

GEO-ECONOMIC POTENTIAL OF BANGLADESH AND OPPORTUNITIES FOR THE UNION STATE OF RUSSIA AND BELARUS

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This article explores the geo-economic potential of Bangladesh for enhanced trade and investment, focusing on key sectors such as textiles, agriculture, tourism, and energy. It also examines the mutual benefits of strengthening economic ties in the context of regional and global economic dynamics, while highlighting the possibilities for effective partnerships with the Union State of Russia and Belarus.

Keywords: Bangladesh; Geo-economic potential; Union State of Russia and Belarus; Textiles; Agriculture; Tourism; Energy; Belt and Road Initiative (BRI); Rooppur Nuclear Power Plant; Garment industry; Sundarbans; Cox's Bazar; regional connectivity; South Asia

ГЕОЭКОНОМИЧЕСКИЙ ПОТЕНЦИАЛ БАНГЛАДЕШ И ВОЗМОЖНОСТИ ДЛЯ СОЮЗНОГО ГОСУДАРСТВА РОССИИ И БЕЛАРУСИ

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В данной статье рассматривается геоэкономический потенциал Бангладеш для расширения торговли и инвестиций с акцентом на такие ключевые секторы, как текстильная промышленность, сельское хозяйство, туризм и энергетика. Рассматриваются взаимные выгоды от укрепления экономических связей в контексте региональной и глобальной экономической динамики, а также возможности эффективного партнерства с Союзным государством России и Беларуси.

Ключевые слова: Бангладеш; геоэкономический потенциал; союзное государство России и Беларуси; текстильная промышленность; сельское хозяйство; туризм; энергетика; инициатива «Один пояс, один путь» (ОПОП); АЭС «Руппур»; швейная промышленность; Сундарбан; Кокс-Базар; региональная взаимосвязанность; Южная Азия

Bangladesh, situated in South Asia with a prime location, has made an impressive journey in its 54 years as a nation. Once dismissed as a "basket case" by Henry Kissinger in 1971, it has reinvented itself into one of the world's fastest-growing economies. And is considered as a significant contributor to global commerce. With a median age of 26 years and 58% of the population

under the age of 35, the country boasts a young and dynamic workforce. And now with an average GDP growth rate of 7% and projections estimating its economy to reach \$1.6 trillion in purchasing power parity (PPP) terms by 2025, Bangladesh brings a lot to the table.

Bangladesh's strategic location and robust economic growth present significant geo-economic opportunities for established global players like the Union State of Russia and Belarus.

Geographical Context.

Bangladesh is located in the eastern part of the Indian subcontinent, sharing borders with India on three sides, along with a small border with Myanmar, and a maritime border with Sri Lanka and the Maldives. Its 720 km coastline on the Bay of Bengal connects it to the Indian Ocean, a prominent route for international commerce. As an important path for trade, the Indian Ocean carries approximately 30% of container traffic around the world and roughly 20% of oil shipments across the globe. In the 2023-24 fiscal year, the Port of Chittagong, which is the country's main seaport, managed a total of 3.169 million TEU of containers as well as 123.2 million tons of cargo. The Chittagong port is the only choice for trading in Bangladesh and accounts for 90% of all trading there, as figures 1 and 2 show. Bangladesh's proximity to both India and China also decrease transportation costs for those countries to engage in commerce via the port and use it as a transshipment centre. Chittagong acts as a transshipment hub for the northeastern section of India, and reports approximate this to be around \$1 billion yearly for India. Nepal and Bhutan, which are smaller south Asian countries without coasts, also rely on the Chittagong port for trade, using an estimated \$240 million. This figure accounts for transshipment activities facilitating their international trade. So, Bangladesh is pretty much considered the most diverse trading hub for all of South Asia.

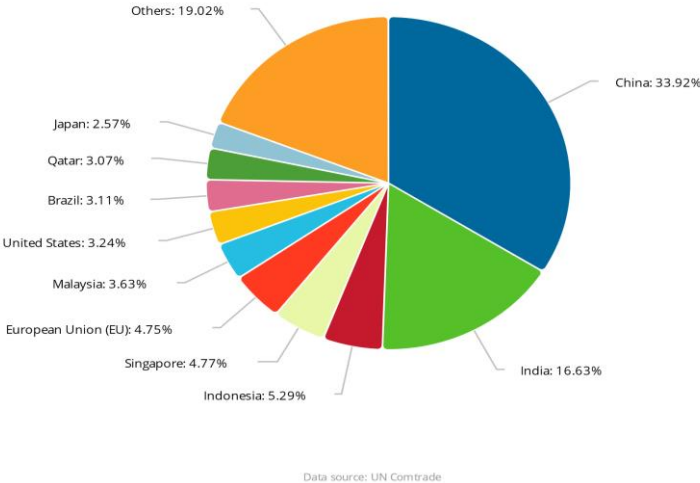


Fig. 1. Bangladesh imported US\$ 67.66 Bn from the world in 2023

In 2023, Bangladesh imported US\$ 67.66 Bn from the world, with top sources being: China (33.92%, valued at 26.93 Bn), India (16.63%, valued at 8.67 Bn), Indonesia (5.29%, valued at 4.25 Bn), Singapore (4.77%, valued at 3.23 Bn), and European Union (EU) (4.75%, valued at 3.21 Bn).

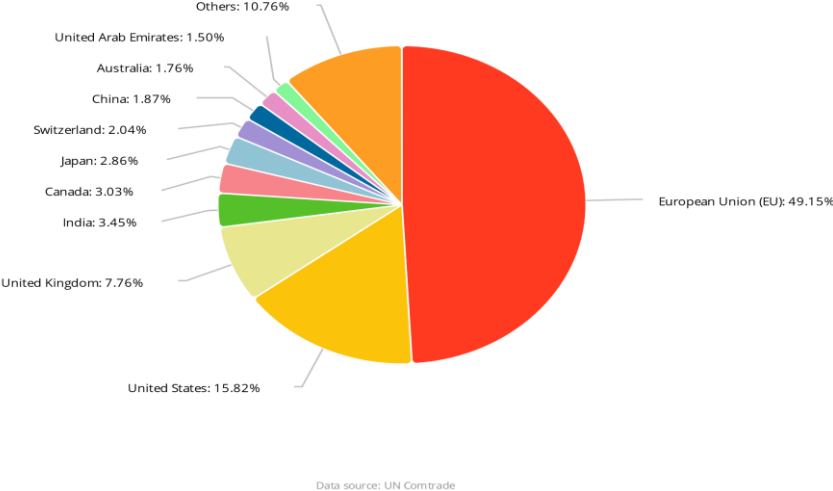


Fig. 2. Bangladesh exported US\$ 54.80 Bn to the world in 2023

In 2023, Bangladesh exported US\$ 54.80 Bn to the world, with top destinations being: European Union (EU) (49.15%, valued at 26.93 Bn), United States (15.82%, valued at 8.67 Bn), United Kingdom (7.76%, valued at 4.25 Bn), India (3.45%, valued at 1.89 Bn), and Canada (3.03%, valued at 1.66 Bn).

Bangladesh is also an active participant in the Belt and Road Initiative (BRI), also known as One Belt One Road (OBOR), particularly through its involvement in the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor. Recent Chinese investments in Bangladesh, approximately totalling around \$7.07 billion with additional construction contracts worth \$22.94 billion, have focused on critical infrastructure such as roads, ports, and energy projects. These investments have significantly strengthened Bangladesh's position as a growing trade hub, enhancing its connectivity and economic potential within the region.

Sector-Specific-Opportunities

Bangladesh, a country inhabited by 170 million people, certainly depends on a consistent and also lasting supply of energy. The Union State, especially Russia, could gain a lot from energy collaborations. For example, these collaborations could support Bangladesh's increasing energy demands. Because Russia is currently leading the Rooppur Nuclear Power Plant (a large 2.4 GW project that is anticipated to be running by 2025), it has gained genuinely useful practical experience in dealing with the nation's energy demands. This specific skill allows Russia to promote upcoming attempts much more successfully, guaranteeing continued shared advantages for the two countries.

Bangladesh's fertile delta is an important element of its agricultural economy, with nearly 40% of people working in that field and playing a pivotal role in the nation's economy. However, the sector faces significant challenges due to climate change, while also holding immense potential for diversification. Belarus, already an experienced trading partner of Bangladesh in agriculture, is well-positioned to align its expertise with Bangladesh's needs. This partnership could enhance the export of agricultural products, fostering mutual growth and innovation in the sector. Additionally since Bangladesh is taking part in the One Belt and One Road Initiative (OBOR), the Union State already possesses a global framework that lets them tactically invest based on tenets, promoting increased collaboration and an improved chance for collective benefit.

It's not a surprise to anyone that Bangladesh is not a country rich with minerals. So, unlike most developing countries Bangladesh cannot rely on its mining sector to boost up the economy. But what Bangladesh can rely on is its Human Capital and The Garments Industry. Currently, Bangladesh is the world's second-leading garment exporter, following China, with 2024 exports totalling \$50 billion, a rise of 8.3% from the previous year. It has more than 4 million employees, largely women, and runs over 4,000 factories, making things such as shirts and denim for worldwide companies like H&M and Zara. Bangladesh is also a major leader in green manufacturing, with a remarkably high number of USGBC LEED-certified factories across the globe, aligning with increasingly worldwide eco-friendly trends. For Bangladesh their largest export destination is The United States, accounting for 21.50% of total exports, followed by Europe, with Bangladesh capturing a 6.30% share of the global apparel export market of \$435 billion as of December 2020.

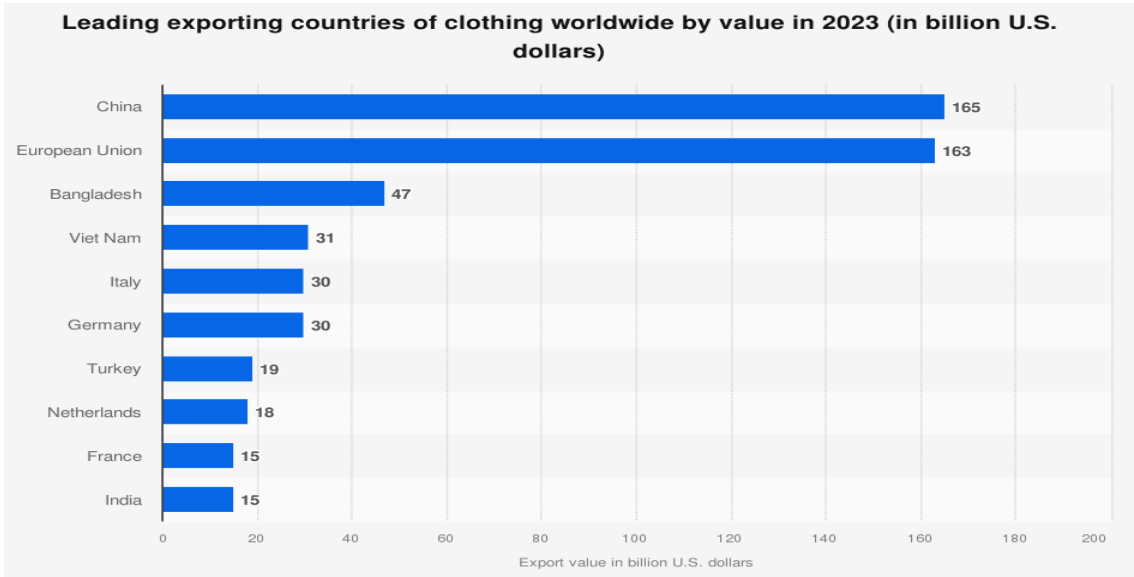


Fig. 3. Leading exporting countries of clothing worldwide by value in 2023 (in billion U.S. dollars) [10]

Bangladesh is also a country rich in natural beauty and cultural heritage. Bangladesh is home to the world's largest mangrove forest The Sundarbans, a UNESCO World Heritage Site, which hosts diverse wildlife. The forest is home to the iconic Bengal tigers, over 260 bird species, estuarine crocodiles, and Indian pythons. In 2022, the Bangladesh Parjatan Corporation (BPC) reported around 300,000 tourists visited the Sundarbans, generating approximately 4.5 million USD in direct revenue. Post-COVID, tourism also has rebounded strongly, with domestic and international visits increasing at a staggering rate. The Sundarbans remains a key contributor to Bangladesh's tourism economy, with revenue expected to grow even further in the coming years.

Bangladesh also has the longest natural unbroken sea beach in the world called the Cox's Bazar Beach, which stretches up to 120 kilometres. It is a major tourist destination for Bangladesh as the tourism sector of Cox's bazar generated an estimated \$300-\$400 million dollars and attracted around 2.5 million tourists in 2022-2023. And the number is only expected to grow as the Bangladeshi Government plans to boost their investment in both the areas, aiming for 5.57 million tourists by 2041.

Bangladesh also has a booming service sector which is now a major part of its economy. playing a crucial role in its international economic interactions. In 2022, the service sector contributed approximately 51.04% to Bangladesh's GDP, surpassing agriculture and industry, according to Statista, which includes diverse sub-sectors like IT, business process outsourcing (BPO) and financial services. In 2022, the service sector contributed approximately 51.04% to Bangladesh's GDP, surpassing agriculture and industry, according to Statista. The sector's growth is supported by a young, tech-savvy workforce, with 67.61% of the population aged 15-65, as noted by Bangladesh Investment Development Authority. Sub-sectors like IT and IT-enabled services (ITES) have seen remarkable expansion, with over 4,500 firms employing 750,000 ICT professionals and export earnings surpassing \$1 billion in 2019, registering a compound annual growth rate (CAGR) of 21% since 2013.

In conclusion, strengthening economic ties between Bangladesh and the Union State of Russia and Belarus can yield mutual benefits. By focusing on key sectors such as energy, agriculture, textiles, and tourism, both parties can foster innovation, economic growth, and sustainable development. The strategic partnership between these nations has the potential to enhance regional connectivity and contribute to the broader global economic landscape.

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