

# WEEKLY NEWS HIGHLIGHTS

BANGLADESH ENTERPRISE INSTITUTE (BEI)

23rd July –31st July 2025



## Brief Highlights on Current Issues of South Asia

### BANGLADESH



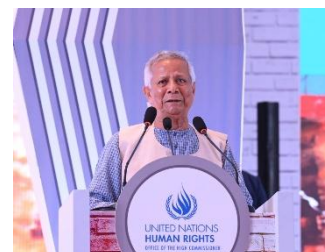
#### TERRORISM HAS NO PLACE IN BANGLADESH: CA

Chief Adviser Professor Muhammad Yunus reaffirmed his government's zero-tolerance policy on terrorism during a meeting with US Chargé d'Affaires Tracey Ann Jacobson, pledging that no terrorist organization will be allowed to operate in Bangladesh and that all efforts will be made to eliminate such threats. The 40-minute meeting at the state guest house Jamuna covered bilateral issues including tariff negotiations and Bangladesh's ongoing democratic transition. Jacobson expressed the United States' continued support for the reform process and upcoming elections. Yunus also briefed her on the progress of the National Consensus Commission, led by Professor Ali Riaz, which is working to unite political parties around key reforms aimed at ensuring long-term stability and inclusive governance. [Source: Bangladesh Government Stance On Terrorism / Terrorism has no place in Bangladesh](#)

#### POLITICAL SYSTEM WILL BE RENEWED FOR INCLUSIVE POLLS: CA

Chief Adviser Prof Muhammad Yunus emphasized building national consensus for a reformed political system to ensure inclusive and credible elections. At a UN commemoration event, he stressed justice, deep reforms, and human rights following the July 2024 uprising, where 1,400 were killed. The government is implementing UN recommendations, including legal reforms and partnering with OHCHR. BNP's Mirza Fakhruel urged for fair trials and democratic governance through elections. Jamaat's Shafiqur Rahman demanded justice for the victims and warned against elections without accountability.

[Source: Chief Adviser Yunus On Election Reforms / Govt working to deliver inclusive, credible election: Yunus](#)



#### JULY TRIALS: RETRIBUTIVE JUSTICE MUST BE AVOIDED

UN Human Rights Commissioner Volker Türk, in a video message marking the anniversary of the July 2024 uprising in Bangladesh, called for accountability for the over 1,400 killings and widespread abuses committed by the former Awami League regime. Emphasizing justice aligned with international human rights law—without retribution or the death penalty—he urged comprehensive transitional justice, truth-seeking, and institutional reform, particularly in security and legal sectors. He welcomed the interim government's initial steps and pledged UN support. Rights activist Barrister Sara Hossain acknowledged some progress, including investigations into enforced disappearances and freer public discourse, but raised concerns over the unchanged judiciary, continued misuse of repressive laws, gender imbalance in reform bodies, and lack of focus on police and judicial reforms.

[Source: July trials: Retributive justice must be avoided / The Daily Star](#)



### HANDA TO INVEST \$250M, CREATE 25,000 JOBS

Handa Industries, a Hong Kong-based textile company, will invest \$250 million in Bangladesh to set up three factories, creating 25,000 jobs. Initially planning \$150 million, the company raised its investment after positive engagement with BIDA, BEZA, and BEPZA. The first factory, worth \$80 million, will be built in Mirsarai Economic Zone. Chief Adviser Prof Muhammad Yunus welcomed the move and encouraged further Chinese investment.

**Source:** [Handa Industries Investment In Bangladesh | Handa to invest \\$250m, create 25,000 jobs](#)



### DHAKA, ISLAMABAD EXPRESS CONCERN OVER CRISIS IN PALESTINE

Bangladesh and Pakistan condemned Israeli aggression in Palestine and reaffirmed solidarity with the Palestinian cause during a meeting between Foreign Affairs Adviser Md Touhid Hossain and Pakistan's Deputy PM Ishaq Dar at a UN conference. They expressed hope for progress on the two-state solution, reviewed bilateral relations, and agreed to strengthen political, economic, and cultural cooperation, including plans for high-level visits and enhanced connectivity.

**Source:** [Dhaka, Islamabad express concern over crisis in Palestine | Prothom Alo](#)

### TOUHID LEAVES FOR US TO JOIN UN PALESTINE MEET

Foreign Affairs Adviser Md Touhid Hossain departed Dhaka to attend the two-day High-Level International Conference on Palestine's peaceful settlement and the two-state solution at the UN Headquarters in New York on July 28-29. Hosted by France and Saudi Arabia under UN Resolution A/RES/79/81, the conference aims to revive progress amid the worsening humanitarian and political crisis in Gaza.

**Source:** [Touhid leaves for US to join UN Palestine meet | Prothom Alo](#)

### DHAKA-DELHI RELATIONS SHOW POSITIVE SIGNS DESPITE BORDER WORRIES



Bangladesh-India relations have shown encouraging signs of goodwill recently, highlighted by gestures such as an Indian medical team assisting Dhaka after a tragic plane crash and symbolic exchanges like Chief Adviser Prof Muhammad Yunus sending mangoes to Indian leaders, reflecting a spirit of friendship despite ongoing challenges. While visas for tourists remain closed, India continues issuing visas for essential travel. Both countries agreed earlier this year to curb border killings through joint patrols and cooperation, but incidents persist, including recent fatal shootings by Indian border forces, which Bangladesh strongly condemns and demands legal accountability. Dhaka also raises concerns over unauthorized push-ins from India, urging adherence to established repatriation procedures, amid criticism from Human Rights Watch about unlawful deportations of ethnic Bengali Muslims. Despite these tensions, officials from both sides acknowledge the importance of maintaining cordial and balanced relations, especially ahead of Bangladesh's upcoming national elections, with India emphasizing a desire for positive, constructive partnership and ongoing cooperation across multiple sectors.

**Source:** [Dhaka-Delhi ties show positive signs despite border worries | Prothom Alo](#)

### BANGLADESH GOVT FORMS NATIONAL PAY COMMISSION 2025

The government has formed the National Pay Commission 2025, chaired by former Finance Secretary Zakir Ahmed Khan, to recommend a suitable and timely salary structure for public sector employees. The commission includes full-time and part-time members from diverse professional backgrounds and will review pay, benefits, and allowances across government and semi-government institutions, excluding industrial workers under the 1985 Ordinance. It will consider inflation, living costs, fiscal capacity, and retention of skilled staff, with a mandate to submit its report within six months of its first meeting.

**Source:** [Govt forms National Pay Commission 2025 | Prothom Alo](#)



### 'WE'RE MAKING PROGRESS,' SAYS COMMERCE ADVISER AFTER FIRST DAY OF TALKS WITH US

The third round of talks between Bangladesh and the US Trade Representative (USTR) began in Washington, focusing on reducing the US's recently imposed 35% reciprocal tariff on Bangladeshi products, which would raise Bangladesh's export duties to 50%. Commerce Adviser Sheikh Bashiruddin, leading the Bangladeshi delegation, said progress is being made, with unresolved issues from previous talks being addressed and concerns raised about US trade privileges extended to other countries. The three-day negotiations are set to conclude on July 31, with Bangladesh hopeful for a positive outcome.

**Source:** [Tariff rate: 'We're making progress,' says commerce adviser after first day of talks with US](#)





### **RECIPROCAL TARIFFS: BANGLADESH TO PURCHASE 25 BOEING AIRCRAFT FROM THE US**

As part of ongoing trade negotiations with the United States over reciprocal tariffs, Bangladesh has decided to purchase 25 aircraft from Boeing, with some expected to be delivered within one to two years, according to Commerce Secretary Mahbubur Rahman. A Bangladeshi delegation, including the commerce adviser and security adviser, is set to visit the US for further talks scheduled on July 29-31, aiming for a tariff agreement announcement by August 1. Besides the aircraft purchase—originally planned for 14 planes but increased to 25 due to tariff discussions—Bangladesh has finalized a contract to import wheat from the US, with private sector talks underway to import soybeans and cotton. Rahman explained that Boeing operates independently from the US government and supplies aircraft based on production capacity and order sequence, with other countries like India and Vietnam placing larger orders. The US imposed reciprocal tariffs partly to address its \$1.3 trillion trade deficit, prompting Bangladesh to engage actively in these negotiations and trade deals.

*Source: [Bangladesh to purchase 25 Boeing aircraft from the US](#)*

### **FOREIGN DEBT: BANGLADESH PAYS RECORD \$4.09B IN ONE YEAR**

Bangladesh's foreign debt repayment hit a record \$4.09 billion in the 2024-25 fiscal year, nearly quadrupling over the past decade from \$1.1 billion in 2012-13. Despite this rising repayment burden, foreign loan disbursements and commitments have declined compared to previous years. Major lenders like the Asian Development Bank, World Bank, and Japan remain active, while India, China, and Russia made no new commitments this fiscal year. The growing debt pressure is expected to increase as repayments begin for large projects such as the Rooppur Nuclear Power Plant and Hazrat Shahjalal Airport's Third Terminal, with grace periods for many mega projects ending.

*Source: [Foreign debt: Bangladesh pays record \\$4.09b in one year](#)*

### **ADB PREDICTS DECLINE IN BANGLADESH'S GDP GROWTH DUE TO US RECIPROCAL TARIFF**

The Asian Development Bank (ADB) has warned that the US-imposed reciprocal tariffs could slow Bangladesh's GDP growth in the 2025-26 fiscal year, mainly due to impacts on exports and the industrial sector, though it did not provide a specific growth forecast in its July Asian Development Outlook. The ADB's April report had projected 5.1% growth for that fiscal year. The 35% US tariff, effective August 1, targets products including ready-made garments, potentially reducing export volumes and affecting the economy. Meanwhile, inflation has eased slightly, aided by stable global commodity prices and tight fiscal policies, with the overall inflation rate dropping to 8.48% in June—the lowest since July 2022. Despite a 13-year high food inflation of 14.10% in July 2024, rates have since fallen below 10% over recent months.

*Source: [ADB predicts decline in Bangladesh's GDP growth due to US reciprocal tariff](#)*

### **CHINA TO HELP WITH PROBE INTO JET CRASH**

Chinese Ambassador to Bangladesh Yao Wen stated that China will assist Bangladesh in investigating the Bangladesh Air Force jet crash into Milestone School and College in Dhaka's Uttara area on July 21. He confirmed that a technical team is being sent in response to Bangladesh's request to ensure an impartial investigation into the crash, which killed 34 people, mostly primary students, and injured many others. *Source: [New Age | China to help with probe into jet crash](#)*

### **SAUDI ARABIA INVITES BANGLADESH INTERIM GOVT CHIEF TO FUTURE INVESTMENT INITIATIVE**

Saudi Arabia has invited Bangladesh's interim government chief adviser, Professor Muhammad Yunus, to attend the ninth Future Investment Initiative (FII9) in Riyadh from October 27-30, 2025. The invitation was delivered by Saudi Ambassador Abdullah Zafer bin Abiyah on behalf of Crown Prince Mohammed bin Salman during a meeting in Dhaka. This marks the first time a Bangladeshi head of government has been invited to the annual event. The chief adviser expressed gratitude for the invitation and said he would actively consider attending, while also thanking the crown prince for accepting an invitation to visit Bangladesh for the 50th anniversary of bilateral diplomatic relations.

*Source: [New Age | Saudi Arabia invites Bangladesh interim govt chief to Future Investment Initiative](#)*

## YUNUS THANKS FOREIGN MEDICAL TEAMS FOR TREATING JET CRASH VICTIMS



A delegation of 21 physicians and nurses from India, Singapore, and China, currently in Dhaka to treat victims of the July 21 fighter jet crash at Milestone School and College, met Bangladesh's interim government chief adviser Professor Muhammad Yunus at the State Guest House Jamuna. Professor Yunus expressed deep gratitude for their swift and dedicated medical support during this national crisis, highlighting the importance of international cooperation in emergency healthcare. He praised their commitment and urged continued long-term collaboration through medical education, capacity building, and public health partnerships. Health adviser Nurjahan Begum and special assistant Professor Sayedur Rahman acknowledged the lifesaving impact of the foreign medical teams. The meeting, also attended by Chinese Ambassador Yao Wen and Singapore's Head of Mission Mitchel Lee, included four members from India, ten from Singapore, and eight from China.

*Source: New Age | Yunus thanks foreign medical teams for treating jet crash victims*



## UNGA ADOPTS BANGLADESH'S FLAGSHIP RESOLUTION ON CULTURE OF PEACE

The United Nations General Assembly has adopted Bangladesh's flagship resolution titled *Follow-up to the Declaration and Programme of Action on a Culture of Peace* with overwhelming cross-regional support from 96 member states. Introduced by the permanent representative of Bangladesh during Friday's session, the resolution highlights the urgent need to nurture a culture of peace in daily life amid rising global challenges and diminishing empathy among nations. Originally initiated by Bangladesh in 1999, the resolution continues to promote universal

values such as diversity, tolerance, solidarity, and non-violence, providing a framework for countries to foster peace through education, inclusive dialogue, and international cooperation. *Source: New Age | UNGA adopts Bangladesh's flagship resolution on culture of peace*



## BANGLADESH, US 'MILITARY EXERCISE BEGINS

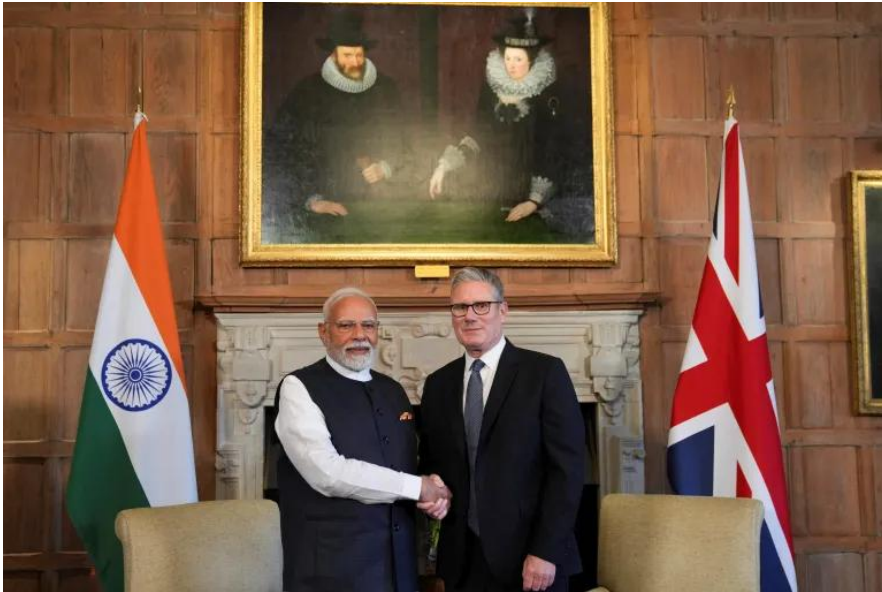
The joint military exercise *Tiger Lightning (TL)-2025* began on Friday at the Para Commando Brigade in Jalalabad Cantonment, Sylhet, jointly organised by the Bangladesh Army and the United States Army Pacific Command. The six-day exercise, supervised by the Para Commando Brigade and the Nevada National Guard, aims to strengthen mutual collaboration, joint operational capabilities, and disaster preparedness. Major General Ascot A Winter, deputy commanding general of USARPAC, inaugurated the exercise, which includes 100 personnel from Bangladesh's Para Commando Brigade and 66 from the US Nevada National Guard. Senior Bangladesh Army officials attended the opening ceremony. The exercise reflects ongoing cooperation between the two nations in regional security, counter-terrorism, and humanitarian assistance.

*Source: New Age | Bangladesh, US 'military exercise begins*



### 'NO WORLD LEADER ASKED INDIA TO STOP DURING OPERATION SINDOOR': PM MODI

On July 29, Indian Prime Minister Narendra Modi told the Lok Sabha that during Operation Sindoor, no world leader asked India to stop its military response. He said U.S. Vice President JD Vance tried to contact him several times on May 9, warning of a possible Pakistani attack, but Modi was in a security meeting and later assured Vance that any Pakistani action would be met with a stronger response. Modi said the Indian strike on May 6–7 targeted terror camps in Bahawalpur and Muridke and did not lead to wider conflict. He rejected claims by former U.S. President Donald Trump that the U.S. brokered a ceasefire, stating it was Pakistan's own military that initiated it. Modi said Indian air defences intercepted over 1,000 drones and missiles from Pakistan and credited military reforms, including the creation of the Chief of Defence Staff post, for the country's readiness. He criticized the Congress party for demoralizing the armed forces and claimed the opposition aligned with Pakistan's narrative. He also referred to the suspension of the Indus Water Treaty and called it a past mistake. **Source:** [Counter-terrorism, security, rare earths in focus during PM Modi's 5-nation tour | Latest News India - Hindustan Times](#)



### UK AND INDIA SIGN FREE TRADE AGREEMENT

India and the United Kingdom have signed a trade agreement aimed at reducing tariffs on goods like textiles, whisky, cars, and spices, while expanding market access for businesses. The deal, signed at Chequers by Indian and UK trade ministers in the presence of Prime Ministers Narendra Modi and Keir Starmer, follows years of negotiations and still awaits ratification by the UK Parliament. Starmer called it the UK's most significant trade deal since Brexit, while Modi described it as a blueprint for shared prosperity. The agreement includes £6 billion in trade and investment commitments and aims to boost bilateral trade by £25.5 billion. Tariffs on British goods exported to India will drop from 15% to 3%, while India's exports will enjoy near-complete duty-free access. The leaders also discussed the June 12 Air India crash, which killed 241 people, including 169 Indian and 52 British nationals. **Source:** [UK and India sign free trade agreement during Modi visit | International Trade News | Al Jazeera](#)

### KING MEETS MODI AFTER INDIA-UK TRADE DEAL SIGNED

India and the United Kingdom have signed a long-anticipated free trade agreement that aims to significantly enhance bilateral economic ties by reducing tariffs and expanding market access. The deal, signed at Chequers and followed by Indian Prime Minister Narendra Modi's meeting with King Charles at Sandringham, will lower duties on a range of products — UK exports like whisky, luxury cars, aerospace parts, and medical devices, and Indian exports such as textiles, jewellery, seafood, and engineering goods. Average tariffs on UK goods entering India will drop from 15% to 3%, while whisky tariffs will be reduced from 150% to 75%, and eventually to 40% by 2035. The agreement also includes provisions on labour mobility, social security exemptions for temporary workers, and deeper collaboration in defence, education, technology, climate, and migration control. It is expected to create over 2,200 British jobs and boost the UK economy by £4.8 billion annually. While hailed by leaders from both nations as a blueprint for shared prosperity, the deal awaits UK parliamentary ratification and is seen as a landmark post-Brexit trade achievement, despite ongoing debates over its broader impact on domestic labour markets and financial services access.



**Source:** [India-UK free trade deal: Modi meets King after agreement signed](#)



## MODI BOOSTS MALDIVES TIES AS CHINA LOOMS



Indian Prime Minister Narendra Modi concluded a two-day visit to the Maldives, aimed at revitalizing bilateral ties strained under the current Maldivian administration's initial pro-China stance. After Maldives President Mohamed Muizzu came to power in 2023 on an anti-India platform and demanded the withdrawal of Indian military personnel, relations soured further when he visited China before India. However, Muizzu has since softened his rhetoric, calling India the Maldives' "closest and most trusted partner" during Modi's visit, which coincided with the 60th anniversary of Maldivian independence. **India extended a \$565 million credit line**, eased repayment terms on a previous loan, and inaugurated major infrastructure projects including housing, roads, and a new defense ministry headquarters. The two sides also discussed the possibility of a free trade agreement. Modi emphasized continued Indian support for Maldivian development and stability, especially in the strategic Indian Ocean region where shipping lanes and geopolitical competition intersect. **Source:** [India: Modi boosts Maldives ties as China looms – DW – 07/26/2025](#)



### 'BLOOD AND WATER WILL NOT FLOW TOGETHER,' SAYS EAM JAISHANKAR ON INDUS WATERS TREATY

External Affairs Minister Dr. S. Jaishankar, addressing the Rajya Sabha during a debate on Operation Sindoor and the Pahalgam terror attack, condemned the attack that killed 26 civilians as unacceptable and emphasized the need for accountability and justice. He criticized previous governments for inaction, asserting that the Narendra Modi government corrected past mistakes through decisive measures like the abrogation of Article 370 and reviewing the Indus Water Treaty. Jaishankar announced a major policy shift, stating that the Indus Water Treaty would be held in abeyance until Pakistan completely ends its support for terrorism, underscoring India's firm stance with the declaration, "Blood and water will not flow together."

**Source:** ['Blood and water will not flow together': Jaishankar in RS on Pahalgam Attack, Article 370 & Indus Treaty | WATCH](#)

## AVOIDING TRADE CURBS VITAL FOR NORMALISATION OF TIES, INDIA TELLS CHINA

India's Foreign Minister Subrahmanyam Jaishankar met Chinese Foreign Minister Wang Yi in Beijing, urging both countries to resolve border friction, pull back troops, and avoid restrictive trade measures to normalize their relationship. Jaishankar highlighted "good progress" in the past nine months since the deadly 2020 border clash that led to a prolonged military standoff.

Wang emphasized the need for mutual trust, cooperation, and political dialogue. Both sides acknowledged the importance of addressing border issues including de-escalation, while avoiding trade restrictions amid recent Chinese limits on critical mineral exports to India. Jaishankar also met Chinese Vice President Han Zheng, who called for steady cooperation and respect for mutual concerns. The talks took place during Jaishankar's visit for the Shanghai Cooperation Organisation foreign ministers' meeting.



**Source:** [Avoiding trade curbs vital for normalisation of ties, India tells China | The Business Standard](#)



## IMF RAISES INDIA GDP FORECAST TO 6.4% AS U.S. TRADE TENSIONS EASE, GLOBAL OUTLOOK LIFTS

The International Monetary Fund (IMF) has upgraded India's GDP growth forecast to 6.4% for both 2025–26 and 2026–27, reversing its earlier downgrade in April. The revision is attributed to a more favorable global trade environment and improved financial conditions, including a significant reduction in U.S. tariffs. India's 2024–25 growth is estimated at 6.5%, aligning with the Reserve Bank of India's outlook. While the new IMF forecast is below its earlier 6.7% projection for 2026–27, it reflects optimism amid easing global pressures. The IMF also raised global GDP growth estimates slightly, though it warned that global trade remains weak and tariffs historically high. China saw the largest forecast revision, with other economies like the U.S., Brazil, and Saudi Arabia also receiving upgrades.

*Source: [IMF raises India GDP forecast to 6.4% as U.S. trade tensions ease, global outlook lifts - BusinessToday](#)*



## INDIA CLAIMS TO HAVE KILLED ALL SUSPECTS OF KASHMIR'S PAHALGAM ATTACK

India's Home Minister Amit Shah announced that all three armed suspects involved in the April 22 Pahalgam attack, which killed 26 people—mostly Hindu tourists—have been killed in a joint operation near Srinagar. India blamed Pakistan for supporting the assailants, sparking a deadly four-day conflict in May that left over 70 people dead on both sides. Shah said the attackers were Pakistani nationals, linked to Lashkar-e-Taiba, and identified using forensic and witness evidence. The Resistance Front (TRF) initially claimed responsibility but later retracted it; the U.S. has since designated TRF as a foreign terrorist organization. The incident adds to ongoing tensions over Kashmir, a disputed region divided between India and Pakistan since 1947.

*Source: [India claims to have killed all suspects of Kashmir's Pahalgam attack | India-Pakistan Tensions News | Al Jazeera](#)*

## INDIA SENDS DIPLOMAT FOR TALKS TO DAMASCUS



India has initiated formal engagement with Syria's new provisional government led by former HTS commander Ahmed al-Sharaa (also known as Abu Mohammad al-Jolani), following the fall of the Assad regime in December 2024. A middle-ranking Indian diplomat, Suresh Kumar, visited Damascus and held meetings with Syrian ministers to discuss enhancing cooperation, especially in health, pharmaceuticals, education, and engineering. The visit marks India's first official contact with the new administration and signals a strategic outreach driven by Syria's regional location and historic bilateral ties. India reaffirmed its intent to support medical training, pharmaceutical exports, and scholarships for Syrian students. The move also follows the

lifting of U.S. sanctions after al-Sharaa's meeting with former President Donald Trump. Historically, Syria supported India at multilateral forums and India extended humanitarian aid during crises.

*Source: [India sends diplomat for talks to Damascus | Latest News India - Hindustan Times](#)*

## PAKISTAN



### TRUMP BACKING FOR SOUTH ASIA PEACE 'MAJOR DIPLOMATIC ACHIEVEMENT': PM SHEHBAZ

Prime Minister Shehbaz Sharif has credited former US President Donald Trump for helping prevent a war between Pakistan and India, calling it a major diplomatic success for Pakistan. Speaking at the Lahore railway station during the inauguration of upgraded train services and passenger facilities, he emphasized Pakistan's efforts to improve relations with the US. He also noted ongoing collaboration with China on the second phase of the China-Pakistan Economic Corridor (CPEC-2). Additionally, the prime minister highlighted positive economic indicators, including a sharp decline in inflation from 38% to 5% and a cut in the policy rate to 11%.

*Source: Trump backing for South Asia peace 'major diplomatic achievement': PM Shehbaz - Pakistan - DAWN.COM*

### STILL READY FOR 'MEANINGFUL DIALOGUE' WITH INDIA: PM

Prime Minister Shehbaz Sharif appreciated the United Kingdom's role in de-escalating tensions between Pakistan and India earlier this year, reaffirming Islamabad's readiness for meaningful dialogue with New Delhi on all outstanding issues, including Kashmir. During his meeting with British High Commissioner Jane Marriott, PM Shehbaz also welcomed the resumption of PIA flights to the UK, lauding it as a move that would ease the lives of the British Pakistani community and boost

people-to-people ties. He expressed satisfaction with growing UK-Pakistan cooperation, particularly recent trade talks and collaboration at the UN Security Council, where Pakistan currently holds the monthly presidency. Meanwhile, at the UN, Pakistan's envoy Usman Jadoon rejected Indian accusations of cross-border terrorism and urged New Delhi to abandon its "tired narrative" and comply with international obligations, especially on Kashmir.

*Source: Still ready for 'meaningful dialogue' with India: PM - Newspaper - DAWN.COM*

### DAR HIGHLIGHTS 'RECENT ASSURANCES' FROM KABUL ON AFGHAN SOIL NOT BEING USED FOR TERRORISM

Deputy Prime Minister and Foreign Minister Ishaq Dar stated that Pakistan had received recent assurances from Afghan authorities regarding the non-use of Afghan soil for terrorism, amid improved bilateral relations marked by the revival of the Joint Coordination Committee and regional connectivity initiatives such as the Pakistan-Uzbekistan-Afghanistan railway agreement. In meetings with the Pakistani-American community in New York, Dar



discussed counterterrorism cooperation, outlined Pakistan's recent diplomatic and economic progress including the completion of the IMF programme and the reduction of inflation, and invited diaspora engagement in investment, trade, and innovation. He also addressed Pakistan's recent military operations in response to Indian strikes during the May conflict, reiterated the country's position on sovereignty, and acknowledged the diaspora's support. Dar confirmed ongoing efforts to resume PIA flights to New York and restore routes to Europe and the UK, while also highlighting his recent meeting with US Secretary of State Marco Rubio, where they discussed regional and global issues and the direction of Pakistan-US relations.

*Source: Dar highlights 'recent assurances' from Kabul on Afghan soil not being used for terrorism - Pakistan - DAWN.COM*





## GLOBAL AND REGIONAL PEACE IN 1ST MEETING WITH FM DAR

During his official visit to the United States as part of Pakistan's presidency of the UN Security Council, Deputy Prime Minister and Foreign Minister Ishaq Dar engaged in high-level meetings aimed at strengthening bilateral ties and promoting regional stability. In his meeting with US Secretary of State Marco Rubio, both sides discussed a wide range of issues including trade, investment, technology, critical minerals, and counterterrorism cooperation—particularly against threats like ISIS-K. The US acknowledged

Pakistan's contributions to regional peace and its mediation efforts with Iran, as well as its role in helping de-escalate tensions with India. Dar emphasized the importance of continued dialogue, mutual respect, and long-term strategic cooperation between the two countries. He also addressed the UNSC and think tanks, underscoring Pakistan's stance on peaceful dispute resolution and inclusive diplomacy. Additionally, he announced Pakistan's bid for re-election to the UN Human Rights Council for the 2026–2028 term.

*Source: [Rubio lauds Pakistan's role in global and regional peace in 1st meeting with FM Dar - World - DAWN.COM](#)*

## PAKISTAN AND BANGLADESH AGREE ON VISA-FREE ENTRY FOR DIPLOMATS, PLEDGE STRONGER SECURITY COOPERATION

Pakistan and Bangladesh have agreed in principle to allow visa-free entry for holders of diplomatic and official passports, marking a step forward in warming bilateral relations following years of political distance. This development occurred during Pakistani Interior Minister Mohsin Naqvi's visit to Dhaka, where he met Bangladeshi Home Minister Lt Gen (Retd) Jahangir Alam Chowdhury. The two sides discussed enhanced cooperation in internal security, counter-terrorism, drug trafficking, human smuggling, and police training exchanges. A joint committee led by Pakistan's Interior Secretary Khurram Agha will oversee implementation of the decisions. The improved ties come after a shift in Dhaka's political landscape following the fall of the Hasina regime, which had long maintained distance from Islamabad and close alignment with New Delhi. A high-level Bangladeshi delegation is also set to visit Islamabad soon to study Pakistan's Safe City Project and police training infrastructure.



*Source: [Pakistan and Bangladesh agree on visa-free entry for diplomats, pledge stronger security cooperation - Pakistan - DAWN.COM](#)*



## PAKISTAN ARMY CHIEF VISITS CHINA, 1ST SINCE TRUMP MEETING

Pakistan's army chief, Field Marshal Asim Munir, made a significant visit to China, marking his first trip to Beijing following the recent deadly border clash with India in May and his unprecedented meeting with former US President Donald Trump last month. During the visit, Munir met with top Chinese political and military leaders, including Vice President Han Zheng, Foreign Minister Wang Yi, and Gen. Zhang Youxia of China's Central Military Commission. Discussions focused on regional security, the China-Pakistan Economic Corridor (CPEC), counterterrorism, joint military training, and defense modernization. Chinese officials reaffirmed their commitment to the "ironclad" China-Pakistan friendship, emphasizing Pakistan's key role in regional stability and promising continued support in combating terrorism and protecting Chinese personnel and

projects in Pakistan. Munir praised China's steadfast backing and reiterated Pakistan's commitment to deepening bilateral military cooperation across all sectors.

*Source: [Pakistan army chief visits China, 1st since Trump meeting](#)*





### MARITIME SECURITY, BLUE ECONOMY DISCUSSED DURING SRI LANKA LEADER'S MALDIVES VISIT

Sri Lankan President Anura Kumara Dissanayake's visit to the Maldives was a diplomatically significant reaffirmation of the two island nations' longstanding ties and a shared vision for deeper regional cooperation amid evolving geopolitical and economic challenges. Marking the 60th anniversary of their diplomatic relationship, the visit emphasized not only historical and cultural bonds—such as Sri Lanka's early support for Maldivian independence and contributions to its national anthem—but also strategic collaboration on maritime security, the blue economy, and multilateral engagement in forums like the Indian Ocean Rim Association and the Colombo Security Conclave. Both countries, facing economic vulnerabilities

and environmental threats like climate change, see safeguarding critical shipping lanes and sustainable ocean resource management as vital to regional stability and growth. The leaders highlighted expanding partnerships in tourism, digital technology, health, education, and security, with a clear intent to balance external influences in the increasingly contested Indian Ocean region. President Dissanayake's visit signals Sri Lanka's renewed foreign policy focus on neighborhood diplomacy, reflecting a commitment to collective resilience and prosperity anchored in regional solidarity.

*Source: [Maritime security, blue economy discussed during Sri Lanka leader's Maldives visit | EconomyNext](#)*



### TWO AGREEMENTS SIGNED BETWEEN SRI LANKA, MALDIVES

During his state visit to the Maldives, President Anura Kumara Dissanayake held bilateral talks with Maldivian President Dr. Mohamed Muizzu at the Maldivian Presidential Office, culminating in the exchange of key agreements to enhance bilateral cooperation. The agreements included a Memorandum of Understanding (MoU) between the Maldives' Foreign Service Institute (FOSIM) and Sri Lanka's Bandaranaike Diplomatic Training Institute, focusing on diplomatic training and information exchange, and a mutual legal assistance pact aimed at cooperation in criminal matters. These accords, signed respectively by Maldives' Foreign Minister Dr. Abdulla Khaleel and Sri Lanka's Foreign Minister Vijitha Herath, are expected to deepen collaboration between the two countries across diplomatic, legal, and institutional sectors.

*Source: [Two agreements signed between Sri Lanka, Maldives - Breaking News | Daily Mirror](#)*



## SRI LANKA AND SINGAPORE SIGN MOU ON AI COLLABORATION

The Ministry of Digital Economy of Sri Lanka and AI Singapore (AISG) formalized a strategic partnership by signing a Memorandum of Understanding (MoU) on July 28 at the National University of Singapore, marking a significant step in Sri Lanka's digital transformation journey. Signed by AISG's Director of AI Innovation Laurence Liew and Sri Lanka's High Commissioner to Singapore Senarath Dissanayake, the collaboration aims to enhance Sri Lanka's digital capabilities through advisory support, AI knowledge exchange, and capacity building, aligning with global best practices in AI governance. This partnership, coinciding with the 55th anniversary of diplomatic relations between the two nations, highlights the deepening ties in innovation and digital development. Laurence Liew emphasized Singapore's commitment to sharing its AI expertise and frameworks, reflecting a shared belief in AI's transformative potential to improve lives through collaborative innovation.

**Source:** [Sri Lanka and Singapore sign MoU on AI collaboration - Breaking News | Daily Mirror](#)



## TARIFF TENSIONS TIGHTEN THREAD IN SL'S TEXTILE TRADE

Sri Lanka's apparel industry has voiced strong concerns over the United States' decision to impose a 30% tariff on all Sri Lankan exports starting 1 August 2025, warning it could undermine the country's competitiveness in a key market. The Joint Apparel Association Forum (JAAF) stressed the move could prompt US buyers to shift toward regional rivals like Vietnam, Bangladesh, India, and Cambodia, who are negotiating or already enjoy lower tariffs. While the US tariff was reduced from 44% to 30% following diplomatic efforts, JAAF urged further talks with the US Trade Representative to avoid potential job losses and damage to Sri Lanka's credibility in global supply chains. The Ceylon Chamber of Commerce (CCC) welcomed the tariff cut as a "constructive first step" but emphasized the need for deeper engagement to align Sri Lanka's trade terms with regional

competitors and safeguard long-term access to the US market. **Source:** [Tariff tensions tighten thread in SL's textile trade - Breaking News | Daily Mirror](#)

## FDI MORE THAN DOUBLES IN 1H2025, SIGNALLING INVESTOR CONFIDENCE

Sri Lanka's foreign direct investment (FDI) inflows more than doubled in the first half of 2025, reaching US\$ 507 million compared to US\$ 252 million in the same period last year, signaling renewed global investor confidence. The Board of Investment (BOI) also reported a rise in local investment to US\$ 285 million, alongside the approval of 57 new projects worth US\$ 569 million, of which US\$ 320 million came from foreign sources. These include 31 greenfield and 26 expansion projects expected to generate over 14,000 jobs. Key investment areas include port development, manufacturing, tourism, and services. The growth reflects policy reforms, improved facilitation, and strategic positioning as a regional investment hub. The government has reinforced this trend by reinstating the Investor Facilitation Coordination Committee (IFCC) and strengthening digital and one-stop investor services, while the BOI plans to accelerate implementation and align investments with green growth, digital transformation, and export diversification.

**Source:** [FDI more than doubles in 1H2025, signalling investor confidence - Business Main | Daily Mirror](#)

## US\$1 BILLION COMPENSATION FOR SHIP DISASTER WELCOMED IN SRI LANKA

Sri Lanka's top court has ordered US\$1 billion in compensation for the 2021 X-Press Pearl ship disaster, marking a major legal win for thousands of fishermen and environmental advocates. The Singapore-flagged vessel caught fire and sank off the western coast, releasing toxic chemicals and plastic pellets that caused severe marine pollution, drastically reducing fish stocks and destroying livelihoods. The case, led by Catholic fishermen and rights



groups, highlighted inadequate relief distribution and long-term ecological damage. The court also directed the formation of a Compensation Commission and Marine Restoration Committee to manage the funds and initiate environmental recovery. **Source:** [US\\$1 billion compensation for ship disaster welcomed in Sri Lanka - UCA News](#)

## BBC UNCOVERS LASTING TOXIC LEGACY OF CARGO SHIP DISASTER OFF SRI LANKA

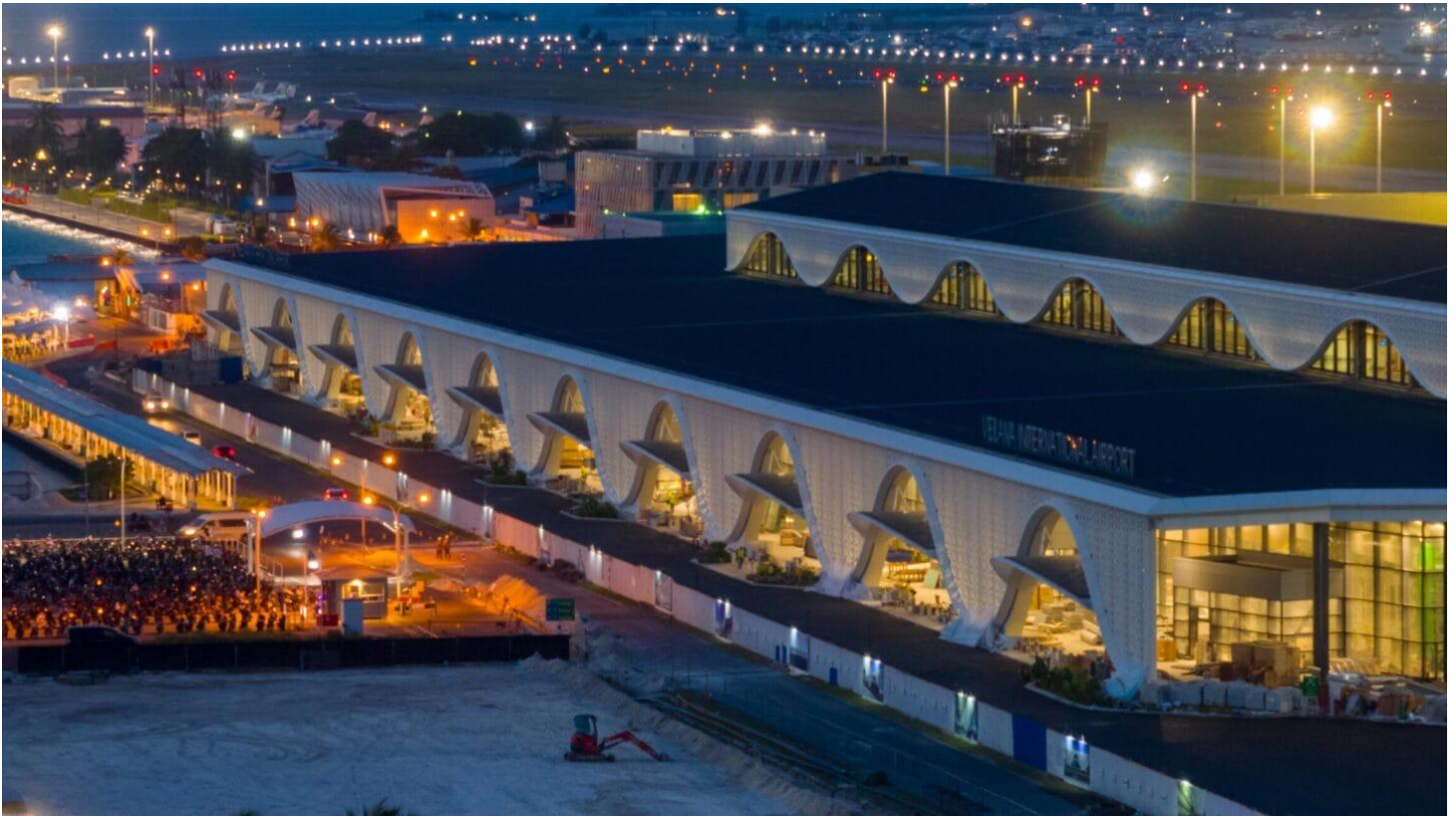
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environmental advocates. The Singapore-flagged vessel caught fire and sank off the western coast, releasing toxic chemicals and plastic pellets that caused severe marine pollution, drastically reducing fish stocks and destroying livelihoods. The case, led by Catholic fishermen and rights groups, highlighted inadequate relief distribution and long-term ecological damage. The court also directed the formation of a Compensation Commission and Marine Restoration Committee to manage the funds and initiate environmental recovery.

**Source:** [BBC uncovers lasting toxic legacy of cargo ship disaster off Sri Lanka](#)

### VELANA INTERNATIONAL AIRPORT UNVEILS NEW PASSENGER TERMINAL – A LANDMARK IN MALDIVES’ AVIATION HISTORY

On July 27, 2025, the Maldives marked a major milestone in aviation and tourism with the inauguration of the new international terminal at Velana International Airport (VIA) by President Dr. Mohamed Muizzu. Designed to handle 7 million passengers annually, the state-of-the-art facility replaces the original 1981 terminal and features advanced amenities including 47 check-in counters, 6 self-service kiosks, 20 immigration counters, 6 boarding gates, and 12 aerobridges. Its architecture blends modern design with Maldivian cultural elements, reflecting national identity and eco-conscious values. The event, attended by top Maldivian officials and international development partners, celebrated years of collaboration involving support from the Saudi Fund, Kuwait Fund, Abu Dhabi Fund, and the OPEC Fund. The terminal is expected to boost tourism, enhance connectivity, and reinforce the Maldives’ position as a leading travel destination in the Indian Ocean.



*Source: [Velana International Airport Unveils New Passenger Terminal – A Landmark in Maldives’ Aviation History - Lets Go Maldives](#)*



## NEPAL PM OLI TO VISIT INDIA IN MID-SEPTEMBER



Nepal's Prime Minister K.P. Sharma Oli is set to make an official visit to India around mid-September 2025, with sources indicating a likely arrival on September 16 for a two-day trip. The visit, yet to be formally scheduled, follows Oli's earlier decision to prioritize China for his first foreign visit after taking office for the fourth time in July 2024—breaking the traditional diplomatic precedent of visiting India first. Amid media speculation over strained India-Nepal ties, Oli recently clarified that preparations for the India visit are underway on both sides, reaffirming ongoing bilateral engagement despite concerns.

**Source:** [Nepal PM Oli to visit India in mid-September - The Hindu](#)

# 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](mailto:bei@bol-online.com). For more information about BEI and our work, please visit <https://www.bei-bd.org/> ]

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