

MP-IDSA *Commentary*

Between Washington and Beijing: Bangladesh's Constrained Strategic Autonomy

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S*ummary*

The Tarique government's pursuit of 'strategic autonomy' will remain constrained by the growing US–China rivalry in the region.

US Assistant Secretary of State for South and Central Asian Affairs, Paul Kapur, visited Dhaka from 3 March to 5 March 2026. This was the first high-level foreign delegation that visited Dhaka following the BNP’s electoral victory in February 2026. Kapur went to Bangladesh after his three-day visit to New Delhi, where he discussed regional security dynamics, shared priorities in the Indo-Pacific, and bilateral relations.¹ Kapur’s visit signals a notable shift in US policy towards Bangladesh and signifies renewed engagement with the newly elected government.

Before the elections, the US had expressed a commitment to have robust engagement with the next government in Dhaka. On 21 January 2026, during a media interaction in Dhaka, US Ambassador Brent Christensen expressed concerns about China's expanding influence in South Asia, cautioning Bangladeshi authorities about potential risks associated with closer ties to Beijing.² On 11 February 2026, China countered US remarks regarding its relationship with Bangladesh, asserting that attempts to hinder these ties would ultimately fail. China framed the US narrative as reflective of ulterior motives.³

Amidst this geopolitical rivalry, Prime Minister of Bangladesh, Tarique Rahman, has prioritised domestic issues, delaying engagement with international partners, including an invitation from the Chinese Ambassador to visit Beijing.⁴ Against this backdrop, geopolitical tensions around Bangladesh are increasingly shaped by the United States’ growing strategic interests in the region, particularly its efforts to counter China’s influence in South Asia. This situation complicates Bangladesh’s ability to diversify its international partnerships and maintain strategic independence.

Significance of Kapur’s Visit

Kapur’s visit, occurring less than a month after the election, is noteworthy. The US had significant disagreements with the previous Awami League (AL) government on issues like political violence, human rights abuses, election interference,⁵ its Indo-

¹ [“US Assistant Secretary S Paul Kapur Arrives in India to Boost Indo-Pacific, Bilateral Ties”](#), *The Tribune*, 2 March 2026.

² [“We Will Clearly Highlight Risks of Engagement With China in Certain Cases: Brent Christensen”](#), *Prothomalo* (English), 21 January 2026.

³ [“Chinese Embassy: Any Attempt to Obstruct Dhaka-Beijing Relations Doomed to Fail”](#), *Dhaka Tribune*, 11 February 2026.

⁴ [“Chinese Ambassador Invites PM Tarique Rahman to Visit Beijing”](#), *The Daily Star*, 23 February 2026.

⁵ [“Why US Opposition to Sheikh Hasina Has Put India in a Tricky Situation”](#), *Dhaka Tribune*, 9 June 2023.

Pacific Outlook (IPO) policy and the 2024 elections.⁶ During the visit, Kapur met senior ministers,⁷ political leaders and business representatives. Sources in Dhaka noted that, in addition to bilateral issues, geopolitical topics were also discussed. They note that in discussions on Dhaka–Washington relations, US priorities included trade, investment, defence cooperation and visa-related issues.⁸

The visit builds on the earlier US assessment of rising Chinese investment and security ties. Before China engaged with the new government in Dhaka, the US perhaps intended to convey that Dhaka could view the US as an alternative to the interests of other regional powers. Earlier, on 11 February 2026, Kapur, during an opening statement for the HFAC SCA sub-committee hearing on ‘South Asia: US Foreign Policy in the Region’, had said that “a hostile power dominating South Asia could exert coercive leverage over the world economy. The US must prevent this from happening and keep the region free and open”. Kapur also said that Bangladesh, Nepal, the Maldives, Sri Lanka and Bhutan’s strategic location affords them outsized importance, but can also make them targets for coercion. He added that defence cooperation with the US helps them protect their borders and waterways against encroaching powers.⁹

Brief Overview of the Previous Governments’ Foreign Policy

Former Prime Minister Sheikh Hasina pursued a policy of equilibrium in engaging with major powers. Instead of fully endorsing the US-led Indo-Pacific strategy, she adopted a moderate stance through the IPO announced in 2023. It aimed to avoid entanglement in regional power rivalries and to attract mutually beneficial investments, while maintaining sovereign independence in choosing partners and projects. The interim Yunus government focused on strengthening ties with the United States, particularly in trade and investment. It downplayed the IPO, as this initiative was associated with Sheikh Hasina’s legacy. Rather than relying primarily on China for investment and defence, the government sought to expand partnerships with other major powers.

In comparison, the Bangladesh Nationalist Party’s (BNP) election manifesto reaffirmed its core policy of ‘Bangladesh Before All’, emphasising the importance of

⁶ [“Elections in Bangladesh”](#), US Congressional Research Service, 27 February 2026.

⁷ [“FM: US Trade Deal Discussed with BNP, Jamaat Before Signing”](#), *Dhaka Tribune*, 4 March 2026.

⁸ [“FM Emphasises ‘Bangladesh First’ Policy During Meeting with US Asst Secy of State Paul Kapur”](#), *The Business Standard*, 4 March 2026.

⁹ [“A/S Paul Kapur’s Opening Statement for HFAC SCA Subcommittee Hearing on “South Asia: U.S. Foreign Policy in the Region”](#)”, US House of Representatives, 11 February 2026.

engaging with regional and extra-regional powers. It called for an independent, pragmatic foreign policy to protect its national interests. It pledged to prioritise economic diplomacy to gain new markets and attract domestic investments. The party committed itself to strengthening relationships with key global powers and Bangladesh’s main international trade partners. Like past governments in Dhaka, it also advocates for an active role in the Indo-Pacific region to promote peace, security and economic growth.¹⁰

While the manifesto appears progressive in its intent to protect Bangladesh’s interests, it might be insufficient to address the emerging geopolitical realities and Bangladesh’s dependence on the US and China, respectively, for exports and imports. The US is Bangladesh’s top bilateral export destination, accounting for 18 per cent of total exports, with export earnings of US\$ 48.28 billion (FY 2024–2025).¹¹

China consistently accounts for the lion’s share of Bangladesh’s global import bill. This dominance is driven by Bangladesh’s heavy reliance on Chinese raw materials for its Ready-Made Garment (RMG) sector (such as fabrics and yarn) and on machinery and electronics. China accounts for roughly 22 per cent of Bangladesh’s total imports (with an annual average of about US\$ 18 billion), with import figures rising consistently over the last few years.¹²

The Yunus-led interim government, operating under a limited mandate, aimed to shift from the Hasina administration’s foreign policy strategy. It sought to strengthen ties with US-led democratic partners, including Japan, India, the EU, South Korea and Australia, while reducing focus on the IPO. However, Bangladesh’s reliance on China intensified, with imports from China doubling during this time. China’s influence was highlighted by projects such as the Padma Bridge Rail Link and Payra Port. Chinese financing was attractive to Bangladesh due to its speed, flexibility and fewer political conditions than Western funding. China also remained an important partner in Bangladesh’s defence modernisation efforts. For instance, on 27 January 2026, the Bangladesh Air Force signed an agreement with CETC International to establish a UAV manufacturing plant in Bangladesh.¹³

To balance relations with China, the interim-Yunus government had signed several agreements with the US and its allies before the parliamentary elections. For

¹⁰ [Bangladesh Nationalist Party’s Election Manifesto 2026](#).

¹¹ [“What Did Bangladesh Export the Most to US in FY25?”](#), *The Business Standard*, 30 November 2025.

¹² [“Duty-free Advantage in China: Opportunity or Illusion?”](#), *The Financial Express*, 2 December 2025.

¹³ Tarif Akhlaq, [“Bangladesh, China Sign Deal to Establish Drone Manufacturing — What It Means for Defence and Industry”](#), *Inside Bangladesh*, 28 January 2026.

instance, on 3 February, Bangladesh signed the ‘Transfer of Defence Equipment and Technology’ agreement with Japan. The US–Bangladesh FTA followed this on 9 February 2026. Earlier, on 2 August 2025, both countries also signed a non-disclosure agreement (NDA).¹⁴

The motivations for these agreements before the elections are being scrutinised in Bangladesh. The Tarique government would face significant challenges in adhering to the foreign policy framework pursued by the interim administration. The BNP is currently tasked with addressing governance and development issues in the post-election period. The Yunus-led interim government, meanwhile, had operated under a narrower mandate, primarily focused on overseeing the electoral process.

Challenges

Considering Bangladesh’s strategic position and internal political developments, the Tarique government may find it hard to escape the pressures of a quickly changing regional and global landscape. The new government has already been considering delaying the LDC graduation process¹⁵ due to sluggish domestic economic growth and stagnant investment caused by political instability since July 2024.¹⁶ In this regard, there could be three major challenges for the government.

First, geopolitical developments pose significant challenges, including the US’s containment strategy towards China and China’s economic interests in Bangladesh. India’s security concerns and the recent US–India rapprochement following the tariff agreement on 6 February 2026 add further complexity. The Tarique government may face pressure from Washington to strengthen ties with New Delhi, especially as Hasina’s controversial presence in India is complicated by India’s refusal to extradite her. This could provoke resistance from opposition parties and within the BNP, particularly if perceived as excessive alignment with India under US influence.

These sensitivities were highlighted when, during talks with Prime Minister Narendra Modi in February 2025, President Donald Trump stated, “I will leave Bangladesh to

¹⁴ [“Questions Mount on Necessity of US-Bangladesh NDA”](#), *Dhaka Tribune*, 4 August 2025.

¹⁵ Refayet Ullah Mirdha, [“New Govt to Seek 3 Year LDC Deferment”](#), *The Daily Star*, 18 February 2026. Bangladesh aimed to graduate from the Least Developed Countries (LDCs) category by November 2026. However, in a 17 February 2026 interview, Bangladeshi Commerce Minister Khandakar Abdul Muktedir indicated that this process might be delayed by three years, as the country’s business sector is not yet prepared for the challenges of graduation. Moreover, Bangladesh risks losing up to 14 per cent of its exports, approximately US\$ 8 billion annually, post-graduation, due to the loss of preferential trade benefits associated with the LDC status.

¹⁶ [“Govt to Seek Delay in LDC Graduation: Commerce Minister”](#), *Prothomalo* (English), 18 February 2026.

PM Modi”.¹⁷ Many Bangladeshis viewed these remarks as patronising. It will therefore be politically costly for Tarique at home to be seen to be acting at the behest of the US and softening its position on India.

Second, it could be difficult for Bangladesh to maintain its strategic balance between the US and China. Dhaka wants to maintain access to the US market for its essential textile exports, which are vital to its economy, while also attracting imports and investments from China. This requires a careful balancing act as Bangladesh leverages economic benefits from both nations while managing the broader geopolitical rivalry. The effectiveness of this approach will be crucial for sustaining economic growth and stability amid changing global conditions.

Third, the government of Bangladesh is likely to encounter heightened expectations from the US regarding the elements of the strategic framework established by the interim administration of Yunus. This is particularly relevant to the diversification of defence cooperation through closer engagement with the US and its democratic partners. These expectations are anticipated to align with the broader strategic objectives of the US in South Asia.

Conclusion

Kapur’s visit to Dhaka marks a new phase in the US–Bangladesh relationship, which had been stagnant under Hasina’s rule. The US was unhappy with Hasina’s balancing act, and there was a concern about expanding economic and security ties with China. During his three-day visit, he might have urged the Tarique government to avoid the pitfalls of the previous Hasina government and take US sensitivities into account while pursuing the ‘Bangladesh Before All’ policy. As past pronouncements by the US officials indicate, growing Chinese influence in South Asia remains an abiding concern in Washington. Therefore, while urging the new government to boost investment, trade and defence collaboration, the US under Trump would expect Dhaka to slow its relationship with Beijing. The Tarique government’s pursuit of ‘strategic autonomy’ will remain constrained by economic dependence on the US and China, as well as by the growing US–China rivalry in the region.

¹⁷ [“I Leave Bangladesh To PM Modi: Trump’s Huge Statement Amid Chaos In India’s Neighbour Nation | USA”](#), *Hindustan Times*, 14 February 2025.

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