

# Chinese president's visit to Bangladesh highlights growing rivalry in South Asia

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5 November 2016

Chinese President Xi Jinping's visit to Bangladesh last month is a sharp expression of the sharpening geo-political rivalry between China and India, which is backed by the US. India, the US and Japan are increasingly intervening in Bangladesh to put pressure on the government of Prime Minister Sheikh Hasina in order to undermine Chinese influence.

Xi's visit to Bangladesh on October 14 was the first by a Chinese head of state since President Li Xiannian toured the country in 1986. The trip was clearly aimed at countering India's efforts to strengthen relations with Dhaka. Xi met with Hasina, Bangladesh President Abdul Hamid and opposition Bangladesh National Party (BNP) leader Khalida Zia.

On arrival in Dhaka, Xi emphasised the importance of Bangladesh to China as a partner in South Asia and the Indian Ocean region. He said Beijing was ready to deepen "political mutual trust and elevate our relations and practical cooperation to a higher level." A joint statement declared that 2017 would be the "year of friendship and exchanges."

During Xi's visit, the two governments signed 27 agreements involving \$US24.45 billion in assistance and investment for Bangladesh. Moreover, 13 Chinese corporations signed joint venture agreements worth \$13 billion with Bangladeshi companies.

Jiang Jinkui, director of the Centre of South Asian Studies at Beijing University, told the *China Daily* that "the South Asia region, which was not China's traditional focus, has become more important in recent years especially after China put forward the Belt and Road Initiative in 2013." The initiative involves massive Chinese spending on infrastructure to more closely link Africa and the Eurasian landmass.

Beijing is well aware that Washington is seeking to harness India as a frontline state in its war preparations

against China. The Obama administration has encouraged New Delhi to build its regional influence, including Bangladesh, Sri Lanka, Nepal and Afghanistan, at China's expense.

In June last year, Indian Prime Minister Narendra Modi visited Dhaka and signed 22 agreements, including on maritime security and to establish special economic zones (SEZ) in Bangladesh. Significantly, India also proposed a means to end the four-decade border dispute between the two countries. However, Modi's promises of a \$2 billion credit line and the release of another \$800 million, which had been agreed previously, have been dwarfed by Xi's offers last month.

China is also Bangladesh's leading military equipment provider and the two countries have robust training and military exchange programs.

Chinese investments are increasing. Just one day before Xi's visit, China's Jiangsu Etern Company signed a four-and-a-half year deal worth \$1.1 billion to strengthen the power grid in Bangladesh. Etern also won a bid for a power plant project for \$304 million in August.

Rivalry with India is growing. In July, India's state-owned Bharat Heavy Electricals Limited (BHEL) signed a contract to construct a 1.32 MW power station worth of \$1.6 billion with Bangladesh, undercutting China's Harbin Electric International Company.

Beijing had agreed to build a deep-sea port at Sonadia Island of Bangladesh, south of Chittagong. However, Dhaka cancelled the project early this year claiming it was not commercially viable. The real reason was the opposition of the US and India, along with Dhaka's decision to allow Japan to build an alternative port just few kilometres away.

China is trying to counter Indian allegations of the

dangers posed by Beijing's influence in South Asia. Its state-owned *Global Times* wrote on October 12: "Some Indian people may mistakenly flatter themselves when they think China's Belt and Road initiative is aimed at balancing India's influence."

Nevertheless, New Delhi has been strengthening its ties with Dhaka. In the wake of Xi's visit, Bangladesh Prime Minister Hasina was asked by the *Hindu* on October 18: "Isn't it a valid concern for India that Bangladesh could become China's 'string of pearls' in the region." Hasina rejected claims that "Bangladesh is inclining more towards China," saying, "India is best poised to benefit from the Bangladeshi market."

Asked why trade with India lagged behind trade with China, Hasina said: "It depends on the private sector, where they want to buy goods from... We also plan for the establishment of Indian SEZs at Mongla and Bheramara that would increase the FDI [foreign direct investment] flow into Bangladesh and narrow the trade gap."

On October 29, an article in the *Diplomat* warned about "the burgeoning relationship between China and Bangladesh" and called on New Delhi to "address all unfinished business with Bangladesh" to counter China. In particular, the article proposed concluding an agreement to share water from the Ganges River to provide larger supplies to Bangladesh.

The article also suggested: "India must also expeditiously bring the Bangladesh, Bhutan, India, and Nepal (BBIN) transport agreement fully into effect, recognising the fact that China is going all-out to bring the Bangladesh, China, India, Myanmar (BCIM) project online."

For her part, Prime Minister Hasina has supported New Delhi on key issues. Significantly, she joined India in boycotting the summit of SAARC, the South Asian regional grouping. New Delhi blamed Islamabad for the terrorist attack on a military post at Uri in Kashmir on September 18.

India has recklessly ramped up tensions with Pakistan by carrying out military attacks inside Pakistani territory on September 28, saying these were "surgical strikes" against terrorist camps. The Hasina government supported India's actions and accused Pakistan of "exporting terrorism" to other countries.

Washington is also seeking to boost its influence in Bangladesh. In August, US Secretary of State John

Kerry paid a visit to Dhaka. Washington has used the rising number of terrorist attacks by Islamist extremists over the past three years to strengthen its ties with the Bangladeshi military and intelligence apparatus.

The Hasina government, which confronts a worsening economic and social crisis, is desperately manoeuvring: seeking economic assistance from China while maintaining close ties with India and trying to avoid alienating the US. As tensions between China and the US continue to escalate, this balancing act will become increasingly impossible.



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