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Deciphering News in

# bangladesh.

July 2025



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## What's Happening in Bangladesh: July 2025

In July 2025, Bangladesh's interim government under Muhammad Yunus confronted a volatile mix of political coercion, economic strain, and strategic repositioning. While promising reform, the administration banned the Awami League, expanded tribunal powers, and carried out mass arrests. These actions sparked unrest among civil servants and students and cast doubt on the government's neutrality.

Economically, inflation hit a 14-year high and GDP growth dropped below 4 percent. A sudden 35 percent U.S. tariff on garments threatened the country's top export sector, prompting emergency trade diplomacy and a Boeing aircraft deal. Meanwhile, fiscal reforms triggered strikes and UN agencies warned of collapsing support for Rohingya refugees.

Defence spending rose nominally but was eroded by inflation. The government instead focused on partnerships, exploring air defence deals with Europe and deepening ties with Turkey.

Abroad, Yunus is steering Bangladesh away from India-centric alignment, courting China, Pakistan, and Saudi Arabia while managing rising tensions with New Delhi. The bigger picture is one of a fragile reset. Bangladesh is trying to clean house, stabilise its economy, and redefine its global posture, all under the clock of a temporary government.

### News Headlines:

#### Politics

**Bangladesh struggles to contain the fallout of an uprising that toppled its leader last year**

One-year post-uprising, Bangladesh's interim administration faces political fragmentation, religious polarisation, and a weak rule-of-law environment. Despite promises of electoral reform and democratic restoration, the interim government struggles with rising Islamist influence and stalled elections. Relations with India have cooled, and Western support has waned amid controversies and shifting geopolitical balance.

*Source: AP*

## Ousted PM Sheikh Hasina faces legal onslaught

Sheikh Hasina was sentenced in absentia to six months in jail for contempt of court on July 2 by the ICT. On July 10, she was formally indicted for crimes against humanity over deadly crackdowns on 2024 protesters. The international community has expressed concern over the fairness and motives of the charges.

*Source: Reuters*

## JamaateIslami mass rally in Dhaka

On July 19, JamaateIslami gathered hundreds of thousands in Suhrawardy Udyan—a site significant since independence—to assert political relevance ahead of 2026 elections. It's the party's first rally at the site since 1971, drawing criticism for invoking liberation symbolism. The interim government remains cautious as Jamaat positions itself as a likely electoral coalition leader.

*Source: AP News*

## Opposition fragmentation and Islamist tensions

Jamaat-e-Islami threatened to cut ties with the BNP, citing betrayal, leading to street violence. Student wings of both parties clashed in Dhaka and Chittagong, prompting a police crackdown. The interim government has tightened surveillance on Islamist organisations.

*Source: The Economic Times*

## Lynching of Lal Chand Sohag shocks the nation

On July 9, a scrap dealer was brutally beaten and stoned to death in Old Dhaka, amid allegations of extortion by political activists. Footage went viral, prompting widespread outrage and immediate arrests, with several BNP-affiliated activists expelled. The killing exposed escalating violence tied to political patronage and criminal syndicates.

*Source: Dhaka Tribune*

## Media crackdown and journalist intimidation

Journalists in Bangladesh face increasing repression including arrests, defamation charges, and bank account freezes. High-profile cases like Bilkis Akter Jahan vs. Jugantor's editor highlight the chilling effect on free press. International watchdogs and media groups have condemned the interim government's heavy-handed approach.

*Source: Al Jazeera*

## NCP rally in Gopalganj turns deadly

On July 16, Awami League supporters clashed with security forces at an NCP youth rally in Gopalganj, killing at least four. Authorities imposed curfews as both NCP and law enforcement blamed each other for escalating violence. The unrest exposed deep opposition fragmentation and fraught political loyalties.

*Source: Reuters*

## Youth protest eruption after jet crash

Following a deadly July 21 military jet crash into a Dhaka school, students occupied government buildings August to demand accountability, refusing to back down. The incident killed 31 people (25 children), sparking national outrage and mourning. Students demanded resignation of education officials and transparent casualty figures.

*Source: Reuters*

## Economy

### Inflation and economic slowdown

Inflation surged to nearly 10% in FY 2024–25—the highest in 14 years pushed by soaring food prices. GDP growth for FY25 is projected between 3.3–3.9%, the lowest in decades. The World Bank and UN warned of rising unemployment and falling investor confidence.

*Source: Dhaka Tribune*

### Garment sector crisis after US tariff shock

On July 9, the US imposed a 35% tariff on Bangladeshi apparel, triggering panic in the garment industry. Major buyers like Walmart suspended orders, risking job losses for millions of workers. Bangladesh has launched diplomatic talks to reverse the tariff.

*Source: Al Jazeera*

### Third round of U.S. tariff talks eyed before August deadline

Commerce Adviser Sheikh Bashir Uddin announced that a third negotiation round with U.S. counterparts is being arranged next week. The urgency comes as the 35% tariff on Bangladeshi apparel is set to take effect on August 1 if unresolved. Officials remain optimistic, calling the talks “rational” and expressing hope of averting further economic damage.

*Source: TBS News*

### Strategic Boeing deal to ease trade tension

Bangladesh ordered 25 Boeing aircraft on July 27 and agreed to import large quantities of U.S. wheat, soybean oil, and cotton. Officials hope this leveraging of imports will reduce a \$6B trade deficit and soften tariff threats. This move reflects Bangladesh’s diplomatic push for better economic ties with the U.S.

*Source: Arab News*

### Fiscal reforms spark revenue service strike

The government’s dissolution of the National Board of Revenue triggered mass protests and a two-week strike. The strike paralysed customs operations, delaying import/export flows. Critics argue the reform lacked consultation and worsened trade bottlenecks.

*Source: TBS News*

### UN warns Rohingya support in Cox’s Bazar may collapse

The UNHCR has sounded an alarm that funding for over 1 million Rohingya refugees in Cox’s Bazar could fail by September–December due to a severe aid shortfall. Only 35% of its \$255 million appeal has been funded, risking the collapse of essential services like healthcare and food distribution. Bangladesh’s capacity to host refugees further strains as global donor nations shift focus to defence agendas.

*Source: Reuters*

## Defence

### Defence budget increase offset by inflation

The new defence budget of BDT 408.51 billion (~\$3.34B) reflects a 4% nominal rise but is effectively lower in real terms. Research and development allocations were cut by 24%. Analysts note budget prioritisation has shifted toward personnel and logistics.

*Source: Janes*

### Air defence upgrades under review

A Bangladeshi military delegation visited London in late June to explore air defence acquisitions. The move follows concerns about regional escalation between India and Pakistan. Procurement negotiations are ongoing with several European vendors.

*Source: Economic Times*

### Deepening ties with Turkey

Turkey's top defence officials visited Dhaka on July 8 for strategic talks on military cooperation and joint exercises. Both sides discussed joint production and drone tech transfer. This was the second such high-level meeting in under a year.

*Source: Prothom Alo*

## International Relations

### China renews Bangladesh outreach

Chinese FM Wang Yi met Bangladesh's adviser Touhid Hossain in Kuala Lumpur on July 10. The meeting focused on post-uprising stabilisation, BRI investments, and naval cooperation. It signals Beijing's continued backing of Dhaka amid Western criticism.

*Source: Chinese Foreign Ministry*

## Bangladesh–Pakistan visa exemption rattles India

As of late July, diplomats and official passport holders from Pakistan and Bangladesh now enjoy visa-free entry, raising eyebrows in New Delhi. The deal signals deeper bilateral cooperation and may shift regional diplomatic dynamics. India is closely monitoring the arrangement.

*Source: Economic Times*

## Saudi Arabia expands diplomatic footprint

On July 14, Saudi ambassador Dr. Abdullah Zafer H Bin Abiyah presented credentials in Dhaka. Both sides reaffirmed energy, trade, and religious cooperation commitments. It marks a push by Riyadh to counterbalance Iranian influence in South Asia.

*Source: Dhaka Tribune*

## India-Bangladesh tensions rise

India's Defence Chief warned of a "China–Pakistan–Bangladesh strategic nexus" posing risks to South Asia. Accusations emerged that India manipulated upstream river flows post-uprising, straining water diplomacy. Analysts note Dhaka is walking a geopolitical tightrope.

*Source: Atlantic Council*

## July Uprising celebrated at UN in New York

Foreign Adviser Md Touhid Hossain spoke at a UN event on July 28, praising the 2024 youth-led uprising for paving the path to more inclusive governance. He emphasised that those who led protests now shape national policy, aligning with global youth agenda. The speech underlined Bangladesh's reform momentum under interim administration.

*Source: TBS News*

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