



Coastal Livelihood
and Environmental
Action Network



Chinese Finance in Bangladesh A Reality Check

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However, I've been told to believe
you speak English quite well.



Currently, we are living in a severely volatile global political and economic situation:

- Oppression and **killing** in Gaza
- Russia got leverages to **further oppress** Ukraine
- The new **tariff war** may lead to another tremendous economic depression
- **China, Japan and Korea** responded strongly to the situation
- China started **retaliating** to Trump's reciprocal tariff and **seeking friendship**
- Some people think that **China is leading the protests** against anti-globalisation
- Some people think that **China is using a trick** and that **the EU should lead**
- But, everybody agrees that **Pluralism and Mulateralism** are at a high risk in this century.

This discussion is **not on these things.**

We only focus on **BRI and Chinese Investment.**

And that is from the **narrow lens of Bangladeshi Civil Society.**

Bangladesh & China: the Third Phase



The Chief Adviser of the Interim Government, Dr Muhammad Yunus, visited China from 26-29 March 2025 as the first country he visited after taking power. Photo: The Daily Star

Flashback



AI Generated Photo

Chinese traders and monks began frequenting Bengal in 250 BC and used to take Muslim clothes from Dhaka. Bengal exported fine rice, sugarcane, gems, aromatic oil, and spices. Some words in Bengal witness the relationship:

Sugar:	Chini
Porcelain:	Chinamati
Peanut:	Chinabadam
Lemongrass:	Chinaghas
Leech:	Chinajnok
Fine Silk:	Chinangshuk

Geopolitical Ups & Downs

- Both China and India have influence on other South Asian countries.
- Border dispute between India, China and Pakistan.
- Relationship went down during the Independence War in 1971.
- China recognized Bangladesh only after Sheikh Mujib's assassination in 1975



Source: Library of Congress

- India was aligned with Soviet Union and Pakistan with United States.
- China chooses Pakistan as its ally, as both have border disputes with India.
- Bangladesh-China Relationship was depended on Bangladesh's relationship with Pakistan till 2009.

Economic Relationship

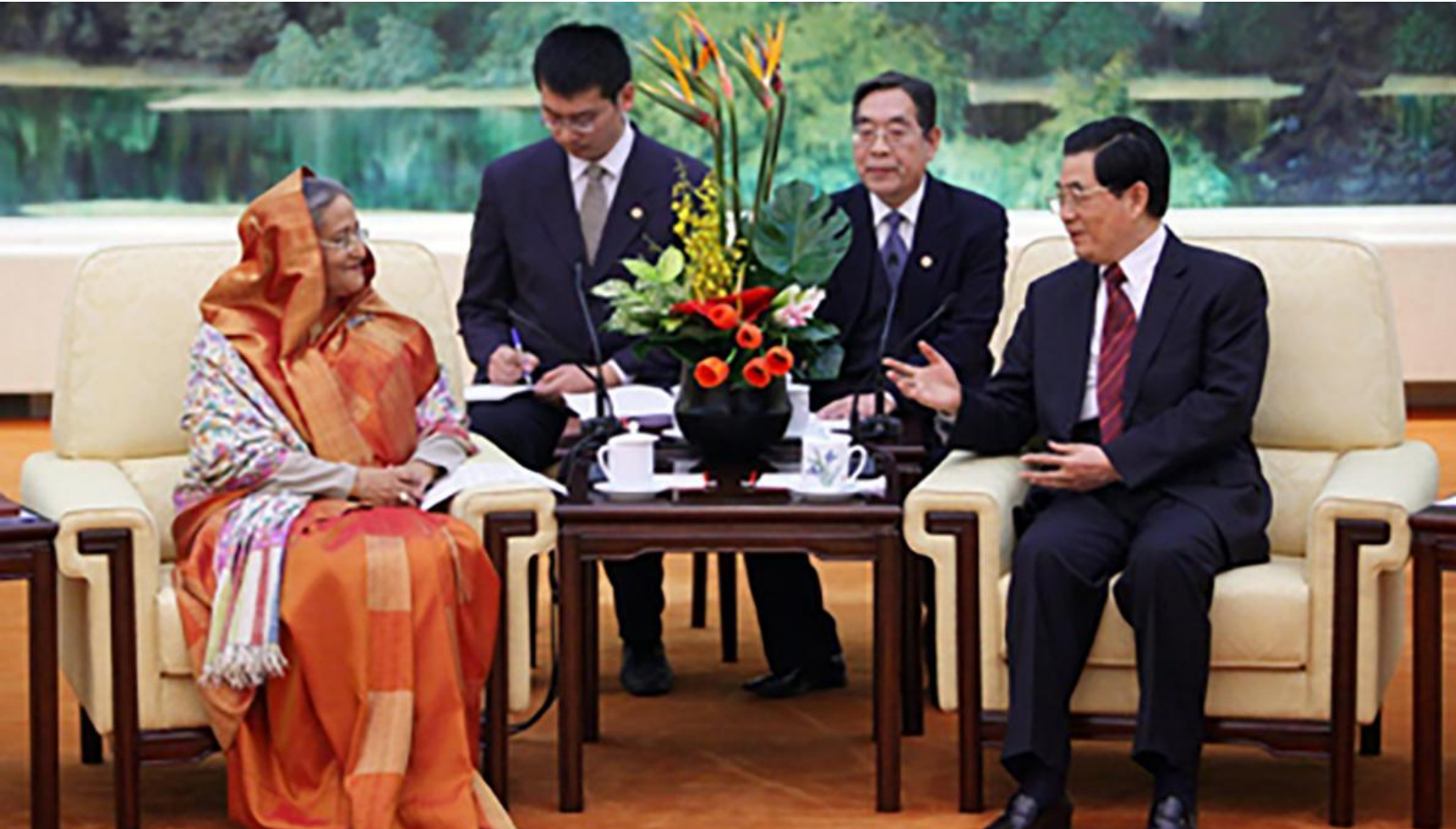


Photo: China Daily

- Former Prime Minister Sheikh Hasina visited China and signed several MOUs to change the geopolitical equations differently.
- This new diplomacy included Chinese investments in large infrastructures, trade and cultural cooperations.

Infrastructures took the centre table

- Chinese President Xi Jinping visited Bangladesh in October 2016.
- Both parties signed 15 agreements and MOUs and 12 loan agreements for investing USD 46 billion in Bangladesh.
- In 2019, China became the highest source of FDI in Bangladesh.



Photo: China Daily

Major Infrastructures



Karnaphuli Tunnel

Loan: USD 1.2 billion

Financier: China Exim Bank



Padma Rail Bridge

Loan: USD 2.1 billion

Financier: China Exim Bank



Payra Coal Power Plant

Loan: USD 1.9 billion

Financier: China Exim Bank



Barishal Coal Power Plant

Loan: USD 540 million

Financier: PowerChina



Patuakhali Power Plant

Loan: USD 1.8 billion

Financier: China Exim Bank



Banskhali Power Plant

Loan: USD 1.79 billion

Financier: BOC, Exim, CDB



Dasherikandi ST Plant

Loan: USD 1.4 billion

Financier: China Exim Bank

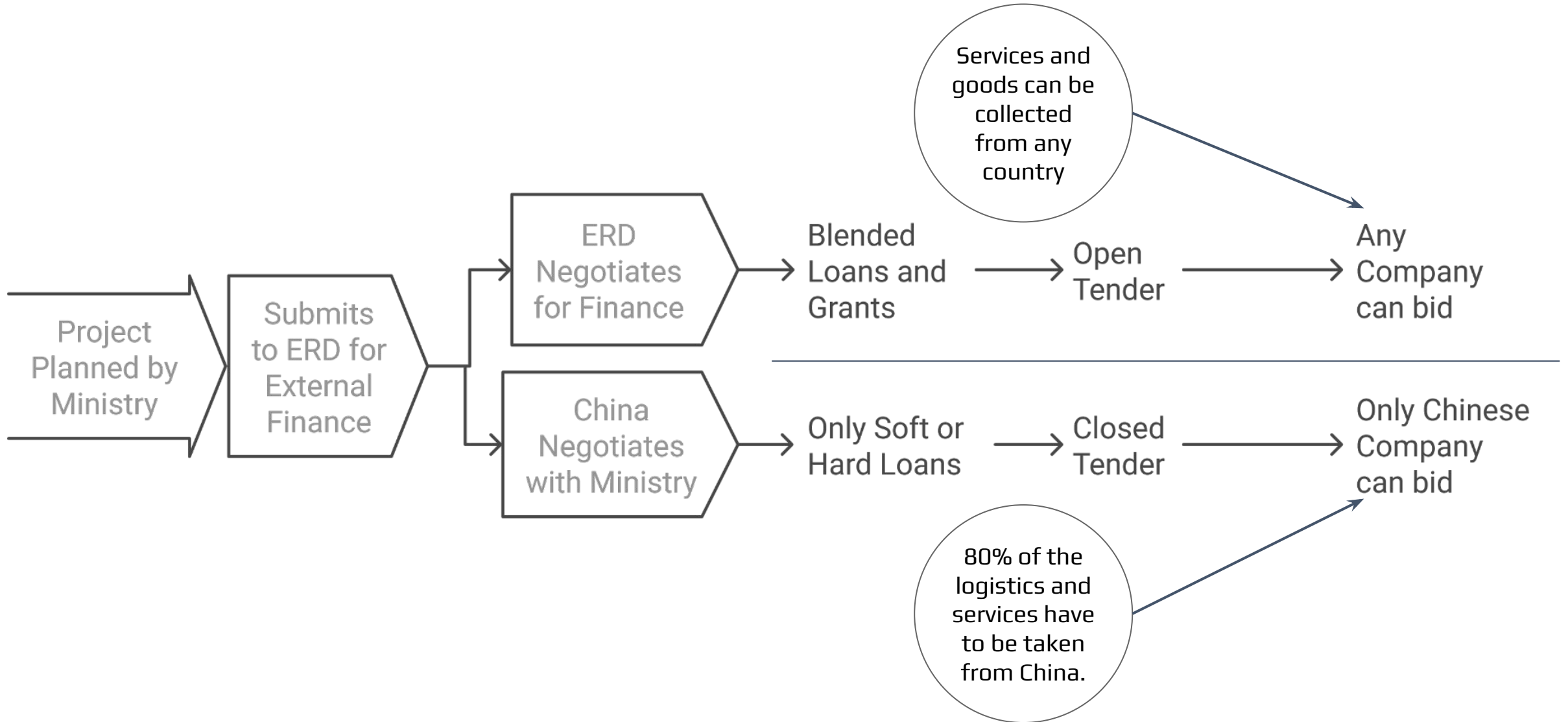


Maheshkhali Oil Tank

Loan: USD 1 billion

Financier: China Exim Bank

Characteristics of Chinese Finance



Characteristics of Chinese Finance



Usually, projects are approved by the ministries after revision of the ERD. China goes in other way, which **create avenues for corruption**.



China provides **80% of goods and 70% of services** in china-financed projects, which shrinks jobs of local people and manufacturers.



There is **no formal disclosure** on the projects, budget or financial sources. There is no grievance redress for the community also.



There is **no disclosure of Environmental and Social Impact Assessment (ESIA)**. So, nobody can challenge the project from environmental or social aspects.

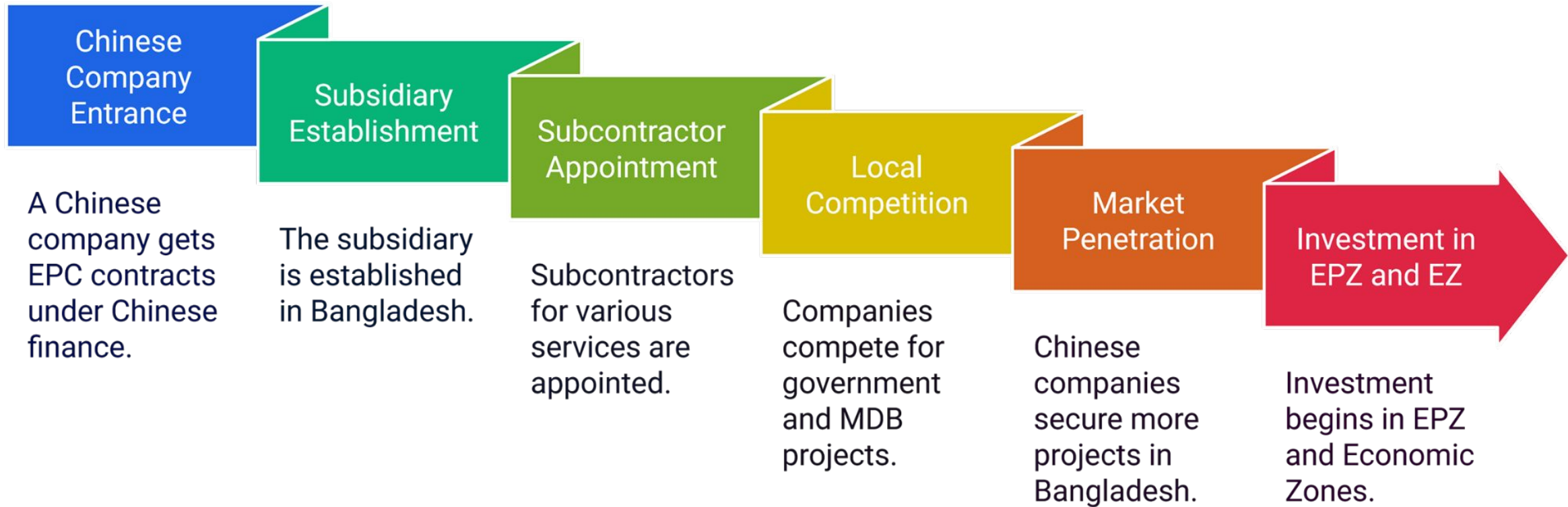



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Discrimination and physical torture is common in China- financed projects, which ends with human killing and court cases.

Business Expansion of Chinese Companies




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- Petrobangla: 100%
 - Clear cut of 290 acres of hills which were the only hills on any islands in Bangladesh.
 - Displaced 128 families without any compensation.
 - Annually add 9 million tonnes of Petroleum in Bangladesh.

Moheshkhali Oil Storage and Double Mooring Project


- Sinohydro: 96%, TGEL: 4%
- Built within 5 km of two reserved mangrove forests which is totally illegal.
- Grabbed 163 acres of land from the Bishkhali river and three tidal canals.
- Displaced 72 indigenous Rakhain families from the area.



Barishal Coal Power Plant

- 
- NWPGL: 50%, CMC: 50%
 - Built on 117 acres of tidal canals among the total land of 953 acres
 - Displaced 178 families without proper compensation
 - Discharges hot water to Ramnabad channel which is a sanctuary of Hilsa fish, the national fish of Bangladesh.

Payra Coal Power Plant

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- Share: S. Alam: 70%, SEPCO-III: 20%, HTG Group: 10%
 - Got the project by bribing
 - Took loan from domestic banks and siphoned the money.
 - Grabbed 5,000 acres of land from the people without their consent.
 - Killed 12 protesters in 5 years of construction period.

Banskhali Coal Power Plant

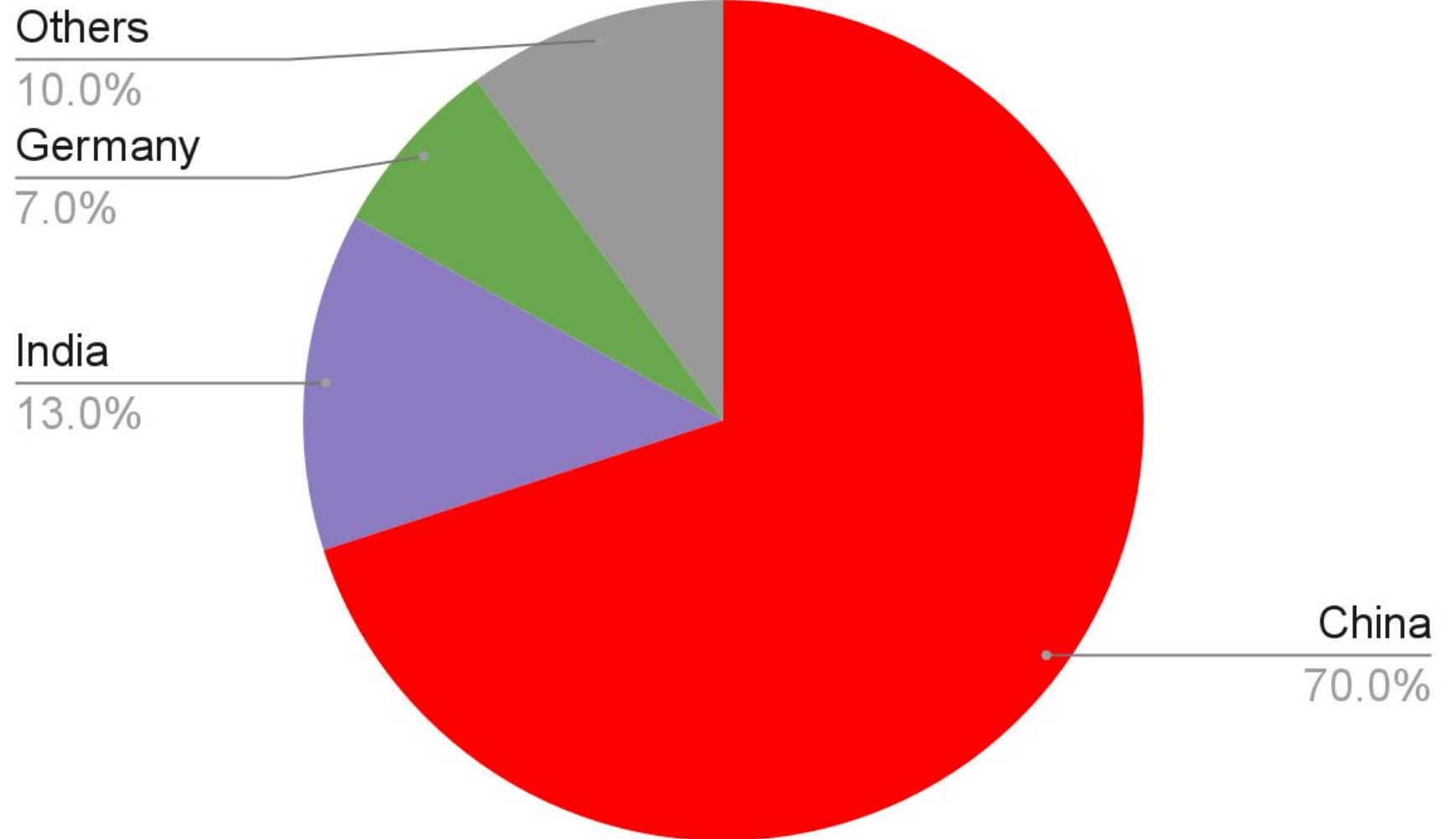
No Response!



Chinese policymakers, including the officials of the SASAC, SOE, Policy Bank, ECA and the Chinese embassy never response to any appeals, letters or queries submitted to them.

CLEAN and BWGED has sent more than 30 letters, appeals and queries to Chinese President, Prime Minister, MOFA, MOFCOM, Chairman of SASAC, Chairman and the President of CEXIM, Chairman and Executive Director of ICBC,

Renewable
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Thank you