

WEEKLY NEWS HIGHLIGHTS

BANGLADESH ENTERPRISE INSTITUTE (BEI)
| Brief Highlights on Current Issues of South Asia |
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BANGLADESH



GOVT TO BEGIN WIDER DIALOGUE ON REFORMS IN MID-JANUARY

The interim government will initiate subject-wise dialogues with political parties and other societal groups in mid-January to build consensus on state reform agendas, said Chief Adviser Professor Muhammad Yunus in an exclusive interview with *New Age* on December 29, 2024. Yunus, a Nobel laureate, assumed office after the ousting of Prime Minister Sheikh Hasina amid a violent student-led uprising on August 5. He reiterated his commitment to holding general elections within the timeframe he announced on December 16, scheduled between late 2025 and mid-2026, contingent on national consensus regarding democratic reforms. Yunus claimed there was no significant disagreement among political parties or with his government on implementing reforms or the election timeline. While acknowledging criticism of his administration's performance, Yunus stated he felt

no embarrassment, attributing challenges to the inexperience of his cabinet in governance. "We do our best; if it works, great—if not, it's our misfortune," he remarked. The interview also covered his decision to abandon plans for a political party in 2007, his reasons for leading the interim government, cabinet selection processes, efforts to manage commodity prices, and foreign relations with India and the US. Yunus expressed optimism about his government's reform agenda despite ongoing challenges.

Source: [New Age | Govt to begin wider dialogue on reforms in mid-January](#)

KHALEDA ZIA AND TARIQUE RAHMAN REUNITE AFTER 7YRS



BNP Chairperson Khaleda Zia reunited with her son,

Tarique Rahman, in London on January 7, after 2,732 days of separation. The former prime minister, who arrived at Heathrow Airport via an air ambulance provided by Qatar's royal family, was greeted by her daughter-in-law, Zubaida Rahman, before Tarique embraced his ailing mother. Khaleda, dressed in a golden saree and grey shawl, was visibly emotional as her son personally drove her to the London Clinic for medical treatment. This marks Khaleda's first overseas trip since July 2017, facilitated by her release following the fall of the Awami League government on August 5, 2024. At 79, she battles multiple health conditions, including liver cirrhosis, and will be under the care of Dr. Patrick Kennedy, a leading hepatology expert. Her treatment may involve a liver transplant and could take several months. Accompanied by a 15-member team, including doctors and party leaders, Khaleda's departure drew significant attention, with BNP leaders and supporters crowding Dhaka's streets. Senior BNP figures view this trip as a critical moment for the party, highlighting the long struggle for Khaleda's proper medical care after her imprisonment in 2018 and subsequent health challenges.



Source: [Khaleda Zia Meets Son Tarique Zia in London](#) | [Khaleda and Tarique reunite after 7yrs](#)



BANGLADESH, TÜRKİYE FOR COOPERATION IN DEFENCE INDUSTRY

Bangladesh and Türkiye have explored opportunities to deepen bilateral cooperation across various sectors, including defence, during a meeting between Chief Adviser Prof. Muhammad Yunus and Turkish Trade Minister Prof. Ömer Bolat in Dhaka. Prof. Yunus urged Türkiye to bring advanced technology, relocate factories, and invest in Bangladesh to utilize its youthful workforce, emphasizing the potential for regional supply chains. He highlighted Bangladesh's efforts to create employment opportunities and sought Türkiye's support in advancing technological and economic initiatives. Prof. Bolat proposed diversifying collaboration beyond textiles into defence, healthcare, pharmaceuticals, and farm machinery, suggesting Türkiye could become a key supplier, replacing other markets in

Bangladesh's imports. Both leaders stressed the importance of fostering partnerships in education and research between universities in the two countries. With bilateral trade reaching \$1 billion in 2023-24 and nearly 20 Turkish companies already operating in Bangladesh, the discussions aimed to build a comprehensive partnership. This meeting followed a phone call between Yunus and Turkish President Erdoğan and a subsequent visit by a Turkish delegation, further solidifying prospects for mutual cooperation.

Source: [Bangladesh, Türkiye for cooperation in defence industry | The Daily Star](#)

ROHINGYA EXODUS: UNHCR URGES STATES TO PRIORITISE LIFE-SAVING ACTIONS

The UNHCR reports that over 7,800 Rohingya attempted to flee Myanmar by sea in 2024, an 80% increase from 2023, with more women and children among the passengers. At least 650 people died or went missing, making the journey one of the world's deadliest. This exodus coincides with worsening conflict in Myanmar, displacing over 3.5 million people, and causing severe food insecurity and disease outbreaks. Hai Kyung Jun, UNHCR's Asia-Pacific director, emphasized prioritizing life-saving measures, urging states to ensure safe landings and protection for survivors. The agency highlighted an urgent need for international action to address Myanmar's conflict and root causes of displacement, as more people are expected to flee.

Source: [Rohingya exodus: UNHCR urges states to prioritise life-saving actions | The Daily Star](#)

VAT SHOCK IN THE MIDDLE OF THE FISCAL YEAR

The National Board of Revenue (NBR) has implemented a significant hike in value-added tax (VAT) and supplementary duty (SD) on nearly 100 goods and services, effective today, raising concerns about inflation and economic slowdown. The increases, unprecedented mid-fiscal year, target items like mobile and internet services, LP gas, medicines, and domestic flights, with VAT on some goods rising from 5% to 15%. The measures align with IMF recommendations under a \$4.7 billion loan agreement to boost revenue but come amid falling tax collection and rising public discontent. Critics argue the move will burden consumers already facing high inflation and suggest prioritizing tax evasion control instead. The government cites critically low fiscal space and high borrowing costs as reasons for the tax hike, emphasizing the need for improved revenue mobilization to avoid further economic strain.

Source: [VAT shock in the middle of the fiscal year | The Daily Star](#)



US EMBASSY DHAKA WELCOMES TRACEY ANN JACOBSON AS CHARGÉ D'AFFAIRES, AD INTERIM

Tracey Ann Jacobson, a seasoned diplomat and career member of the Senior Foreign Service, will assume the role of Chargé d'affaires, ad interim, at the US Embassy in Dhaka on January 11, 2025, according to a press release. A former US ambassador to Tajikistan, Turkmenistan, and Kosovo, Jacobson recently served as a senior advisor in the Bureau of Near Eastern Affairs and as Chargé d'affaires, a.i., in Ethiopia. Her extensive career includes roles as deputy ambassador in Latvia, deputy executive secretary at the National Security Council, and leadership positions at the National Foreign Affairs Training Center. A Johns Hopkins University alumna, she has received numerous accolades, including the Secretary's Distinguished Service Award. Upon her arrival, Megan Bouldin will return to her position as deputy chief of Mission in Dhaka.

Source: [US Embassy Dhaka welcomes Tracey Ann Jacobson as Chargé d'affaires, ad interim](#)

TOUHID-WANG MEETING ON 21 JANUARY: ISSUES TO GAIN PRIORITY

Foreign Advisor Md Touhid Hossain will meet Chinese Foreign Minister Wang Yi in Beijing on January 21, marking the first bilateral meeting with a foreign nation since Professor Muhammad Yunus's interim government assumed power. The four-day visit will focus on strengthening economic ties, addressing pending development projects, and potentially signing an MoU on China's Global Development Initiative (GDI). The meeting comes as Bangladesh and China commemorate 50 years of diplomatic relations. Diplomatic sources suggest China is leveraging Bangladesh's changed political circumstances and strained ties with India to deepen relations. Analysts caution Bangladesh to tread carefully, given the West's strong support for the interim government and the potential geopolitical implications of closer ties with China.

Source: [Touhid-Wang meeting on 21 January: Issues to gain priority | Prothom Alo](#)

5 REFORM COMMISSIONS TO SUBMIT REPORTS ON 15 JANUARY

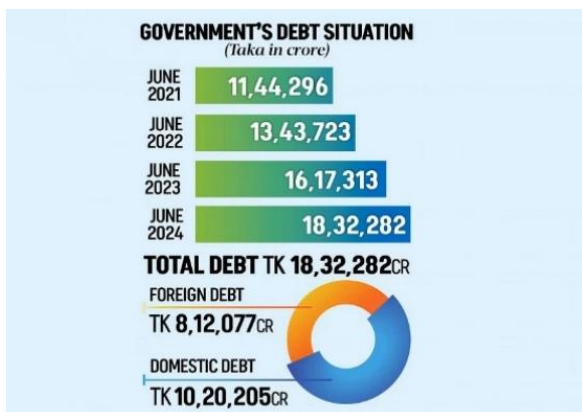
Four advisers of Bangladesh's interim government met with the heads of reform commissions on Saturday to review progress and prepare for upcoming dialogues with political parties. Five of the six commissions formed earlier are set to submit their reports to Chief Adviser Dr. Muhammad Yunus on January 15, while the judiciary reform commission has an extended deadline until January 31. The discussions, held at the TIB office in Dhaka, involved advisers on law, environment, energy, and industries. A National Unity Commission, comprising the six reform commission chiefs, is expected to lead the dialogues under Dr. Yunus's leadership. The coordination meeting aimed to align efforts ahead of these critical discussions.

Source: [Five reform commissions to submit reports on 15 January | Prothom Alo](#)

PROPOSED SME POLICY REPETITION OF FAILED ONE

The draft National Small and Medium Enterprise (SME) Policy 2025 has been criticized for largely repeating strategies from the recently expired SME Policy 2019, which failed to meet its key targets. The new policy emphasizes forming a 37-member SME Council and continuing an existing task force. Despite projecting the sector's GDP contribution to rise from 28% to 35% by 2030, no explanation has been provided for the failure to achieve the 2019 policy's goals. Experts and stakeholders, including SME leaders, highlighted ongoing issues like limited access to credit, regulatory complexities, and inadequate government support. The draft proposes 83 action matrices for implementation but has drawn skepticism over its effectiveness. Stakeholder consultations are ongoing.

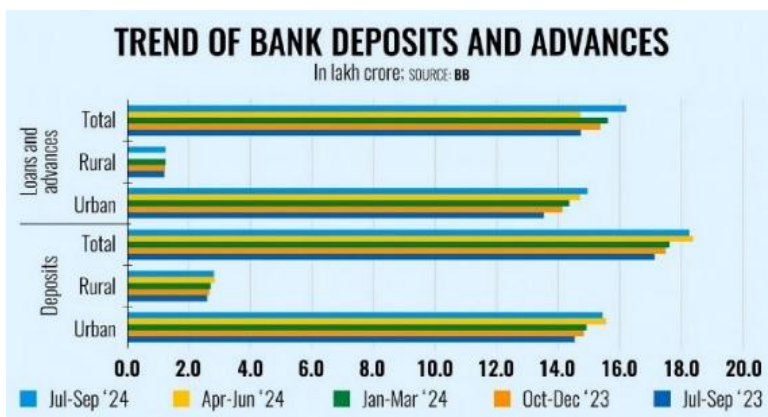
Source: [New Age | Proposed SME policy repetition of failed one](#)



GOVERNMENT DEBT NOW IN UNEASY TERRITORY

Government debt surged by 13.3% to a record Tk 18.3 lakh crore in the last fiscal year, driven by rising interest payments and weak revenue growth. Domestic debt constituted 55.7% of the total, while foreign debt accounted for the rest, pushing the debt-to-GDP ratio to 36.3%, which remains within the IMF's safe limit. However, economists warn that debt servicing pressures, worsened by liquidity shortages and reduced foreign loans, are straining fiscal health. Interest payments soared by 21% to Tk 1.1 lakh crore, or one-sixth of the national budget, with foreign interest payments spiking by 60%. A report highlighted rising debt servicing costs, shrinking fiscal space, and looming repayment burdens for major projects like Rooppur and Padma Bridge. Economists urged better fiscal discipline and value-for-money borrowing to mitigate risks.

Source: [Government debt now in uneasy territory | The Daily Star](#)



BANKS SEE RISING DEPOSITS FOR HIGHER INTEREST RATES

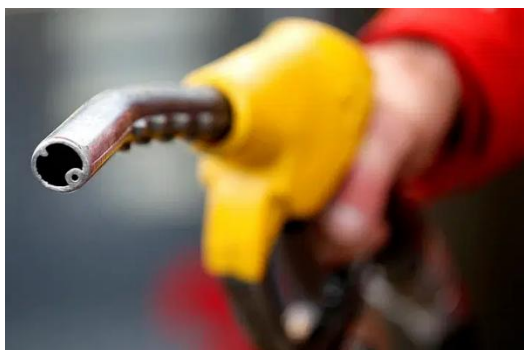
Bank deposits grew by 7% year-on-year in Q3 2024, reaching Tk 18.25 lakh crore, driven by higher interest rates and extensive promotional campaigns. Rural branches saw stronger deposit growth compared to urban counterparts, as the average deposit rate rose to 5.88% from 4.55% a year earlier, according to Bangladesh Bank data. However, deposits dipped 0.73% from Q2 due to unrest following the Awami League's ousting. Islamic and state banks saw the sharpest declines, with private banks holding 68% of total deposits. Loans and advances continued rising, growing 10% year-on-year to Tk 16.19 lakh crore, fueled by urban borrowing demand.

Source: [Banks see rising deposits for higher interest rates | The Daily Star](#)

VAT, SD ON NEARLY 100 ITEMS HIKE DESPITE INFLATION WORRIES

The National Board of Revenue (NBR) has raised value-added tax (VAT) and supplementary duty (SD) on nearly 100 goods and services, effective tomorrow, sparking concerns about worsening inflation and financial strain on consumers and businesses. VAT on items like clothing, restaurant services, and sweets has increased to 15%, while SD on mobile phone usage rose to 23%. Internet bills will rise due to a 10% SD on broadband services. Medicine, industrial items, and airfares are also subject to higher taxes. Critics, including business leaders and consumer rights advocates, warn of heightened inflation and service quality decline. The hikes follow IMF recommendations tied to a \$4.7 billion loan and aim to address falling revenue, which dropped 2.62% during July-November.

Source: [VAT, SD on nearly 100 items hiked despite inflation worries | The Daily Star](#)



BANGLADESH TO PROCURE 1.4M TONNES FUEL OIL FROM 7 COUNTRIES IN FIRST HALF OF 2025

Bangladesh is set to import 1.43 million tonnes of fuel oil from seven countries—India, China, Indonesia, Malaysia, Thailand, UAE, and Oman—between January and June 2025, costing about USD 9.6 million (Tk 114.79 billion). The Bangladesh Petroleum Corporation (BPC) will import refined fuel through government-to-government (G2G) channels, including gas oil, jet fuel, mogas, furnace oil, and marine fuel. Additionally, two railway infrastructure projects were approved: the renovation of a flood-damaged metre-gauge track in Sylhet and the construction of a new dual-gauge line in the Dhaka-Narayanganj section. The government also approved the procurement of 11 million tonnes of soybean oil and 10,000 tonnes of lentils. Furthermore, the Advisory Council reversed a previous decision on the single-point mooring operation in Maheshkhali, opting for a competitive procurement method instead of G2G channels.

Source: [Bangladesh to procure 1.4m tonnes fuel oil from 7 countries in first half of 2025](#)

EXPORTS RISE BY 12.5PC IN FIRST HALF OF FISCAL YEAR

Bangladesh's export sector saw a significant rebound during the first half of fiscal year 2024-25, with export earnings rising by 12.5 percent to reach \$21.88 billion, up from \$19.14 billion in the previous year's corresponding period. This surge was driven by robust growth in the ready-made garment sector, which recovered from the impacts of the Ukraine war and inflation and benefited from a shift in purchase orders from China. Despite ongoing challenges, the export sector posted monthly earnings exceeding \$4 billion in October, November, and December, with December seeing an 18.11 percent increase to \$4.63 billion. Additionally, remittances also saw a significant increase, reaching \$2.63 billion in December, marking a 32.54 percent rise from the previous year. These improvements have helped stabilize the country's forex reserves, which stood at \$24.97 billion in December, with \$21.8 billion under the IMF's BPM-6 method.

Source: [Exports rise by 12.5pc in first half of fiscal year](#)

FOREIGN FUND FLOW, NEW PLEDGES DWINDLE AS DEBT SERVICING SURGES

Bangladesh's foreign debt servicing surged by 28% year-on-year in the first five months of FY25, reaching \$1.71 billion, driven by a growing loan portfolio and rising global interest rates. Meanwhile, foreign loan disbursement dropped by 27%, and new loan commitments plummeted by 91% to \$522.68 million. Economists warned that declining project loans and mounting debt could strain fiscal management, urging prioritization of development projects and domestic revenue growth. Despite concerns, exports and remittances, projected to surpass \$70 billion, are expected to offset debt risks. However, with the Taka weakening, the domestic burden of foreign debt is set to rise, prompting calls for streamlined resource mobilization to manage the fiscal pressure.

Source: [Bangladesh Foreign Debt Servicing 2024-25 | Foreign fund flow, new pledges dwindle as debt servicing surges](#)



TK 9,000CR UNPAID BILLS: POWER PRODUCERS WARN OF SUPPLY DISRUPTION

The Bangladesh Independent Power Producers Association (BIPPA) has warned of potential disruptions to the country's electricity supply during Ramadan unless the government clears half of its overdue payments, amounting to Tk 9,000 crore, within the next 10 days. Despite the Bangladesh Power Development Board (PDB) being obligated to clear payments within 45 days under power purchase agreements (PPA), the backlog has persisted for over five months, with delays spanning more than three years. The overdue payments are hindering power producers' ability to import furnace oil, which is crucial for power generation during peak periods. BIPPA highlighted the severe impact on agriculture, food security, industrial production, and essential services if the payments are not cleared promptly. Additionally, the association expressed concerns over financial losses due to the devaluation of the taka and delays in interest payments. BIPPA has urged the PDB to adhere to contractual provisions and settle the overdue payments to avoid further instability in the sector. While the PDB acknowledged its financial constraints, it has been making payments in phases and seeks assistance from the finance division to resolve the issue.

Source: [Unpaid Electricity Bills in Bangladesh | Tk 9,000cr unpaid bills: Power producers warn of supply disruption](#)

BANGLADESH'S CURRENT SITUATION STABLE FOR INVESTMENT: EIB VP

European Investment Bank (EIB) Vice-President Nicola Beer has expressed strong support for Bangladesh's interim government, highlighting the stable environment for European investment in the country. During her meeting with Foreign Adviser Touhid Hossain, she emphasized the EIB's alignment with the government's reform agenda and its efforts to lead the nation toward elections. Beer discussed accelerating investment in sectors like energy, water, and sanitation, and reaffirmed the European Union's backing for Bangladesh's development. Her visit aims to explore expanded cooperation, including energy and infrastructure projects, and she plans to meet with key local ministries and international financial institutions to further investment opportunities.

Source: [Bangladesh's current situation stable for investment: EIB VP](#)

SAVINGS CERTIFICATE INTEREST RATES RISING FROM 1 JAN

The interim government of Bangladesh is set to increase interest rates for savings certificates, effective from 1 January. The hike, of at least one percentage point, will offer higher returns for investors with up to Tk7.5 lakh in investments. For example, the five-year Bangladesh Savings Certificate will offer a rate of 12.40% for investments up to Tk7.5 lakh, up from the current 11.28%. Other schemes, including the three-year Quarterly Profit Savings Certificate and the five-year Pensioner Savings Certificate, will see similar increases. The adjustments aim to make savings certificates more competitive with bank deposit rates, which currently range from 9% to 11%. The government's renewed focus on savings certificates is due to declining revenue collection and a shift away from borrowing from the banking sector. The revised borrowing target for the current fiscal year is Tk15,400 crore.

Source: [Savings certificate interest rates rising from 1 Jan | The Business Standard](#)

ADANI PUSHES FOR PAYMENT ROADMAP AS PDB ARREARS MOUNT TO \$845M

Adani Group has urged Bangladesh's interim government to provide a roadmap for clearing \$845 million in unpaid power bills for electricity supplied from its Godda plant. The Bangladesh Power Development Board (PDB) has struggled with overdue payments since 2023, with \$771 million of the debt still unpaid. Adani's request, detailed in a letter to Finance Adviser Dr. Salehuddin Ahmed and Power and Energy Adviser M Fouzul Kabir Khan, stresses the urgency of settling arrears, given upcoming power demands during Ramadan and the Boro rice season. The unresolved financial tensions, coupled with disputes between PDB and Adani Power, highlight ongoing strain in energy cooperation. Additionally, local independent power producers (IPPs) have demanded at least half of their overdue dues, amounting to Tk9,000 crore, to be cleared to ensure timely fuel imports for power generation. Meanwhile, Petrobangla has warned that delayed payments for LNG imports could disrupt gas supplies, further intensifying the pressure on Bangladesh's energy sector.

Source: [Adani pushes for payment roadmap as PDB arrears mount to \\$845m | The Business Standard](#)

FOREX RESERVE DIPS TO \$20B AFTER CLEARING ACU BILL

Bangladesh Bank's foreign exchange reserve has decreased to US\$20 billion following the payment of the Asian Clearing Union (ACU) import bill. The ACU bill for the last two months (November and December) was paid with \$1.67 billion. After clearing the ACU bill, the country's total foreign exchange reserves stood at \$24.9 billion, said central bank Spokesperson and executive Director Husne Ara Shikha on Thursday. According to the International Monetary Fund (IMF) BPM-6 calculation standard, the reserves are now at \$20 billion.

Source: [Forex reserve dips to \\$20b after clearing ACU bill | The Financial Express](#)

WORRIED ABOUT SLOWDOWN, GOVT PUSHES FOR SPEEDING UP ADP IMPLEMENTATION

The Planning Commission has urged all ministries and divisions to expedite the completion of ongoing development projects to address the record-low implementation rate of the Annual Development Programme (ADP). This move follows approval from Planning Adviser Dr. Wahiduddin Mahmud. With public and private investment significantly low after the fall of the Awami League government in August 2024, the Commission aims to prevent economic stagnation. The ADP's implementation rate for the July-November period of the 2024-25 fiscal year stands at just 12.3%, a sharp decline from previous years. The Commission has also emphasized the need for transparent, corruption-free project execution. Delays in fund releases and contractor abandonment of projects have contributed to the slow implementation. Dr. Mahmud expressed concerns that the lack of new private investment and minimal public expenditure could lead to an economic recession.

Source: [Worried about slowdown, govt pushes for speeding up ADP implementation | The Financial Express](#)



PAK DEPUTY PM ISHAQ DAR TO VISIT BANGLADESH

Pakistan's Deputy Prime Minister and Foreign Minister Ishaq Dar is set to visit Bangladesh next month, marking the first visit by any Pakistani Foreign Minister since 2012. The visit aims to deepen bilateral ties amid a changed political landscape in both countries. Ishaq Dar emphasized the importance of this trip, describing Bangladesh as a "lost brother" and underscoring efforts to cooperate on economic and trade matters. He will also visit Malaysia from February 3 to 5 before traveling to Dhaka at the invitation of Chief Adviser Dr. Muhammad Yunus. Bangladesh has repeatedly called for Pakistan to publicly apologize for the 1971 atrocities, a sentiment echoed during meetings with Pakistani officials. Dar's visit follows discussions between Yunus and Pakistani Prime Minister Shehbaz Sharif, who agreed to strengthen relations and resolve long-standing issues, including those stemming from the 1971 conflict. The two leaders also expressed interest in cooperation in new sectors, such as the sugar industry and dengue management, while exploring the revival of SAARC.

Source: [New Age | Pak deputy PM Ishaq Dar to visit Bangladesh](#)



DHAKA-DELHI TIES WON'T GET STUCK IN SINGLE ISSUE: TOUHID

Bangladesh's Foreign Affairs Adviser, Md Touhid Hossain, emphasized that Dhaka's relations with India, China, and the United States would not be hindered by a single issue, with priorities for 2025 focusing on the Rohingya crisis, strengthening ties with these three major countries, and ensuring economic and diplomatic stability. He highlighted the importance of maintaining good relations with all three countries while addressing bilateral issues. Regarding Bangladesh's request for the extradition of former Prime Minister Sheikh Hasina, he noted that this was one of the ongoing issues, but Dhaka would continue working on other mutual interests with India. Touhid confirmed plans to visit China soon to discuss bilateral concerns. He also stressed that resolving the Rohingya crisis, including their safe return to Myanmar, remains a top priority, acknowledging the challenges ahead but remaining optimistic about progress.

Source: [New Age | Dhaka-Delhi ties won't get stuck in single issue: Touhid](#)

SWATCH OF NO-GROUND: GOVT FINALISES PLAN TO PROTECT ITS MARINE BIODIVERSITY

The Bangladesh government has finalized the Integrated Management Plan for the Swatch of No-Ground Marine Protected Area (SONG-MPA), aiming to protect threatened marine species like dolphins, whales, sharks, rays, and turtles, while promoting sustainable fisheries and coastal livelihoods. The plan, developed by the Ministry of Environment, Forest and Climate Change, emphasizes marine spatial planning, community engagement, and multi-agency enforcement. It includes strategic zoning for Fish Spawning, Marine Wildlife Protection, and Sustainable Fishery areas, alongside pollution control measures. A key proposal is expanding the protected area from 1,738 to 6,866 square kilometers to enhance biodiversity conservation and resource sustainability.

Source: [Swatch of No-Ground: Govt finalises plan to protect its marine biodiversity | The Daily Star](#)

PAYRA 1,320 MW POWER PLANT RESUMES FULL PRODUCTION AFTER MAINTENANCE

The Payra 1,320 MW Thermal Power Plant in Patuakhali resumed full production on Wednesday after completing nearly two months of maintenance. The second unit, offline since November 9, began generating electricity at 9:30 pm, bringing the plant back to its full capacity, supplying 1,320 MW to the national grid. Additionally, the RNPCL thermal power plant's first unit is set for experimental production in mid-January, with full operation expected by March. The second unit will begin production in June. The RNPCL plant, located near Payra, aims to meet 10% of the country's electricity demand. It utilizes ultra-supercritical technology for minimal environmental impact.

Source: [Payra 1,320 MW power plant resumes full production after maintenance | The Daily Star](#)

INDIA



PM MODI MEETS US NATIONAL SECURITY ADVISOR JAKE SULLIVAN: LOOK FORWARD TO BUILDING ON MOMENTUM OF INDIA—US TIES

Prime Minister Narendra Modi met with U.S. National Security Advisor Jake Sullivan on January 6, 2025, emphasizing the significant progress in the India-U.S. Comprehensive Global Strategic Partnership. Modi highlighted advancements in technology, defense, space, biotechnology, and artificial intelligence, expressing his commitment to further enhancing bilateral ties for mutual and global benefits. On social media platform X, Modi shared, "The India-U.S. Comprehensive Global Strategic Partnership has scaled new heights... Look forward to building upon this momentum." Jake Sullivan, during his visit, praised India's NSA Ajit Doval for his pivotal role in advancing U.S.-India collaborations, particularly in cutting-edge technologies. Speaking at IIT Delhi, Sullivan noted that such technologies would propel bilateral relations and build a better world, citing his four years of close professional collaboration with Doval as instrumental.

Sullivan's two-day visit to New Delhi involved discussions on bilateral, regional, and global issues with senior Indian officials, culminating in an acknowledgment of the growing depth and scope of India-U.S. ties.

Source: [PM Modi meets US National Security Advisor Jake Sullivan: Look forward to building on momentum of India—US ties | Today News](#)

JAKE SULLIVAN IN NEW DELHI: 'INDIA-US COLLABORATION CRUCIAL FOR PEACE, STABILITY IN INDO-PACIFIC'

U.S. National Security Advisor Jake Sullivan emphasized the importance of India-U.S. collaboration for Indo-Pacific peace and stability during an address at IIT-Delhi. Highlighting advancements in bilateral ties over the past four years, Sullivan noted achievements in pandemic response, vaccine distribution, and initiatives in jet engines, semiconductors, and clean energy. He announced plans to

send an Indian astronaut to space in collaboration with the U.S. and underscored ongoing efforts to implement civil nuclear cooperation with India. Sullivan also criticized China's weaponization of interdependencies in critical technologies, reaffirming the depth of the U.S.-India partnership.

Source: [Jake Sullivan in New Delhi: 'India-US collaboration crucial for peace, stability in Indo-Pacific' – Firstpost](#)



FOREIGN SECRETARY MISRI MEETS AFGHAN FOREIGN MINISTER MUTTAQI IN DUBAI

India's Foreign Secretary Vikram Misri met Afghanistan's Acting Foreign Minister Mawlawi Amir Khan Muttaqi in Dubai on January 8, 2025, discussing development projects, humanitarian aid, and regional security. India expressed its willingness to undertake development projects in Afghanistan, alongside ongoing humanitarian assistance programs. India has already provided substantial aid, including wheat, medicines, vaccines, and winter supplies. Both sides emphasized enhancing cooperation in health, trade via Chabahar port, and cricket. The Afghan Minister thanked India for its consistent support, reaffirming sensitivity to India's security concerns. Regular contact between the two nations was agreed upon.

Source: [Foreign Secretary Misri meets Afghan Foreign Minister Muttaqi in Dubai](#)



[High Commission's request' – India TV](#)

INDIA CONDEMNS PAKISTANI AIRSTRIKES ON AFGHANISTAN, SAYS PAKISTAN BLAMING NEIGHBOURS "AN OLD PRACTICE"

India has strongly condemned the recent Pakistani airstrikes in Afghanistan that killed at least 46 civilians, including women and children, labeling Pakistan's actions as an "old practice" of deflecting blame onto neighbors to mask its own failures. The Ministry of External Affairs (MEA) issued a statement on January 6, 2025, unequivocally rejecting Pakistan's justification that the strikes targeted militants' hideouts and reaffirming solidarity with Afghan civilians. Afghanistan's Taliban-led government also denounced the attacks, calling the victims refugees and warning against violations of its sovereignty, further escalating regional tensions.

[Source: India condemns Pakistani airstrikes on Afghanistan, says Pakistan blaming neighbours "an old practice"](#)

SHEIKH HASINA EXTRADITION: MEA OFFERS 'NO COMMENTS', SAYS 'RECEIVED BANGLADESH HIGH COMMISSION'S REQUEST'

India has acknowledged receiving a diplomatic Note Verbale from Bangladesh requesting the extradition of former Prime Minister Sheikh Hasina but has refrained from commenting further, according to MEA Spokesperson Randhir Jaiswal. Hasina, ousted in August 2024 and now living in exile in India, faces arrest warrants from Bangladesh's International Crimes Tribunal for "crimes against humanity and genocide." The extradition request follows a letter from Home Advisor Jahangir Alam to Bangladesh's foreign ministry, citing an existing treaty with India. Interim Chief Adviser Muhammad Yunus has called for Hasina's return, while she has accused the interim government of genocide and failing to protect minorities. The matter remains diplomatically sensitive.

[Source: Sheikh Hasina extradition: MEA offers 'no comments, says 'received Bangladesh](#)

INDIA & IRAN DISCUSS CHABAHAR PORT, TRADE AND ECONOMIC ISSUES AT FOREIGN OFFICE CONSULTATIONS

India and Iran held the 19th Foreign Office Consultations (FOC) in New Delhi on January 3, 2025, focusing on strengthening cooperation in key areas like the Chabahar Port, trade, and regional connectivity. Co-chaired by Indian Foreign Secretary Vikram Misri and Iranian Deputy Foreign Minister Majid Takht Ravanchi, the discussions covered bilateral ties, regional developments, and global issues, including Afghanistan and the South Caucasus. Chabahar Port's strategic importance in supporting Afghanistan's development and as a connectivity hub in the International North-South Transport Corridor (INSTC) was highlighted. Both nations reiterated commitments to multilateral cooperation and agreed to sustain high-level exchanges to deepen their partnership.

[Source: India & Iran discuss Chabahar Port, trade and economic issues at Foreign Office Consultations](#)



MICROSOFT TO INVEST USD THREE BILLION IN INDIA: NADELLA

Microsoft CEO Satya Nadella announced a \$3 billion investment to expand the company's cloud and AI infrastructure in India, marking its largest expansion in the country to date. Nadella emphasized India's growing momentum in adopting multi-agent deployments and reiterated Microsoft's mission to empower individuals and organizations. Highlighting the importance of human capital, Nadella also committed to training 10 million people in AI skills by 2030, underscoring the company's focus on leveraging technology for India's growth and potential. This expansion includes significant regional developments to enhance Azure capacity across India.

[Source: Microsoft to invest USD three billion in India: Nadella](#)



INDIA WILL CONTINUE TO SUPPORT MALDIVES DEFENCE NEEDS: RAJNATH ASSURES MAUMOON DURING HIGH-LEVEL TALKS

India has reiterated its commitment to supporting the Maldives in defence and development needs during high-level talks between Defence Minister Rajnath Singh and his Maldivian counterpart Mohammed Ghassan Maumoon in New Delhi. Singh assured continued assistance for capacity building of the Maldives National Defence Forces (MNDF) through training, equipment, and infrastructure projects. Highlighting the Joint Vision Document as a guiding framework, Singh emphasized the Maldives' strategic importance under India's 'Neighbourhood First' policy and the shared role in ensuring security in the Indian Ocean Region. Maumoon appreciated India's historical role as the Maldives' 'First Responder' and thanked New Delhi for its ongoing support. Despite earlier tensions under President Mohamed Muizzu's pro-China stance, relations have improved following his visit to India in October, where both nations pledged to strengthen ties.

[Source: India will continue to support Maldives defence needs: Rajnath assures Maumoon during high-level talks – India TV](#)

JUPITER INTERNATIONAL TO INVEST RS 6500 CRORE TO EXPAND CAPACITY IN SOLAR ENERGY SECTOR

Jupiter International has announced plans to invest ₹6,500 crore over the next three years to expand its solar energy manufacturing capacity, aiming to become an integrated solar manufacturer. The company will boost its production capabilities to 3 GW of wafers, 9.4 GW of cells, and 6 GW of modules, ensuring full control over the value chain for quality, efficiency, and cost optimization. With a current capacity of 1 GW of photovoltaic cells at its Himachal Pradesh facility, Jupiter's expansion will primarily focus on Odisha, with future plans in other states. Managing Director Alok Garodia highlighted opportunities in both domestic and export markets amid growing demand. According to CareEdge Ratings, India's solar manufacturing capacity is set to surge, supported by ₹1 lakh crore in investments and a robust project pipeline exceeding 100 GW.

Source: [Solar energy | Jupiter International to invest Rs 6500 crore to expand capacity in solar energy sector - Telegraph India](#)

INDIA'S ECONOMY PROJECTED TO GROW 6.6% IN 2025, SUPPORTED BY STRONG PRIVATE CONSUMPTION, INVESTMENT: UN

India's economy is projected to grow by 6.6% in 2025, supported by robust private consumption, investment, and infrastructure development, according to the UN's "World Economic Situation and Prospects 2025" report. Growth is forecast to rebound to 6.8% in 2026. Strong export performance in services, manufacturing expansion, and favorable monsoons boosting agricultural output are key contributors. Inflation is expected to ease to 4.3% in 2025. The South Asian region, driven by India, is set to grow at 5.7% in 2025 despite risks like geopolitical tensions, debt challenges, and climate hazards. Global growth remains steady at 2.8% for 2025.

Source: [India's economy projected to grow 6.6% in 2025, supported by strong private consumption, investment: UN - The Hindu](#)

MARKETS GIVE UP EARLY GAINS; TRADE LOWER ON FOREIGN FUND EXODUS

Indian equity markets opened higher on Friday, with the Sensex rising by 270.76 points to 77,890.97 and the Nifty gaining 69.5 points to 23,596, but later reversed gains due to heavy foreign fund outflows. By mid-session, the Sensex was down 306.07 points at 77,313.56, and the Nifty fell 112.10 points to 23,412.45. TCS shares jumped 4% following strong quarterly results, while Tech Mahindra, Infosys, and HDFC Bank also gained. IndusInd Bank and Adani Ports led the laggards. FIIs sold ₹7,170.87 crore in equities on Thursday, further dampening market sentiment. Asian markets showed mixed trends, and Brent crude rose 0.30% to \$77.15 a barrel.

Source: [Sensex today: Stock markets give up early gains; trade lower on foreign fund exodus - The Hindu](#)



INDIA, EU DISCUSS IMPORTANCE OF PROTECTING HUMAN RIGHTS, FREEDOM OF EXPRESSION

India and the European Union (EU) held their 11th Human Rights Dialogue in New Delhi on January 8, 2025, reaffirming their commitment to democracy, rule of law, and human rights. The discussions covered a broad range of issues, including civil and political rights, social, economic, and cultural rights, combating religious hatred, eliminating discrimination, and protecting freedoms such as religion, belief, and expression—both online and offline. India reiterated its stance on the right to development, while the EU maintained its opposition to the death penalty. The dialogue also focused on the rights of the LGBTQI+ community, women's empowerment, technology, and business-related human rights concerns. Both sides emphasized the importance of strengthening international human rights mechanisms and agreed to enhance cooperation, particularly in multilateral forums like the UN

General Assembly and Human Rights Council, as well as on humanitarian aid and disaster relief efforts.

Source: [India, EU discuss importance of protecting human rights, freedom of expression - The Hindu](#)



Comprehensive Economic and Maritime Security Partnership.

Source: [India a steadfast supporter of Maldives' progress, says EAM Jaishankar after talks with Foreign Minister Khaleel](#)

INDIA A STEADFAST SUPPORTER OF MALDIVES' PROGRESS, SAYS EAM JAISHANKAR AFTER TALKS WITH FOREIGN MINISTER KHALEEL

During the official visit of Maldives Foreign Minister Abdullah Khaleel to India from January 2-4, 2025, India and the Maldives further strengthened their bilateral ties, focusing on economic, security, and development cooperation. Indian External Affairs Minister S. Jaishankar reaffirmed India's commitment to supporting the Maldives' progress, underlining the country as a "concrete expression" of India's Neighborhood First policy. The two nations signed a Memorandum of Understanding for the implementation of High Impact Community Development Projects (HICDP) under Phase-III, with Indian grant assistance. Jaishankar also highlighted India's financial support to the Maldives, including a currency swap and the resubscription of treasury bills. Khaleel appreciated India's timely financial aid and the country's consistent role as the Maldives' "First Responder" during emergencies. The discussions also focused on advancing maritime security cooperation and the provision of defense equipment to the Maldives, building on the vision for a

PAKISTAN

PAKISTAN SEEKS BANGLADESH SUPPORT TO JOIN NDB

Pakistan has requested Bangladesh's support for its bid to join the New Development Bank (NDB), a multilateral financial institution established by the BRICS countries. The request was made in a letter from Pakistan's Minister for Economic Affairs, Ahad Khan Cheema, addressed to Bangladesh's Finance Adviser, Salehuddin Ahmed. The NDB, founded by Brazil, Russia, India, China, and South Africa in 2015, aims to fund infrastructure development and sustainable growth. Bangladesh became a member in 2021. While Bangladesh has strengthened political and trade ties with Pakistan, including direct shipping links and increasing trade, the request to join NDB is directed at founding BRICS members.

Source: [Pakistan seeks Bangladesh support to join NDB | The Business Standard](#)



UAE PRESIDENT ARRIVES IN PAKISTAN FOR TALKS WITH PRIME MINISTER SHEHBAZ SHARIF

President Sheikh Mohamed met Pakistan's Prime Minister Shehbaz Sharif in Rahim Yar Khan to discuss strengthening bilateral cooperation in economic, investment, and trade sectors, with an emphasis on sustainable development, state news agency Wam reported. The leaders also exchanged views on regional and international issues of mutual interest. Mr. Sharif expressed gratitude for the UAE's continued support, including a \$10 billion investment pledge announced during his visit in May 2024. Highlighting the historic ties between the nations, Sheikh Mohamed stressed the importance of enhancing collaboration in economic and developmental fields. Pakistan, an early supporter of the UAE since its founding in 1971, shares deep-rooted relations with the Emirates, including contributions to its aviation sector. The meeting was attended by senior UAE officials, further underscoring the significance of the partnership.

Source: [UAE President arrives in Pakistan for talks with Prime Minister Shehbaz Sharif | The National](#)

CPI INFLATION CLOCKS IN AT 4.1PC FOR DECEMBER 2024 — LOWEST IN NEARLY 7 YEARS

Pakistan's annual consumer price index (CPI) inflation rate decreased to 4.1% in December 2024, down from 4.9% in November and 29.7% in December 2023, according to data from the Pakistan Bureau of Statistics (PBS). Month-on-month inflation rose by 0.1% in December, compared to 0.5% in November. This marks the lowest inflation rate in 6.75 years. Food prices in urban areas saw significant increases, particularly in pulses, tomatoes, and potatoes, while non-food items like motor vehicle tax and footwear also rose. Rural areas experienced similar trends, with notable increases in food items such as pulse gram and potatoes, as well as non-food items like education and motor vehicle tax. The reduction in inflation follows the State Bank of Pakistan's decision to lower interest rates in December, though core inflation remains persistent.

Source: [CPI inflation clocks in at 4.1pc for December 2024 — lowest in nearly 7 years - Business - DAWN.COM](#)

PAKISTAN NOT DIPLOMATICALLY ISOLATED: FOREIGN MINISTER ISHAQ DAR

Deputy Prime Minister and Foreign Minister Ishaq Dar dismissed claims of Pakistan's diplomatic isolation, emphasizing active global engagement and a focus on economic diplomacy to attract foreign investments and restore Pakistan's international standing. At a press conference, Dar highlighted high-level visits, including those from Saudi Arabia and Iran, as part of efforts to deepen ties with regional allies like Russia, Gulf nations, and Central Asian states. He noted Pakistan's participation in key international events, raising issues such as Kashmir and Gaza while leading OIC initiatives. He praised improved economic indicators, including reduced inflation and policy rates, and highlighted Prime Minister Shehbaz Sharif's efforts to secure \$29 billion in investment commitments. Dar also announced plans for the World Muslim League conference on girls' education and upcoming visits to Malaysia and Bangladesh to further strengthen ties.

Source: [Pakistan not diplomatically isolated: Dar](#)

PAKISTAN'S WORKERS REMITTANCES HIT \$3.08 BILLION IN DECEMBER, UP 6% MoM: SBP

Workers' remittances to Pakistan surged to \$3.08 billion in December 2024, a 29.3% year-on-year increase and a 5.6% rise month-on-month, according to the State Bank of Pakistan (SBP). Total remittances for July-December FY25 reached \$17.8 billion, up 32.8% from \$13.4 billion during the same period last year. Saudi Arabia led inflows with \$770.6 million in December, followed by the UAE with \$631.5 million, the UK with \$456.9 million, and the EU with \$360.3 million. While US inflows slightly declined by 1%, overall remittances are expected to reach a record \$35 billion this year. Prime Minister Shehbaz Sharif and SBP Governor Jameel Ahmad credited government efforts to curb illegal forex trades and praised the milestone as a boost to foreign exchange reserves amid ongoing IMF-backed economic reforms.

Source: [Pakistan's workers remittances hit \\$3.08 billion in December, up 6% MoM: SBP - Profit by Pakistan Today](#)

UN SURVEY FORECASTS 3.4% GDP GROWTH FOR PAKISTAN IN FY25

The UN's World Economic Situation and Prospects 2025 report forecasts a GDP growth of 3.4% for Pakistan in FY25, crediting the \$7 billion IMF Extended Fund Facility for stabilizing the economy. The report highlights modest recoveries in Pakistan and Sri Lanka from the downturn of 2022-23, with regional GDP in South Asia projected to grow 5.7% in 2025. While inflation in South Asia is expected to decline, climate shocks like heatwaves and erratic rainfall have exacerbated rural inequalities in Pakistan. The UN calls for structural reforms and climate resilience measures to sustain growth amid risks such as debt challenges, geopolitical tensions, and social unrest.

Source: [UN survey forecasts 3.4% GDP growth for Pakistan in FY25 - Profit by Pakistan Today](#)

PM OLI HINTS AT 'UNEASY' RELATIONS WITH INDIA AMID PREPARATIONS OF HIS NEW DELHI VISIT

Nepal's Prime Minister K.P. Sharma Oli, ahead of his anticipated visit to India, has hinted at strained bilateral relations, emphasizing Nepal's commitment to sovereignty and balanced foreign relations. In a political report to his party's Central Committee, Oli criticized India's reluctance to address issues like granting an additional air entry route critical for the Gautam Buddha International Airport. He accused India of disregarding Nepal's sensitivities and highlighted dissatisfaction with the former government's handling of foreign relations under pressure, likely referencing India. While critical of India, Oli praised his recent China visit, calling the signing of the BRI Framework a historic step. Oli also welcomed the India-China six-point agreement to ease border tensions, viewing it as beneficial for Nepal. Diplomatic preparations are reportedly underway for his India visit by March.



Source 1: [PM Oli hints at 'uneasy' relations with India amid preparations of his New Delhi visit - myRepublica - The New York Times Partner, Latest news of Nepal in English, Latest News Articles | Republica](#)

SIGNING BRI FRAMEWORK WITH CHINA, MODI MEETING KEY TO STRONGER TIES: OLI

Nepal's Prime Minister K.P. Sharma Oli has highlighted the signing of the Belt and Road Initiative (BRI) framework agreement with China and his meeting with Indian Prime Minister Narendra Modi during the 79th UN General Assembly as pivotal for

strengthening bilateral relations. Speaking at the Communist Party of Nepal (UML) central committee meeting, Oli emphasized a balanced foreign policy rooted in national interests to bolster diplomacy, economic ties, and cultural exchanges with neighbors and friendly nations. He underlined Nepal's commitment to fostering trust, mutual cooperation, and sensitivity to the legitimate concerns of all partners, advocating "friendship with all and enmity with none" as the core of Nepal's foreign policy.

Source: [Signing BRI framework with China, Modi meeting key to stronger ties: Oli | World News - Business Standard](#)

NEPAL-INDIA COMMERCE SECRETARY-LEVEL MEETING BEGINS IN KATHMANDU

The Nepal-India Commerce Secretary-level meeting has resumed in Kathmandu after four years, focusing on resolving trade issues and reviewing the bilateral trade treaty. Key discussions include Nepal's request for mutual recognition of quality certificates and addressing delays in obtaining Bureau of Indian Standards (BIS) certifications for Nepali exporters. Baburam Adhikari, spokesperson for Nepal's Ministry of Industry, Commerce and Supplies, highlighted India's critical role as a trading partner and expressed optimism about constructive outcomes to facilitate smoother export processes and address trade and transit challenges.

Source: [Nepal-India Commerce Secretary-level meeting begins in Kathmandu - myRepublica - The New York Times Partner, Latest news of Nepal in English, Latest News Articles | Republica](#)

NEPAL'S FOREIGN EXCHANGE RESERVES CLIMB TO RS 2.273 TRILLION

Nepal's foreign exchange reserves rose to Rs 2.273 trillion by mid-December, marking an 11.4% growth in the first five months of the fiscal year, according to Nepal Rastra Bank. This level can cover goods imports for 17.6 months and goods and services imports for 14.6 months, surpassing the recommended 7–8 months. Remittance inflows grew 4.4% to Rs 640.43 billion during the period, fueling the reserves, though Nepal's trade deficit worsened, with the Balance of Trade standing at a negative \$4.405 billion. Exports rose by 16.5%, driven by increased trade with India and China, while imports grew by 3%.

Source: [Nepal's foreign exchange reserves climb to Rs 2.273 trillion - myRepublica - The New York Times Partner, Latest news of Nepal in English, Latest News Articles | Republica](#)

PUBLIC DEBT REACHES 2,500 BILLION, INTEREST PAYMENT EXCEEDS DEVELOPMENT BUDGET

Nepal's public debt has reached Rs 2,492.91 billion by mid-December, equivalent to 43.69% of GDP, as reported by the Public Debt Management Office. This includes Rs 1,217.66 billion in internal debt and Rs 1,274.75 billion in external debt. Debt servicing expenditures for principal and interest have surpassed the development budget, with Rs 170.49 billion paid by December 15, exceeding the capital expenditure of Rs 40.8 billion by 4.5 times. While Rs 402 billion is allocated for debt servicing this fiscal year, the capital expenditure stands at Rs 352.35 billion. Loan mobilization reached only 35.15% of the annual target, raising concerns over Nepal's growing debt burden and its impact on developmental priorities.

Source: [Public debt reaches 2,500 billion, interest payment exceeds development budget - The Himalayan Times - Nepal's No.1 English Daily Newspaper | Nepal News, Latest Politics, Business, World, Sports, Entertainment, Travel, Life Style News](#)

TRADE DEFICIT TO NARROW TO 16.1 PERCENT OF GDP

Bhutan's trade deficit is projected to narrow to 16.1% of GDP in the fiscal year 2024-25, improving from 17.7% the previous year, according to the Royal Monetary Authority. This is attributed to a 12.5% rise in non-hydro exports, driven by growth in manufacturing, quarrying, and mining sectors, offsetting a slight dip in hydropower export earnings due to higher domestic consumption. Imports are expected to grow by 5.8%, driven by raw material and fuel demand, as well as machinery imports under the 13th Plan. Bhutan's current account deficit is forecasted to shrink to 21.5% of GDP, supported by increased tourism revenue, grants, and remittances. Gross international reserves are projected to reach USD 828.9 million, covering 16 months of essential imports.

Source: [Trade deficit to narrow to 16.1 percent of GDP | Kuensel Online](#)

KHORLOCHHU HYDROPOWER PROJECT MOVES FORWARD

The 600 MW Khorlochhu Hydro Power Limited (KHPL) has awarded contracts worth Nu 16.8 billion for dam and powerhouse construction to Jaiprakash Associates Limited (JAL) and Construction Development Corporation Limited (CDCL). JAL will handle the Nu 9.7 billion dam construction, while the Nu 4.99 billion powerhouse contract will be shared with CDCL. The State Mining Corporation secured a Nu 873 million contract for aggregates. Preparatory works are complete, and the project, a joint venture between Druk Green Power Corporation and Tata Power Company, is set for completion by 2029 at a cost of Nu 69 billion, generating 2,524 MU annually.

Source: [Khorlochhu hydropower project moves forward | Kuensel Online](#)



ASSAM CM SAYS RAIL LINE FROM GUWAHATI TO GMC AND 6 LANE EXPRESSWAY

Assam Chief Minister Himanta Biswa Sarma announced major infrastructure and cooperative initiatives tied to Bhutan's Gelephu Mindfulness City (GMC) during a press briefing. Plans include a six-lane highway from Bongaigaon to Gelephu and a potential Guwahati-Gelephu rail link via Kokrajhar, aiming to integrate Assam into GMC's billion-dollar investment zone. Highlighting GMC's international airport and global appeal, the CM emphasized Assam's complementary role, with plans to promote the region jointly with Bhutan. Additional collaborations include water projects, hydropower initiatives, and trade route development through Jogighopa and Golokganj. The Bhutanese King and PM expressed strong support for Assam-Bhutan partnerships, with visits planned in 2025.

Source: [Assam CM says rail line from Guwahati to GMC and 6 lane Expressway – The Bhutanese](#)

BHUTAN PUTS IN REQUEST FOR TWO AIR ROUTES IMPORTANT TO GMC INTERNATIONAL AIRPORT

Bhutan has requested India to approve two new air routes, Igay and Taray, for Gelephu International Airport (GMC Airport), crucial for its operations and economic viability. The proposal, discussed during an October 2024 meeting between Bhutan's Ministry of Infrastructure and Transport and India's Ministry of Civil Aviation, is under review, involving India's Defense Ministry and other stakeholders due to the airspace's strategic importance. Bhutan is optimistic about approval, citing strong bilateral ties. Meanwhile, GMC Airport's pre-concept design by NACO envisions phased capacity expansions, starting with 1.3 million passengers annually by 2029. His Majesty The King emphasized the airport's critical role in national security and economic sovereignty, rallying Bhutanese citizens globally to contribute nearly USD 140 million toward the project.

Source: [Bhutan puts in request for two air routes important to GMC International Airport – The Bhutanese](#)

BHUTAN INFLATION DROPS TO 2 PER CENT IN 2024 – RMA

Bhutan's inflation rate has decreased significantly, dropping to 2% in August 2024 from 5.7% in the same month of 2023, largely due to falling fuel prices and slower increases in non-food costs. However, food prices surged, particularly in vegetables like tomatoes and onions, driven by poor weather conditions in India, Bhutan's primary supplier. Non-food inflation saw a reduction in transportation costs, reflecting global trends of easing energy prices. Despite these improvements, Bhutan faces a persistent issue with the declining purchasing power of ngultrum, which has lost 43.5% of its value over the past decade, making the currency's real value significantly weaker.

Source: [Inflation drops to 2 per cent in 2024 - RMA - BBSCL](#)

DGM CALLS FOR PREPAREDNESS AND STRENGTHENING EARTHQUAKE-RESILIENT BUILDING CODES

The recent earthquake in Tibet, which triggered an avalanche in Bhutan's Lunana region, has highlighted the importance of earthquake-resilient building codes in the country. Bhutan's Department of Geology and Mines stresses that modern buildings must adhere to these codes, which include deep foundations, shear walls, cross-bracing, and the use of ductile materials like steel. Phuntsho Namgyal, director of the department, explained that Bhutan follows Indian building codes for seismic Zone Five, the highest-risk area, making buildings in major towns capable of withstanding strong tremors. However, the director emphasized the need for disaster management, including evacuation plans and coordination, as earthquakes can lead to secondary disasters such as landslides and floods. Bhutan's last major earthquake in 2009 caused significant damage, underscoring the need for constant vigilance and preparedness for future seismic events.

Source: [DGM calls for preparedness and strengthening earthquake-resilient building codes - BBSCL](#)

SRI LANKA PRESIDENT TO VISIT CHINA AHEAD OF BUDGET

The recent earthquake in Tibet, which triggered an avalanche in Bhutan's Lunana region, has highlighted the importance of earthquake-resilient building codes in the country. Bhutan's Department of Geology and Mines stresses that modern buildings must adhere to these codes, which include deep foundations, shear walls, cross-bracing, and the use of ductile materials like steel. Phuntsho Namgyal, director of the department, explained that Bhutan follows Indian building codes for seismic Zone Five, the highest-risk area, making buildings in major towns capable of withstanding strong tremors. However, the director emphasized the need for disaster management, including evacuation plans and coordination, as earthquakes can lead to secondary disasters such as landslides and floods. Bhutan's last major earthquake in 2009 caused significant damage, underscoring the need for constant vigilance and preparedness for future seismic events.



Source: [Sri Lanka president to visit China ahead of budget](#)

'TAIWAN IS ONLY A PROVINCE OF CHINA,' AFFIRMS SRI LANKA

Sri Lanka's cabinet has reaffirmed the country's commitment to the "One China Policy" ahead of President Anura Kumara Dissanayake's visit to China. The decision, made this week, emphasizes that "Taiwan is only a province of China" and reinforces Sri Lanka's support for the People's Republic of China as the legitimate government of China. The cabinet also approved

several Memoranda of Understanding (MoUs) aimed at strengthening ties with China, including agreements between the China Media Group and Sri Lanka's Tourism Promotion Bureau, as well as between multiple Sri Lankan media organizations and Chinese counterparts. These MoUs include collaborations with Xinhua News Agency, the National Radio and Television Administration of China, and the Sri Lanka Broadcasting Corporation. The approvals are part of ongoing efforts to bolster bilateral relations between Colombo and Beijing.

Source: ['Taiwan is only a province of China,' affirms Sri Lanka | Tamil Guardian](#)

GOVT LAUNCHES STRATEGIC INITIATIVE TO ESTABLISH COMMERCIAL APPROACH TO R&D

Sri Lanka has launched the **'National Initiative for R&D Commercialisation (NIRDC)'**, aimed at transforming research and development into marketable products to drive economic growth and innovation. President Anura Kumara Dissanayake highlighted the need for a structured approach to modernising traditional industries and fostering innovation to empower marginalised communities and eradicate poverty. Despite historically low R&D investment of 0.12% of GDP, the government aims to capitalise on rising investor interest and implement a robust strategy through the newly established Science and Technology Ministry. The initiative, led by experts from diverse fields, includes a new platform, **nirdc.gov.lk**, to facilitate R&D commercialisation. President Dissanayake underscored innovation's role in shaping economic progress, marking this initiative as a step toward making Sri Lanka a global hub for technological advancement.

Source: [Govt launches strategic initiative to establish commercial approach to R&D - DailyNews](#)

HAMBANTOTA INTERNATIONAL PORT ACHIEVES 22% GROWTH RATE IN 2024

Hambantota International Port (HIP) achieved a 22% growth rate in 2024, maintaining its strong performance from the previous year while positioning itself as a key regional maritime hub. Significant infrastructure upgrades, including gantry and yard cranes, were implemented to meet rising demands. Bulk and break-bulk cargo volumes surged by 134%, driven by Sri Lanka's recovering construction sector, while LPG throughput rose by 46%, with a 100% increase in the second quarter. A milestone achievement was the port's launch of container transshipment services, handling 43,777 TEUs by mid-2024—a 99,300% growth from 2023. With its strategic location, upgraded facilities, and focus on energy and transshipment, HIP aims for even greater growth in 2025, strengthening Sri Lanka's role in global shipping.

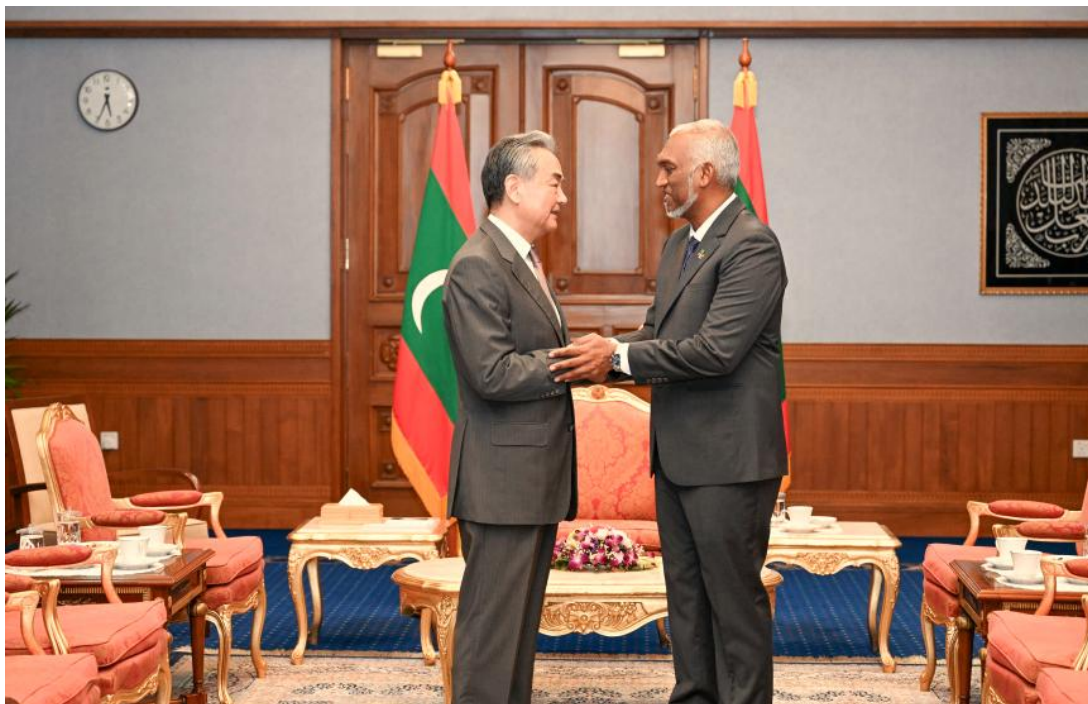
Source: [Hambantota International Port achieves 22% growth rate in 2024 - DailyNews](#)

SRI LANKA'S ECONOMY PROJECTED TO GROW 5 PCT IN 2024

Sri Lanka's economy is projected to grow by 5% in 2024, marking the highest annual growth since 2017, according to Central Bank Governor Nandalal Weerasinghe. Speaking at the launch of the "Central Bank's Policy Agenda for 2025 and Beyond," Weerasinghe noted that key sectors, including industry and services, recorded expansions throughout the year. Leading indicators suggest continued growth in the final quarter, with a 5.2% economic expansion estimated for the first three quarters of 2024.

Source: [Sri Lanka's economy projected to grow 5 pct in 2024-Xinhua](#)

MALDIVES PRESIDENT MEETS CHINESE FM TO DEEPEN BILATERAL COOPERATION



Maldives President Mohamed Muizzu held a meeting with Chinese Foreign Minister Wang Yi, reaffirming their commitment to deepening bilateral cooperation. During the meeting, Muizzu highlighted the successful outcomes of his state visit to China and expressed the Maldives' desire to enhance its relationship with China, particularly in infrastructure development and economic diversification. He emphasized the urgency of prioritizing social housing and road development projects and sought China's support in advancing agriculture and fisheries sectors. Wang, in turn, praised Muizzu's vision for the country's development and assured continued Chinese backing for ongoing and future projects. Both leaders reaffirmed their commitment to the China-Maldives Comprehensive

Strategic Cooperative Partnership and agreed to strengthen cooperation on international and regional platforms. The meeting underscored the long-standing friendship between the two nations and their shared goals for mutual growth and prosperity.

Source: [Maldives president meets Chinese FM to deepen bilateral cooperation - People's Daily Online](#)

MALDIVES FM CONCLUDES OFFICIAL VISIT TO INDIA

Maldives' Minister of Foreign Affairs, Abdulla Khaleel, recently concluded his first official visit to India, marking a significant step in strengthening the bilateral relationship. During his visit, Khaleel held high-level discussions with India's Minister of External Affairs, S. Jaishankar, focusing on new areas of collaboration, including development projects, infrastructure, and socio-economic initiatives. Khaleel expressed gratitude for India's support in addressing the Maldives' fiscal challenges, emphasizing the importance of the partnership in maintaining economic stability. A key highlight of the visit was the signing of a Memorandum of Understanding (MoU) on High Impact Community Development Projects (HICDP), which launched the third phase of cooperation aimed at improving infrastructure and livelihoods in local communities across the Maldives. Khaleel also visited the High Commission of Maldives in India, reinforcing the importance of continued collaboration. The Maldives and India share deep-rooted cultural and historical ties, with India having been a key partner since the Maldives' independence in 1965.

Source: [Maldives FM concludes official visit to India - Khmer Times](#)

INDIA, MALDIVES VOW TO REALIZE MARITIME SECURITY PARTNERSHIP

India and Maldives have reaffirmed their commitment to strengthening their comprehensive economic and maritime security partnership during a meeting between Maldivian Defense Minister Mohammed Ghassan Maumoon and Indian Defense Minister Rajnath Singh in New Delhi. The leaders reviewed various aspects of bilateral defense and security cooperation, with India offering to enhance the Maldives' defense capabilities by providing defense platforms and assets. Maumoon expressed gratitude for India's assistance in improving the Maldives' infrastructure and training defense personnel. Additionally, India handed over defense equipment and stores at the request of the Maldivian government. This visit, part of ongoing high-level engagements between the two countries, aims to deepen defense and security ties for the mutual benefit of both nations and the Indian Ocean region. The visit follows Maldivian President Mohamed Muizzu's trip to India in October 2024.

Source: [India, Maldives vow to realize maritime security partnership](#)

ABDULLAH BIN ZAYED DISCUSSES STRENGTHENING BILATERAL RELATIONS WITH FM OF MALDIVES

Sheikh Abdullah bin Zayed Al Nahyan, Deputy Prime Minister and Minister of Foreign Affairs of the UAE, met with the Maldives' Minister of Foreign Affairs, Dr. Abdulla Khaleel, in Abu Dhabi to discuss strengthening bilateral relations. The two diplomats explored opportunities for cooperation in areas such as economy, trade, investment, renewable energy, and climate. Sheikh Abdullah reaffirmed the UAE's commitment to supporting the Maldives' developmental goals and enhancing the prosperity of both nations. The meeting also covered regional and international issues of mutual interest. Attendees included Ahmed Al Sayegh, Minister of State, and Saeed Mubarak Al Hajeri, Assistant Minister for Economic and Trade Affairs.

Source: [Abdullah Bin Zayed Discusses Strengthening Bilateral Relations With FM Of Maldives - UrduPoint](#)

AFGHANISTAN

TALIBAN CALLS INDIA A 'SIGNIFICANT REGIONAL PARTNER' AFTER OFFICIALS MEET

The Taliban has referred to India as a "significant regional and economic partner" following high-level talks between Indian Foreign Secretary Vikram Misri and Taliban Foreign Minister Amir Khan Muttaqi in Dubai. The discussions focused on strengthening political and economic ties, particularly through the Chabahar Port in Iran. India expressed its readiness to engage in development projects and provide material support for Afghanistan's health sector and repatriated refugees. Despite not recognizing the Taliban government, India has continued providing humanitarian aid. The meeting occurred amid rising tensions between Afghanistan and Pakistan, with India condemning recent airstrikes by Pakistan on Afghan soil.

Source: [Taliban calls India a 'significant regional partner' after officials meet | Taliban News | Al Jazeera](#)

UNHCR URGES PAKISTAN TO HALT FORCED DEPORTATIONS OF AFGHAN REFUGEES

The United Nations High Commissioner for Refugees (UNHCR) has called for the suspension of Afghan refugee deportations from Pakistan, arguing that forced expulsions violate international laws. UNHCR's Deputy Spokesperson in Pakistan, Qaiser Khan, emphasized the organization's readiness to support Pakistan both financially and technically, urging the government to halt deportations of long-standing refugees. The deportations have escalated in the past week, with over 26,000 Afghans returning to Afghanistan through border crossings, while more than 25,000 have entered Pakistan. Migrant rights activist Ehsanullah Ahmadzai urged the international community and organizations like UNHCR and IOM to work with the Afghan government on refugee matters. Many refugees report mistreatment and forced deportations by Pakistani police, further exacerbating the crisis. The actions have sparked criticism from global organizations, including IOM and Amnesty International.

Source: [Afghanistan in 2024: Poverty and Unemployment Persist | TOLONews](#)

PAKISTAN INVITES ISLAMIC EMIRATE TO OIC SUMMIT ON WOMEN'S EDUCATION

Pakistan has invited the caretaker government of Afghanistan to attend the Organization of Islamic Cooperation (OIC) summit on women's education in Islam, set to take place on January 11 in Islamabad. Pakistani Education Minister Khalid Maqbool Siddiqui expressed hope that the Islamic Emirate of Afghanistan would send a representative, emphasizing that there is no prohibition on women's education according to Islamic teachings. The summit is being supported by the Muslim World League, which stressed that education is a fundamental right for women. Nobel Peace Prize laureate Malala Yousafzai is set to speak about the importance of protecting girls' education, particularly for Afghan girls. Despite the invitation, the Islamic Emirate has yet to confirm its participation, which has sparked discussion on its potential impact on Afghanistan's foreign policy. The summit is being held amidst ongoing restrictions on girls' education in Afghanistan, where the Taliban has suspended female students' attendance for over three years.

Source: [Pakistan Invites Islamic Emirate to OIC Summit on Women's Education | TOLONews](#)

US CONGRESS INTRODUCES BILL TO BLOCK AID TO ISLAMIC EMIRATE

Tim Burchett, Vice Chair of the US Congress' Foreign Affairs Committee, has introduced a bill to prevent US taxpayer funds from reaching the Islamic Emirate of Afghanistan. The bill mandates the US State Department to develop a policy opposing foreign aid to the Taliban. It also requires reports on cash assistance programs and safeguards to ensure the Taliban does not access funds, as well as on the Afghan Fund and the country's central bank. The bill follows criticism from former President Trump and a White House defense of humanitarian aid directed to the Afghan people rather than the Taliban. Meanwhile, Afghanistan's Ministry of Economy rejected the use of humanitarian aid as political leverage, stressing that such actions violate international law. Economic analysts argue that global aid remains crucial for addressing Afghanistan's ongoing humanitarian crises, with 32% of the population expected to need urgent aid in 2025.

Source: [US Congress Introduces Bill to Block Aid to Islamic Emirate | TOLONews](#)

TENSIONS BETWEEN PAKISTAN AND AFGHANISTAN ESCALATE AMID BORDER CLASHES

Relations between Pakistan and Afghanistan have sharply deteriorated since Kabul's fall to the Taliban in 2021. The most severe confrontation occurred in December 2024 when Pakistani airstrikes in eastern Afghanistan killed 46 people, including women and children, targeting Pakistani Taliban militants. This escalation reflects Pakistan's growing frustration over increasing deadly attacks attributed to the Pakistani Taliban, allegedly sheltered by the Afghan Taliban. Pakistan's leadership, previously accused of supporting the Afghan Taliban, now faces a similar challenge, with the rise of Pakistani Taliban militants encouraged by the Afghan Taliban's victory. Attacks by the Pakistani Taliban have surged since 2021, as modern weapons from Afghanistan flood the market, enhancing the militants' capabilities. Reports indicate ongoing collaboration between the Afghan Taliban, Pakistani Taliban, and al-Qaeda in cross-border attacks.

Source: [Tensions between Pakistan and Afghanistan escalate amid border clashes - The Washington Post](#)

ABOUT BEI

Bangladesh Enterprise Institute is a non-profit, non-political research center. Established in October 2000, the Institute has established for itself a reputation for excellence in its research and advocacy work focusing on the growth of private enterprise in Bangladesh. The Institute promotes issues of importance to the private sector and seeks to initiate essential measures and influence policy for the development of a market-oriented economy. Through the promotion of sustainable growth in domestic trade, commerce and industry, BEI hopes to address the enormous challenge for Bangladesh in securing a fair share of the global market.

BEI has a particular interest in the support and growth of Small and Medium-Sized Enterprises (SMEs), which have the potential to be the engine of economic growth in Bangladesh. BEI also undertakes research and policy advocacy work focusing on the issues of foreign policy and security, particularly those of terrorism impacting Bangladesh and South Asia.

Being conscious of the enormous challenge to securing a fair share for Bangladesh in the global market as well as to address issues of trade and investment promotion, the Bangladesh Enterprise Institute (BEI) was established under the initiative of some leading business personalities of the country.

M Humayun Kabir, former Ambassador, has been working as the President and Chief Executive of the institute.

The institute is registered with the Registrar of Joint Stock Companies, Bangladesh, under the Societies Registration Act.

DISCLAIMER

In compiling this weekly news update, BEI has attempted to include the most relevant news accounts from the past week concerning South Asian Region. From time to time, news beyond South Asia has also been included if it finds relevance on any issues to the region. We recognize that some developments may have been overlooked, and that some sources may not be viewed by all as credible or balanced. Inclusion of a news story and its summary does not constitute any kind of endorsement or position taken by BEI, and the text and positions included in the above are solely extracted from various news articles published in the print media in various countries in South Asia and beyond. If you have any comments or feedback for us regarding this digest, please email at bei@bol-online.com. For more information about BEI and our work, please visit <https://www.bei-bd.org/>]

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