects; how are the projects prioritized; how are they aligned with national objectives and policies.
3. Estimating the economic, social and environmental benefits of the BRI projects and their financial viability.
4. Scrutinising the fiscal risks due to cost overrun and delays of BRI mega projects.
5. Evaluating the impact of BRI projects on debt sustainability and fiscal risks; examine the terms and conditions of loans and strength of the existing fiscal framework of the country.
6. Assessing the social and environmental impacts of BRI projects; explore whether the impacts of BRI project fall disproportionately on the marginalized and vulnerable people.
7. Analysing how BRI projects can help achieve global goals at the country level; to what extent BRI investments align with SDGs and green priorities of the recipient country.

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