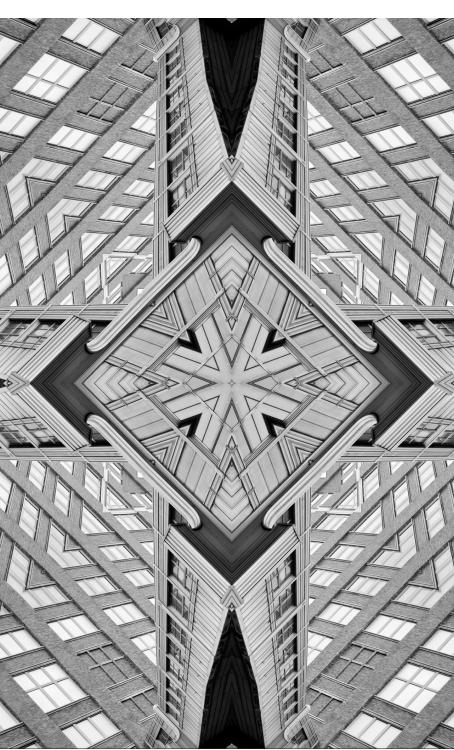


Issue Brief

ISSUE NO. 689 JANUARY 2024



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From Neglect to Revival: Making Sense of Russia's Outreach to Bangladesh

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Abstract

Despite sharing a close historical relationship based on the Soviet Union's support during the 1971 Liberation War, Bangladesh had for long been out of the scope of Russia's foreign policy priorities. This is best exemplified by the fact that no Soviet/Russian foreign minister had visited the country until September 2023. However, amid Western sanctions due to its war in Ukraine and tensions with the US, Russia is seeking to reinvigorate ties with Bangladesh. This brief explores the geopolitical factors that impact Russia-Bangladesh ties, and assesses the scope for a deeper bilateral relationship and the areas that can drive such a revival.

Attribution: Aleksei Zakharov, "From Neglect to Revival: Making Sense of Russia's Outreach to Bangladesh," ORF Issue Brief No. 689, January 2024, Observer Research Foundation.



early two years into its war in Ukraine, Russia, isolated from the West and reoriented to the East, is searching for new partnerships in South Asia. With a primary focus on India, a strategic destination for Russian arms and energy resources, Russia's presence in the region is still limited. As such, Russia has renewed its push for closer partnerships in India's immediate neighbourhood, particularly with Bangladesh.

Ties between Russia and Bangladesh have largely been pegged on the memory of the Soviet Union's support to Bangladesh during its Liberation War in 1971, a with Moscow among the first to recognise the newly independent state. The affinity between the Soviet leadership and Sheikh Mujibur Rahman^b spurred close political, economic, and cultural ties. The Soviet Union aided Bangladesh in its formative years in different ways, from the minesweeping operation in the Chittagong port conducted by the Soviet Navy between 1972 and 1974 to providing financial and technical support for the construction and renovation of power plants in Ghorasal and Siddhirganj.¹

However, bilateral relations deteriorated quickly following the coup d'état in Bangladesh in 1975,^c resulting in a review of Dhaka's policy toward Moscow. Under the military rule of presidents Ziaur Rahman and H.M. Ershad, the geopolitical divisions were evident in Dhaka's disquiet with the Soviet invasion of Afghanistan and Moscow's support of the Vietnamese intervention in Cambodia. The year 1983 marked the lowest point of the bilateral relationship, with Dhaka expelling 18 Soviet diplomats for engaging in "activities other than diplomatic".^{d,2}

At the beginning of the conflict in East Pakistan in April 1971, the Soviet Union expressed concerns about repressions against the population and the crackdown on political leaders from the Awami League party, which won the general elections in December 1970. Moscow maintained diplomatic contacts with the Pakistan government on the situation and urged then-President Yahya Khan to find a political solution. Following the signing of the Treaty on Peace, Friendship and Cooperation with New Delhi in August 1971 and then-Indian Prime Minister Indira Gandhi's visit to the Soviet Union in September 1971, Moscow stepped up its criticism of Pakistan and backed India's stance on the conflict. During the Indo-Pakistan war in December 1971, the Soviet Union thrice vetoed UN Security Council resolutions that called for a ceasefire and the withdrawal of armed forces, but omitted any political settlement in East Pakistan. Significantly, in line with the signed treaty with India, the Soviet Union deployed its Pacific Fleet in the Indian Ocean, counteracting the advancement of the USS Enterprise carrier group toward the Bay of Bengal. Eventually, India's victory in the 1971 war forced Pakistan to acknowledge the establishment of an independent Bangladesh.

b Leader of the Bangladesh independence movement, and the independent country's first president and prime minister, he is popularly referred to by the Bengali honorific *Bangabandhu* (friend of Bengal).

c In August 1975, Sheikh Mujibur Rahman and his family (except for two daughters, including Sheikh Hasina, who was abroad at that time) were killed by a group of Bangladesh Army officers. The coup was followed by two other coups in November 1975, which led to the rise of Ziaur Rahman to power. While the pro-New Delhi and pro-Moscow figures were sidelined from power, Bangladesh mended fences with the US, China, Pakistan, and Muslim countries in West Asia.

d Earlier in 1980, Bangladesh expelled four Soviet diplomats, alleging that the Soviet Embassy imported communications equipment meant for spying. In 1983, the decision to expel diplomats was prompted by the embassy personnel's purported association with anti-government 'political elements' protesting against the martial law regime of President H.M. Ershad.



Ties eventually began to recover in the 1990s, particularly during the Sheikh Hasina government (1996-2001) when new agreements were signed between the two countries. In 1999, Russia and Bangladesh signed an agreement on military-technical cooperation, paving the way for a closer partnership in this sphere. The 1999 deal to procure eight MIG-29 fighter jets from Russia later resulted in a corruption inquiry against the Hasina government by the succeeding Khaleda Zia administration.³ It was not until the Hasina-led Awami League's return to power in 2009 that the Moscow-Dhaka dialogue in strategic sectors like defence and nuclear energy gained new momentum. However, despite moving forward in these spheres, Bangladesh ranked low on Russia's foreign policy radar.

This brief seeks to assess the scope for deeper ties between Russia and Bangladesh, the areas that hold the most potential for such a revival, and the roles of India and China in such efforts.



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angladesh's rapidly developing economy, huge domestic market, and geographic position as a gateway between South and Southeast Asia continue to incentivise both great and emerging powers to seek influence in the country.⁴

As Russia has been pursuing its 'pivot to Asia' since at least 2014, Bangladesh has attracted Moscow to a greater degree for economic reasons—as a potential arms importer, as a destination for nuclear power plant construction, and as the largest market for grain supplies.⁵ However, after an unprecedented deterioration in relations with the West since February 2022, retaining and expanding cooperation with Bangladesh has assumed a much stronger political and geopolitical significance for Russia.

War in Ukraine

As a result of the Russia-Ukraine conflict, Bangladesh's foreign policy has been squeezed between Russia and Western partners. The mantra 'friendship to all, malice to none' and calls for 'peaceful dialogue' and 'restraint' have been helpful up to a point.

Immediately after Russia invaded Ukraine in February 2022, Bangladesh expressed "grave concern" about the situation and drew attention to the obligations of all states regarding the "prohibition of use of force, respect for sovereignty and territorial integrity, and peaceful settlement of international disputes." Despite this, Bangladesh hesitated to take a firm stance in most votes related to the Ukraine situation at the United Nations (UN) General Assembly (see Table 1). However, Bangladesh's permanent mission to the UN backed two resolutions condemning Russia's actions. In March 2022, Dhaka voted for the resolution that demanded "an immediate cessation of the hostilities by the Russian Federation against Ukraine" (A/ES-11/2), and, in October 2022, it joined the resolution that condemned Russia for "illegal so-called referendums" in regions within Ukraine's internationally recognised borders (A/ES-11/4). Some Russian scholars have viewed Bangladesh's actions as a concession to the US in the first case and as a move to be consistent with the support of the Palestinian cause in its territorial dispute with Israel in the second case. In



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Table 1: Bangladesh's votes on UN resolutions regarding the war in Ukraine (2022-2023)

Resolution	Title	Date	Bangladesh's Vote	
A/RES/ES-11/1	Aggression against Ukraine	2 March 2022	Abstain	
A/ES-11/2	Humanitarian consequences of the aggression against Ukraine	±		
A/ES-11/3	Suspension of the rights of membership of the Russian Federation in the Human Rights Council 7 April 2022		Abstain	
A/ES-11/4	Territorial integrity of Ukraine: defending the principles of the Charter of the United Nations 12 October 2022		In Favour	
A/RES/ES-11/5	Furtherance of remedy and reparation for aggression against Ukraine	14 November 2022	Abstain	
A/RES/ES-11/6	Principles of the Charter of the United Nations underlying a comprehensive, just and lasting peace in Ukraine 23 I 202		Abstain	

Source: Compiled by the author based on data from United Nations Digital Library

The Russia-Ukraine conflict has also factored into Bangladesh's negotiations with its foreign partners. For instance, its joint statements with Japan in April 2023 and France in September 2023 mentioned that "the war in Ukraine constitutes a violation of international law, in particular of the UN Charter, and is a serious threat to the international order". These statements have not been overlooked by Russia, which has blamed the West for the "anti-Russian disinformation campaign," though tactfully stopping short of commenting on Bangladesh's position.



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US-Russia Confrontation

Despite this, since 2022, Dhaka has been compelled to tread a fine line between Washington and Moscow. Bangladesh's compliance with the sanctions against Russia has become an irritant for the Russian side. In late 2022, in line with the US-imposed sanctions and despite the pressing requests from the Russian embassy in Dhaka, Bangladesh barred the entry of a blacklisted Russian vessel, even though it was carrying the equipment for the construction of the Rooppur nuclear power plant.¹³

Bangladesh's foreign ministry repeatedly stated that the country will not "accept those ships which are under sanctions [as the country has] developed good relations with the US." The 'incident' seemed to have been resolved with India's help as the ship was reportedly allowed to dock and unload the cargoes at the Haldia port in West Bengal and the consignment was delivered to Bangladesh by road. Moreover, in January-February 2023, three non-sanctioned Russian vessels delivered the equipment for the Rooppur nuclear power plant to the Mongla port in Bangladesh. However, after Dhaka's decision to comply with the US list of 69 sanctioned Russian vessels was communicated to Moscow, the Russian foreign ministry summoned the Bangladeshi ambassador and expressed "deep concern" that this step would "negatively affect the prospects for cooperation in different spheres." The country will not be a summary of the prospects for cooperation in different spheres.

In parallel with the sanctions saga, Bangladesh's domestic politics have become a subject of the US-Russia tussle. After Richard Haas, the US ambassador to Bangladesh, commented on the need for "transparent" elections and visited the residence of opposition Bangladesh Nationalist Party (BNP) leader Sajedul Islam Sumon following the party's rally in Dhaka in December 2022, the Russian embassy in Dhaka criticised the "hegemonic ambitions [of] developed democracies" and the Russian foreign ministry accused the US ambassador of "persistently trying to influence the domestic processes in the country." ¹⁹

However, by drawing attention to the US's activism on Bangladesh's domestic arena, Russia positions itself to be reproached for 'meddling'. Bangladesh's discomfort reflected in the then-Foreign Minister AK Abdul Momen's remarks that the country "does not want Russia, the USA or any other country to interfere in [Bangladesh's] internal matters." Additionally, Moscow's comments about the meetings between US officials and BNP representatives were denounced by the party, which expressed the expectation that as a long-time friend of Bangladesh, Russia "will respect the democratic values of the people of the country." ²¹



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In the run-up to Bangladesh's parliamentary elections in January 2024, Russia backed the Awami League, with whom it shares deep historical ties and a progressing partnership across various domains. By contrast, the BNP has been regarded in Russia as a 'pro-Western' party, with its potential rise to power viewed as a challenge to Russian interests.

Russia's stance strikes a chord with that of China since Beijing also expressed criticism of US pressure on the Awami League government, and promised "to work together with Bangladesh to oppose all forms of hegemonism and power politics." China has a great deal at stake, with billions of dollars in investments in energy, transport infrastructure, healthcare, and other sectors of Bangladesh's economy since 2013. As such, it would be difficult for any government in Dhaka to move away from the continuing partnership with Beijing as it has provided a significant amount of financial support and is also the main source of defence equipment and weaponry for the Bangladesh armed forces.

India's approach to the pre-election political developments in Bangladesh was more nuanced. New Delhi advocated for free and fair elections, but did not share the US's view of the Hasina government as an autocratic regime. Indeed, the US involvement in the election campaign and the opposition's growing momentum in the run up to the poll was seen as detrimental to Indian interests as the BNP-Jamaat-e-Islami coalition has historically maintained good relations with Pakistan and turned a blind eye to cross-border terrorist activity in India's Northeast.^{23,24} Moreover, some Indian experts noted that any weakening in Hasina's position could push Bangladesh closer to China, creating an unfavourable situation for India and the US.²⁵

Notably, the envoys of India, China, and Russia were among the first to congratulate Hasina on the Awami League's victory after the results were announced.²⁶ By contrast, the US State Department released a statement saying that "...these elections were not free or fair" and expressed regret that "not all parties participated."²⁷

The Indo-Pacific Puzzle

In April 2023, the Bangladesh government issued its Indo-Pacific Outlook, which provoked different views in the expert community and revived the discussion on Dhaka joining the Quad, which first came up in May 2021 following Chinese officials' remarks that this decision would result in "substantial damage" to



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Bangladesh-China relations.²⁸ Despite some expectations that the document's adoption might bring Bangladesh closer to the US Indo-Pacific strategy,²⁹ the Outlook indicated a more reserved approach. Since the Outlook was released right before Hasina visited Japan, the US, and the UK, the announcement led to assumptions that this was either done "due to mounting pressure from the Western power bloc" or "was simply a half-hearted attempt [...] to appease development partners by adopting the slogan of the "Free and Open Indo-Pacific."³⁰

Some Bangladeshi scholars pointed out that even as the Outlook did not imply "an explicit pro-Quad tilt, it [did] show Dhaka's willingness to deepen existing cooperation with the bloc." Speculations about the Outlook's objectives forced Bangladeshi officials to explicitly enunciate the country's vision for the region. While mentioning Dhaka's readiness "to engage with all actors that have launched their respective Indo-Pacific strategies with their own preferred delineations," State Minister for Foreign Affairs Md. Shahriar Alam emphasised "inclusivity as a non-negotiable element for Bangladesh" and ruled out joining any military bloc or alliance. See the country of the co

For Russia, Bangladesh's embrace of the Indo-Pacific concept and its potential engagement with the Quad is a sensitive issue. Any endorsement of the US Indo-Pacific strategy is, in the eyes of Russia's officialdom, regarded as off-limits for a friendly state. However, importantly, Bangladesh's Indo-Pacific Outlook appears to be designed to avoid being drawn into a confrontation and is not directed against any regional power.

While more and more countries frame their views of the Indo-Pacific, Russia is increasingly wary of losing its grip in a region where it has little to offer. The hawkish anti-Western narrative resonates well only with a few regional players and is hardly acceptable for countries like Bangladesh that seek to combine a non-alignment policy with extensive cooperation with the US, the UK, the European Union, and Japan.

The Diplomatic Push to Deepen Ties

n September 2023, just before the G20 summit in New Delhi, Russian Foreign Minister Sergey Lavrov travelled to Dhaka on a two-day visit to discuss a wide range of issues, from trade and energy to space and geopolitics. This was the first-ever visit by any Soviet/Russian top diplomat to Bangladesh, a signal that Moscow has reconsidered its diplomatic neglect of Dhaka and is looking to spur cooperation with the country.

Regional Issues

While Russia's black-and-white approach to the Indo-Pacific is well-known, Lavrov appeared to have drawn some lessons from the reactions to his previous remarks on the subject. Responding at the press conference in Dhaka to a question about the AUKUS, Quad, and the US purportedly pursuing a "global objective – expansion in the region," Lavrov repeated his oft-stated stance about "bloc-based formats...undermining security architecture," but surprisingly referred to another Quad comprising Japan, South Korea, Australia, and New Zealand. The replacement of one Quad (Australia, India, Japan, US)—which was assumed to be the grouping the journalist was referring to—with another is likely driven by Moscow's unwillingness to antagonise New Delhi, where Lavrov's previous remarks about the Indo-Pacific and Quad had been met with resentment.³³ In Bangladesh's case, Russia will have to tread carefully on the Indo-Pacific and come to terms with Dhaka's right to have its own vision of emerging trends in the region.

A topic that has been high on the bilateral agenda and holds immense significance for Bangladesh is the Rohingya crisis. At the talks between Momen and Lavrov held on the sidelines of a regional conference in Tashkent in July 2021, Bangladesh asked Russia to use its bonhomie with Myanmar to start a trilateral initiative to address the Rohingya crisis, but Moscow glossed over the request. While Bangladesh has been seeking Russia's mediation, Russia has continuously called for a bilateral agreement between Myanmar and Bangladesh. The issue was brought up again by Dhaka during Lavrov's visit. As per Bangladesh's readout, "Foreign Minister Momen sought Russia's cooperation in resolving the crisis," while Lavrov promised to "once again raise the issue of Rohingya repatriation at the ministerial meeting between Russia and Myanmar."34 Evidently, Russia remains unwilling to mediate between Dhaka and Naypyidaw or try to persuade the military junta in Myanmar to facilitate Rohingya repatriation. At the same time, since 2018, Russia has been providing humanitarian aid to Bangladesh as part of the UN World Food Programme and through the NGO Akhmat Kadyrov Regional Public Foundation, focused on improving the living conditions of refugees and supplying them with water, food, medicines, and housing.³⁵

Trade and Energy Security

Lavrov's visit has also demonstrated that Russia is seeking to reinvigorate its economic agenda in Bangladesh. Implicitly recognising the impact of war in Ukraine on Bangladesh's economy, the Russian foreign minister presented a proposal to alleviate these consequences by increasing supplies of essential commodities, such as oil, liquefied natural gas (LNG), fertilisers, wheat, and food products, and to enter into long-term contracts.³⁶ While the proposal may sound attractive for Bangladesh, there are many drawbacks to further economic engagement with Russian entities. For one, Russia is not one of Bangladesh's 20 major trade partners. Over the last five years, bilateral trade has stagnated at around US\$1 billion, with no visible progress (see Table 2). Sanctions against the Russian economy have affected trade between the two countries, and Moscow and Dhaka have not managed to introduce a resilient mechanism to work around the issue. Even as Lavrov was referring "to a variety of transaction systems [...] based on national currencies,"37 it is well known that the Bangladesh Bank has been averse to the idea of utilising the Russian rouble for trade.³⁸ This leaves the two sides with few options but to use the Chinese yuan in bilateral deals.

Additionally, although it has been discussed since 2022, increased oil imports from Russia have not materialised, and attempts to address the barriers—such as upgrading Bangladeshi refineries and establishing imports via third countries—have led nowhere. Notably, Bangladesh is seeking to augment the local output of natural gas to decrease costly LNG imports, and Russia's public company Gazprom is set to get five new onshore wells for drilling,³⁹ building on its long-running presence in Bangladesh's energy sector.

Table 2. Bangladesh's Trade with Russia in 2018-2023 (in US\$ million)

	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Import	647	782	482	480	497
Export	548	487	665	638	460
Total	1195	1269	1147	1118	957

Sources: Bangladesh Bank, 40 Bangladesh Bureau of Statistics, 41 and Export Promotion Bureau. 42

e Bangladesh and Russia apply different approaches to data statistics. According to the Federal Customs Service of Russia, bilateral trade increased from US\$1.4 billion in 2015 to almost US\$3 billion in 2021 (the last available data). Even as bilateral trade increased, Bangladesh was not included in the list of Russia's major trade partners by the customs service.

Nuclear Energy as a Connector

The Rooppur nuclear power plant, currently under construction, is a major success story of the Russia-Bangladesh partnership. Conceived in 2009 and pushed forward after a series of government-to-government agreements, the project includes constructing two units with VVER-1200 reactors (III+generation), with 60-year lifecycles and possible extension by another 20 years. The total generation capacity of 2,400 megawatts is expected to cover up to 10 percent of Bangladesh's energy consumption.⁴³ Given the country's rising electricity demands and attempts to expand and diversify the electricity sector, the nuclear power plant is extremely significant for Bangladesh's energy security.

The project has seen some progress recently with Russia's delivery of the first batch of nuclear fuel for the first unit. At the virtual ceremony to mark the delivery, attended by Hasina and Russian President Vladimir Putin, the latter emphasised Russia's assistance throughout "the entire life cycle of the nuclear project" and its contribution to "creating an entire peaceful atom industry in Bangladesh." Upon the uranium consignment delivery, the power plant officially received the status of a nuclear facility, with the first and the second units scheduled to launch in 2024 and 2025, respectively.

Although there has been little focus in the public domain on India's role in the Rooppur nuclear power plant, both Hasina and Putin acknowledged New Delhi's contribution to the project. India has been providing technical support and consultancy advice, including training Bangladeshi specialists, as per the terms of the 2017 agreement between India's Department of Atomic Energy and the Bangladesh Atomic Energy Commission,⁴⁵ and the tripartite memorandum of understanding signed in 2018.⁴⁶ Further, New Delhi extended a credit line of over US\$1 billion to Dhaka to develop the plant's power transmission lines.⁴⁷ However, at an India-Bangladesh review meeting, the project was reportedly dropped from the line of credit list.⁴⁸

The construction of Bangladesh's first nuclear power plant is funded with a Russian loan of US\$11.38 billion, which covers about 90 percent of the project cost and is to be repaid in 28 years after 2027. To get around the sanctions, the two sides decided to shift away from US dollars and settle the loan repayment in Chinese yuan.⁴⁹ The new mechanism implies the payments to Russia will go through a Chinese bank, while the Russian beneficiaries will receive payments using an alternative to SWIFT, China's Cross-Border Interbank Payment



System. Such an arrangement makes Beijing an important intermediary for implementing the Rooppur nuclear power plant.

Defence Cooperation

Russia has been a major source of defence imports for Bangladesh, second only to China (see Table 3). An important driver for bilateral engagement in this sphere was a Russian credit line of US\$1 billion that was extended following talks between Putin and Hasina in Moscow in 2013. Bangladesh utilised the loan to procure 16 Yak-130 combat trainer jets, five Mi-171Sh combat-transport helicopters, and armoured equipment.⁵⁰

In 2019, Bangladesh and Russia created a working group on military-technical cooperation to address the potential needs of the Bangladesh defence industry. Since then, however, there have been no significant deals between the two countries, except the contract for the supply of two Mi-171A2 multipurpose heavy helicopters, which was signed in 2021 between Russian Helicopters Holding and Bangladesh's home affairs ministry.⁵¹

Table 3: Major suppliers of arms to Bangladesh (2012-2022; in US\$ million)

Supplier/ Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
China	149	488	201	450	262	208	92	637	27	15	103	2631
France	7	9		10		6		10				42
Germany		14								12	12	38
India									0			0
Italy	4	12		12		5	25				21	78
Russia	20	50		76	154	93		34				426
Serbia		10		10	9		27					56
Türkiye		3				5	12			25	16	61
Ukraine	4	10	2	17	24				9			67
UK								32	16	2	18	68
US		54		54						13		121
Total	184	650	203	636	449	331	155	714	59	73	184	3636

 $Source: SIPRI\ Arms\ Transfer\ Database ^{52}$



The Diplomatic Push to Deepen Ties

The two sides have remained engaged in military diplomacy, as exemplified in official visits. In December 2021, a delegation from the Russian defence ministry visited Dhaka to participate in the celebrations of the 50th Independence Day, and Russian servicemen participated in the Victory Parade.⁵³

In recent years, Bangladesh has regularly sent its military personnel to the Russia-led Army Games, which has also been a venue for the meetings of defence officials from both countries. Amid the ongoing war in Ukraine, Hasina's Security Adviser Tarique Ahmed Siddique visited Russia in 2022 and 2023 to speak at the Moscow Conference on International Security and held talks with Russia's Deputy Minister of Defence Aleksandr Fomin.⁵⁴

In November 2023, for the first time in five decades, Russian warships from the Pacific Fleet visited the Chittagong Port. The detachment included the large anti-submarine warfare ships Admiral Tributs and Admiral Panteleyev and the oceanic tanker Pechenga. Some analysts suggest the visit of Russian warships is a power projection and a signal to Washington that the war in Ukraine has not weakened or isolated Russia.⁵⁵ The visit was also perceived as a testimony to the "very high level" of relations between Russia and Bangladesh⁵⁶ and Russia's expanding presence in the Indian Ocean Region.⁵⁷ But the port call by Russian vessels should be viewed as a symbolic step. Given the limited naval engagements with regional powers, including India and Bangladesh, and despite making efforts to replenish its aging Soviet-era Pacific Fleet,⁵⁸ it is unlikely that Russia will be able to step up its involvement in maritime affairs in the Indian Ocean in the coming years.

Even as military diplomacy between the two countries has developed, the strength of future defence cooperation is uncertain. Bangladesh's financial constraints are a serious impediment to further collaboration. Even if Russia were to provide another loan for Bangladesh's military needs, there are several obstacles to new bilateral contracts in this area. The Western sanctions against the Russian defence sector, along with Russia's reorientation to domestic needs during the Ukraine conflict, cast a shadow over future engagements. This situation plays into the hands of China, Russia's main competitor in the market, whose monopoly over Bangladesh's arms imports will likely stand uncontested.

f The International Army Games is an annual military event held by the Russian defence ministry since 2015. Teams from different countries participate in various competitions to prove their combat readiness and physical skills.



Diplomatic Pu

There might be a scope for India as an emerging exporter of weaponry. While India's original equipment manufacturers may soon enter the Bangladesh market, India could also be a transit point for multinational companies whose assembly and manufacturing units may be used for exports to neighbouring countries.⁵⁹ Russia and India could explore a similar scheme, but its feasibility will depend on India's resolve to work with Russian entities blacklisted by the US. What seems more likely in the foreseeable future is India providing aid to Bangladesh for the maintenance of Russian-origin equipment like Mi-17 helicopters, An-32 transport aircraft, and MiG-29 fighter jets.⁶⁰

Driven by its energy and commercial interests and spurred by the intent of not yielding an inch to the US in the contest for regional influence, Russia's Bangladesh policy acquires a new momentum.



n the context of the raging war in Ukraine and an unprecedented rift with the West, Russia has no alternative but to reinvent neglected relationships and woo developing countries for their support. Driven by its energy and commercial interests and spurred by the intent of not yielding an inch to the US in the contest for regional influence, Russia's Bangladesh policy acquires a new momentum.

To build long-term connections with Dhaka, Moscow has invested in nuclear energy cooperation, which may bind the two countries for many decades and will arguably continue to develop irrespective of which party is in power in Bangladesh.

Russia's economic engagement with Bangladesh is vulnerable to sanctions, which could be the primary cause of financial and technical constraints to deepening ties. Even as Russia has viewed Bangladesh as a standalone partner in South Asia, the role of India and China, its two primary strategic partners, in the Dhaka-Moscow partnership will increase in the coming years. Russia will likely seek to maintain cooperation and coordination with both. The recent trend in Russia-Bangladesh economic transactions indicates a growing reliance on Chinese financial infrastructure, which has emerged as a single route for the repayment of Russian loans and to keep bilateral trade afloat. Their respective rivalries with the US and strong bonds with Bangladesh's Awami League government will likely act as a uniting factor for Russia and China. For now, Moscow does not need to consult with Beijing on its ties with Dhaka. Whether a rising economic dependence on China can lead to Beijing tightening its grip on Russia's Bangladesh policy is a pressing question that can only be answered in the long term.

Russia is still leaning on India's viewpoint and support for cultivating ties with Bangladesh. Given India's preeminent position in South Asia, there is scope for cooperation between the three countries. Apart from India acting as a potential transit point for the supply of Russian arms and energy resources to Bangladesh, Moscow and Dhaka could explore utilising the Indian rupee for



their trade operations and bilateral projects. This could help offset the growing Chinese influence over Russia-Bangladesh economic operations and allow Russia to arrive at a solution addressing the overabundance of Indian rupees.^g

As long as Russia is capable of providing Bangladesh with energy resources, essential commodities, and financial, technological, and even political support, Moscow will remain among the important partners for Dhaka. ©RF

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As a result of the rupee-denominated trade mechanism launched by New Delhi and Moscow in 2022, Russia accumulated several billions of Indian rupees that it could not utilise. This has been a matter of discussion between the Indian and Russian officials since May 2023. Even though various options such as currency conversion, investments in India's capital markets and infrastructure projects have been explored, the two sides are yet to find a mutually agreeable solution.



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