

|| WEEKLY NEWS HIGHLIGHTS ||

BANGLADESH ENTERPRISE INSTITUTE (BEI)

|| Brief Highlights on Current Issues of South Asia ||
|| JULY 3-JULY 9, 2022 ||

SOUTH ASIA: COVID-19 CRISIS: AT A GLANCE

Afghanistan has recorded a total of 168,550 cases of coronavirus since the beginning of the pandemic. Total deaths reported stood at 7,465 as of July 9.

Bangladesh reported 03 new deaths and 521 coronavirus cases on 16 July and has thus far recorded a total of 29,203 fatalities and 1,990,375 confirmed cases. Bangladesh has administered a total 279,480,539 Covid-19 vaccine doses, totaling 85.70% of the population.

Bhutan reported 116 new cases and no death on 16 July. A total of 59,940 cases have been registered until 16 July, while 87.19 % of Bhutan's population has been vaccinated.

India reported 20 deaths and 13,615 new coronavirus cases on 16 July, bringing the total number of cases to 43,652,944 while the total number of deaths now stands at 525,474. Until 16 July, 67.05% of Indian population has been vaccinated.

Maldives has recorded 180,384 and 300 deaths.

Nepal reported 10,687 new coronavirus cases on July 9 taking the nationwide infection tally to 970,462 since the beginning of the pandemic. To date, the total number of deaths stands at 11,852.

Pakistan reported 276 deaths and 31,812 positive cases in the last week.

Sri Lanka has recorded 664,065 cases and 16,521 deaths.

Source: <https://coronavirus.jhu.edu/map.html> (John Hopkins University)

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BUSINESS AND INVESTMENT: BANGLADESH BANK TIGHTENS BELT ON FOREX RESERVE; BUDGET SUPPORT: 2ND ROUND OF NEGOTIATION WITH IMF NEXT WEEK

The central bank has tightened spending on the foreign exchange reserve to judiciously meet the cost of importing essential commodities and fuel. As part of this move, Bangladesh Bank has imposed restrictions on loans for importing 27 types of goods, reducing import demand which has increased by 44 per cent in recent months. From now on, importers will not get bank loans for importing these products and banks will not be allowed to use forex if the loan LCs was approved earlier.

Meanwhile, the government will hold the second round of negotiations with the International Monetary Fund (IMF) next week to discuss terms and conditions of a proposed budgetary support. A mission from the Washington-based lender will start the meetings with the Ministry of Finance (MoF) on July 12, aimed at settling the loan conditions. After getting an offer for a good amount of loan as budgetary support, the government has primarily decided to borrow from the IMF to cut its massive budget deficit this year and in the future too. The IMF has recently offered Bangladesh US\$6.8 billion worth of policy support credit in the next few years to tackle the income-expenditure gap in the national budget.

<https://thefinancialexpress.com.bd/economy/bangladesh-bank-tightens-belt-on-forex-reserve-1657108302>

<https://thefinancialexpress.com.bd/economy/budget-support-2nd-round-of-negotiation-with-imf-next-week-1657161723>

AFGHANISTAN: TALIBAN TO SIGN SECURITY AGREEMENT WITH QATAR; CHINA ANNOUNCES ECONOMIC RECONSTRUCTION PLANS FOR AFGHANISTAN

Acting Minister of Defense Mawlawi Mohammad Yaqoob Mujahid said that Kabul and Doha are expected to sign an agreement for security cooperation. Returning from his two days visit from Qatar, Mawlawi Yaqoob said that the agreement will be assessed by the officials of the Islamic Emirate to decide whether or not it will be signed. Mawlawi Yaqoob Mujahid said that he requested Qatar's assistance in providing salaries, uniforms and equipment for Islamic Emirate forces.

China's ambassador announced trade and investment plans for Afghanistan. At a rare press conference alongside the Taliban administration's acting minister for disaster management, Ambassador Wang Yu announced \$8 million in aid for relief from the June 22 earthquake that killed more than 1,000 people.

<https://www.afghanistantimes.af/taliban-to-sign-security-agreement-with-qatar/>

<https://www.afghanistantimes.af/china-announces-economic-reconstruction-plans-for-afghanistan/>

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BANGLADESH: PM FOR WITHDRAWAL OF SANCTIONS AGAINST RUSSIA; US WANTS FAIR ELECTIONS IN BANGLADESH: PETER HAAS; US PRIORITIZES STRENGTHENING DHAKA'S COMMITMENT TO DEMOCRACY, HUMAN RIGHTS; EUROPEAN PARLIAMENT DELEGATION VISITS BANGLADESH: TRADE ISSUES GETS

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Prime Minister Sheikh Hasina has called upon the US and its allies to shun the path of imposing sanctions saying that the world economy, already hard-hit by Covid and Ukraine war, is now reeling under the impact of sanctions imposed on Russia. She said that the global supply chain is heavily disrupted due to the sanction, resulting in triggering crisis for essential commodities across the world. Suggesting withdrawal of sanctions, she observed that no nation can be controlled through imposing sanctions and it is evident now that those who imposed the sanction are also facing the impact of it.

US ambassador to Bangladesh H.E. Peter Haas has wished the Bangladesh election commission (EC) all success in its great civic responsibility of conducting free and fair elections. On 3 July, ambassador Haas and other heads of diplomatic missions in Dhaka met with Chief Election Commissioner Kazi Habibul Awal. The United States said it looks forward to the Bangladeshi people choosing their leaders freely in the upcoming national elections.

In the meantime, the US Integrated Country Strategy (ICS) on Bangladesh has stated that the US is keen to strengthening Bangladesh's commitment to democracy and human rights to further enhance the Dhaka-Washington partnership, especially in the backdrop of 50 years of diplomatic relations between the two countries. At the same time, the US has expressed its interest in helping Bangladesh improve business climate and labor conditions, increase ability to tackle the climate and pandemic crises and a strengthened capacity to contribute to regional security. Alongside mentioning bilateral

issues, the ICS on Bangladesh also talked about strengthening Bangladesh's capacity to contribute to security in the Indo-Pacific Area (IPA) and globally, and supporting the country's capacity to host Rohingya and facilitate their third-country resettlement.

On the other hand, Bangladesh and the European Union (EU) has discussed trade related issues during the visit of a trade delegation from the European parliament. EU Head of Delegation to Bangladesh H.E. Charles Whiteley after his meeting with state minister for foreign affairs Md Shahriar Alam told the newsmen that the EU Parliament delegation were interested in trade relations between the EU and Bangladesh which are growing very strongly. Bangladesh is already engaging in the GSP Plus issue, which is a rather difficult process, and the EU said that it is very encouraging to see awareness in Bangladesh.

<https://en.prothomalo.com/bangladesh/us-wants-fair-elections-in-bangladesh-peter-haas>

<https://en.prothomalo.com/bangladesh/us-mission-prioritises-strengthening-dhakas-commitment-to-democracy-human-rights>

<https://en.prothomalo.com/bangladesh/european-parliament-delegation-visits-bangladesh-trade-issues-to-get-priority>

INDIA: JAISHANKAR MEETS CHINESE FOREIGN MINISTER WANG YI IN BALI, HOLDS TALKS ON 'BORDER SITUATION'; 12 US LAWMAKERS URGE BIDEN TO HOLD INDIA

Amid the over two-year-long military standoff between India and China, External Affairs Minister S Jaishankar has met Chinese Foreign Minister and State Councilor Wang Yi in Bali on the sidelines of the G-20 foreign ministers' meeting, and called for early resolution of all outstanding issues along the Line of Actual Control (LAC) in Eastern Ladakh. While Jaishankar underlined that the India-China relationship is best served by observing the three mutuals— mutual respect, mutual sensitivity and mutual interests, the MEA spokesperson in Delhi drew a hard line as he responded to China's criticism of Prime Minister Narendra Modi's phone call to the Dalai Lama, action on Chinese firms, and plans to hold G-20 preparatory meetings in Jammu and Kashmir (J&K) and Ladakh. Jaishankar and Wang last met in Delhi during the latter's visit in March this year.

In the meantime, a dozen US lawmakers have written a letter to President Joe Biden, urging him to file a formal request for consultations with India at the World Trade Organization (WTO) over its dangerous trade-distorting practices that have impacted the US farmers and ranchers. The Congressmen stated that current WTO rules allowed the governments to subsidize up to 10 per cent of the value of commodity production. However, the Indian government continues to subsidize more than half of the value of production for several commodities, including rice and wheat.

<https://indianexpress.com/article/india/eam-jaishankar-chinese-fm-wang-meet-in-bali-8014092/>

<https://indianexpress.com/article/india/12-us-lawmakers-biden-india->

MYANMAR: MYANMAR HOSTS 1ST REGIONAL MEETING SINCE ARMY TAKEOVER; MYANMAR JUNTA FOREIGN MINISTER BARRED FROM UPCOMING ASEAN MEETING

Myanmar's military government has hosted its first high-level regional meeting since the army took power last year, with Chinese Foreign Minister Wang Yi and counterparts from Mekong Delta nations attending. State broadcaster MRTV reported that Wang met with his colleagues from Myanmar, Laos, Thailand, Cambodia and Vietnam in the Lancang-Mekong Cooperation group meeting, held under the theme "Solidarity for Peace and Prosperity" in the central city of Bagan. The grouping is a Chinese-led initiative that includes the countries of the Mekong Delta, a potential source of regional tensions due to an increasing number of hydroelectric projects that are altering the river's flow and raising concerns about ecological damage. China has built 10 dams along the upper stretch of the Mekong, the part it calls the Lancang. However, Myanmar's shadow

National Unity Government, which opposes the ruling military council, protested the Bagan meeting, saying any such efforts in partnership with Myanmar's military violate the will of the people and undermine community building. It said that holding the meeting in Myanmar is in direct opposition to a peace plan by the Association of Southeast Asian Nations.

On the other hand, Myanmar junta foreign minister U Wunna Maung Lwin will again be barred from attending upcoming Association of Southeast Asian Nations (ASEAN) Foreign Ministers' Meeting in Cambodia, as the military regime has made little progress on the implementation of the peace plan for Myanmar adopted by the ten-nation bloc.

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PAKISTAN: PAKISTAN'S STANCE ON RUSSIA-UKRAINE CONFLICT WON'T AFFECT ITS GSP+ CASE: EU

The European Union has assured Pakistan that its stance on the Russia-Ukraine conflict will have no bearing on the inclusion of Islamabad in the next 10-year GSP+ (Generalised Scheme of Preferences Plus). Pakistan was under pressure from the West, particularly from the United States, to explicitly condemn the Russia invasion. Former prime minister Imran Khan accused the US of orchestrating his ouster to punish him for pursuing an independent foreign policy on the Russia-Ukraine issue. There has been a subtle shift in Pakistan's position since the new government took charge, overall, however, Islamabad still maintains a

delicate balance. Since the Russia invasion has threatened Europe's security, there have been concerns that the 27-nation bloc might punish those countries not supporting their position on the Ukraine war.

<https://tribune.com.pk/story/2365642/pakistans-stance-on-russia-ukraine-conflict-wont-affect-its-gsp-case-eu>

SRI LANKA: SRI LANKA'S PRESIDENT GOTABAYA RAJAPAKSA STEPPED DOWN AND FLEES; SRI LANKA PARLIAMENT TO HOLD VOTE ON JULY 20 FOR NEW

Sri Lanka's President Gotabaya Rajapaksa has agreed to step down after protesters stormed the presidential palace and set fire to the prime minister's home to vent their anger over a worsening economic crisis. Parliament Speaker Mahinda Yapa Abeywardena said in a televised statement that Rajapaksa has agreed to resign on July 13. Earlier in the day, Rajapaksa was evacuated from the presidential palace in Colombo, before thousands of protesters stormed the building, demanding his resignation. A Facebook livestream from inside the president's house showed hundreds of protesters packing into rooms and corridors, shouting slogans against the beleaguered 73-year-old leader. Footage of protesters standing and some bathing in the swimming pool inside the president's home widely circulated on social media.

Sri Lanka's parliament will hold a vote on July 20 to elect a new president, its speaker has said, to replace President Gotabaya Rajapaksa, who has promised to resign. The statement comes after protesters stormed the residences of

the current president and prime minister, prompting both officials to go into hiding amid an economic meltdown.

<https://www.aljazeera.com/news/2022/7/9/sri-lanka-protesters-storm-president-house-demanding-resignation>

<https://www.aljazeera.com/news/2022/7/11/sri-lanka-parliament-to-hold-vote-on-july-20-for-new-president>

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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 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/>

Contact Us

Phone :

+ (88 02) 2222 62645
+ (88 02) 2222 92662
+ (88 02) 2222 96805
+ (88 02) 2222 92663

Fax : + (88 02) 2222 88583

Email : bei@bol-online.com

Address 1 :

Apt.: 2B, House: 2D, Road: 73-G, Gulshan 2, Dhaka-1212, Bangladesh

Address 2 :

Ground Floor, House No. 3/A, Road No. 84, Gulshan 2, Dhaka-1212, Bangladesh



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Bangladesh Enterprise
Institute