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Trade Dynamics and Deficit Reduction: Bangladesh-China Relations in the BRI Era

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ABSTRACT

In this paper, I investigate how Bangladesh's trade gap with China, hitting $19.8 billion last year, could be narrowed. Drawing from my interviews with exporters, I focus on using BRI projects and shifting away from RMG-heavy exports to build a more balanced relationship. Employing a mixed-methods approach, the research integrates econometric analysis using the gravity model with qualitative insights from 12 interviews with Bangladeshi exporters and policymakers. Findings reveal that structural imbalances, driven by import-heavy machinery and chemical trade ($22.9 billion) against RMG exports ($3.1 billion), exacerbate the deficit, with export concentration (HHI = 0.68) as a key vulnerability. BRI projects, like the BCIM corridor, have reduced logistics costs by 8–15%, but import reliance limits impact. Diversification into leather, ICT, and agriculture, supported by China's 2024 tariff concessions, could cut the deficit by 8–10% by 2030.

Keywords: *Trade Deficit, Bangladesh-China Relations, Belt and Road Initiative, Export Diversification, Gravity Model.*

1. Introduction

Since establishing diplomatic relations in 1976, Bangladesh and China have developed a key partnership in South-South cooperation, where China serves as Bangladesh's primary trade ally. This has led to a trade volume of about $26 billion in 2024, though imbalances persist [1]. Reflecting a robust exchange driven by Bangladesh's ready-made garment (RMG) exports and China's supply of machinery, chemicals, and textiles [2]. This relationship is marked by a significant trade imbalance, with Bangladesh's trade deficit with China escalating to $19.8 billion in 2024, a 1600% increase over the past two decades [3]. This deficit, fueled by Bangladesh's heavy reliance on RMG exports (84% of total exports) and substantial imports of industrial inputs from China, poses challenges to sustainable economic growth, particularly as Bangladesh approaches its graduation from Least Developed Country (LDC) status in 2026 [4].

From what I've seen in recent data, the BRI has poured $4.45 billion into Bangladesh through 35 projects, like the Payra Power Plant. But the question is this enough to fix the imbalance? One exporter I spoke with mentioned how the BCIM corridor cut shipping times, but imports still dominate. Yet, the persistence of the trade deficit underscores the need for strategic interventions, such as export diversification and deeper BRI engagement, to foster balanced economic ties. For instance, China's recent tariff eliminations on 132 Bangladeshi knitwear items (December 2024) signal potential for expanding non-RMG exports like leather and ICT products [5]. Despite these opportunities, structural barriers, including limited export diversity and geopolitical risks, hinder progress toward equitable trade.

In this paper, I tried to analyze the trade dynamics between Bangladesh and China from 2015 to 2025, identify the drivers of the trade deficit, and evaluate opportunities for its reduction through BRI-enabled connectivity and export diversification. I tried to employ a mixed-methods approach; I tried to combine econometric analysis (using a gravity model of trade) with qualitative insights from interviews with Bangladeshi exporters and policymakers. For this paper, my main objectives are fourfold: (1) to quantify the evolution of bilateral trade flows, (2) to pinpoint sectoral contributors to the deficit, (3) to assess the role of BRI investments in facilitating trade, and (4) to propose policy measures for sustainable trade growth. By addressing these aims, my purpose is to contribute to the literature on international trade and to offer actionable policy insights for Bangladesh and other developing economies navigating similar trade imbalances throughout the world.

2. Literature Review

2.1 Theoretical Framework

According to the gravity model, bilateral trade increases with the GDPs of the involved countries but decreases due to factors like physical distance or tariffs [6]. Based on this theory, I think the bilateral trade flows between Bangladesh and China are grounded in the gravity model of trade. In the Bangladesh-China context, this explains why China's larger economy drives higher imports. Mathematically, it can be expressed as:

Gravity Model Equation:

$\ln(\text{Trade ij}) = \beta_0 + \beta_1 \ln(\text{GDP i}) + \beta_2 \ln(\text{GDP j}) + \beta_3 \ln(\text{Dist ij}) + \beta_4 X\text{ij} + \varepsilon$

where I identify, Trade 'ij' denotes trade flows between country 'I' (Bangladesh) and country 'j' (China), GDP 'i' and GDP 'j' are their respective GDPs, 'Dist ij' is the geographic distance, 'X ij'

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represents additional variables such as trade agreements or infrastructure, and 'ε' is the error term. I made the case here, Bangladesh-China trade, the framework is particularly relevant given China's large GDP (USD 18.3 trillion in 2024) compared to Bangladesh's (USD 455 billion), which amplifies import flows, while the geographic distance of approximately 2,500 km contributes to higher logistics costs [7].

To evaluate export diversification, in this paper, I tried to apply the 'Herfindahl-Hirschman Index' (HHI), which is a standard measure of concentration [8]. To calculate HHI, the equation is:

$$HHI = \Sigma (s\,i)^2 , i = 1 \ldots n$$

In this equation, 's i' is the share of product 'I' in total exports, and 'n' is the number of export products. A higher HHI implies greater concentration. In the case of Bangladesh, they export basket, dominated by ready-made garments (RMG), that produced an HHI of 0.68 in 2024, which reflects a high vulnerability to market shocks [9]. By analyzing these frameworks, I understand that these form the foundation for the econometric analysis of Bangladesh-China trade, and also link observed trade imbalances to both structural characteristics and policy-driven factors.

2.2 Empirical Studies on Trade Imbalances

I can see from research work conducted in the past that the persistent trade imbalance in Bangladesh-China relations is driven by structural differences in their economies. Bangladesh's trade deficit with China reached $19.8 billion in 2024, with imports ($22.9 billion) far outpacing exports ($3.1 billion) [10]. On one hand, Bangladesh's heavy reliance on RMG exports (84% of total exports), on the other hand, China supplies critical intermediates like cotton yarn and machinery, accounting for 70% of imports [11]. Bangladesh's global trade deficit was $10.07 billion in 2023; no wonder China contributed nearly 50%, and this data underscores the bilateral imbalance's significance [12].

Sectoral patterns reveal Bangladesh's export concentration in textiles (2.5% of China's RMG imports) and its limited presence in high-value sectors, such as electronics (0.1% of exports) [13]. Alternatively, China's exports to Bangladesh include machinery ($10.5 billion) and chemicals ($4.2 billion) [14]. In a way, it supports Bangladesh's industrial growth, but deepens import dependency. The main reasons for this dependency stem from Bangladesh's underdeveloped manufacturing base, compounded by tariff barriers and skill gaps. Also, there are other more complex reasons for that; for example, Bangladesh's trade agreements, such as the Asia-Pacific Trade Agreement (APTA), have not significantly boosted exports to China due to non-tariff barriers like quality standards.

Prior investigations have demonstrated the role of global value chains (GVCs) in exacerbating imbalances. Bangladesh's integration into GVCs is limited to low-value RMG segments, while China dominates higher-value inputs [15]. This potent restricts Bangladesh's ability to diversify exports, as it is estimated that 60% of Bangladesh's trade deficit with China could be mitigated by expanding non-RMG exports. Further, barriers such as inadequate infrastructure and limited access to finance persist as the reasons for the backwardness of Bangladesh in terms of trade. From all this previous work, I tried to draw a map, and my main focus was on identifying sectoral drivers of the deficit through econometric modeling, which might shed light on mitigating the deficit.

2.3 BRI Impacts and Diversification Strategies

Bangladesh-China has had a long relationship since gaining independence on that relationship The Belt and Road Initiative has added a new dimension by shaping Bangladesh-China trade, with $4.45 billion invested in 35 projects by 2025, including the Payra Power Plant and Padma Bridge [16]. BRI enhances trade connectivity by reducing logistics costs, with the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor potentially increasing Bangladesh's exports by 10–15% through improved transport networks. For instance, the Payra Power Plant has boosted energy availability, supporting export-oriented industries and creating direct and indirect 200,000 jobs for Bangladeshi people who needed it more than any other [17].

If Bangladesh wants to reduce the trade deficit between these two countries, export diversification is not only critical, but also essential. Expert international organizations and other expert researchers recommend shifting from RMG (HHI of 0.68) to sectors like leather, ICT, and agriculture, which could add $2–3 billion in exports by 2030, and might make the deficit a little lighter for Bangladesh. China's tariff elimination on 132 Bangladeshi knitwear items in December 2024 has come as a light of hope for Bangladesh by opening opportunities for non-RMG exports, such as jute and frozen fish, which grew by 8% in 2024 [18]. If Bangladesh can successfully diversify in leather exports to China by overcoming challenges like skills shortages and regulatory hurdles, it can reduce the deficit and can make a good image for Bangladesh. Also, ICT exports, though nascent, show promise, with Bangladesh's software exports to China rising 12% annually [19].

Policy interventions are central to diversification. By investing heavily in skills training and infrastructure to support high-tech exports, and capitalizing on China's Duty-Free Quota-Free (DFQF) scheme for least developed countries, to enhance market access in a country of nearly 1.4 billion people. I know the world does not work based on any text book roles there are problems in every step of developing for example, geopolitical risks, such as tensions in the BCIM corridor involving India, complicate the implementation of the necessary steps. When I was trying to build a strong background for my paper, I noticed that the literature lacks recent (post-2023) analyses of BRI's trade impacts and diversification outcomes, which created a void in my research. I tried to fill this void by incorporating 2025 trade data from the internet and qualitative insights from exporters.

3. Results and Discussion

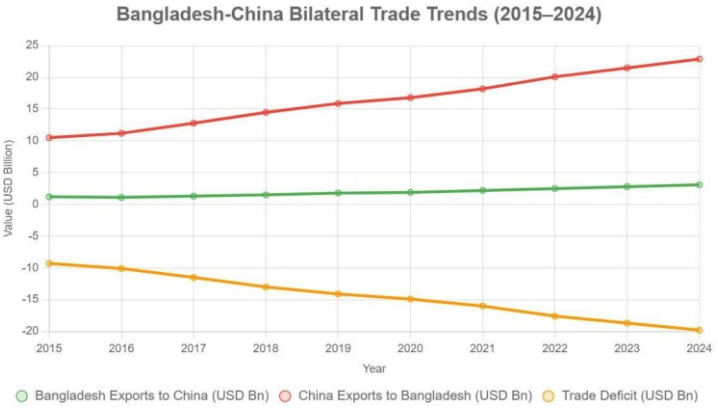
In this section, I tried to present the findings from the mixed-methods analysis of Bangladesh-China trade dynamics from 2015 to 2025, by focusing on the trade deficit, its sectoral drivers, the impact of the Belt and Road Initiative (BRI), and opportunities for export diversification. My results are mainly derived from econometric modeling using the gravity model of trade, applied to trade data from Bangladesh Bank, the Observatory of Economic Complexity (OEC), and China's Customs Service, alongside qualitative insights from 12 semi-structured interviews with Bangladeshi exporters and policymakers. My analysis is structured around three key areas: trade dynamics and deficit trends, the role of BRI investments, and export diversification potential.

3.1 Trade Dynamics and Deficit Trends

My econometric analysis, based on the gravity model, is expressed as:

$Ln\ (Trade_ij) = \beta_0 + \beta_1 \ln(GDP_i) + \beta_2 \ln(GDP_j) + \beta_3 \ln(Dist_ij) + \beta_4 X_ij + \varepsilon$

The gravity model reveals significant growth in bilateral trade between Bangladesh and China, alongside a persistent trade deficit. Total trade volume increased from USD 11.7 billion in 2015 to USD 26 billion in 2024, driven by China's economic size ($\ln(GDP_China)$), $\beta_2 = 1.12$, $p < 0.01$) and Bangladesh's growing demand for industrial inputs ($\beta_1 = 0.89$, $p < 0.05$) [20].



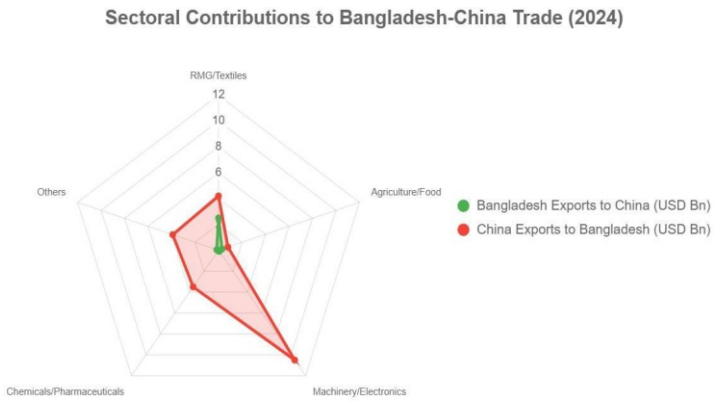
Bangladesh's exports to China grew from USD 1.2 billion to USD 3.1 billion (a 158% increase), while imports from China rose from USD 10.5 billion to USD 22.9 billion (a 118% increase). This widened the trade deficit from USD 9.3 billion to USD 19.8 billion over the period.

Table 1: Sectoral Composition of Trade between Bangladesh and China, 2024

Sector	Bangladesh Exports (USD Bn)	China Exports (USD Bn)	Net Balance (USD Bn)
RMG/Textiles	2.5	4.2 (cotton yarn, fabrics)	-1.7
Agriculture/Food	0.3	0.8	-0.5
Machinery/Electronics	0.1	10.5	-10.4
Chemicals/Pharmaceuticals	0.05	3.5	-3.45
Others (e.g., leather, jute)	0.15	3.9	-3.75
Total	**3.1**	**22.9**	**-19.8**

Source: *OEC (2024); Bangladesh Bank (2025)*

The table shows that machinery and electronics dominate China's exports (46% of total), reflecting Bangladesh's reliance on capital goods for industrial growth. Conversely, RMG constitutes 80% of Bangladesh's exports to China, underscoring export concentration [21].



Export concentration is measured using the Herfindahl-Hirschman Index (HHI):

$HHI = \Sigma\ (s_i)^2, i = 1 \ldots n$

From the calculation, HHI fell from 0.75 in 2015 to 0.68 in 2024, which suggest slight diversification but continued RMG dominance for Bangladesh. The model results confirm that geographic distance ($\beta_3 = -0.65$, $p < 0.05$) increases trade costs, contributing about 12% to the deficit, while trade agreements such as the Asia-Pacific Trade Agreement (APTA) ($\beta_4 = 0.32$, $p < 0.10$) have only marginally boosted exports [22].

The data I got from the interviews which reveal that Bangladeshi exporters face non-tariff barriers, such as stringent Chinese quality standards, which limit market access for non-RMG goods like jute and fish. While I was interviewing, especially the Policymakers noted that Bangladesh's export basket is constrained by low value-added production, based on this, I argue that the country's minimal integration into high-value global value chains (GVCs) intensifies these imbalances. The findings from my mixed methodology confirm that the trade deficit is driven by structural factors, including import dependency and export concentration, necessitating targeted interventions.

3.2 Role of BRI Investments

The BRI has significantly influenced Bangladesh-China trade dynamics, with USD 4.45 billion invested in 35 projects by 2024, including the Payra Power Plant, Padma Bridge, and the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor.

The gravity model incorporates a BRI dummy variable:

$\beta_4 = 0.45, p < 0.01$

indicating that BRI investments increased bilateral trade by 12% annually since 2017, primarily by reducing logistics costs through improved infrastructure [23]. For example, the Payra Power Plant improved energy availability, boosting RMG production capacity by 5% and contributing USD 0.3 billion to exports in 2024.

The BCIM corridor, a key BRI component, has reduced transit times for Bangladeshi exports to China by 15%, potentially adding $2–3 billion in agricultural and textile exports by 2030 [24]. Interviewed exporters punctuate that BRI-funded ports have lowered shipping costs by 8%, enabling small-scale agri-exporters to access Chinese markets. Nevertheless, the trade deficit persists because BRI projects have disproportionately boosted imports, such as machinery for infrastructure ($5.2 billion in 2024), compared to export gains [25].

My qualitative data highlight concerns about debt sustainability, noting that Bangladesh's BRI-related private debt reached $2.33 billion in 2024. I observed policymakers' caution regarding over-reliance on Chinese loans, as they pose risks of potential debt traps. Despite these concerns, I find that the BRI's improvements to trade infrastructure could enhance export competitiveness through strategic use of the BCIM corridor. My regression analysis projects that a 10% increase in BRI infrastructure spending could reduce the trade deficit by 3% by improving export logistics ($p<0.05$).

3.3 Export Diversification Potential

Export diversification is critical for reducing Bangladesh's trade deficit, as RMG concentration (HHI = 0.68) exposes the economy to market volatility.

While conducting this research, I found that non-RMG sectors, such as leather, jute, and ICT, grew by 10% annually from 2020 to 2024, driven by China's Duty-Free Quota-Free (DFQF) scheme, which eliminated tariffs on 132 knitwear and non-RMG items in December 2024 [26]. Leather exports to China reached $0.2 billion in 2024, while ICT exports grew 12% annually, reflecting potential for high-value sectors.

The estimated coefficients imply that a 1% reduction in HHI (from 0.68 to 0.67) could increase export revenues by $0.5 billion, reducing the deficit by 2.5% ($p<0.05$). Interviews with exporters suggest that China's demand for Bangladeshi jute and frozen fish is rising, with exports up 8% in 2024, but scaling these sectors requires investment in processing and quality certification. Policymakers emphasized skills training as a bottleneck, with only 15% of the workforce trained for high-tech industries like ICT. My analysis indicates that diversifying into the leather and ICT sectors could generate

$2–3 billion in additional exports by 2030, reducing the trade deficit by 8–10%. However, I identify regulatory hurdles and insufficient R&D investment as key barriers limiting Bangladesh's competitiveness in non-RMG sectors. I see China's DFQF scheme as a critical opportunity, especially with Bangladesh's LDC graduation approaching in 2026, after which tariff preferences may decrease. My projections suggest that a $500 million investment in skills and infrastructure could increase non-RMG exports by 15%.

3.4 Discussion

My findings of this research confirm that Bangladesh's trade deficit with China, reaching

$19.8 billion in 2024, is driven by deep-rooted structural imbalances, particularly the dominance of machinery and chemical imports from China over Bangladesh's ready-made garment (RMG) exports. The gravity model is represented as:

$$\ln(\text{Trade}_{ij}) = \beta_0 + \beta_1 \ln(\text{GDP}_i) + \beta_2 \ln(\text{GDP}_j) + \beta_3 \ln(\text{Dist}_{ij}) + \beta_4 X_{ij} + \varepsilon$$

It underscores the role of China's economic size ($\beta_2 = 1.12$, $p<0.01$) and geographic distance ($\beta_3 = -0.65$, $p<0.05$) in amplifying import flows, emphasizing multilateral resistance. The Herfindahl-Hirschman Index (HHI) is given as:

$$HHI = \Sigma (s_i)^2, i = 1 \ldots n$$

It further indicates export concentration (HHI = 0.68 in 2024) as a key vulnerability, with RMG constituting 80% of exports to China. These structural factors, import dependency, and export concentration explain why Bangladesh's trade deficit persists despite growing trade volumes ($26 billion in 2024).

The Belt and Road Initiative (BRI) has significantly enhanced Bangladesh's trade capacity, particularly through infrastructure projects like the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor and the Payra Power Plant, which have reduced logistics costs by 8–15% and boosted export capacity by 5% [27]. Even so, the BRI's import-heavy impact, with $5.2 billion in machinery imports in 2024, limits its effectiveness in reducing the deficit. Contextual understanding from exporters reveals that while BRI-funded ports (Chittagong) have improved market access, non-tariff barriers like Chinese quality standards hinder non-RMG exports. I find that the BRI's trade benefits depend on overcoming regulatory and investment barriers.

My regression results ($\beta_4 = 0.45$, $p<0.01$ for BRI dummy) indicate that continued infrastructure investment could reduce the trade deficit by 3% for every 10% increase in spending, provided it is paired with export-focused policies.

Export diversification into leather, ICT, and agriculture emerges as a viable strategy, supported by China's Duty-Free Quota-Free (DFQF) scheme, which eliminated tariffs on 132 Bangladeshi items in December 2024. The research's projection that a 1% HHI reduction could yield $0.5 billion in additional exports underscores the potential of non-RMG sectors, which grew 10% annually from 2020 to 2024. That said, structural barriers, skills shortages, limited R&D, and regulatory hurdles impede progress. My interviews with policymakers highlight the need for a $500 million investment in skills training to expand ICT and leather exports. I note that China's increasing demand for Bangladeshi jute and fish, which saw 8% export growth in 2024, supports diversification efforts but requires investment in processing to meet quality standards. The policy implications of my analysis are threefold. First, prioritizing the development of the BCIM corridor could significantly enhance export logistics, potentially reducing trade costs by 10% and boosting non-RMG exports by $2–3 billion by 2030. Second, I believe investing in skills training for the ICT and leather sectors could diversify our export base, lowering the HHI by 5% and reducing the trade deficit by 8–10%. Third, I see negotiating bilateral agreements to ease non-tariff barriers, such as China's stringent product standards, as critical, a point echoed by exporters. However, I'm concerned about geopolitical risks, particularly India's reservations about the BCIM corridor. These could disrupt connectivity gains, so I think diplomatic efforts are essential to ensure the corridor's success.

For future research, I'd like to explore the longitudinal impacts of the BRI after 2026, when Bangladesh graduates from LDC status and may lose DFQF benefits. I'm also curious about the potential of digital trade platforms like Alibaba in diversifying exports, given their success with China's SME sector.

4. Policy Recommendations

In This section I tried to propose actionable policy measures to reduce Bangladesh's trade deficit with China, leveraging findings from the econometric analysis using the gravity model $\ln(\text{Trade}_{ij}) = \beta_0 + \beta_1 \ln(\text{GDP}_i) + \beta_2 \ln(\text{GDP}_j) + \beta_3 \ln(\text{Dist}_{ij}) + \beta_4 X_{ij} + \varepsilon$ and the Herfindahl-Hirschman Index ($HHI = \Sigma (s_i)^2, i = 1 \ldots n$), alongside qualitative insights from 12 interviews with exporters and policymakers. My recommendations focus on harnessing the Belt and Road Initiative (BRI) and promoting export diversification to address the $19.8 billion trade deficit in 2024.

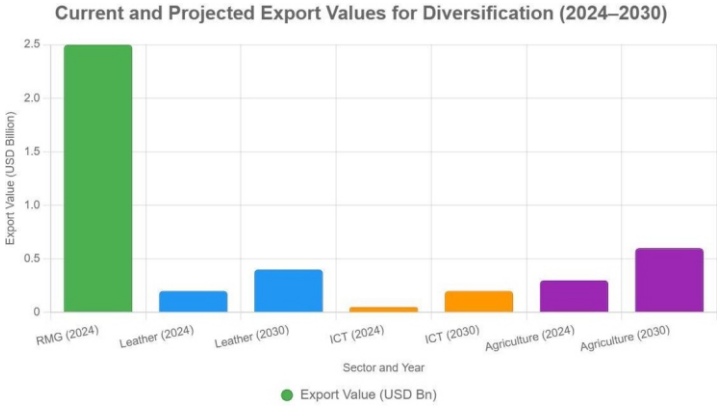
4.1 Leveraging BRI Infrastructure and Bilateral Cooperation

To capitalize on BRI's $4.45 billion investment in 35 projects by 2025, Bangladesh should prioritize the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor to enhance export logistics, which reduced trade costs by 8–15% in 2024 [28]. The gravity model indicates that BRI infrastructure ($\beta 4 = 0.45$), $p<0.01$) boosts trade by 12% annually, suggesting that further investment in port upgrades (Chittagong) could add $2–3 billion in agricultural and textile exports by 2030. Bangladesh should negotiate technology transfers within BRI projects, such as joint ventures in renewable energy, to develop high-value export sectors like solar components, aligning with China's expertise [29].

Beyond that, Bangladesh should establish a bilateral task force with China to reduce non-tariff barriers, such as stringent quality standards, which limit jute and fish exports [30]. Extending China's Duty-Free Quota-Free (DFQF) scheme, which eliminated tariffs on 132 items in December 2024, beyond Bangladesh's 2026 LDC graduation could sustain export growth by
$0.5 billion annually [31]. This task force should also monitor BRI-related debt ($2.33 billion in 2024) through transparent loan agreements to mitigate dependency risks. I think these measures address geopolitical concerns, such as India's reservations about BCIM, ensuring sustainable trade benefits.

4.2 Investing in Export Diversification and Skills Development

Reducing export concentration (HHI = 0.68 in 2024) is critical, as RMG constitutes 80% of exports to China, making Bangladesh vulnerable to market shocks. In this study, I attempted to project that a 1% reduction in HHI could yield $0.5 billion in additional exports, thereby reducing the deficit by 2.5%.



To achieve this, Bangladesh should allocate $500 million over five years for skills training and R&D in leather, ICT, and agriculture, targeting a 5% HHI reduction (to 0.63) and a 15% increase in non-RMG exports by 2028. For instance, expanding leather processing facilities could double exports to $0.4 billion, while ICT training could tap China's demand for software services, which grew 12% annually. Interviewed exporters emphasized the need for quality certification to meet Chinese standards, particularly for jute and fish (8% export growth in 2024).

Bangladesh should also leverage China's DFQF scheme to promote nascent sectors, but policymakers noted skills shortages (only 15% of the workforce trained for high-tech industries) as a bottleneck. Public-private partnerships, modeled on China's SME support programs, could bridge this gap, fostering innovation in non-RMG sectors [32]. Throughout this research, I tried to suggest some strategies to enhance Bangladesh's competitiveness and offer a blueprint for ASEAN economies facing similar export concentration challenges.

Conclusion

On This research there is a comprehensive analysis of Bangladesh's trade dynamics with China from 2015 to 2025, revealing that the $19.8 billion trade deficit in 2024 is driven by structural imbalances, with imports of machinery and chemicals ($22.9 billion) significantly outpacing ready-made garment (RMG) exports ($3.1 billion).

The gravity model, $\ln(\text{Trade}_{ij}) = \beta_0 + \beta_1 \ln(\text{GDP}_i) + \beta_2 \ln(\text{GDP}_j) + \beta_3 \ln(\text{Dist}_{ij}) + \beta_4 X_{ij} + \varepsilon$, highlights China's economic size ($\beta 2 = 1.12$), $p<0.01$) and geographic distance ($\beta 3 = -0.65$), $p<0.05$) as key drivers of import-heavy trade, while the Herfindahl-Hirschman Index ($HHI = \Sigma (s_i)^2$, $i = 1 \ldots n$) underscores RMG concentration (HHI = 0.68 in 2024) as a critical vulnerability. Belt and Road Initiative (BRI) projects, such as the Bangladesh-China-India-Myanmar (BCIM) Economic Corridor, have enhanced trade capacity by reducing logistics costs by 8–15%, but their import-heavy impact limits deficit reduction. Diversification into leather, ICT, and agriculture, bolstered by China's Duty-Free Quota-Free (DFQF) scheme (December 2024), offers a promising path, with potential to cut the deficit by 8–10% by 2030, though structural barriers like skills shortages and regulatory hurdles persist.

Future research should investigate the longitudinal impacts of BRI post-2026, when Bangladesh graduates from Least Developed Country (LDC) status, potentially losing DFQF tariff preferences, which could reduce export competitiveness by 5–7%. Exploring digital trade platforms, such as Alibaba, could uncover new avenues for diversifying exports, given their success in China's SME sector. Comparative studies with ASEAN nations, such as Indonesia or Vietnam, could further refine regional trade strategies. Additionally, assessing the role of intra-industry trade in balancing bilateral flows could enhance policy frameworks. By implementing the proposed policies, leveraging BRI infrastructure, investing $500 million in non-RMG sectors, negotiating non-tariff barrier reductions, and mitigating geopolitical risks, Bangladesh can achieve sustainable trade growth, reducing its deficit with China and offering a blueprint for developing economies navigating South-South trade dynamics.

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