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CHINA–BANGLADESH RELATIONS IN 2026

Evolving Partnerships and India's Policy Choices



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Policy Paper

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Abstract

The political transition in Bangladesh following the ousting of former Prime Minister Sheikh Hasina in August 2024 and the formation of a Bangladesh Nationalist Party (BNP)-led government under Prime Minister Tarique Rahman in February 2026 have created new momentum in China–Bangladesh relations. Although trade, infrastructure development, investment, and defence cooperation have traditionally constituted the foundations of bilateral engagement, the relationship is becoming increasingly institutionalised and multidimensional. Prime Minister Rahman's official visit to China in June 2026 marked an important diplomatic milestone, with both countries agreeing to strengthen strategic dialogue and expand cooperation across economic, political, security, and developmental domains. The proposed diplomatic and defence (2+2) dialogue mechanism, alongside growing institutional exchanges, reflects the evolving nature of this partnership. Economic cooperation remains central to bilateral relations, with Chinese engagement extending beyond conventional infrastructure financing into industrial development, renewable energy, technology, supply chains, and subnational cooperation. Recent exchanges between China's Yunnan Province and Bangladeshi stakeholders further demonstrate the diversification of economic engagement. At the same time, China's expanding involvement in Bangladesh's defence modernisation, maritime infrastructure, and regional connectivity initiatives, including the proposed China–Myanmar–Bangladesh Economic Corridor, carries wider strategic implications for the Bay of Bengal region. Beijing's renewed interest in the Teesta River Comprehensive Management and Restoration Project has introduced an additional dimension to regional water governance and India's security considerations. On the other hand, cooperation in cybersecurity, education, vocational training, medical tourism, cultural exchanges, and the Rohingya crisis further illustrates the widening scope of bilateral engagement.

Nevertheless, significant structural challenges could constrain the long-term benefits of this partnership. Bangladesh's substantial trade deficit with China, dependence on Chinese defence equipment, concerns regarding technology transfer, financing arrangements, and the concentration of investment in critical sectors raise questions about economic sustainability and strategic flexibility. Furthermore, concerns over the reliability of certain Chinese defence equipment and the risk of excessive financial and technological dependence could undermine Bangladesh's efforts to translate expanding cooperation to gain long-term strategic benefits. Moreover, political instability in Myanmar continues to complicate regional connectivity ambitions.

Against this backdrop, this policy brief examines the evolving China–Bangladesh partnership in 2026 and assesses its economic, strategic, security, and regional implications for India. It argues that New Delhi should neither interpret Bangladesh's growing engagement with China exclusively through the prism of geopolitical competition nor remain complacent about its implications. Instead, India should recognise Dhaka's developmental priorities and preference for diversified external partnerships while strengthening the intrinsic value of India–Bangladesh relations. This requires prioritising the timely implementation of bilateral connectivity projects, expanding economic and energy cooperation, revitalising defence and security dialogue, addressing unresolved transboundary water issues, and deepening people-to-people engagement, particularly among younger generations. Greater emphasis on subregional connectivity could further reinforce mutually beneficial economic integration. Ultimately, Bangladesh's closer relationship with China need not automatically translate into a corresponding weakening of its relationship with India. A more implementation-oriented, mutually beneficial, and resilient partnership would enable New Delhi to safeguard its strategic interests while respecting Bangladesh's strategic autonomy and evolving foreign-policy priorities.

Keywords: *China–Bangladesh Relations; India–Bangladesh Relations; Strategic Engagement; Bay of Bengal; Regional Connectivity; Transboundary Water Governance; Strategic Autonomy; India's Neighbourhood Policy.*

Introduction

The political transformation in Bangladesh following the ousting of former Prime Minister (PM) Sheikh Hasina in August 2024 has ushered in a period of reassessment of the country's domestic politics and external engagements. The subsequent formation of a Bangladesh Nationalist Party (BNP)-led government under PM Tarique Rahman in February 2026 has further reshaped Dhaka's ties with major regional and external powers. Within this changing political environment, China, a country with which Bangladesh has traditionally enjoyed cordial relations, has sought to deepen its engagement with Dhaka. Although Beijing has long been a significant economic and defence partner to Bangladesh, developments since 2024 indicate an expansion of the relationship beyond its traditional foundations of trade, infrastructure development, and military procurement.

PM Rahman's official visit to China from 22 to 26 June 2026, following his visit to Malaysia as part of his first overseas tour since assuming office, marked an important diplomatic milestone. During the visit, he held meetings with Chinese President Xi Jinping, Premier Li Qiang, and National People's Congress Standing Committee Chairman Zhao Leji, among others. Thereafter, the two countries agreed to elevate their comprehensive strategic cooperative partnership and expand cooperation across economic, political, institutional, and security domains. This evolving partnership has also been reflected in recent diplomatic and commercial exchanges between the two countries. Analysts have interpreted Bangladesh's closer engagement with China as part of a broader effort to diversify its strategic relationships and reduce excessive dependence on any single regional partner (Kathju 2026).

For India, the expanding relationship has implications that extend beyond conventional geopolitical competition. Chinese involvement in Bangladesh's ports, connectivity projects, defence modernisation, and transboundary water management intersects with longstanding Indian economic and security interests in the region. At the same time, Bangladesh's engagement with China reflects its own developmental requirements and foreign policy priorities. Therefore, the central question for New Delhi is how to sustain a resilient bilateral relationship with Dhaka while accommodating Bangladesh's expanding engagement with other external partners, including China.

China–Bangladesh Relations: Towards a More Institutionalised Partnership

China–Bangladesh relations are rooted in a longstanding partnership that predates Bangladesh's recent political transition. Since the establishment of diplomatic relations in 1975, Beijing has steadily expanded cooperation with Dhaka in trade, infrastructure development, investment, and defence. Nevertheless, the political transition of August 2024 reset the terms of bilateral engagement. During the interim government led by Nobel laureate Dr Muhammad Yunus, Bangladesh sought to diversify its foreign partnerships while simultaneously addressing domestic political and economic challenges. Despite its cordial relations with the previous Sheikh Hasina government, China continued its engagement with Dhaka, providing an important degree of continuity in bilateral relations despite changes in political leadership.

The formation of the BNP-led government in February 2026 subsequently provided Beijing with an opportunity to build a more structured relationship with Bangladesh's new political leadership. PM Rahman's June 2026 visit to China marked an important development in this direction. According to the bilateral joint communiqué issued on 26 June, both countries agreed to elevate their comprehensive strategic cooperative partnership and pursue the establishment of a China–Bangladesh community with a shared future in the new era (Xinhua 2026). The communiqué also outlined commitments to deepen exchanges between their governments, legislative bodies, and political parties. In addition, a Memorandum of Understanding (MoU) was signed

between the BNP and the Communist Party of China (CPC), the first of its kind during the visit.

A key outcome of the visit was an agreement to establish a strategic dialogue mechanism between the two foreign ministers and to explore a diplomatic and defence dialogue mechanism, commonly referred to as the '2+2' dialogue. Preparations for the proposed 2+2 dialogue also continued following the June visit, signalling further momentum towards its establishment. According to a recent report, State Minister for Foreign Affairs Humaiun Kobir announced the development after meeting Chinese Ambassador Yao Wen on 30 August (BSS 2026d). The progression from an agreement to explore the mechanism in June to discussions about its proposed launch in August illustrates the emphasis that both sides have placed on institutionalising their strategic engagement. China also acknowledged the BNP government's stated 'Bangladesh First' foreign policy and expressed support for the country's sovereignty and its pursuit of an independent development path. However, for Dhaka, the central challenge will be to translate closer engagement with China into tangible developmental and security benefits while maintaining sufficient diplomatic flexibility in its relations with other external partners.

Economic Engagement: From Infrastructure Financing to Industrial and Subnational Cooperation

Economic cooperation remains a central pillar of China–Bangladesh relations. From 2010 to 2025, China remained Bangladesh's largest trading partner for 16 consecutive years (Wen 2026). China has also become Bangladesh's second-largest source of investment, with nearly 700 Chinese enterprises registered with Bangladesh's investment authorities across a wide range of sectors, including energy, transportation, textiles and garments, and information and communications (Wen 2026). Beijing is a major supplier of industrial machinery, electronics, textile inputs, intermediate goods, and manufacturing equipment to Bangladesh. Chinese investment and infrastructure financing have also contributed significantly to the development of the country's transport, energy, and industrial infrastructure.

During PM Rahman's June visit, both countries agreed to strengthen cooperation in trade, e-commerce, industrial supply chains, and investment, with Beijing continuing to support Bangladesh in advancing industrialisation and enhancing agricultural modernisation and resilience (Ministry of Foreign Affairs of the People's Republic of China 2026). Bangladesh also welcomed China's zero-tariff treatment for all tariff lines and committed itself to creating a favourable environment for Chinese enterprises. The tariff arrangement offers opportunities for Bangladesh to diversify its export markets and expand commercial engagement with Beijing. Nevertheless, preferential market access alone may not substantially alter existing trade patterns unless it is accompanied by improvements in export competitiveness, product diversification, and market access for Bangladeshi enterprises. The two sides also agreed to jointly advance the Mongla Port Facilities Modernization and Expansion Project and the development of the China Economic and Industrial Zone (CEIZ) in Chattogram (Ministry of Foreign Affairs of the People's Republic of China 2026). The CEIZ is expected to attract around 30 Chinese companies and approximately US$500 million in investment, potentially creating an estimated 100,000 jobs for Bangladeshis (BSS 2026d).

A recent development also illustrates the growing importance of subnational economic cooperation in China–Bangladesh relations (The Business Standard 2026). On 20 September 2026, a delegation from China's Yunnan Province met Bangladeshi officials and business representatives in Dhaka to explore opportunities for expanding trade, investment, and wider economic cooperation (BSS 2026c). The discussions focused on boosting trade, identifying new market opportunities, and strengthening direct business links between Yunnan and Bangladesh, with areas of interest including Chattogram Port, construction materials, engineering products, agricultural machinery, light industrial goods, textiles, and specialised agricultural products (FE

Online Desk 2026). Such developments suggest that China–Bangladesh economic relations are gradually expanding beyond government-to-government infrastructure agreements towards wider commercial, industrial, and subnational engagement.

However, the long-term developmental value of these initiatives will depend upon implementation, financing arrangements, commercial viability, technology transfer, and local participation. For Dhaka, the principal economic consideration is how to convert Chinese capital, technology, and industrial capabilities into sustainable domestic development while limiting excessive financial exposure and dependence on external suppliers.

Despite burgeoning economic relations, the two countries continue to face significant structural asymmetries. According to Commerce Minister Khandaker Abdul Muktadir, Bangladesh's trade deficit with China was US$17.86 billion, the highest among all its trading partners. During the current fiscal year, Bangladesh imported goods worth US$18.56 billion from China, while exports to it stood at only US$694.49 million (Daily Observer Online Report 2026). In this context, the growing emphasis on industrial cooperation and direct business partnerships forms an increasingly crucial dimension of bilateral economic engagement. Therefore, the challenge will be to ensure that deeper economic engagement with China supports long-term development without creating unsustainable debt exposure or excessive financial dependence, while also addressing persistent structural trade imbalances between the two.

Renewable Energy Cooperation

Bangladesh's rapidly expanding energy sector has become one of the most dynamic frontiers of cooperation with China. From solar power plants and rooftop systems to the country's first utility-scale wind project in Cox's Bazar, Chinese investment, technology, and engineering expertise are reportedly helping Bangladesh to take tangible steps towards its ambitious goal of generating 30 per cent of electricity from renewable sources by 2040 (Islam 2025). Currently, Chinese investment accounts for 50 per cent of total foreign direct investment (FDI) in Bangladesh's renewable energy sector, underscoring Beijing's dominant role in Dhaka's clean-energy transformation (Basu Ray Chaudhury and Das 2026).

The Chinese firm China Machinery Engineering Corporation (CMEC) is developing the Aminbazar waste-to-energy project, with electricity expected to be fed into the national grid by August/September 2028 and to continue generating power for the next 25 years. Reportedly, this waste-to-energy power plant will process around 3,000 tonnes of municipal waste a day to generate 42.5 megawatts (MW) of electricity (UNB 2026b). In September this year, the Bangladesh Power Development Board (BPDB) signed an agreement with Suhua-PSDC JV, a joint venture between China-based Suhua Construction Group Co Ltd and Bangladesh-based Power System Development Co Ltd, for the construction of a 10 MW solar power plant with a 16 MWh Battery Energy Storage System (BESS) and associated electricity distribution facilities at Bhasanchar Island in Hatiya upazila of Noakhali (Star Business Desk 2026). The 16 MWh BESS to be installed under the project will be one of the largest of its kind in Bangladesh. By September 2025, Huawei had already delivered more than 700 MW of solar projects in Bangladesh using its Fusion Solar Inverter solutions (Islam 2025). These developments show that the energy dimension of the bilateral relationship is gradually evolving from conventional infrastructure cooperation towards renewable-energy technology, energy storage, and waste-management solutions.

Despite its considerable potential, Beijing's renewable energy investment in Bangladesh continues to face a range of structural, financial, and institutional constraints, including difficulties in land acquisition, fragmented approval procedures, limited technology and knowledge-sharing mechanisms, exchange-rate volatility, high financing costs, complex due-diligence requirements, and inadequate access to suitable green-finance instruments (4th Bangladesh-China Renewable

Energy Forum 2025; Basu Ray Chaudhury and Das 2026). Furthermore, excessive dependence on China as a major source of renewable-energy investment could create concentration risks and potentially contribute to a monopolising effect in Bangladesh's power and energy sector, underscoring the importance of diversifying investment partners and financing sources.

Defence Cooperation: Institutionalising Strategic Engagement

Defence cooperation remains an important component of China–Bangladesh relations. Over the years, China has emerged as a major supplier of military equipment to Bangladesh, especially since 2009, contributing to the modernisation of its armed forces through aircraft, naval platforms, armoured vehicles, and other defence systems. China became Bangladesh's largest defence partner, supplying around 72 per cent of Bangladesh's military hardware since the signing of the Bangladesh–China Defence Cooperation Agreement in 2002 (Bose and Mukhopadhyay 2025). Chinese-origin aircraft, naval platforms, missile systems, and other equipment have been integrated into the Bangladeshi armed forces over several decades (Haque 2026).

The relationship has also expanded beyond military procurement to include training, technical assistance, and exchanges between defence establishments. The June 2026 bilateral agreements indicated a further institutionalisation of defence cooperation. Both countries expressed their intention to deepen military exchanges, visits, and training while exploring the establishment of a diplomatic and defence dialogue mechanism. On 21 September 2026, Bangladesh and China agreed to further strengthen bilateral cooperation in cybersecurity, law and order, technological capacity building, and training exchange (BSS 2026a). Bangladesh is also reportedly moving closer to formal negotiations with China over the possible purchase of 24 J-10CE aircraft, the export version of China's J-10 multirole fighter jets, as well as attack helicopters, in what could become one of Dhaka's biggest defence acquisitions in years (Moneycontrol World Desk2026).

In 2023, Bangladesh inaugurated a US$1.2 billion submarine base in Cox's Bazar that was built with Chinese assistance (Kanunjna 2024). For India, the expanding defence relationship adds further complications, given the geographical proximity of the two countries and the importance of Bangladesh to India's eastern and northeastern security environment. In 2025, the Second World War-era Lalmonirhat airbase in northern Bangladesh's Rangpur region, located close to India's strategically sensitive Siliguri Corridor, drew growing attention amid reports of possible Chinese involvement in its proposed revival.

However, in recent years, dissatisfaction has also grown with the quality of some arms supplied by Beijing. In June 2025, a Chinese-manufactured F-7BGI fighter jet crashed into Dhaka's Milestone School, killing at least 20 people and injuring around 200 others (PTI 2025). More recently, in September, a Chinese-origin Bangladesh Army tank reportedly exploded during a firing exercise (Our Web Desk 2026). Thus, while defence cooperation continues to deepen institutionally, questions surrounding equipment reliability, procurement diversification, and long-term dependence on Chinese defence systems may also influence Bangladesh's future acquisition decisions.

The Bay of Bengal: Connectivity and Emerging Strategic Considerations

Bangladesh's maritime location adds another layer of complexity to the evolving relationship between Dhaka and other countries. The Bay of Bengal has become increasingly entangled in broader Indo-Pacific competition among regional players. Bangladesh's geographical position along the northern shores of the Bay of Bengal gives it particular importance within China's wider regional connectivity ambitions. For Beijing, closer economic engagement with Dhaka provides opportunities to strengthen its commercial presence in the region, expand maritime connectivity, and forge additional links with South Asian markets.

Both countries have also expressed their intention

to explore new regional connectivity arrangements, such as the proposed China–Myanmar–Bangladesh Economic Corridor (CMBC) (Borthakur 2026). If realised, the corridor could establish overland connectivity between southwestern China and Bangladesh through Myanmar, creating a more direct land and logistics link between Kunming in China's landlocked Yunnan Province and the Bay of Bengal via Mandalay in Myanmar. However, the corridor's prospects remain closely tied to political and security developments in Myanmar. The country's internal conflict, fragmented territorial control, and infrastructure constraints present substantial obstacles to the development of a reliable cross-border transport network.

The expansion of Chinese participation in Bangladesh's maritime and connectivity infrastructure has implications for India's economic and security interests in the Bay of Bengal. Bangladesh's ports and transport networks are geographically connected to India's eastern and northeastern states. Therefore, improved maritime infrastructure in Bangladesh could influence regional trade routes, logistics networks, and cross-border connectivity arrangements. At the same time, Chinese participation in strategically located maritime infrastructure further complicates India's regional security planning. The growing commercial interest of Chinese enterprises in Bangladesh's ports highlights the importance of ensuring that existing India–Bangladesh connectivity arrangements remain economically relevant and responsive to both countries' developmental priorities.

The Teesta Project: Transboundary Water Governance and Regional Sensitivities

One of the most consequential dimensions of China–Bangladesh engagement in 2026 has been Beijing's renewed commitment to supporting Bangladesh's proposed Teesta River Comprehensive Management and Restoration Project. The Teesta has long remained a sensitive issue in India–Bangladesh relations, particularly over dry-season water availability and the absence of a comprehensive bilateral water-sharing agreement. However, delays in finalising a Teesta agreement have generated frustration in Bangladesh, especially since 2011 (PTI 2011).

During PM Rahman's June 2026 visit, China agreed to provide support for the Teesta project within its capacity and facilitate the continuation of feasibility studies and related technical work. The two countries also expressed their intention to deepen cooperation in integrated water-resource management, hydrological forecasting, flood prevention, river dredging, and disaster reduction (Embassy of the People's Republic of China in India 2026).

For India, Chinese involvement in a river-management project near its border introduces additional considerations relating to hydrological interdependence, environmental assessments, infrastructure development, and regional security. The location of such activity in a strategically sensitive region close to India's Siliguri Corridor – the narrow 'Chicken's Neck' connecting mainland India with the Northeast – has also raised security concerns, as the Siliguri Corridor remains one of India's most vulnerable strategic chokepoints (Embassy of the People's Republic of China in India 2026).

For Beijing, participation in the Teesta basin is not merely an engineering opportunity. Control over large-scale water-management projects provides long-term influence over critical infrastructure, local economies, and the regional security landscape (Kochhar 2026). Nevertheless, the effectiveness of river-management interventions will ultimately depend on technical assessments, environmental considerations, and the wider management of transboundary flows. Therefore, the Teesta issue illustrates the increasingly complex interplay between development requirements, transboundary water governance, and regional strategic considerations.

Expanding People-to-People Connections

As Bangladesh and China celebrated 50 years of diplomatic relations in 2025, a joint press statement released on 28 March 2025 commemorated



this significant milestone by declaring 2025 the 'China–Bangladesh Year of People-to-People Exchanges'. In August 2026, Bangladesh and China also signed an MoU to establish a training centre under the China–Bangladesh Vocational Education, Training and Research Centre, opening a new chapter in cooperation on technical education and skills development (UNB 2026a). Nearly 20,000 Bangladeshi students are currently studying in China, while around 3,000 students receive training annually through Confucius Institutes at North South University and the University of Dhaka, as well as a Confucius Classroom in Bangladesh (Galib and Siddiqi 2025). In September 2026, the University of Chittagong further expanded this educational engagement by launching the first Confucius Institute in Bangladesh's south-eastern region, bringing the total number of Confucius Institutes in the country to four.

Medical tourism is another significant emerging sector of cooperation, notably strengthened by China's recent decision to designate hospitals in Kunming specifically for Bangladeshi medical tourists (Galib and Siddiqi 2025). Both countries have also agreed to deepen people-to-people exchanges and cooperation in areas such as media, think tanks, education, film, publishing, youth, sports, and culture (Ministry of Foreign Affairs of the People's Republic of China 2026). The widening of the relationship into education, vocational training, health, and cultural exchanges suggests an effort by both governments to lay a broader social foundation for bilateral relations alongside traditional economic and strategic cooperation.

China's Role in the Rohingya Crisis

The Rohingya crisis constitutes another important area of China–Bangladesh engagement. The continued presence of a large displaced Rohingya population in Bangladesh has created severe humanitarian, economic, and security challenges for Dhaka. Therefore, the eventual return of Rohingya refugees to Myanmar remains a pressing foreign-policy priority for Bangladesh. China's relationship with Myanmar provides Beijing with diplomatic channels through which it can engage on the issue.

During PM Rahman's June visit, the two countries reaffirmed their commitment to seeking a mutually acceptable resolution of the Rohingya issue. China expressed its support for Bangladesh's humanitarian assistance and indicated its willingness to continue facilitating discussions between Bangladesh and Myanmar. Beijing has already constructed more than 3,000 houses in Myanmar's Rakhine State for prospective Rohingya returnees (Deutsche Welle 2022). Meanwhile, State Minister for Foreign Affairs Humaiun Kobir recently announced that Bangladesh

will also launch trilateral talks with China and Myanmar to pursue a political resolution to the Rohingya crisis (English Editor 2026).

However, China's ability to facilitate sustainable repatriation remains constrained by Myanmar's fragmented political and security environment. The involvement of multiple armed actors, continuing instability, and the absence of conditions conducive to safe, voluntary, and sustainable returns complicate efforts to achieve meaningful progress. Consequently, Chinese diplomatic engagement cannot resolve the underlying political, humanitarian, and security dimensions of the Rohingya crisis on its own. For Bangladesh, cooperation with China on this issue would need to be complemented by wider diplomatic engagement involving different actors within Myanmar, regional partners, and international humanitarian institutions.

Implications for India & Policy Recommendations

The expanding China–Bangladesh partnership carries multidimensional implications for India. However, these implications should not be interpreted exclusively through the prism of geopolitical competition. Bangladesh's engagement with Beijing is driven by a combination of developmental requirements, economic opportunities, defence needs, and Dhaka's longstanding preference for maintaining diversified relationships with major and regional powers. Therefore, for New Delhi, the challenge lies not in attempting to prevent Bangladesh from engaging with China but in ensuring that India–Bangladesh relations remain sufficiently substantive, mutually beneficial, and resilient to withstand changes in Bangladesh's domestic political environment and external partnerships.

Maintaining Economic Relevance

China's expanding economic presence in Bangladesh underlines the importance of strengthening the economic foundations of India–Bangladesh relations. As mentioned earlier, Chinese engagement now encompasses infrastructure, industrial zones, renewable energy, supply chains, subnational economic cooperation, and technology. It is important to note that the land designated for the zone at Mongla – Bangladesh's second-largest seaport after Chattogram – was originally earmarked for India. India must therefore ensure that its own engagement with Bangladesh remains competitive and responsive to Dhaka's developmental priorities. This would require accelerating mutually beneficial connectivity projects, facilitating cross-border trade, upgrading transport and logistics infrastructure, identifying opportunities for greater private-sector participation, and prioritising implementation. Bangladesh's importance to the connectivity of India's northeastern states further strengthens the case for preserving and expanding bilateral transport arrangements. Existing road, rail, inland-waterway, and port linkages should be viewed by both parties not merely as instruments of Indian access to the Northeast but as mechanisms capable of generating reciprocal economic benefits for Bangladeshi people.

Strengthening Connectivity in the Region

Chinese participation in Bangladesh's maritime and connectivity infrastructure introduces new strategic considerations for India. New Delhi will need to remain attentive to the long-term strategic implications of external involvement in infrastructure located close to India's eastern seaboard and northeastern region. A more sustainable Indian approach would be to strengthen its existing connectivity arrangements with Bangladesh and prioritise reinforcing commercially viable and mutually beneficial connectivity arrangements while expanding subregional cooperation wherever feasible, drawing in Bangladesh, Nepal, and Bhutan. For instance, the 2024 trilateral electricity trade arrangement, under which power generated in Nepal is transmitted to Bangladesh through the Indian grid, provides a useful model for such cooperation. Building on this framework, India could promote similar initiatives in transport, logistics, energy, and digital connectivity that link Bangladesh with India's Northeast and the wider subregion. Earlier this month, a cargo vessel also sailed directly from the newly constructed Bogibeel Terminal in Dibrugarh, Assam, to Pangaon Port in Dhaka, carrying 1,080

tonnes of methanol produced by Assam Petro-Chemicals Limited at Namrup. Marking the first such cargo movement in more than eight decades, the voyage represents a positive step towards strengthening inland waterway connectivity and bilateral trade between India and Bangladesh (Press Information Bureau 2026). Such initiatives deserve further encouragement and expansion, as they can improve regional trade linkages and deepen economic integration between India's Northeast and Bangladesh.

China's involvement in the proposed Teesta River Comprehensive Management and Restoration Project highlights the strategic consequences of prolonged delays in resolving bilateral water-management issues. Although Bangladesh's engagement with Beijing on the Teesta does not necessarily exclude continued cooperation with India, the emergence of an external actor in a river-management project close to India's border introduces additional challenges. For New Delhi, this reinforces the importance of sustaining dialogue with Dhaka on the Teesta and broader river-basin management. Cooperation could move beyond discussions over water allocation towards integrated approaches incorporating river restoration, erosion control, sediment management, flood forecasting, and climate adaptation. Similarly, for the renewal of the Ganga Water Treaty, which is expiring in December this year, negotiations should be used as an opportunity to broaden the conversation between the two sides. Such an approach could help reposition transboundary water cooperation as a wider developmental and environmental partnership rather than letting unresolved water-sharing disagreements harden into recurring sources of bilateral political friction.

Monitoring Defence Cooperation Without Overreaction

China's longstanding position as Bangladesh's principal defence supplier, combined with the proposed 2+2 dialogue and reports concerning possible acquisition of J-10CE fighter aircraft and attack helicopters, indicates the continued importance of security cooperation within the China–Bangladesh relationship. For India, these developments merit careful attention because of Bangladesh's geographical proximity and its importance to India's eastern and northeastern security environment. Nevertheless, Bangladesh's defence procurement decisions should also be understood in the context of its military modernisation requirements. India could therefore complement strategic vigilance with expanded defence engagement of its own, including professional military exchanges, training, maritime cooperation, humanitarian assistance and disaster relief, capacity building, and dialogue between defence institutions. India should work towards resuming the annual defence dialogue, which has not been held since 2023, while maintaining intelligence cooperation, including contacts between the Research and Analysis Wing (RAW) and the Directorate General of Forces Intelligence (DGFI), and sustained engagement between the Border Security Force (BSF) and Bangladesh's border forces. Such engagement can strengthen confidence while avoiding the perception that Bangladesh is being asked to choose between external partners.

Expanding Renewable-Energy and Technology Cooperation

China's expanding role in Bangladesh's renewable-energy sector also demonstrates how bilateral engagement is increasingly moving beyond traditional infrastructure into new areas of technology and sustainable development. India possesses substantial capabilities in solar power, grid integration, renewable-energy technology, and capacity building. Greater India–Bangladesh cooperation in renewable energy, cross-border electricity trade, battery storage, and green technologies could therefore complement existing energy interdependence. Such cooperation would contribute simultaneously to Bangladesh's energy transition and to the broader economic resilience of bilateral relations.

Revitalising People-to-People Relations

China's growing investment in educational exchanges, vocational training, medical tourism,

and cultural engagement demonstrates the increasingly important role of societal connections in its relationship with Bangladesh. For India, this reinforces the need to strengthen its own people-to-people engagement, particularly among younger Bangladeshis. Academic exchanges, scholarships, research collaborations, cultural programmes, youth exchanges, tourism, especially medical tourism, and professional training could help create constituencies for sustained bilateral cooperation beyond government-to-government relations. India's geographical proximity, historical ties, and deep social and cultural interactions with Bangladesh provide significant advantages in this sphere, but these connections require continuous investment and institutional support. A network of Bangladeshi alumni of Indian universities, training institutions, civil services programmes, and defence institutions could be developed as long-term partners and potential 'brand ambassadors' for India–Bangladesh relations. India should also seek greater cultural access for Indian films, books, magazines, and other creative industries in Bangladesh, while leveraging the shared Bengali language and cultural traditions.

Engaging Bangladesh as an Independent Strategic Actor

India's approach towards Bangladesh should remain mindful of Dhaka's preference for maintaining a diversified set of external partnerships and preserving room for strategic autonomy in its foreign policy. Therefore, Bangladesh's closer engagement with China need not automatically translate into a corresponding weakening of India–Bangladesh relations. New Delhi's long-term objective should consequently be to ensure that the bilateral relationship remains valuable on its own merits. This would require moving beyond an approach framed primarily through geopolitical competition with China or other external actors and towards a more implementation-oriented partnership centred on the timely execution of agreed connectivity projects, deeper economic interdependence, expanded water and energy cooperation, sustained security dialogue, and stronger people-to-people ties. Such an approach would enable India to protect its own strategic interests while accommodating Bangladesh's preference for maintaining flexibility and autonomy in its external engagements.

Conclusion

China–Bangladesh relations in 2026 illustrate a partnership that is becoming wider, more institutionalised, and increasingly multidimensional. While trade, investment, infrastructure, and defence remain its traditional foundations, the relationship is now expanding into strategic dialogue, renewable energy, subnational economic cooperation, vocational education, medical tourism, water-resource management, cybersecurity, and regional connectivity. PM Tarique Rahman's June 2026 visit to China gave this process vital political momentum. The proposed strategic and 2+2 dialogue mechanisms, expanding industrial cooperation, renewed Chinese engagement with the Teesta project, developments in defence procurement, and growing exchanges between Chinese provincial authorities and Bangladeshi stakeholders – all point to a relationship that extends beyond conventional project-based cooperation.

At the same time, significant limitations remain. Bangladesh continues to face a substantial trade deficit with China, while the long-term value of Chinese investment will depend on implementation, technology transfer, financing arrangements, and local economic participation. Questions regarding the reliability of some Chinese defence equipment also demonstrate that expanding cooperation does not eliminate areas of concern. While connectivity projects through Myanmar face grave political and security constraints, China's ability to deliver a sustainable resolution of the Rohingya crisis remains limited by conditions within Myanmar itself. For Bangladesh, the challenge will therefore be to maximise the developmental and strategic benefits of engagement with China while preserving sufficient foreign-policy flexibility and avoiding excessive dependence in critical sectors.

For India, the principal implication is that the

China–Bangladesh relationship should be approached neither with complacency nor through an exclusively competitive framework. Bangladesh's engagement with Beijing reflects its own national priorities and its effort to diversify international partnerships. New Delhi's most sustainable response lies in strengthening the intrinsic value of its own partnership with Dhaka. A resilient India–Bangladesh relationship based on economic opportunity, connectivity, energy cooperation, effective water governance, security dialogue, and stronger people-to-people engagement would provide both countries with greater capacity to manage an increasingly complex regional environment. As Bangladesh broadens its partnerships with China and other external actors, the durability of India's relationship with Dhaka will ultimately depend less on limiting those engagements than on ensuring that cooperation with India continues to deliver tangible and mutually beneficial outcomes. •

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