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RCAS Commentary

From Matarbari To The Indo-Pacific: Why Bangladesh's Japan Partnership Matters

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RCAS has also published hundreds of articles, and its researchers have been interviewed in various local and international media outlets, such as *The Diplomat* in the United States, *East Asian Forum (EAF)* in Australia, *Bangkok Post* in Thailand, *Jakarta Post* in Indonesia, *Lian He Zao Bao*, *Think China* in Singapore, *South China Morning Post (SCMP)*, *China-US Focus* in Hong Kong, *CGTN, Global Times, World Affairs* in China.
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Why Bangladesh's Japan Partnership Matters

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Tarique Rahman's visit to Japan on 26th October 2026 marks a significant moment in the Bangladesh-Japan relationship. Dhaka seeks to build a strong economic relationship with Tokyo, and the proposed $14 billion investment and cooperation pact in 12 priority sectors, transport, technology and energy, will allow the two countries to redefine their long-standing strategic partnership. This visit is not only an investment and a bilateral trade visit, but also a move to strengthen Bangladesh's position amid the changing economic and geopolitical landscape of the Indo-Pacific region.



▲Prime Minister Tarique Rahman has reaches in Tokyo(Business Times).

For Bangladesh, the challenge is converting diplomatic aspirations into economic opportunities, increasing strategic autonomy and strengthening regional connectivity. Meanwhile, Japan seeks to strengthen stable, robust economic cooperation and connectivity in the Bay of Bengal, as well as regional supply chains. When Bangladesh and the rest of the world share common development goals and interests, the partnership could become a vital component of the former's long-term economic development.

At the heart of this cooperation are the Matarbari deep-sea port and Japan's Bay of Bengal Industrial Growth Belt (BIG-B) project. These projects are not only about infrastructure construction, but also about linking Bangladesh's domestic economy to

the regional and global economy. Japan's Ministry of Foreign Affairs also recognises Bangladesh's strategic importance; in its Diplomatic Bluebook 2021, it wrote, "Bangladesh is geopolitically very important as an intersection between India and ASEAN."

Matarbari may help Bangladesh enhance maritime logistics services, reduce supply chain hassles and attract investments into export-oriented industries. Beyond industrial development around Chattogram, Dhaka, and Cox's Bazar, and improved port connectivity, this could encourage Japanese manufacturers to set up operations in Bangladesh and involve local businesses in international value chains. However, the port's value will extend beyond its physical infrastructure. Matarbari's success as an economic gateway, or any other costly infrastructure project, will depend on the effectiveness of the customs clearance system, power supply, logistics costs, regulatory transparency and the coordination ability of various government entities.

BIG-B should thus be seen as an overall development approach, not a series of projects. Ports should connect to industry, roads, railways, energy resources, allied workforce and export markets. The aim should be to provide employment opportunities and strengthen Bangladesh's industrial and manufacturing potential.

Matarbari has the potential to extend beyond Bangladesh's borders. Improved connectivity through Bangladesh's transport and port system to regional and international markets could create new opportunities for Nepal and South Asian nations, including Nepal's north-eastern states, Bhutan, and India. Access to the Bay of Bengal can reduce the logistical challenges faced by landlocked economies and expand trade corridors. Bangladesh could then become a regional hub of connectivity, with port facilities, warehousing, transshipment and transportation facilities, generating economic opportunities for businesses in the region.

To achieve this potential, regional cooperation is needed. Bangladesh would need proper transportation arrangements, synchronised customs clearance processes, compatible infrastructure and mutually beneficial agreements with neighbouring countries. This is particularly important for India because of its geographical proximity, power and interest in connectivity to its North Eastern region.

Japan can support the region in various ways, including infrastructure financing, technical assistance, logistics management and support for commercial projects. This aligns with Japan's overall Free and Open Indo-Pacific (FOIP) concept, which highlights connectivity, economic resilience and a rules-based order in the region. Regional connectivity should be part of Bangladesh's national economic interest. The measurable benefits of transit services and ports should be in employment, revenue, investment and industrial development. The volume of goods moving across the

country is not the only indicator of connectivity; the value Bangladesh can reap from regional trade is also important.

Bangladesh–Japan cooperation is also strategic in an era of great-power competition. For security reasons, the Indo-Pacific is an area of cooperation and a theatre of maritime security and geopolitical competition, with four actors- China, the United States, India and Japan, whose interests overlap but sometimes compete. Japan's connectivity in the Bay of Bengal aligns with its FOIP vision, and China is a major trade and investment partner for Bangladesh. India is a must-have because of its geographical location, economic ties and regional security concerns. Moreover, the United States also plays an important role in Bangladesh's export market, investment and the economy in general.

Dhaka sees deeper cooperation with Japan as an alternative to China and other major powers. Instead, Bangladesh should pursue a pragmatic foreign policy that supports strategic autonomy and alliances based on shared interests. Bangladesh can benefit from the Japanese Government's support for diversifying economic relations, improving industrial capacity and developing maritime infrastructure. These benefits would be most sustainable if they complement, rather than replace, other positive economic relationships.

This is especially crucial for maritime security. The Bay of Bengal is not only a trade route but also an essential waterway for fisheries, energy security, disaster management and the blue economy. Bangladesh and Japan can deepen cooperation in maritime domain awareness, Coastal Resilience, Port security, Marine environment protection and Sustainable Ocean-based industry. This would help safeguard Bangladesh's interests without creating unnecessary friction with others.

The envisaged plan for US$14 billion in cooperation across 12 priority sectors is a bold framework. However, a proposed package isn't investment or financing. Before the visit, indications suggest the government of Bangladesh is seeking a mix of concessional loans, private capital and public-private partnerships. Separate reports suggested potential Japanese private-sector investment that would continue over five years. Still, the details and how any such investment would be carried out would remain to be confirmed.

Dhaka's challenge is to make these projects viable. This implies that priorities should be well-defined, procurement should be transparent, and financing should be realistic and economically and environmentally impactful. Bangladesh also needs to avoid ending up in an unsustainable foreign-debt position. Investment quality is also important. Japanese participation should facilitate technology transfer, personnel training, supplier network development and local industry upgrade. Bangladeshi youth also need broader technical training and professional opportunities, including job

opportunities in Japan. Collaborations in renewable energy, information technology and new technologies in manufacturing and agriculture could help further diversify the economy.

The Economic Partnership Agreement, signed in February 2026, also offers an avenue to enhance market access further and build stronger business linkages. These benefits will depend on Bangladeshi businesses' ability to meet Japanese standards, boost productivity and diversify beyond traditional sectors to export goods. The size of the deals signed and the amount of money announced are not the only criteria for the success of Tarique Rahman's visit to Japan; his return over the years matters. The key areas are commercially viable infrastructure, higher exports, better-quality jobs, stronger local industry development and improved regional connectivity.

The growing Indo-Pacific economic geopolitics offers Bangladesh the chance to integrate development initiatives with Matarbari. The BIG-B initiative could help the country realise the potential of linking maritime infrastructure with industrialisation, and Japan's technological and financial strength could help Bangladesh shift towards a more diversified and productive economy. Geography is not enough to make a strategic advantage. That advantage becomes apparent when infrastructure is well maintained, institutions are strong, and economic planning and foreign policy serve the nation's interests.

Looking forward, cooperation between Bangladesh and Japan should help Bangladesh achieve greater economic power from its geography, stronger regional connectivity through shared prosperity, and greater national development through diplomatic engagement, in Matarbari and beyond.

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About Author



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