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BANGLADESH-CHINA RELATIONS: AN ASSESSMENT

The root of Bangladesh-China relations may be traced in their centuries old ties. Historical records show fruitful cultural exchanges between the two countries for almost two millenia. According to some leading historians, the Sultan of Bengal, Ghiyas-ud-din Azam Shah, sent emissaries with some gifts to emperor Yung-lo of the Ming dynasty of China in 1405, 1408, and 1409. The Emperor of China also reciprocated this friendly gesture of the Sultan of Bengal, and sent envoys and gifts in return.¹

In the present century, following the partition of the subcontinent into Pakistan and India, China had developed close relations with the latter until the relationship between them got soured on the issue of Tibet in 1959, which subsequently led to the 1962 India-China war. In the aftermath of the war, a period of hostility developed between Beijing and New Delhi. This, in turn, created an opportunity for both China and Pakistan to come closer to each other, and consequently profound relations developed between these two countries. East Pakistan (now Bangladesh), being one of the two wings of Pakistan, enjoyed the same warmth of relations with China. In 1971, however, hostage to its relation with West Pakistan, China took a negative attitude towards the Bangladesh War of Independence and sided with Pakistan.

1. See, R.C. Mujumder *et. al.*, *An Advanced History of India*, Third Edition, (Macmillan, Melbourne, Toronto, St. Martin's Press, New York, 1967), p. 337.

Following the independence of Bangladesh positive indications in the Chinese perception about Bangladesh were observed only after Pakistan's recognition to Bangladesh in 1974. China accorded its recognition to Bangladesh following the assassination of Sheikh Mujibur Rahman in 1975. Subsequently, the formal diplomatic relations between the two countries were set up. Since then the relationship between Bangladesh and China began to develop steadily.

Late President Ziaur Rahman's first visit to China in January 1977 may be regarded as the formal foundation-stone of relations between the two countries. Exchange of visits at various political levels continued during the Ershad regime. The newly-elected Prime Minister, Begum Khaleda Zia, paid a three-day official goodwill visit to China on June 18, 1991.

In this backdrop, the aim of the paper is to study Bangladesh-China relation as it developed since the former's independence. Why did China which followed an unfriendly policy toward Bangladesh during its immediate post-Independence period, mend its fences with Bangladesh following the assassination of Sheikh Mujibur Rahman? What are the factors that led to forge ties between Bangladesh and China? What are the variables that underlie Bangladesh-China relations? How did the relationship between the two countries become cordial and profound during the successive regimes? What are the trends that are evident from Bangladesh-China bilateral relations over the past years? These are some of the questions raised in this paper.

The paper is divided into four chapters. The first chapter is devoted to delve into the factors that led to forge ties between Bangladesh and China. The second and third chapters review the bilateral relationships between the two countries during the two successive governments that ruled Bangladesh after diplomatic ties

were established between Dhaka and Beijing. The focus is on political, economic (aid and trade), military, and cultural aspects. The final chapter of the paper examines the emerging outlook of Bangladesh-China relations.

I. FACTORS THAT LED TO FORGE TIES BETWEEN BANGLADESH AND CHINA

China as the power that did not support the Bangladesh War of Independence, could not also welcome the birth of the new nation. The rationale behind it was China's perception that the new state Bangladesh, in the creation of which both India and the ex-Soviet Union played a significant role, would remain under the direct influence of New Delhi and the indirect influence of Moscow, both at that time adversaries of China. Hence, the immediate comment of China about the birth of Bangladesh was that it was the "Manchuko" Government, thereby dubbing it as "the quisling government" set up by New Delhi.² Clearly, attitudinal factor played a significant role in shaping Chinese perception about the newly-independent Bangladesh.

The Chinese government's post-1971 diplomacy was tailored to contain the Soviet and Indian influence in South Asia, a region of direct significance for Beijing. The Indo-Soviet Treaty of Friendship and Cooperation of August 1971 and the Indo-Bangladesh Treaty of Friendship and Cooperation of March 1972 were perceived by Beijing as inimical to the Chinese interest in South Asia. By contrast, following the Sino-American rapprochement, New Delhi viewed a Beijing-Washington-Islamabad axis aimed at containing its influence in this region. Thus, the post-1971 subcontinental political climate was

2. *Peking Review*, December 17, 1971, p. 15.

vitiated by a tough power tussle fought by the above actors. The Mujib government which explicitly tilted towards the Indo-Soviet axis following its independence, was viewed by Beijing to be antagonistic to the latter's strategic interests.

Thus, for obvious reasons, China's attitude towards Bangladesh did not change until the fall of the Mujib government. Specifically, so long the Mujib government remained determined to try the Prisoners-of War (POWs), the Chinese government also remained antagonised against Bangladesh and blocked the admission of Bangladesh into the United Nations (UN). Chinese support to Pakistan on the POWs issue was in a way an attempt by Beijing to compensate for having failed to extend more than verbal support to Pakistan in 1971. Thus, subsequent upon the signing of the tripartite agreement among India, Bangladesh, and Pakistan on the POWs issue, an attitudinal change *vis-a-vis* Bangladesh was observed in Chinese government. Consequently, Beijing stopped opposing the admission of Bangladesh in the UN. Despite this change, however, China remained hesitant to establish ties with the Mujib government because of the latter's pro-Indian image. It was only after Mujib was killed and the new government demonstrated its clear anti-Indian and pro-American tilt under Moshtaque government, that a total change in the Chinese attitude towards Bangladesh was observed. The outcome was the recognition of Bangladesh by China and forging of formal diplomatic ties between Bangladesh and China.

On the other hand, in post-1975 Bangladesh, India had rightly or not, been viewed as the "domineering giant",³ against which China clearly emerged as the vital countervailing power. Hence, Bangladesh

3. *The New York Times*, July 24, 1980.

also gradually embraced China closely as the source of political, economic, and military support. A perceived threat from India soon became the primary factor in the convergence of interest between Bangladesh and China.

On the economic front, following the 1971 war, Bangladesh inherited a war-ravaged economy. Its most urgent need in the aftermath of the war was to secure large volume of foreign aid to repair its devastated economy. Although India provided a good amount of foreign aid to post-Independent Bangladesh, it was not economically possible on New Delhi's part to meet the enormous needs of Bangladesh. The limits to the capability of the former Soviet Union were also soon exposed as it failed to provide Bangladesh with the much-needed food and commodity aid. Bangladesh was constrained to look for diversified sources of assistance for the sustenance of its economy. The realities of economic compulsion soon drove Bangladesh to build up close ties with the western donor countries and the Muslim world as well as China. And over the years, as it will be apparent in what follows here, China emerged as one of the most reliable economic partners of Bangladesh.

II. THE ZIA REGIME: (1975-1981)

The changed political scenario in Bangladesh following the overthrow of Mujib in 1975 suited China's perception of its role in South Asia. The beginning of Ziaur Rahman's regime witnessed a marked slide back in Bangladesh-India relations. By contrast, China was being cultivated as a counterbalance against perceived hegemonistic designs of New Delhi. It was during the Zia regime that the foundation of close ties between Bangladesh and China was laid

and cooperation took off in all aspects, political, economic, military, and cultural.

A) Political Relations

Zia's January 1977 visit to China opened a new chapter in Bangladesh's foreign policy as the Chinese gestures were viewed by Bangladeshi to be those of friendship and cooperation on equal footing free from any desire to dominate. For a country that had been feeling threats of being dominated by its bigger neighbour, India, mainly because of the disparate size and power potential, this opening of being treated on the basis of fraternal equality by another big neighbour, China, was a significant achievement. Zia's government thought that it had salvaged the country from India's direct influence and put Bangladesh in a position from where it could enjoy the fruits of diversified foreign policy with the Chinese assurance of preserving Bangladesh's sovereignty, should it be put at stake. During Zia's visit, Chinese Vice Premier Li Hsinenien stated that "China firmly supports the Government and people of Bangladesh in their just struggle to safeguard national independence and state sovereignty and resist foreign interference"⁴ On the other hand, Zia while speaking at a banquet, said: "We believe that only in an environment of stability, free from outside interference, can we

4. *Bangladesh* Vol. 2 No. 4, (Dhaka Ministry of Information and Broadcasting, January 15, 1977), p. 5. Though Zia was No. 2 in the Bangladesh Government when he visited China in January 1977, Chairman Hua Kuo-Feng broke protocol and personally went to the airport to receive him. As referred in Iftekhar A. Chowdhury, *Bangladesh's External Relations: The Strategy of a Small Power in a Subsystem* (Unpublished Ph. D. Thesis, Australian National University, May 1980), p. 213.

consolidate our independence and state sovereignty. The people of Bangladesh are determined to continue their struggle and in concert with the people of Third World will oppose expansionism and hegemonism.⁵

After his return from Beijing Zia said in Dhaka that the visit had opened a new chapter in the field of international relations.⁶ The Chinese resolute support for Bangladesh, that was plainly discernible from Chinese Vice Premier, Li Hsiennien's statement, gave a much-needed relief to Bangladesh as far as its perceived external threat was concerned. Likewise, Zia's statement provided an added impetus to China's policy of combating the Soviet "hegemonism" and the Indian "expansionism" in South Asia. Subsequent upon the visit, China stood by Bangladesh on the issue of Ganges water sharing between the latter and India. The Chinese Charged' Affaires in Dhaka, Mau Ping declared in March 1977, "We firmly support the reasonable stand taken by Bangladesh on the question of sharing the waters of the Ganges River."⁷ On the part of Bangladesh, it also took positions supporting that of China. At the Non-aligned conference in Havana in September 1979, the Foreign Minister of Bangladesh Prof. M. Shamsul Huq, emphasised on the right of the Kampuchean people "to freely choose a government without any external interference of foreign military presence or intervention."⁸ The Bangladeshi Foreign

5. Iftexhar A. Choudhury, *op. cit.*, p. 6.

6. *Ibid.*

7. *Bangladesh*, *op. cit.*, Vol. 2, No. 9, p. 2.

8. *The Bangladesh Observer*, September 3, 1979. Bangladesh government recognised the Pol Pot regime and not the Heng Samrin Government. See also Statement of Bangladesh Foreign Secretary S. A. M. S. Kibria, *The Bangladesh Observer*, August 31, 1979.

Minister's statement reflected the common world view of Dhaka and Beijing. During a visit to Beijing in November 1979, the Bangladeshi Foreign Minister admired Chinese opposition to "all forms of colonialism, neo-colonialism, hegemonism and domination," as a "major contribution to world peace."⁹ The Foreign Minister avoided mention of Bangladesh's support in specific terms, although it was believed to have been implied. President Ziaur Rahman's visit to China was reciprocated by similar visits by Li Hsiennien in 1978 and by the Chinese Prime Minister Zhao Xiang in 1981. These visits by the Chinese leaders further strengthened the existing mutual ties between the two friendly countries which continued to share common views on growing number of regional and international issues.

b) Economic Relations

i) Foreign Aid

It was during the regime of Zia that enduring relations in the economic field began to develop as both sides felt convinced about their convergence of interest. Bangladesh was increasingly pulled by the Chinese external economic policy which is not generally believed to be detrimental to the economy of the partners. Chinese assistance, because of its high political components, is usually tailored to the benefit of the recipients. The terms of the repayment are extremely favourable and Chinese expatriate experts claim no higher emoluments than their local counterparts.¹⁰ Furthermore, Chinese economic aid

9. *Ibid.*

10. For details see, Wolfgang Bartke, *China's Economic Aid*, Translated from the German by Waldraut Jarke, (Hamburg: Institute of Asian Affairs, 1975), pp. 8-24.

projects have been very highly acclaimed for their relevance to the needs of developing countries. One reason for this is that Chinese projects have concentrated on agriculture, simple construction projects, light industry, and infrastructure development. Chinese projects are also implemented faster than Soviet projects.¹¹ While costs for Soviet technicians soared in the 1970s, technical assistance continued as the most widely praised aspect of China's aid programme. Beijing has supplied more technicians a dollar than any other communist donor.¹² And China's economical living standards and their competence have gone a long way to strengthen Beijing's relations with developing countries and consequently it has substantiated its claims to Third world leadership. All these positive aspects of Chinese foreign aid policy strongly pulled Bangladesh to China's aid programme. Similarly, China was also aware of Bangladesh's demand for buying Chinese goods for which Bangladesh offered a reasonably big market.

The first formal bilateral contact on economic assistance was made in April 1976. And, during Zia's visit to Beijing in January 1977, an Agreement on Economic and Technical Cooperation was signed. This Agreement was first named as Trade and Payment Agreement (TPA). However, replacing the TPA, a Long-Term Trade Agreement was signed in Dhaka in 1980. Two other Agreements were signed when Li Hsien visited Bangladesh in March 1978. The first one was the Economic and Technical Agreement under which China provided approximately 850 million Taka interest-free loan, repayable in ten years with a twelve years grace period for the purpose of a Urea

11. Quoted from, Anne Gilks and Gerald Segal, *China and the Arms Trade*, (Croom Helm, London and Sydney, 1985), p. 167.

12. *Ibid.*, p. 167.

Factory, a Water Conservancy Plant, and some commodity procurements. The second one was a Scientific and Technological Agreement valid for five years, providing for the exchange of experts and expertise on these fields. Further Chinese aid was pledged in the fields of road building, agriculture, and rural electrification.¹³ In November 1978, a Shipping Agreement was also signed.¹⁴ Although the volume of Chinese aid flow to Bangladesh was small in comparison to the aid inflow from the West, particularly the United States, it provided an added boost to the economy of Bangladesh.

Since the establishment of diplomatic relations between the two countries in 1975, Bangladesh has been exporting to China items like raw goods, jute goods, hide and skin, and jute yarn, in exchange for diesel oil, lubricating base oil, machinery, equipment, dyes and chemicals, scientific investments and hardware. The goods and commodities that Bangladesh and China exchange with each other under barter agreements are given in the Annexure. Table 1 (a) demonstrates Chinese foreign aid commitment and Table 1 (b) shows Chinese foreign aid disbursement to Bangladesh during Zia's regime.

Table 1 (a) shows that during the period 1974-82, Chinese foreign aid commitment to Bangladesh was US \$ 80.125 million of which it had, as Table 1 (b) demonstrates, disbursed US \$ 27.014 million. Tables 1 (a) and 1 (b) further show that China gave first priority on project aid. Chinese food aid to Bangladesh, which is also the smallest component of total aid inflow came in the form of grant, while all the

13. The Ministry of Foreign Affairs, Dhaka, as mentioned in Iftekhhar A. Chowdhury, *op. cit.*, p. 215.

14. *Bangladesh in International Affairs*, Vol. 1, No. 3, Dhaka: Institute of Law and International Affairs, March 1978, p. 4.

Table 1 (a) : Chinese foreign aid commitment to Bangladesh during Zia regime (in million US\$)

Year	Food		Commodity		Project		Total
	Grant	Loan	Grant	Loan	Grant	Loan	
1974-75	1.000	—	—	—	—	—	1.000
1975-76	—	—	—	—	—	—	0.000
1976-77	—	2.000	—	—	—	—	2.000
1977-78	—	4.000	—	9.300	—	52.500	65.800
Sub- Total	1.000	6.000	0.000	9.300	0.000	52.500	68.800
1978-79	—	—	—	—	—	—	0.000
1979-80	—	—	—	—	—	—	0.000
Sub- Total	0.000	0.000	0.000	0.000	0.000	0.000	0.000
1980-81	—	—	—	—	—	8.868	8.868
1981-82	—	2.457	—	—	—	—	2.457
Sub- Total	0.000	2.457	0.000	0.000	0.000	8.868	11.325
Grand Total	1.000	8.457	0.000	9.300	0.000	61.368	80.125

Source : *Flow of External Resources Into Bangladesh*, Economic Relations Division, Ministry of Finance, Government of Bangladesh, Dhaka, December 24, 1990, p. 58.

Table 1 (b) : Chinese foreign aid disbursement to Bangladesh during Zia period (in million US\$)

Year	Food		Commodity		Project		Total
	Grant	Loan	Grant	Loan	Grant	Loan	
1974-75	1.000	—	—	—	—	—	1.000
1975-76	—	—	—	—	—	—	0.000
1976-77	—	2.000	—	—	—	—	2.000
1977-78	—	—	—	—	—	—	0.000
Sub- Total	1.000	2.000	0.000	0.000	0.000	0.000	3.000
1978-79	—	4.000	—	—	—	—	4.000
1979-80	—	—	—	—	—	—	0.000
Sub- Total	0.000	4.000	0.000	0.000	0.000	0.000	4.000
1980-81	—	—	—	—	—	6.000	6.000
1981-82	—	—	—	2.667	—	11.347	14.014
Sub- Total	0.000	0.000	0.000	2.667	0.000	17.347	20.014
Grand Total	1.000	6.000	0.000	2.667	0.000	17.347	27.014

Source : *Flow of External Resources Into Bangladesh*, Economic Relations Division, Ministry of Finance, Government of Bangladesh, Dhaka, December 24, 1990, p. 58.

commodity and project aid was offered as loans. The disbursement ratio as compared to total commitment during the period was 33.71 per cent. However, while disbursement ratio of food aid has been higher than that of commodity and project aid, the ratio of disbursement of commodity and project aid has been 28.68 per cent and 28.27 per cent respectively.

ii) Trade

Trade relations between Bangladesh and China also began to develop during Zia's regime. The Chinese bought from Bangladesh products like sugar and newsprint, thereby helping Bangladesh diversify its exports. China also demonstrated keen interest in non-traditional items, thus assisting Bangladesh's goal of diversifying its exports. To the advantage of both the countries, a large volume of trade took place on barter terms. Table 2 indicates Bangladesh's trade with China from 1979-80 to 1981-82.

Bangladesh's total imports from China during the period amounted to US \$ 284.52 million, while exports from Bangladesh to China amounted to US \$ 65.98 amillion. Thus, the trade imbalance against Bangladesh amounted to US \$ 218.54 million.

Table 2 further shows that about a quarter (24.56%) of the import of Bangladesh from China was under barter, while almost half (47.05%) of the import was under Wage Earners Scheme (WES), and a slightly more than a quarter (28.45%) of the import was done in cash. By contrast, during the period 1979-82, 98.39 per cent of Bangladesh's export to China were under barter, while percentage of export in cash was 1.61 per cent for the same period.

Table 2 : Bangladesh's Trade with China 1979-80-1981-82 (in million US\$)

Year	Import				Export			Balance of Trade	Export-Import Ratio*
	Barter	Cash	WES	Total	Barter	Cash	Total		
1979-80	12.69 (18.58)	24.02 (35.17)	31.75 (46.49)	68.29 (100.00)	22.68 (7.21)	0.65 (2.78)	23.33 (100.00)	-44.96	34.16
1980-81	27.57 (24.37)	28.65 (25.32)	56.91 (50.30)	113.12 (100.00)	29.22 (99.05)	0.28 (0.94)	29.50 (100.00)	-83.62	26.07
1981-82	29.62 (28.72)	28.30 (27.44)	45.22 (43.85)	103.11 (100.00)	13.02 (99.01)	0.13 (0.98)	13.15 (100.00)	-89.96	12.75
Total	69.88 (24.56)	80.97 (28.45)	133.88 (47.05)	284.52 (100.00)	64.92 (98.39)	1.06 (1.61)	65.98 (100.00)	-218.54	23.18

Source : *Bangladesh Bank Report* (as tabulated in External Resource Division Brief on Bangladesh-China Economic Relations), July 1987, pp. 50-51.

* Export - Import ratio here indicates the value of export in US \$ per 100 dollars of import.

Note : Figures in parentheses indicate percentages.

Table 3 shows that during the period 1975-81, Bangladesh's import from and export to China constituted 3.86 per cent and 3.48 per cent of the global import and export trade of Bangladesh respectively. However, Bangladesh's trade with China in terms of

Table 3 : Proportion of Import from and Export to China during the Zia regime (1975-81) in relation to Bangladesh's total global trade (in %)

Year	Import	Export
1975-76	0.85	1.15
1976-77	2.16	1.62
1977-78	2.21	3.81
1978-79	4.70	4.56
1979-80	4.55	4.31
1980-81	5.71	3.74
1975-81	3.86	3.48

Note : Calculated by the author from data published in *Statistical Yearbook of Bangladesh*, Bangladesh Bureau of Statistics, Statistics Division, Minister of Planning, Government of the People's Republic of Bangladesh.

both export and import in 1975-76 was at a very low level, 1.15 per cent and 0.85 per cent of its total global export and import respectively. The share subsequently picked up although the rise in the share of export was relatively lower than that of import .

c) Military Relations

The foundation of Bangladesh's close ties on the military front was also laid during the Zia period. Several factors motivated the two countries to cooperate in this field. First, following the dramatic

change in Bangladesh in August 1975, which had apparently disturbed Moscow very much, the Kremlin refused to supply spare parts for military equipment to Bangladesh in 1976. China stepped in to fill in the vacuum. Chinese consideration was also guided by the fact that by that time Dhaka and Beijing had developed a common strategic perception on the basis of "India factor". Second, the liberal nature of Chinese military aid. The terms of China's military aid have been generous, even when arms have been sold commercially. According to a source, until 1979/80 all China's arms were supplied free of charge, either as direct grants or as interest-free loans.¹⁵ One reliable study shows that between 1975 and 1979 China supplied 78 per cent of Bangladesh's arms imports.¹⁶ It is possible, therefore, that Bangladesh received the entire 78 per cent of military aid between 1975 and 1979 either as grant or as interest-free loans. This was an incentive strong enough for Bangladesh to be attracted to Beijing's military aid policy. Third, for Bangladesh, the Chinese weapons suited the defence forces of Bangladesh, for as a part of Pakistani defence force, the Bangladeshi defence forces were more accustomed and trained to Chinese brand of weapons than that of any other brands.

Besides supplying arms to Bangladesh, China also built the country's arms and ammunition factory in Joydevpur, and also took over Bangladesh's Soviet built MIGs which the Kremlin refused to service after the assassination of Sheikh Mujib. Table 4 shows Chinese military aid flow to Bangladesh.

It may be noted from table 4 that the inflow of Chinese military aid during the period took place in two forms : weapons and military

15. *The Bangladesh Observer*, December 1, 1978.

16. Anne Gilks and Gerald Segal, *op. cit.*, pp. 168-70.

Table 4 : Chinese military aid flow to Bangladesh during Zia regime

Year	Number	Item	Comment
1976	36	F-6	Second Hand
1977	10	F-9 ?	Could be F-6
1977	70	Advisors	
1978	50	Advisors	
1978	10	BT-6	New
1979	36	F-6 Figher	24 Delivered
1981	48	F-7	Refurbished
1981	36	Type-59	Second Hand
1981	4	Shanghai II	
1981	4	Hainan FAC	Delivered 1

Sources : Anne Gilks and Gerald Segal, *China and the Arms Trade* (Croom Helm: London and Sydney, 1985), Appendices, p. 197; and *SIPRI Yearbook: World Armaments and Disarmaments*, (Stockholm International Peace Research Institute), Taylor & Francis Ltd., London, 1980 & 1984 Appendix 3A, & 7B, p. 139 & p. 232 respectively.

advisors. Among the weapons received from China there were second hand, refurbished as well as new items. The flow of hardware appeared to have been increasing in the latter part of the period.

d) Cultural Relations

Another important aspect of bilateral relations between Bangladesh and China during the rule of Ziaur Rahman was the

development of cultural relations between the two countries. A cultural cooperation Agreement was signed between the two countries on November 17, 1979. The agreement covered six areas of cooperation: a) literature, b) visual and performing arts, c) education and research, d) science and technology, e) media, and f) tourism and sports. One notable aspect of programme under the Agreement was the exchange of visits of various professionals between the two countries at various levels and for various durations. These visits promoted people to people contacts and greater popular understanding between the two friendly neighbours. The other important dimension was the scholarship programme under which the Chinese government offered financial assistance to Bangladeshi students for studies at both graduate and undergraduate levels in China.

Every year since 1977, China offers Bangladesh 12 undergraduate and 2 post-graduate scholarships. The undergraduate scholarships are offered in areas like: a) medicine, b) dentistry, c) computer science. Post-graduate scholarships are given for areas like: a) water resources, and b) electronic engineering. Bangladesh also offers 3 scholarships each year for Chinese students.

III. ERSHAD REGIME (1982-90)

After assuming power through a bloodless coup in 1982, Ershad in a 5-minute interview to the *New York Times* on March 24, termed Russains as "crude and untrusty". As he put bluntly: "We cannot trust them so much. They are very crude. They have such a mighty military machine . . . We are really scared about what they (Russians) may do next."¹⁷ Clearly, such a depiction of Moscow by Ershad was very

17. *SIPRI Year Book : World Armaments and Disarmament*, (Stockholm International Peace Research Institute, 1980) p. 97.

much in favour of Beijing which found in it a clear green signal of the continuity of past relations between China and Bangladesh. Ershad's plain comment: "Peking I can go to any time. I have a standing invitation. We are on very good military terms,"¹⁸ demonstrated that General Ershad was interested in the continuity of military relations with China. The very mental make-up that Ershad exposed in the said interview suited the temperament of Chinese leaders and the relationship between Bangladesh and China began to develop on the basis of mutual interests, and friendliness.

a) Political Relations

A record number of visits at various levels including summit and Ministerial took place both ways between Bangladesh and China. Ershad himself visited China as many as six times during his rule of nine years—in November 1982, July 1985, July 1987, November 1988, and June 1990. Similarly, several top ranking Chinese leaders paid visits to Bangladesh. In 1982 and 1986, Mr. Li Ximannian the President of the People's Republic of China, visited Bangladesh. And Chinese Prime Minister Li Peng visited Bangladesh in November 1989. Thus, one highlight of Bangladesh-China relations under Ershad regime was the increase of visits from both sides. These visits at different levels helped to further strengthen mutual understanding and to explore new areas of cooperations between the two countries.

At politico-strategic level, however, the "India factor" as the source of understanding between the two countries seemed to have diluted during later part of the Ershad regime. Ershad was given a

18. *The New York Times*, April 11, 1982; also see, *International Herald Tribune*, April 12, 1982.

clear indication by Beijing during his March 1989 China visit that the Bangladesh government could not expect any Chinese support for pillorying India on the issue of river waters.¹⁹ It seems that Chinese decision to withdraw its support about the Bangladeshi stand on river waters *vis-a-vis* India was not sudden one. The Chinese government was probably responding to the changed context of global and regional politics following the rise of "Gorbachev phenomenon" which eventually led to the increasing solidarity between the superpowers and demise of Cold War between them in the East-West context. Former Premier of India, Rajiv Gandhi's historic December 1988 China visit which brought about both diplomatic and political breakthroughs in bilateral relations between China and India, and following which increased friendly cooperation between them was observed, further pushed China to take rather an ambivalent position on issues of discord between Bangladesh and India. The clear implication of this new trend in the political front is that anti-India content which was one of the major factors that brought the two countries closer during the Zia regime, began to subside during the Ershad tenure. It became increasingly clear that in the changing international situation, China would use restraint in developing close ties with Bangladesh so that such ties are not viewed to be an irritant in Beijing-New Delhi relations. The "India factor" apart, Sino-Bangladesh relation continued to flourish. In November 1989, Chinese Premier Li Peng visited Bangladesh. His 58-member entourage included the Foreign Minister and the Minister of Economic and Trade affairs. Chinese Premier said during the visit that his country would always stand by Bangladesh in its struggle for protecting national

19. *The New York Times*, April, 1982.

independence and sovereignty and to achieve economic progress²⁰. During the visit four accords were signed between the two countries. Under the first accord, China agreed to provide 50 million Chinese yuan (14 million US dollars) as soft loan to Bangladesh over a period of five years with repayment schedule of 20 years. Under the second one, both sides agreed to abolish visa system between the two countries for official visits. Under the third accord, Bangladesh agreed to supply 1-2 lakh tons of Urea every year for a period of three years from Bangladesh to China on cash payment basis at the price prevailing in international market; and the last one was a new five-year (1990-95) trade agreement beginning in 1990.²¹ An agreement on building a 210,000 kw thermal power station at Raozan, Pahartali in Chittagong with Chinese assistance was also signed.²²

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20. The *Times of India* (New Delhi) as referred in Nilufar Choudhury, "Sino-Indian Quest for Rapprochement: Implications for South Asia," *Biiss Papers*, No. 10, July 1989, p. 50.
21. The *Bangladesh Observer*, November 20, 1989. The Bangladeshi Foreign Minister, Humayun Rasheed Choudhury who accompanied President Ershad during his 1987 China visit asserted in Dhaka after the end of the visit that "Ties with China are at historical peak now." Cited in the *New Nation*, July 9, 1987, p. 1; It was during this 1987 Ershad's China visit, the agreement was signed between Bangladesh and China that the Bangladesh-China Friendship Bridge would be constructed over the Buriganga River at a cost of Tk. 1080,00 million. It was the largest project so far funded by China for Bangladesh, and out of the total Chinese fund, 50 per cent was outright grant. See, The *Dainik Desh*, Editorial, April 26, 1986. To reciprocate the Chinese gesture, Bangladesh made a symbolic payment of US \$ 1 million to China which was to be used in the construction of the Bangladesh-China Friendship Hall at the heart of the city of Beijing. See, The *Dainik Bangla*, November 20, 1986.
22. The *Bangladesh Observer*, November 19, 1989.

b) Economic Relations

i) Foreign Aid

Economic ties between Bangladesh and China during the Ershad regime flourished practically on the foundation laid during the Zia regime. The establishment of Joint Economic Commission (JEC) between Bangladesh and China on November 2, 1983 in order to coordinate cooperation between the two countries in the sectors of economic, trade, and scientific and technical was an important landmark in that it opened up the avenues to hold meetings in each other's capitals in alternate years. During the meetings the Commission identifies possibilities for bilateral cooperation in the areas assigned to it, reviews the progress of implementation of projects, and over-see the functioning of relevant protocols. The JEC is the forum through which all economic assistance from China to Bangladesh is channelized, and it is this forum that helps in removing hurdles of any kind in matter of project implementation. Six sessions of the JEC have thus far held of which the last one took place in Dhaka on 7-11 April 1991. Tables 5 (a) and 5 (b) show Chinese foreign aid commitment and disbursement to Bangladesh during the period under consideration.

Table 5 (a) shows that during 1982-90 period total Chinese foreign aid commitment to Bangladesh was US \$ 96.091 million. The amount disbursed was US \$ 79.689 million, as Table 5 (b) demonstrates. As for the composition of the Chinese aid to Bangladesh, it may be observed that the trend obtaining during the Zia period continued through the Ershad period too. Chinese food aid to Bangladesh, the smallest component, was in the form of grant, while commodity and project aid came in the form loan. The disbursement level appears high during this period largely because of the fact that the

Table 5 (a) : Chinese foreign aid commitment to Bangladesh during Ershad regime (in million US \$)

Year	Food		Commodity		Project		Total
	Grant	Loan	Grant	Loan	Grant	Loan	
1982-83	—	—	—	—	—	—	0.000
1983-84	—	—	—	—	—	—	0.000
1984-85	1.170	—	—	—	—	—	1.170
Sub- Total	1.170	0.000	0.000	0.000	0.000	0.000	1.170
1985-86	—	—	—	—	19.047	52.557	71.604
1986-87	—	—	—	—	—	10.358	10.358
1987-88	—	—	—	—	—	—	0.000
1988-89	—	—	—	—	—	—	0.000
1989-90	—	—	—	—	—	12.959	12.959
Sub- Total	0.000	0.000	0.000	0.000	19.047	75.874	94.921
Grand Total	1.170	0.000	0.000	0.000	19.047	75.874	96.091

Source : Flow of External Resources Into Bangladesh, Economic Relations Division, Ministry of Finance, Government of Bangladesh, Dhaka, August 18, 1991 (as of June 30, 1990), p. 58.

substantial portion of the amount disbursed was already in the pipeline from the previous period. While the total disbursement ratio as compared to the total commitment was 82.93 per cent during the Ershad period, the ratio of total disbursement of commodity and project aid was 42.53 per cent and 84.86 percent respectively.

Table 5 (b) : Chinese foreign aid disbursement to Bangladesh during Ershad regime (in million US \$)

Year	Food		Commodity		Project		Total
	Grant	Loan	Grant	Loan	Grant	Loan	
1982-83	—	—	—	2.862	—	16.010	18.872
1983-84	—	—	—	3.771	—	19.040	22.811
1984-85	1.170	2.457	—	—	—	6.238	9.865
Sub-Total	1.170	2.457	0.000	6.633	0.000	41.288	51.548
1985-86	—	—	—	—	—	1.539	1.539
1986-87	—	—	—	0.537	4.621	4.621	9.779
1987-88	—	—	—	0.300	2.902	3.333	6.535
1988-89	—	—	—	0.735	0.578	2.610	3.923
1989-90	—	—	—	—	—	6.363	6.363
Sub-Total	0.000	0.000	0.000	1.572	8.101	18.466	28.139
Grand Total	1.170	2.457	0.000	8.205	8.101	59.754	79.687

Source : *Flow of External Resources Into Bangladesh*, Economic Relations Division, Ministry of Finance, Government of Bangladesh, Dhaka, August 18, 1991 (as of June 30, 1989), p. 58.

ii) Trade

At present, there is a Long Term Trade Agreement (LTTA) between Bangladesh and China for a period of five years (1990-95).

The LTTA which provides for a broad spectrum of trade ties between the two countries, has the provision for automatic renewal. It specifies the most favoured nation treatment related to shipping, tariffs etc., and covers barter trade and trade in convertible currencies. Furthermore, arrangements for payment and yearly review are also incorporated in it.

✓ The volume of trade between Bangladesh and China continued to grow during the period, so did the deficit in trade against the former. Table 6 shows that during 1983-84 to 1990-91 January, Bangladesh imported from China goods worth Tk. 20,552 million, while the value of export was Tk, 4,961 million which left a cumulative negative balance against Bangladesh for the period at Tk. 15.562 million. As in the previous period, barter transaction continued to dominate Sino-Bangladesh trade.

Table 7 shows that during the period 1981-89, Bangladesh's import from and export to China constituted 4.24 per cent and 1.92 per cent of the global import and export trade of Bangladesh. It may be observed that both in terms of export and import, China's position as Bangladesh's trade partner remained more or less at the same level as during the Zia regime. Although there have been some erratic variations from year to year, the ratios of both import and export remained much below 5 per cent of Bangladesh's total global import and export.

Six barter protocols were signed between the two countries during the period under review. The protocol identifies the amount of trade and items to be traded on barter. The amount of trade, provided for in the protocols, each way, varies from year to year. The performance of the Barter Protocols since 1983 as presented in Table 8, has always remained below the target.

Table 6 : Bangladesh's Trade with China from 1983-84 to 1988-91 Jan. (Tk. in million)

Year	Imports under Cash and Barter	Imports under loan and Grants	Total Imports	Total Exports	Balance of Trade	Export- Import Ratio*
1983-84	1687.70 (79.09)	446.00 (20.90)	2133.7 (100.00)	313.4 —	-1820.3	14.69
1984-85	2077.90 (89.09)	256.1 (10.97)	2334.4 (100.00)	230.8 —	-2103.2	9.89
1985-86	2155.65 (100.00)	—	2155.65 (100.00)	727.10	-1428.55	33.73
1986-87	1912.85 (100.00)	—	1912.85 (100.00)	527.54	-1357.31	27.58
1987-88	2555.58 (100.00)	—	2555.58 (100.00)	701.69	-1853.80	27.46
1988-89	2700.86 (100.00)	—	2700.86 (100.00)	871.56	-1829.27	32.27
1989-90	4148.32 (100.00)	—	4148.32 (100.00)	602.34	-3545.96	14.52
1990-91	2611.08	—	2611.08	986.77	-1624.31	
Upto Jan. 1991	(100.00)		(100.00)			37.79
Total	1989.94 (96.58)	702.1 (3.41)	20552.4 (100.00)	4961.2	-15562.7	24.14

Source : *External Resources Division*, Ministry of Planning, Government of People's Republic of Bangladesh, October, 1989 and January 1991.

* Export-Import Ratio here indicates the value (in Tk.) of export per 100 Tk. of import.

Figures in parentheses indicate percentages.

Table 7 : Proportion of Import from and Export to China during the Ershad regime (1982-89) in relation to Bangladesh's total global trade (In %)

Year	Import	Export
1981-82	6.04	2.79
1982-83	3.85	3.53
1983-84	4.63	1.69
1984-85	4.40	0.89
1985-86	3.76	2.72
1986-87	4.59	1.61
1987-88	3.79	1.46
1988-89	4.14	3.30
1989-90	2.41	0.70
Total	4.24	1.92

Note : Calculated by the author from data published in *Statistical Yearbook of Bangladesh, op. cit.*

One reason for this is the poor performance of Bangladesh in utilization of allocation meant for essential items which have, in fact, been imported under cash arrangement from elsewhere including China. This, in turn, has slowed down the tempo of Chinese import from Bangladesh due to lack of funds under barter. On Bangladesh's part, there are good reasons to channel imports under barter instead of cash. But the reluctant mood on the part of certain Chinese Exporting Corporations in accepting the Letter of Credit (L/C) under barter has stood as a hurdle in this regard, which should be removed through mutual understanding. It is important to note that Bangladesh financed

Table 8 : Performance of recent Barter Protocols (amount in million US dollars)

Protocol Number	Date of signing	Size each way	Actual		Balance
			Export	Import	
7.	29.12.83	31.00	14.11	24.82	-10.71
8.	21.12.84	44.55	25.36	22.92	+2.44
9.	13.12.86	43.50	19.92	14.97	+4.95
10.	17.11.85	44.00	26.15	18.96	+7.19
11.	19.11.88	30.00	27.97	14.40	-13.57
12.	8.4. 90	31.00	23.07	12.17	+10.90

Source: Compiled by the author from different english dailies

approximately 78 per cent of its total imports from China under cash foreign exchange and the rest 22 per cent are financed under barter system.

However, a large number of China-assisted projects was completed during this period. Tables 9 and 10 show the completed and on-going projects respectively.

A number of joint-venture projects have also been taken up in association with China, and some others are in the process of negotiation. Such projects in the private sector include:

- i) Cock Brand Mosquito Coils Co. Ltd.;
- ii) Bangladesh Iron and Steel Products Ltd.;
- iii) China Fulgidh Shah Wood Pencil Factory;
- vi) Bangladesh China Sheet Glass Industry Ltd.;

Table 9 : Completed Project

Serial number	Name of the project	Cost (in Chinese YMB)
1.	Restoration of project of the rifle Ammunition Plant of Bangladesh Ordnance Factory (B. O. F.)	7.36 million
2.	Renovation of equipment of Rifle and Ammunition Plant of B. O. F.	5.00 million
3.	Polash Urea Fertilizer Factory/Plant	77.32 million
4.	Rupganj North Water Conservancy project (1.15 mil as grant)	11.57 million
5.	Sundarban Cotton Textile Mills	10.09 million
6.	Construction of Bangladesh-China Friendship Bridge Over The River Buriganga (29.57 mil as grant)	58.57 million
7.	Construction of Shambugonj Road Bridge at Mymensingh	52.00 million

* Note : Chinese currency : RMB Y1 = US \$ 0.269; = Tk. 8.67

Table 10 : Ongoing Projects

Name of the project	Cost
Renewick & Co. Ltd. (BMRE)	2.39 mil RMB
Consultancy Services for Flood Control Project Mahananda Road Bridge at Nawabganj	2.50 mil RMB
Thermal Power Plant in Chittagong	133 mil US \$*
	Total 4.89 mil RMB

Source: Compiled by the author from different newspapers and information bulletin.

* This figure is not included in the total.

v) the Magura Paper Mills; and

vi) the Eastern Pulp and Paper mills;

Furthermore, Bangladesh and China signed 13 Memorandum of Understanding (MOU) which further strengthened the two countries relations. Besides, the two countries also agreed to establish a Bangladesh-China joint venture urea plant in Bangladesh. China further agreed to provide Bangladesh soft-term supplier's credit for purchasing nine new ocean-going vessels at concessional price. An investment forum was also established to help promote joint venture projects in Bangladesh.²³

Military relations

In the military front, Bangladesh-China relations continued on the basis of the foundations laid during the rule of Zia. A number of high level military visits took place both ways.²⁴ Although second hand, Bangladesh received for the first time from China a Romeo Submarine in 1984.

23. *Ibid.*, November 17, 1989.

24. The prominent visitors from the Bangladesh Armed Forces were the Chief of Army Staff in 1988, and the Chief of Naval Staff in 1984 and 1987. And the Chief of Air Staff, A. V. M. Mumtazuddin Ahmed visited China in September 1989. A high level naval delegation also visited China in September 1989. Army Chief, Lieutenant General Noor Uddin paid a visit to China in April 1991 at the invitation of his Chinese counterpart. From China, the Chief of General Staff of the People's Liberation Army (PLA) visited Bangladesh in 1987 and 1989. The other high ranking visitors from the Chinese side included the Deputy Chief of General Staff in 1979 and 1982, the Commander of PLA (Air Force) in 1984 and 1990, the Commander of PLA (Navy) in 1983 and 1989. Chinese Defense Minister General Qin Jiwei paid a visit to Bangladesh in February 1990. Thus, the highest number of high ranking military level visits from both sides took place during the Ershad regime.

Table 11 : Chinese military aid flow to Bangladesh during Ershad regime

Year	Number	Item	Comment
1984	3	Hainan class FAC	3 Delivered
1984	1	Romeo Submarine	Second Hand
1985	(36)	F-6 Fighter	Negotiating

Source: *SIPRI Year Book: World Armaments and Disarmament* (Stockholm International Peace Research Institute), Taylor & Francis, London and Philadelphia, 1985, Appendix 11B, p. 390 and Anne Gilks and Gerald Segal *op.cit.*, p. 197.

d) Cultural relations

Relations between Bangladesh and China on cultural front initiated during Zia's regime continued through the Ershad tenure. Notable among new areas of exchange programme was broadcasting. In February 1985 a six-member Chinese Radio and Television delegation visited Bangladesh. The visiting team discussed with their Bangladeshi counterparts the possibility of exchange of Radio and Television programme between the two countries. Exchange of delegations and training of personnel in the area of broadcasting were also identified as possible areas of cooperation. Besides, cooperation in the fields of education, culture, and sports were stepped up. At present there are 50 Bangladeshi students studying in China whereas the number of Chinese students studying in Bangladesh is 9.

IV. THE EMERGING OUTLOOK

After the fall of the Ershad regime in the wake of mass popular upheaval, the democratically elected BNP government of Begum

Khaleda Zia came to power. The new government in one of its first foreign policy moves re-affirmed Bangladesh's commitment to further strengthen its ties with China. Begum Zia paid an official visit to Beijing in June 1991. During the visit, Chinese Premier Li Peng said: "China attaches great importance to the development of its relations with Bangladesh," and added that "such relations will not be affected by any change in the international relations."²⁵ During the visit the two countries signed three agreements. Under the first agreement (the economic and technical agreement) China would provide Bangladesh with an interest free loan of 60 million yuan of which 50 percent would be commodity and the rest project aid. Under the second agreement the 13th barter protocol was signed under which it was agreed that volume of trade would be 31 million US dollars each way. And under the third agreement China would supply 200 small power tractors and necessary accessories as grant to Bangladesh.²⁶ The power tractors already reached Bangladesh in January 1992.²⁷ Besides, it was agreed that a fertilizer factory, a cotton mill, a 210 megawatt Chittagong Thermal Power Station, and a 250-bed hospital under joint venture would be set up with assistance from China.²⁸ Later an agreement on Scientific and Technical Cooperation between Bangladesh and China was signed in Dhaka on December 2, 1991.²⁹ Furthermore, exchange of high level visits continued as a vital instrument of strengthening the understanding and cooperation between the two countries.

At the political level both countries continue to share identical views on matters related to international, regional, and disarmament

25. As cited in *The Bangladesh Observer*, June 20, 1991.

26. *Ibid.*

27. *Ibid.*, January 2, 1992.

issues. This shared approach brings them on a common political platform.

Bangladesh and China hold identical approach to the question of the New International Economic Order (NIEO). Both view that the developing countries have suffered and now still have been suffering from inequitable exchanges, unfavourable terms of trade, plummeting export earnings, and heavy debt burden. Both share the view that there has been a reverse flow of capital from poor to rich countries. Thus, both argue that a new round of truly substantive North-South dialogue with emphasis on solving the pressing problems facing the developing countries, such as debt, trade, capital and finance is of paramount importance. On other global issues of common concern like environmental pollution, the two countries have similar views. Both feel that there should be concerted approach by all concerned parties to mitigate the environmental problems. China's vision of New International Political Order based on the five principles of peaceful co-existence which Bangladesh endorses as one of the important contents of underlying philosophy of a stable and congenial international order also bring them closer to each other.

On regional issues like Indo-China, Afghanistan, Arab-Israeli conflict, Indian Ocean as zone of peace, de-nuclearization of South Asia, both Bangladesh and China hold similar views which bring them on a common political platform. On the issues of Indo-China, and Afghanistan both sides took a similar approach which was that foreign troops should be withdrawn from there. On the issue of Arab-Israeli conflict, they hold the view that a comprehensive solution of the problem lies in the creation of an independent Palestinian state and in

28. *Ibid.*, June 17, 1991.

29. *Ibid.*, December 3, 1991.

the implementation of the United Nations Security Council resolutions passed on the issue. They also held similar views on the Iran-Iraq war (1980-89), and the Gulf war (1990). Bangladesh and China also in general share similar views on issues of disarmament and arms race.

It appears from the above that relations between Bangladesh and China are placed in firm foundations and the two are committed to promote their ties further for their mutual benefit. It is essentially the dictates of national interest that have over the years drawn the two close to each other. For Bangladesh, besides its enormous economic needs, factors of political interest, particularly the imperatives of regional balance have been paramount. And in all likelihood such factors are likely to prevail even in the changing international and regional scenario so that imperatives for Bangladesh's close relation with China would remain in the foreseeable future. China for its part will be cautious enough not to antagonize India for its ties with Bangladesh. Nevertheless, as obvious from the above, Beijing's relation with Dhaka already has a dynamics of its own and the two countries are likely to combine their efforts in developing it further adjusting it to the changing international and regional situation.

ANNEXURE

List of Exchangeable Commodities Between Bangladesh and China

Schedule - I

List of Export from Bangladesh to China

1. Raw Jute	8. Fertilizer
2. Jute Goods	9. Electric Cable
3. Newsprint	10. Telephone cables
4. Paper and Paper Products	11. Spices
5. Hides and skins	12. Rayon
6. Leather	13. Molasses
7. Leather products	

Schedule - II
List of Export from China to Bangladesh

1. Cement	8. Machinery and tools
2. Pig-iron	9. Dyes and chemicals
3. Coal	10. Spare parts for textile mills
4. Oil gas	11. Liquid industrial products
5. Edible Oil	12. Native produce
6. Rape seeds	13. Metals and minerals
7. Cereal and food stuffs	

Sources : Sultan Ahmed: "Communication and China's External Relations" with particular reference to Bangladesh in *Asian Affairs*, (Vol. 4. No. 4) p. 445, and compiled by the author from different english dailies.