

## The Big-B Initiative: Alive or Dead?

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*Source: Dhaka Tribune*

### Background of the study

Prime Minister Sheikh Hasina's government envisioned economic regionalism dynamism in 2008. This embarked a major component in her foreign policy back then. "Look-East Policy" is an attempt to this end. The policy shift was intended to bypass the constraints in finance and develop several mega infrastructures to transform Bangladesh into a middle-income country by 2031. On 26 March 2014, Prime Minister Sheikh Hasina visited Japan as part of a summit held between Bangladesh and Japan. At that summit, Shinzo Abe was the one who proposed the Bay of Bengal Industrial Growth Belt (commonly known as BIG-B) Initiative<sup>2</sup>. It was made in an attempt to

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<sup>2</sup> The Initiative of BIG-B (The Bay of Bengal Industrial Growth Belt). (2014). JICA. Retrieved from <https://www.jica.go.jp/bangladesh/english/office/topics/141105.html>

accelerate cooperation for the development of quality infrastructure and create more investment opportunities in Bangladesh. The BIG-B initiated by Shinzo Abe prompted accelerating the development of Dhaka-Chittagong-Cox's Bazar belt through various programs to transform the country into South Asian's industrial hub. Today, over 300 Japanese companies are operating in Bangladesh, which is triple that of ten years ago. These companies have become a source of improving the nation's technological advancement.

Japan is a renowned trade ally to most Asian countries. It is more so in the nation of Bangladesh from 1972, the year after its independence, to 2020. Japan has collectively given financial support such as aid, loans, grants, technical assistance, etc. In 2020, Bangladesh became the largest recipient of Japan's ODA (Official Development Assistance), an amount that is estimated to be 2.6 billion USD, which also makes “The Land of the Rising Sun” as the single largest country development partner in that year and only behind the World Bank by a small margin<sup>3</sup>. Moreover, a report published by the JICA (Japanese International Cooperation Agency) stated that the land of the rising sun has assisted hundreds of major projects around Bangladesh. These range from the transportation systems such as the Dhaka Mass Rapid Transit Development Plan, construction of the newest and the third terminal of Hazrat Shahjalal International Airport and the Bangladesh subway project to energy generating schemes such as the Matarbari power plant and urban developments in helping advance digital Bangladesh to even improving the overall private sector by direct investments.<sup>4</sup>

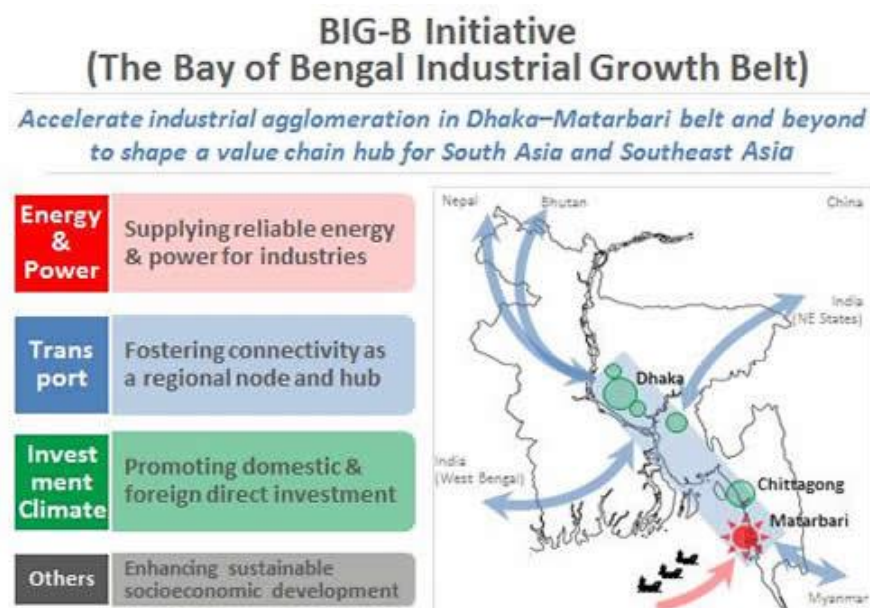
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<sup>3</sup> *Bangladesh largest Japanese ODA loan recipient country in Japan's FY2020*. (2021). The Business Standard. <https://www.tbsnews.net/economy/foreign-aid/bangladesh-largest-japanese-oda-loan-recipient-country-japans-fy2020-225850>

<sup>4</sup> *The game-changing projects are in line with the Bay of Bengal Industrial Growth Belt initiative*. (2022). The Business Standard. <https://www.tbsnews.net/features/panorama/game-changing-projects-are-line-bay-bengal-industrial-growth-belt-initiative>

## What is the BIG-B about?

The BIG-B initiative is a gateway for South and East Asia to step into closer inter-regional relations. Bangladesh is located in the proximity of the Bay of Bengal from the sea point of view and in-between South Asia and South-East Asia from the land view. Because of the current global economic power shift toward the Indo-Pacific Ocean region, this geographical trump card will provide a unique opportunity for the country to play a node and hub role in inter-regional connectivity<sup>5</sup>. These further advocates Bangladesh's renewed attention to the "Look East policy" to utilize the vibrant economic growth from the Pacific to the Indian Ocean<sup>6</sup>. In 2014, Sheikh Hasina and Shinzo Abe also anticipated that the project, which would make the best use of Japan's cutting-edge technologies and socioeconomic development expertise, would bring about prosperity for both countries.



*Source: JICA*

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<sup>5</sup> The Initiative of BIG-B (The Bay of Bengal Industrial Growth Belt). (2014). Retrieved from <https://www.jica.go.jp/bangladesh/english/office/topics/141105.html>

<sup>6</sup> Ahmed, S. (2014). The “look east” policy of Bangladesh. *The Daily Star*. Retrieved from <https://www.thedailystar.net/the-look-east-policy-of-bangladesh-50030>

The Bay of Bengal Industrial Growth Belt (BIG-B) has three pillars - industry and trade, energy, and transportation<sup>7</sup>. It seeks to enhance and strengthen them to maximize Bangladesh's benefits. It has emerged as a keystone of Japan's policy for South Asia. To reshape herself as a vibrant trading nation that is deeply integrated into inter-regional and global value chains, BIG-B envisions Bangladesh transcending its national borders to become the hub of the regional economy and serving as a gateway for both South Asia and South-East Asia to step into closer inter-regional relations.<sup>8</sup>

### **Significance of the Bay of Bengal for Japan**

First, because of its ideal geographic location, the BOB serves as a vital bridge, physically connecting the Pacific and Indian Oceans. The Bay of Bengal is currently one of the most important areas in the Indo-Pacific. It enables communication between South Asia and East Asia and South East Asia. As a result, the Bay serves as a cornerstone for ongoing prosperity and expansion for expanding Bay states as well as emerging world powers like India and China. It connects South Asia, South East Asia, and East Asia. The Bay of Bengal is particularly significant because it receives water from many large rivers and is rich in natural resources, especially oil.

Japan is trying to find an alternative source of importing energy resources after the Fukushima Daichi Nuclear Power Plant disaster in 2011, which the Great East Japan Earthquake caused. Japan has become the third largest oil importer from the Bay of Bengal after US and China. The country is developing basic infrastructures like reliable power and communications, including an optic fibre cable in the Bay of Bengal. In Bangladesh, Japan led infrastructures include a port and a

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<sup>7</sup> Dutta, G. (2016). JAPAN AND THE BIG-B PLAN FOR BANGLADESH: AN ASSESSMENT. *National Maritime Foundation*. Retrieved from: <https://maritimeindia.org/japan-and-the-big-b-plan-for-bangladesh-an-assessment/>

<sup>8</sup> Nishikata, T. (2016). JICA'S OPERATION IN BANGLADESH. *JICA Bangladesh*. Retrieved from: [https://www.jica.go.jp/english/about/president/speech/140616\\_02.html](https://www.jica.go.jp/english/about/president/speech/140616_02.html)

power station at Matarbari (\$3.7 billion)<sup>9</sup>. These projects are now being complemented by a maritime security program that will make Japan an important security player in the region.

Thus, Japan wants to secure its economic sea lanes with their naval power. Securing its energy shipments through the SLOC in the Bay of Bengal remains a permanent duty for Japan as it attempts to diversify its oil sources. Non-traditional security threats of piracy, armed robbery and maritime terrorism threaten the security of these commercial shipping lanes. As discussed earlier, Japan is the largest aid provider to Bangladesh. It donated two patrol vessels and signed TK 212 crore grant agreement to fund 24 coastal rescue crafts for the Bangladesh Coast Guard in 2018<sup>10</sup>. Japan is willing to build a second Padma bridge and cooperate to complete the Rooppur nuclear power plant.<sup>11</sup>

The political and economic significance of the Bay of Bengal in the developing interaction between India, China, and Japan makes it organically different. The Bay was economically significant before steamships arrived because of the strong monsoon winds that would alternately blow from and toward the Indian subcontinent, powering dhows, junks, and other sailing ships as they traveled to and from the South China Sea and the Strait of Malacca. The Bay has provided both of these fast expanding Asian giants with electricity and raw resources for the past twenty years. It generates significant common incentives for collaboration among the states of the region when it raises geopolitical tensions<sup>12</sup>.

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<sup>9</sup> Brewster, D. (2018). Japan is back in the Bay of Bengal. *Baird Maritime*. Retrieved from: <https://www.bairdmaritime.com/work-boat-world/maritime-security-world/feature-japan-is-back-in-the-bay-of-bengal/>

<sup>10</sup> (2018). Japan to give 24 rescue boats. *The Daily Star*: <https://www.thedailystar.net/news/business/japan-give-24-rescue-boats-1625545>

<sup>11</sup> (2022). Japan keen to seize opportunity to build 2nd Padma bridge. *The Financial Express*. Retrieved from: <https://thefinancialexpress.com.bd/trade/japan-keen-to-seize-opportunity-to-build-2nd-padma-bridge-1655889179>

<sup>12</sup> Calder, K. (2018). The Bay of Bengal Political-Economic Transition and Strategic Implications: The Bay of Bengal Political-Economic Transition and Strategic Implications. *The Sasakawa Peace Foundation*. Retrieved from [https://www.spf.org/pdf/The\\_Bay\\_of\\_Bengal\\_Kent\\_E.\\_Calder.pdf](https://www.spf.org/pdf/The_Bay_of_Bengal_Kent_E._Calder.pdf)



Source: Ministry of Foreign Affairs, Bangladesh

### Current status of BIG-B projects

The discussions above show that the initiative is actively laying down its projects in Bangladesh. The Matarbari port, Hazrat Shahjalal International Airport's extension, the Dhaka Metro Rail construction and the continuous ODA to Bangladesh are continuing. Japan is also providing technical and training assistance to Bangladeshi DMTCL staff. Japan has had a Public Private Partnership (PPP) platform with Bangladesh for four years. Under this, five to six projects — including the Chittagong-Cox's Bazar highway were included. But the Bangladesh government has not decided whether to go for PPP or Government-to-Government financing for this project<sup>13</sup>.

Japanese economist Shintani said the development of Bangladesh's three major cities -- Dhaka, Chittagong, and Cox's Bazar – using Japanese experience and implementing mega projects would help Bangladesh grow faster<sup>14</sup>. It is to note that the BIG-B plan regards Bangladesh as a bridge between South Asia and Southeast Asia. It is also regarded as a grand design connecting the two

<sup>13</sup> “The game-changing projects are in line with the Bay of Bengal Industrial Growth Belt initiative.” (2022). *The Business Standard*: <https://www.tbsnews.net/features/panorama/game-changing-projects-are-line-bay-bengal-industrial-growth-belt-initiative>

<sup>14</sup> Japanese economist: BIG-B important for Bangladesh, others with enhanced connectivity. (2021). *Dhaka Tribune*: <https://archive.dhakatribune.com/bangladesh/foreign-affairs/2021/03/31/japanese-economist-big-b-important-for-bangladesh-others-with-enhanced-connectivity>

oceans, the Pacific Ocean and the Indian Ocean, to boost Japan's economy in an expanded geopolitical space. Access to markets for economic development is key to the concept of the BIG-B project. The central location of Bangladesh in the Bay of Bengal is important as it connects South Asia and Southeast Asia.

## **Conclusion**

Japan leveraged its experience with the Pacific Belt, which ran from northern Tokyo to southwestern Kyushu Island through Osaka in 1960 and was used to quadruple the country's economic output in ten years, to create the BIG-B plan. Ten significant industrial zones in the Pacific Belt today house more than 500,000 businesses, produce 80% of Japan's national production, and support millions of jobs. Japan has always made an attempt to reduce early-stage environmental damage caused by industrial development rather than having to restore the environment after it has deteriorated. Japan has attempted to demonstrate the validity of its experience with modernization and development by supporting Bangladesh's growth.

The stability and prosperity of Bangladesh, located at the junction of India and ASEAN, are extremely important for the entire Indo-Pacific region. Bangladesh and Japan shared a view on the direction of economic cooperation to be pursued under "the Bay of Bengal Industrial Growth Belt," or BIG-B. They agreed further to strengthen bilateral cooperation through the "Japan-Bangladesh Comprehensive Partnership." For Japan, it is an opportunity to implement and enhance the late former Prime Minister Shinzo Abe's 'Abenomics' policy to overcome the long period of economic stagnation<sup>15</sup>. The plan allows Japanese companies to embed themselves in overseas infrastructure projects and gain market access. Shinzo Abe and his government made extensive efforts to develop their strategic diplomacy in the region and helped Bangladesh make its way towards a developing economic hub. Even though he is no more in this world, the BIG-B initiative which he founded is still in progress, thanks to his followers.

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<sup>15</sup> Abenomics. (2016). Retrieved from Japan Gov: <https://www.japan.go.jp/abenomics/index.html>