



**DEEPENING ECONOMIC AND  
STRATEGIC TIES: THE SIGNIFICANCE  
OF DONALD LU'S VISIT TO  
BANGLADESH**

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On May 14-15, the United States Assistant Secretary of State for South and Central Asian Affairs Donald Lu conducted his first [visit](#) to Bangladesh following the elections of Jan. 7. This was part of a wider regional tour, and Lu visited India and Sri Lanka before arriving at Dhaka. Hence, this visit contains significance for both the US-Bangladeshi bilateral partnership and regional geopolitical dynamics.

### Implications for bilateral relations

According to the US Department of State, Lu's visit to Bangladesh was supposed to [concentrate](#) on tackling the climate crisis and expanding the bilateral economic partnership. Meanwhile, Bangladeshi Minister of Foreign Affairs Hasan Mahmud had [commented](#) that the visit would focus on the Rohingya crisis as well. During the visit, Lu met government officials, representatives of civil society, and other Bangladeshi citizens. Hence, this visit resembled the format of Lu's previous visits to Bangladesh. However, Lu did not meet the leaders of the opposition during his visit, which was a digression from his previous visits.

Thus, the visit differed in content from Lu's pre-election visits. While the US officials visiting Bangladesh before the Jan. 7 elections primarily concentrated on Bangladesh's internal political dynamics, the post-election US [statement](#) indicated a tacit acceptance of the results of the election and the *status quo* in the country. Indeed, the outcome of the visit of a US delegation to Bangladesh in February

signified that the US is currently more interested in expanding economic and strategic ties with the country. During his visit, Lu confirmed this by clearly stating that the US wants to leave behind the pre-election tensions between Washington and Dhaka and [seeks](#) to rebuild and strengthen its partnership with Bangladesh.

Indeed, Dhaka and Washington have much to discuss. The US is the single largest market for Bangladeshi ready-made garment (RMG) products and has emerged as the [largest](#) source of remittances for the country in recent years. As export earnings from RMG and remittances serve as the two main pillars of Bangladeshi economy, the US is currently the most significant economic partner for Dhaka. In addition, the US continues to be the [largest](#) source of foreign direct investment in Bangladesh. Hence, the preservation and expansion of the US-Bangladeshi economic partnership is crucial to realizing Dhaka's visions of socio-economic development.

Meanwhile, the economic partnership between Dhaka and Washington is facing some troubles, including the [decrease](#) in US imports of Bangladeshi RMG products, the US [scrutiny](#) of Bangladesh's labour laws, and the [drop](#) in the flow of US FDI to the country. Also, Bangladesh is scheduled to graduate from the least developed country (LDC) status, and this is likely to affect the country's access to the US market. Hence, Dhaka is [seeking](#) duty-free access of its goods to the US market. Moreover, during the visit of the US delegation in February, they promised that Bangladesh would [receive](#) funds from the US International Development Finance Corporation (DFC) upon the fulfillment of certain conditions, including the improvement in labor rights. These issues are primarily economic, and not political, in nature, and hence, holding bilateral discussions on resolving these issues is necessary. Accordingly, these issues featured prominently during Lu's visit.

Also, Bangladesh is one of the countries most vulnerable to the consequences of climate change. Bangladesh is already facing a host of environmental disasters, including floods, droughts, and heat waves, owing to climate change. Experts have predicted that parts of Southern Bangladesh are likely to be submerged by the sea within decades, causing severe losses to its economy and turning millions of its citizens into climate refugees. Taking this into account, Dhaka is creating a [\\$15 billion](#) climate fund, and Washington has expressed its willingness to

contribute to Dhaka's efforts to mitigate the effects of climate change. Hence, enhancing cooperation to tackle the climate crisis featured in Lu's agenda during his visit to Bangladesh, and Lu [reiterated](#) US promises to Bangladesh to invest in the mitigation of the climate crisis in the country.

Moreover, Bangladesh is currently hosting more than 1.3 million Rohingya refugees, with no prospects of repatriation at hand. Meanwhile, international aid for the refugees is plummeting every year, and [less](#) than 50% of the required funds for the refugees has been collected in the previous year. The US has recently decided to provide some [\\$30.5 million](#) in aid for the Rohingyas. While this is a welcome step, it will be far from sufficient for meeting the needs of the growing refugee population. Accordingly, the Rohingya crisis was one of the main concerns raised by Dhaka during Lu's visit.

Meanwhile, neither Dhaka nor Washington has indicated that political issues were on the agenda during this visit. Taking into consideration the US' post-election stance towards Bangladesh, the country's internal political issues received less attention during the US official's visit to Bangladesh. While the issues of Bangladesh's current political situation likely surfaced during the discussions, they were most likely routine in nature and of secondary importance.

### Implications for regional geopolitics

Lu's visit to Bangladesh is also significant in terms of its implications for the regional geopolitics. As a littoral state of the Indian Ocean and the bridge between South and Southeast Asia, Bangladesh constitutes an important segment of the broader Indo-Pacific region. As great power competition in the Indo-Pacific region has intensified, Bangladesh's strategic importance has likewise increased. Recently, it has been announced that Bangladesh is scheduled to [hold](#) its first joint military exercise with China, named *China-Bangladesh Golden Friendship 2024 Exercise*, and this presents a new development to the country's already deepened defense partnership with Beijing. Meanwhile, the British Minister of State for Indo-Pacific Anne-Marie Trevelyan has paid a visit to Bangladesh, and following the visit of the Indian Foreign Secretary Vinay Mohan Kwatra to Dhaka, it has been declared that Bangladesh has been accorded [membership](#) in the Colombo Security Conclave, an Indian Ocean-centric security initiative.

Hence, Bangladesh's strategic significance is growing by the day, and the US, as a key stakeholder in the region, is willing to enhance its strategic and security partnerships with the country. The two countries have already held eight bilateral Security Dialogues, regularly hold joint military exercises, and is negotiating the conclusion of the General Security of Military Information Agreement (GSOMIA), a treaty on intelligence-sharing. In addition, Washington is willing to [sign](#) the Acquisition and Cross-Servicing Agreement (ACSA) with Dhaka. These issues, along with the issue of the Sino-Bangladeshi military drill, have likely featured in discussions during Lu's visit to Bangladesh. In brief, the visit signifies Bangladesh's growing importance in the regional geopolitical dynamics.

### Towards a more robust partnership

The prospective visit of the US Assistant Secretary of State to Bangladesh had raised various discussions among the political actors in the country. However, the visit did not focus on the country's internal politics. Instead, the visit demonstrated the US' willingness to bring about a "reset" in its relationship with Bangladesh. Accordingly, the visit concentrated on the further development of the economic and strategic ties between the two states. There is a lot of scope for the expansion of US-Bangladeshi ties. For instance, Dhaka and Washington can increase their bilateral trade. Particularly, Washington can import more Bangladeshi digital technology products, including software. In addition, Washington can invest more in Bangladesh's special economic zones, high-tech projects, climate fund, and infrastructure development programs. Moreover, after the possible signing of the GSOMIA, Washington can permit the sale of sophisticated military equipment to Bangladesh for the implementation of the latter's *Forces Goal 2030*. Furthermore, Dhaka and Washington can conclude an agreement on strategic partnership, similar to the strategic partnership between Dhaka and Tokyo. This would move strategic cooperation between the two countries to the next level and foster further long-term cooperation between them.

Hence, the visit of Donald Lu should serve as a stimulant in the process of the formulation of a more robust bilateral partnership between Dhaka and Washington.

*PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are always welcomed and encouraged.*