

Bangladesh's New Government: Navigating Challenges on Multiple Fronts

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Summary

The newly elected government led by the Bangladesh Nationalist Party confronts a series of critical challenges. These include fostering religious harmony, revitalising the economy, curbing the rising influence of conservative forces in society and striking a careful balance in its relations with the major global powers.

Eighteen months after then prime minister Sheikh Hasina left Bangladesh amid student-led protests, the interim government conducted the country's 13th general elections on 12 February 2026. A total of 2,028 candidates contested – 1,755 representing political parties and 273 independents. The [Bangladesh Nationalist Party \(BNP\)](#) fielded 292 candidates, Bangladesh Jamaat-e-Islami (BJI) 225, National Citizen Party 32, Jatiya Party (Ershad) 196 and Islami Andolan Bangladesh 259. It was the first national election without the [Awami League](#), which was barred from participation. Around 400 international observers and 200 foreign journalists [monitored the polls](#) and the accompanying referendum. Although invited, [India did not send observers](#). Of 127 million registered voters, [59.44 per cent](#) cast ballots. Voting took place in 299 of the 300 constituencies, as polling in Sherpur-3 was postponed following a candidate's death. The [BNP and its allies](#) secured 212 seats, while BJI and its partners won 77 and independent candidates captured seven seats.

During the elections, Bangladeshis also cast their votes in a referendum on the [July Charter](#), which seeks to promote good governance, strengthen democracy, and advance social justice through institutional reforms, while safeguarding the country against any return to authoritarian or fascist rule. Bangladesh had three referendums in the past. In 1977 and 1985, referendums were held, mainly to legitimise the military governments of General Ziaur Rahman and Hussain Muhammad Ershad. The third referendum was held in 1991, leading to a return to [parliamentary democracy](#). In the [recent referendum](#), 68.1 per cent said 'Yes' and 31.9 per cent voted 'No'.

The new government faces "huge" challenges, which the BNP's leader, Tarique Rahman, acknowledged in a [pre-election interview with AFP](#). First, despite the less than impressive BJI's electoral performance, the conservative forces in the country have strengthened, which many see as a barrier to a progressive, women-friendly and religiously harmonious Bangladesh. On 8 February 2026, several women marched through the streets of Dhaka raising the issue of representation in the polls. The [BJI did not field any women candidates](#), arguing that the country is not ready for women politicians. In [many parts of rural Bangladesh](#), girls have been prevented from playing football by religious leaders calling it indecent, and women have been instructed to cover their hair or dress modestly. Hasina's exit also witnessed an increase in communal tensions and violence against Hindus. The last round of attacks on Hindus was held soon after the killing of student leader [Sharif Osman](#)

[Hadi](#). Combating misogyny, countering conservatism and establishing religious harmony will be key challenges for the new government.

Second, the interim government's efforts to reset relations with Islamabad and deepen ties with Beijing have resulted in discomfort in New Delhi. Given the contiguous border, people-to-people ties and economic reasons, engagement with New Delhi is relatively more important than with any other capital in the world. Post-elections, both India and Bangladesh may take steps to improve their bilateral ties. However, this could be possible if they agree to manage, if not satisfactorily resolve, their problematic issues, such as water sharing, cross-border movement, shooting on the international border, 'illegal' immigration, among others. The [BNP's manifesto](#) called for strong measures to stop border killings and push-in of 'illegal' immigrants by India. On ties with Dhaka's neighbours, [Tarique said to AFP](#), "The interest of my people, and the interest of my country, comes first", but there is a need for "at least a neighbourly relationship".

Like India, China has been a significant development and defence partner to Bangladesh. The last deal signed by Dhaka and Beijing was in February 2026, in which China Electronics Technology Group Corporation will set up a drone manufacturing and assembly plant in Bogra, Bangladesh. Speaking to *Reuters*, the United States (US) Ambassador to Bangladesh, [Brent T Christensen](#), expressed concerns about the deal, stating, "The US offers a range of options to help Bangladesh meet its military capability needs, including US systems and those from allied partners, to provide alternatives to Chinese systems". The US-China contest in Bangladesh could heighten geopolitical tensions in South Asia. Managing relations with China, the US, India and Pakistan will be a challenge for Dhaka.

Third, the BNP government also faces issues on the economic front. The Muhammad Yunus-led interim government achieved some success in this area. However, many of the structural problems remain. For instance, there is a [large number of non-performing loans](#), amounting to around US\$52.7 billion (S\$66.47 billion) as of September 2025. According to a report by a think tank, Research and Policy Integration for Development, there has been an increase in debt since 2016, with external and domestic debt growing at average annual rates of 18.2 per cent and 15.2 per cent, respectively, through fiscal year 2024. Consequently, the Bangladesh government spends about 31 per cent of its [domestic revenue](#) on interest payments. On 9 February 2026, Bangladesh finalised a tariff deal with the US. Under the new agreement, tariffs on Bangladeshi goods entering the American markets would be slashed to 19 per cent. However, Dhaka has committed to [buying American goods](#) worth around US\$15 billion (S\$18.92), including liquefied natural gas, over the next 15 years.

It is imperative for the new government to take decisive steps to address the country's multifaceted challenges. The choices it makes now will not only determine how effectively these issues are managed but also shape the nation's future trajectory.

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