

|| WEEKLY NEWS HIGHLIGHTS ||

BANGLADESH ENTERPRISE INSTITUTE (BEI)

|| Brief Highlights on Current Issues of South Asia ||

|| 24 December 2021 – 30 December 2021 ||

SOUTH ASIA: COVID-19 UPDATE: AT A GLANCE

Afghanistan recorded a total of 156,000 cases of coronavirus since the beginning of the pandemic. Total death cases reported 7,234 as of 1 January.

Bangladesh reported 02 new deaths and 512 coronavirus cases on 1 January, and has thus far recorded a total of 28,072 fatalities and 1,585,539 confirmed cases. Bangladesh has administered a total 125,381,786 Covid-19 vaccine doses, totaling 27.44% of the population. Bangladesh on 28 December has begun booster dose on a limited scale.

Bhutan reported no new case or death as of 1 January. A total of 2,660 cases have been registered until 1 January, while 74.05% of Bhutan's population has been vaccinated.

India reported 406 deaths and 22,775 new coronavirus cases on 1 January, bringing the total number of cases to 34,861,579 while the total number of deaths now stands at 481,486. Until 1 January, 43.58% of Indian population has been vaccinated.

Maldives observed a steep rise of covid-19 cases in the country. On 1st January the country recorded 95,700 active cases and 262 fatalities. Health Protection Agency urged people to take health precautions. 69.19% of the total population are fully vaccinated.

Myanmar recorded 530,834 active cases and 19,268 deaths as of 1 January. The country detected its first 4 cases of Omicron variant of Covid-19 were confirmed by the Ministry of Health under the control of the junta regime on 28 December.

Nepal on 1 January reported 363 new coronavirus cases taking the nationwide infection tally to 818,035. The countrywide death toll has reached to 11,438 since the beginning of the pandemic.

Pakistan recorded a total of 515 new cases of coronavirus on 1 January. Total 11 fatalities were also recorded according to the reports on 1 January.

Sri Lanka recorded 587,245 active cases and 14,979 deaths as of 1 January. 63.49% of the total population are fully vaccinated.

<https://coronavirus.jhu.edu/map.html>

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BUSINESS AND INVESTMENT:

PRIVATE SECTOR CREDIT GROWTH RETURNS TO PRE-PANDEMIC LEVEL AFTER TWO YEARS; ASIAN FRONTIER CAPITAL STANDS FIRM ON BANGLADESH EQUITIES; BANGLADESH POISED TO BECOME \$500B ECONOMY BY NEXT FISCAL

The private sector credit growth came back to pre-pandemic levels in November, thanks to a strong rebound in economic activities from pandemic-induced stresses. The banking sector saw a growth of 10.11% in private sector credit – the highest in the last two years, according to recent data from the Bangladesh Bank. However, the growth is still far below the monetary target of 14.8% set for the current fiscal year. The credit growth was 10.7% in September 2019, and since then it remained depressed, coming down below 10% amid lending rate cap pressure and rising pandemic tension. High import expenditure, mainly because of significant growth in capital machinery import, reflects that investment is picking up, contributing to an uptick in credit growth, said industry insiders. Bangladesh's import payments surged by around 54% in the first five months of the current fiscal year compared to the corresponding period of last year – indicating a strong and steady economic recovery in keeping with a sharp fall in coronavirus infections.

In another note, Asian Frontier Capital (AFC), the investment management company behind the AFC Asia Frontier Fund, expressed a bullish outlook on the Bangladesh economy and the country's blue-chip stocks the firm prefers to invest in. The frontier investment firm has also named Bangladesh as one of its top country picks. AFC Frontier Fund said in its 25 December, 2021, report to clients that their top country picks with a 3–5-year view are Bangladesh, Kazakhstan, Uzbekistan, and Vietnam, as they all have a combination of a strong macro-economic platform, structural reforms, attractive demographics, and a growing manufacturing sector. International fund managers consider countries with a least developed or developing economy and an underdeveloped financial market as frontier markets.

Meanwhile, Bangladesh is gunning to become a half-a-trillion-dollar economy next fiscal year buoyed by a successful vaccination campaign and a steady growth in agriculture and industry. As per the finance division's projection, the size of the Bangladesh economy would be \$510 billion in fiscal 2022-23 after growing at 10.7 percent. The GDP is estimated to be \$455 billion at the current price this fiscal year, up from \$411 billion. The overall growth will reach 12.08 percent, according to the forecast, which was presented at the Fiscal Coordination Council meeting presided over by Finance Minister AHM Mustafa Kamal.

<https://www.tbsnews.net/economy/banking/private-sector-credit-growth-returns-pre-pandemic-level-after-two-years-350179>

<https://www.tbsnews.net/economy/stocks/asian-frontier-capital-stands-firm-bangladesh-equities-350116>

<https://www.thedailystar.net/news/bangladesh/news/500m-economy-next-fiscal-2926946>

AFGHANISTAN:

AFGHAN WOMEN CALLED FOR RIGHTS AND AID; TALIBAN BANNED LONG-DISTANCE ROAD TRIPS FOR SOLO WOMEN; U.S. SECRETARY OF STATE ANTONY BLINKEN APPOINTED TWO VETERAN OFFICIALS IN EFFORT TO HELP AFGHAN GIRLS AND WOMEN; TALIBAN GOVERNMENT SCRAPPED AFGHAN ELECTION COMMISSION

Dozens of women protested in Afghanistan's capital, demanding the right to education, jobs and political representation from the Taliban government. Although public protests are effectively banned by Taliban government, authorities gave permission for the march. Some protesters carried banners echoing Taliban complaints that the international community had frozen billions of dollars in aid and assets. The Taliban have pledged a softer rule, compared with their first stint in power in the 1990s, but women are still largely excluded from government employment and secondary school education.

The Taliban government have said Afghan women seeking to travel long distances by road should be offered transport only if accompanied by a male relative. The directive, issued on 26 December 2021, is the latest curb on women's rights. Human Rights Watch said the new restriction moved further towards making women prisoners. Heather Barr, the group's associate director of women's rights, told the order shuts off opportunities for women to be able to move about freely or to be able to flee if they are facing violence in the home. The latest directive, issued by the Taliban's Ministry of Promotion of Virtue and Prevention of Vice, said women travelling for more than 45 miles (72km) should be accompanied by a close male family member.

Secretary of State Antony Blinken on 29 December 2021 appointed Rina Amiri as special envoy for Afghan women, girls and human rights. Ms. Amiri was a senior adviser to the U.S. special representative for Afghanistan and Pakistan during the Obama administration. She was also a member of the U.N. secretary general's political team in Afghanistan. As Special Envoy, Rina Amiri will work on issues of critical importance and U.S. national security: the human rights and fundamental freedoms of women, girls, and other at-

risk populations in all of their diversity. Blinken also appointed Stephenie Foster, another State Department veteran, as senior adviser for women and girls issues as part of the agency's team for Afghan relocation efforts.

The Taliban have dissolved Afghanistan's election commission, a spokesman for the Islamist government confirmed. "There is no need for these commissions to exist and operate," Taliban government spokesman Bilal Karimi said, referring to the Independent Election Commission (IEC) and the Independent Electoral Complaints Commission. Established in 2006, the IEC was mandated to administer and supervise all types of elections, including presidential, according to the commission's website.

<https://www.aljazeera.com/news/2021/12/28/afghan-women-call-for-rights-protest-alleged-taliban-killings>

<https://www.aljazeera.com/news/2021/12/26/afghanistan-long-distance-travel-women-without-male-escort-taliban>

<https://tolonews.com/afghanistan-176089>

<https://www.aljazeera.com/news/2021/12/25/taliban-dissolves-afghanistan-election-commission>

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BANGLADESH: SECURITY COOPERATION: DHAKA WANTS DISCUSSION BEFORE US DECISION

Bangladesh wants prior discussions with the US before the latter takes any decision regarding security cooperation. Foreign Secretary Masud Bin Momen commented to journalists after an inter-ministerial meeting on the US Leahy Law at the secretariat. He said that they will communicate with the US. If they have any allegations against any organizations of Bangladesh, they should let us know before making any decision. He further mentioned that if the US says they have credible information on any organization, Bangladesh would seek to learn about the sources of the information. He added that they will seek adequate time to explain the measures taken by Bangladesh and its position. The meeting discussed

various aspects of Leahy Law that governs the nation's funding to foreign security forces.

<https://www.thedailystar.net/news/bangladesh/diplomacy/news/security-cooperations-dhaka-wants-discussion-us-decision-2927966#.Yc2xx2YXppU.whatsapp>

INDIA: INDIA IMPOSES ANTI-DUMPING DUTY ON 5 CHINESE GOODS FOR 5 YRS

India has imposed antidumping duties on five Chinese products, including certain aluminums goods and some chemicals, for five years to guard local manufacturers from cheap imports from the neighboring country. According to separate notifications of the Central Board of Indirect Taxes and Customs (CBIC), the duties have been imposed on certain flat rolled products of aluminum; sodium hydro-sulphite (used on dye industry); silicone sealant (used in manufacturing of solar photovoltaic modules, and thermal power applications); hydrofluorocarbon (HFC) component R-32; and hydrofluorocarbon blends (both have uses in refrigeration industry). These duties

were imposed following recommendations of the commerce ministry's investigation arm Directorate General of Trade Remedies (DGTR). The DGTR in separate probes have concluded that these products have been exported at a price below normal value in Indian markets, which has resulted in dumping.

<https://indianexpress.com/article/india/india-imposes-anti-dumping-duty-on-5-chinese-goods-for-5-yrs-7691023/>

MYANMAR:

UN SPECIAL ENVOY ON MYANMAR CALLED FOR A NATIONWIDE CEASEFIRE IN MYANMAR; UN SECURITY COUNCIL CONDEMNS THE MASSACRE IN KAYAH STATE; SAVE THE CHILDREN CALLED THE INTERNATIONAL COMMUNITY TO IMPOSE ARMS EMBARGO ON TATMADAW

The new UN special envoy on Myanmar, Noeleen Hyzer, called for a nationwide ceasefire in Myanmar on 28th December 2021, as tensions raised from severe conflicts across the country, remained high. Ms. Hyzer expressed deep concerns by the continued escalation of violence in Kayin [Karen] State and other parts of Myanmar as well which had displaced thousands of civilians, including women and children. She reiterated the UN Security Council's call for all parties to exercise utmost restraint and seek a peaceful solution in the interests of the people and their livelihood.

The United Nation Security Council on 27th December 2021 condemned the massacre in Myanmar by the military regime on the eve of Christmas. About thirty-five people including women and children were killed in the attack on the highway of Kayah State. Two staff of the Save the Children charity was caught on the conflict and died.

The UN Security Council stressed the need to ensure accountability of this act and called for the immediate cessation of all violence emphasizing the importance of respect for human rights and safety of civilians. Moreover, the Security Council also stressed the need for safe and unimpeded humanitarian access to all

people in need and to ensure full protection, safety, and security of humanitarian and medical personnel.

Chief Executive of Save the Children, Inger Ashing expressed his grief and called the international community to impose arms embargo on the State Administration Council. In the aftermath of the attack, Washington renewed calls for an arms embargo on the junta. Earlier, in June 2021, the UN General Assembly voted to prevent arms shipments into Myanmar however, the measure was symbolic as it was not taken up by the more powerful Security Council.

<https://www.irrawaddy.com/news/burma/un-special-envoy-on-myanmar-calls-for-nationwide-new-years-ceasefire.html>

<https://www.irrawaddy.com/news/burma/united-nations-condemns-myanmar-juntas-massacre-of-civilians.html>

<https://www.bbc.com/news/world-asia-59810706>

<https://www.voanews.com/a/un-security-council-condemns-myanmar-massacre/6375188.html>

PAKISTAN:

PAKISTAN UNVEILED ITS FIRST EVER NATIONAL SECURITY POLICY

On 27 December, Pakistan unveiled its first ever National Security Policy at a meeting in which civil and military leadership discussed internal and external security issues. According to Information Minister Fawad Chaudhry, Prime Minister Imran Khan has called a meeting of the high-powered National Security Committee which was attended, among others, by senior military officials, including Chief of the Army Staff Gen Qamar Javed Bajwa and Inter-Services Intelligence Director General Lt Gen Nadeem Anjum. The draft puts economic and military security at the core of policy and outlines the challenges

and opportunities facing Pakistan in the coming years. In addition, it would provide policy guideline for mitigation and actualizing opportunities through a whole of government approach.

<https://www.dawn.com/news/1666294/historic-achievement-nsa-announces-cabinets-approval-of-pakistans-first-national-security-policy>

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SRILANKA: SRI LANKA BOOSTS FOREX RESERVE WITH A LIFT FROM CHINESE CURRENCY SWAP; SHUTS THREE DIPLOMATIC MISSIONS AS DOLLAR CRISIS ACCENTUATES

The central bank governor of Sri Lanka, Mr. Ajith Nivard Cabraal through an official statement on 29th December, affirmed that the reserves had risen to around \$3.1 billion and was expected to be at comfortable levels throughout the year 2022. The rise in the forex reserve has been assumed to be the result of a 1.5 billion US dollar currency swap with the People's Bank of China on the same day.

Sri Lanka will have to repay an amount of 4.5 billion US dollar debt in 2022 starting with a five hundred million US dollar international sovereign bond maturing on 18 January 2022. The country has been looking to increase its reserves through various means including bilateral swaps and loans from other governments and central banks, increasing remittances, curbing imports etc.

Earlier, on 27th December 2021, Foreign Ministry of Sri Lanka announced the closure of three foreign missions from 1st January 2022 with a bid to save foreign reserves and finance

essential imports. The three overseas diplomatic missions are Sri Lankan High Commission in Nigeria and consulates in Germany and Cyprus.

<https://dailynews.lk/2021/12/29/business/268787/foreign-reserves-increase-usd-31-billion>

<https://www.channelnewsasia.com/business/sri-lanka-boosts-fx-reserves-lift-chinese-swap-2405596>

<https://www.aljazeera.com/news/2021/12/27/sri-lanka-shuts-three-foreign-missions-dollar-crisis-forex>

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About Us

Bangladesh Enterprise Institute is a non-profit, non-political research centre. 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. Salman F. Rahman, Deputy Chairman of the BEXIMCO Group, has been working as the Chairman of the Board of Governors, Ambassador Farooq Sobhan, former Foreign Secretary and Ambassador, and past Executive Chairman of the Board of Investment, has been working as a Distinguished Fellow and Member of the Board of Governors of the institute and 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.

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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