



2nd Yunnan-Bangladesh Cooperation Dialogue

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PAPER SUMMERIES

DEEPENING CHINA (YUNNAN)-BANGLADESH COOPERATION IN REGIONAL DEVELOPMENT

PROF. YANG YE, SENIOR RESEARCHER, DEPUTY COUNSEL

Theme: SAARC+1

China and Indian Ocean era is the upcoming focal point World's development process with resources of 33 countries that possess the total land area of over 2120 square kilometers, population of about 2.45 billion, GDP about \$ 6 trillion in the Indian Ocean around. Historically, there has been no lack of examples of China's in-depth friendly contacts with Indian Ocean countries from ancient Dynasties to modern times. The lateral trade volume in 2010 exceeded \$ 70 billion. Since last July, China began to provide Bangladesh zero-tariff treatment for 4762 commodities and Bangladesh's export to China has significantly increased. Bangladesh also actively contributed to China to become the observer of SAARC. Issues as exchange rate, inflation, energy, liquidity shortages, poverty, environment, livelihood still are still plaguing the development of both countries as well as current global economic crisis is not over yet. In 2012, there will be great possibility of contraction in the global capital market, which would affect the two countries severely. So it is very crucial to get out of the crisis and sustain the stable development.

Increase in Bilateral co-operation through- prominent geographic location and conditions for the transport channel development, Possibility to establish a perfect mechanism of compensation for net income loss through a discussion and consultation, increasing contact with Regional organizations(BCIM, CSABF), promoting SAARC+1 theme and accelerating land connectivity development process etc. are discussed in the paper.

**JOINING HANDS TO PROMOTE “KUNMING-CHITTAGONG” LAND
CONNECTIVITY INTENSIFYING WIDER MULTI-LEVEL COOPERATION**

LI CHONGREN, HEAD OF YUNNAN DELEGATION, SECRETARY CCP, YDRC

Theme: Promoting trade & economic cooperation

Chinese central government will make efforts to build Yunnan as a land transportation junction to link China with Southeast Asian and South Asian countries. The construction content in Yunnan Province to link China with Southeast Asia and South Asia covers transportations, energy, power grids, telecommunications, networks, pipelines, logistics, etc. As for the transport connectivity, “seven passages linked with mainland China and four with Vietnam, Laos and Myanmar” backbone comprehensive transportation network has taken shape preliminarily. As for energy channel, Sino-Myanmar oil pipeline Myanmar section is nearly 800 km long, the designed capacity is 22 million tons/year, 12 billion m³/year, and now the project has kicked off. Kunming has become the 4th international telecommunication center of China and mainly undertaken telecommunications with Southeast Asian and South Asian countries as an information exchange hub.

Firstly a research work plan should be prepared to join hands with Myanmar research institutions to carry out the special study on Kunming- Myanmar- Chittagong channel construction collectively. It is recommended to actively open Kunming-Chittagong, Kunming- Cox's Bazar air routes actively based on current Beijing-Kunming-Dacca air route in a bid for expanding tourism, trade and exchanges.

Chinese Language & Literature Department of Dacca University, the Confucius Institute at North South University, Yunnan University, Kunming University of Science and Technology, Dali University, etc. of Yunnan are recommended as the platforms to implement programs in language teaching and other education areas.

To strengthen exchange and partnership between TV, newspapers, magazines and online media “Kunming-Chittagong Friendly City TV Week”, open news and network columns are suggested.

Yunnan Delegation will submit a special report to the Provincial Government to take “establishing cooperation dialogue forum” as one of the important proposals, and invite provincial government leaders to head Yunnan Delegation and attend the next cooperation dialogue meeting.

Boasting Trade Partnership and Strengthening Bangladesh-China Connectivity

M. Shahidul Islam

Visiting Research Fellow

Institute of Governance Studies (IGS), BRAC University

Theme: Promoting trade & economic cooperation

Abstract/presentation outline

The presentation looks at the state of economic relations, including some emerging trends, between China and Bangladesh. In this context, the author will shed light on three key issues: 1) trade potential between Yunnan province and Bangladesh based on their existing economic complementarities, 2) formation of an effective tri-lateral economic bloc comprising Yunnan, Myanmar and Bangladesh to augment physical connectivity among the concerned economies, and 3) how breakthrough in Yunnan-Myanmar-Bangladesh connectivity could open new opportunities for Bangladesh, particularly in the Greater Mekong Subregion (GMS).

The author argues that while the Sino-Bangladesh trade relations is driven by the private sector catering Bangladesh's growing import demand, there are some emerging opportunities to export more Bangladeshi products to China given the latter's dramatic structural changes.

The presentation identifies two key challenges in increasing connectivity and infrastructure development in the region. First, Bangladesh which is sandwiched between two rising giants China and India, has some worries in regards to the region's geo-politics. Second, owing to the highly polarised politics in Bangladesh, the two key political parties' skewed relationship with Beijing and New Delhi remains a barrier for the country to augment its physical connectivity with its South and East Asian neighbours.

Finally, the author recommends that to seize upon the opportunities, particularly on the question of connectivity and infrastructure development as well as greater economic engagement with China and other Southeast Asian countries. Adoption of a *de facto* 'Look East' policy is of paramount importance in this regard.

SAARC plus One: Exploring Avenues for Wider Regional Cooperation

Ambassador M. Serajul Islam

Former Ambassador of Bangladesh to Japan

Theme: SAARC+1

SAARC had a few inbuilt problems that did not help it grow like such as size and resources asymmetry and India's relation with its neighbors. However in view of reinvigorating SAARC the proposal of the addition of China in SAARC by Bangladesh, Nepal, Pakistan has seen great interest from China too. China has expressed to become a dialogue partner of SAARC and mould this relationship like its relationship with ASEAN. The advantages of SAARC plus one would be tremendous as it would make the organization into one comprising of 40% of world's population with a GDP of US\$ 10.1 trillion. The reinforced regional organization could easily emerge as the world number one regional bloc. China's inclusion in SAARC could expand the organizations current unimpressive figure of US\$ 16 billion in intra-region trade to US\$ 75 billion.

The greatest impediment towards China's membership is of course the Sino-Indian rivalry. With experience of the negative impact of Indo-Pakistan conflict on SAARC, a Sino-Indian conflict in SAARC in the event of China becoming a member could negate all the brought possibilities in trade and other spheres.

ASEAN plus one has built up an extremely useful and mutually cooperative relationship helps understand how such a model could help SAARC and China in areas such as - agriculture, information and communication technology, human resource development, Mekong Basin Development, investment, energy, transport, culture, public health, tourism and environment. This also means the coming together of two of the most exciting countries in the world economy, namely China and India. It will also give a regional forum for China to interact in a more orderly and beneficially mutual manner its trade relations that on the bilateral basis is extensive. The author reasons that in order to take out SAARC from its current declining status (which is resulted from Indian state policies in the region) could very well lie in seeking wider regional cooperation, specifically through the inclusion of China.