WEEKLY NEWS HIGHLIGHTS

BANGLADESH ENTERPRISE INSTITUTE (BEI)
| Brief Highlights on Current Issues of South Asia |
| 20 December –31 December 2024 |

BANGLADESH

CHIEF ADVISER YUNUS PAYS TRIBUTE TO JIMMY CARTER

Chief Adviser Professor Muhammad Yunus expressed deep sorrow over the death of former US President and Nobel Laureate Jimmy Carter, calling him a "true friend of Bangladesh." In a message to President Biden, Yunus praised Carter's leadership, human rights advocacy, and contributions to Bangladesh, including his work through the Carter Center. Yunus recalled Carter's visit to Bangladesh in 1986 and highlighted their personal connection through Nobel gatherings. He lauded Carter's humility and dedication to social justice, extending condolences to the US and Carter's family on behalf of Bangladesh. Yunus paid tribute to former US President and Nobel Laureate Jimmy Carter at the US Embassy in Dhaka, laying floral wreaths and signing a condolence book. Welcomed by US Embassy Charge d'Affaires Megan Bouldin, Yunus reflected on his long friendship with Carter and recalled visiting his home in Georgia. Yunus praised Carter's dedication to human rights, democracy, and peace, highlighting his role in strengthening Bangladesh-US ties and his impactful work through the Carter Center during a visit to Bangladesh in 1986.

***Source**: Chief Adviser Yunus pays tribute to Jimmy Carter*

CONSENSUS KEY TO REFORMS, ELECTION

Chief Adviser Prof Muhammad Yunus called for national unity and consensus on reforms, asserting that elections without meaningful reforms would not drive Bangladesh forward. Addressing the Forum for Bangladesh Studies' national dialogue, Yunus highlighted the strength of unity since the July uprising and the need to dismantle fascist legacies to achieve equality and justice. He announced that 15 reform commissions will submit reports in January, with preparations for both reforms and elections proceeding simultaneously. Yunus stressed that reforms must reflect public consensus, with the newly formed National Consensus Building Commission facilitating dialogue. The event also saw participation from scholars and civil society leaders, who emphasized judicial independence, rule of law, and political will to dismantle monopolistic power structures. Families of July uprising martyrs demanded swift justice for those killed, reinforcing the urgency of accountability and comprehensive reform to honor their sacrifices.

***Source**: Bangladesh Reforms and Election Consensus | Consensus key to reforms, election*

CHIEF ADVISER YUNUS PAYS HOMAGE TO MANMOHAN SINGH

Chief Adviser Dr Muhammad Yunus paid tribute to former Indian Prime Minister Manmohan Singh, describing him as a visionary leader and cherished friend. Yunus visited the Indian High Commission in Dhaka, placed a wreath, and signed a condolence book honoring Singh's contributions to India's economic rise and regional cooperation. Reflecting on their friendship, Yunus recalled Singh's humility and wisdom, highlighting his role in strengthening Bangladesh-India ties. Yunus extended condolences to the Indian prime minister and Congress, emphasizing Singh's legacy in advancing peace and prosperity in South Asia.

***Source**: Chief Adviser pays homage to Manmohan Singh at Indian High Commission | Prothom Alo*

WE ALL ARE ONE FAMILY

Chief Adviser Professor Muhammad Yunus called for unity and harmony among all religious communities in Bangladesh, emphasizing that people of all faiths are part of one family. Speaking at a Christmas event with Christian leaders at the State Guest House Jamuna, Yunus stressed the need to eliminate the terms "minority" and "majority," highlighting shared humanity above religious identity. Christian leaders, including Bishop Bejoy N D'Cruze, praised Yunus' leadership and expressed hope for a secular and inclusive Bangladesh. The government donated Tk 2.5 crore to the Christian Religious Welfare Trust, and Yunus received a Bible as a gesture of goodwill.

***Source**: Christian Leaders Meet Yunus For Christmas | 'We all are one family'*

STRENGTHEN BOND OF COMMUNAL HARMONY: PRESIDENT

President Mohammed Shahabuddin called for strengthening communal harmony to build a discrimination-free and just Bangladesh during a Christmas greeting exchange at Bangabhaban. Addressing Christian community leaders,

he emphasized unity and collective efforts for national welfare. The President and his wife, Dr. Rebeka Sultana, hosted the event, which included cutting a cake to mark the occasion. Religious Affairs Adviser A.F.M. Khalid Hossain, Archbishop Bijoy N. D. Cruz, and Vatican Ambassador Kevin S. Randall attended the program alongside presidential staff.

***Source:** Strengthen bond of communal harmony: President*

WE WILL SAFEGUARD RIGHTS OF ALL PEOPLE

Chief Adviser Prof Muhammad Yunus and US National Security Adviser Jake Sullivan discussed strengthening human rights and democracy in Bangladesh during a phone call on Monday. Sullivan reaffirmed US support for Bangladesh's prosperity and political reforms, praising Yunus for his leadership and progress on economic and electoral initiatives. Yunus expressed gratitude for US assistance and highlighted upcoming reform commission reports expected in January. Both leaders emphasized collaboration to address Bangladesh's challenges and ensure a stable democratic process. Yunus recalled his meetings with President Biden and Secretary Blinken in September.

***Source**: We will safeguard rights of all people | The Daily Star*

CHINA TO CONTINUE SUPPORT FOR BANGLADESH'S DEVELOPMENT

Chinese Ambassador to Bangladesh Yao Wen reaffirmed China's commitment to supporting Bangladesh's development and expanding cooperation in infrastructure projects like railways. Speaking at the Padma Bridge Rail Link inauguration, he emphasized China's willingness to consider new project proposals from Bangladesh after feasibility studies. Yao highlighted the 50th anniversary of diplomatic relations next year and noted China's readiness to offer technical assistance. Despite an 8.8% decline in overall FDI to Bangladesh in 2024, Chinese investments tripled, with over 20 Chinese firms establishing regional headquarters in the country. He praised the rail project as transformative, cutting Dhaka-Jashore travel time and boosting GDP by 1.5%. The initiative created jobs, trained technicians, and enhanced local communities through public welfare efforts. Yao reiterated China's support for Bangladesh's unity and development, including dispatching medical teams and relief supplies. He noted China's zero-tariff policy for Bangladeshi exports and ongoing discussions on solar panel investments. China remains Bangladesh's top trade partner, underscoring deepening economic ties.

***Source**: China to continue support for Bangladesh's development*

DHAKA HAS TO BALANCE TIES WITH, INDIA, CHINA, US

Foreign Adviser Touhid Hossain emphasized the need for Bangladesh to balance its relations with India, China, and the US, as the country must protect its interests despite not being a major global player. He noted that India maintains trade ties with both China and the US despite tensions, which highlights the importance for Bangladesh to maintain positive relations with all three nations. Hossain also highlighted the past prioritization of political leaders' interests over state interests and stressed the public's role in ensuring political leaders focus on the nation's welfare. Discussing the Rohingya crisis, he reaffirmed that peace in Myanmar and the region is unattainable unless the Rohingyas can return home safely. Former ambassador M Humayun Kabir criticized Bangladesh's foreign policy as being regime-centric, while BNP leader Amir Khasru Mahmud Chowdhury called for a national security architecture and a reevaluation of intelligence practices. Dhaka University's Obaidul Haque advocated for a National Security Council, and Zonayed Saki of Ganosamhati Andolon emphasized a policy shift toward security over regime protection. Arif Sohel from Student Against Discrimination called for an independent foreign policy, and Akhter Hossain of the Jatiya Nagorik Committee demanded transparency on agreements made with India, urging scrutiny of whether they safeguarded Bangladesh's interests.

Source: *Dhaka has to balance ties with, India, China, US | The Daily Star*

"WE MUST PROTECT OUR NATIONAL INTEREST: M. HUMAYUN KABIR | THE BUSINESS STANDARD "

At the same event, one of the key speakers, Former Bangladesh Ambassador to the United States and BEI president M. Humayun Kabir emphasized that national interest in foreign policy remains unchanged regardless of government, as it is rooted in the people's welfare. Speaking at a national dialogue organized by the Forum for Bangladesh Studies, he stated that over the past 53 years, foreign policy has been regime-centric, hindering continuity. Kabir noted that when Hussain Muhammad Ershad came to power, he discarded prior policies, which led to a loss of consistency in foreign relations. He also criticized Bangladesh's reactive approach, especially regarding the Rohingya crisis, and stressed the need for a proactive strategy to safeguard national interests in the future.

Source: *WE MUST PROTECT OUR NATIONAL INTEREST: M. HUMAYUN KABIR | THE BUSINESS STANDARD*

SA NATIONS, CHINA MUST WORK TOGETHER TO ENSURE DEV

Foreign Affairs Adviser Md Touhid Hossain emphasized the importance of China and South Asian nations collaborating to ensure peace, stability, and development in the region. Speaking at an international conference on "China-South Asia Civilization and Connectivity: History and Contemporary Issues" at North South University, he highlighted that geopolitical tensions, climate change, and economic disparities require collective action. Hossain expressed hope for the peaceful return of Rohingya refugees to Myanmar, which would facilitate economic growth, reduce poverty, and enhance cultural exchanges. He reaffirmed Bangladesh's readiness to contribute to these efforts, noting the historical and cultural ties between China and South Asia, with Bangladesh serving as a bridge connecting diverse cultures. Chinese Ambassador Yao Wen and speakers from various universities also participated in the event.

Source: *China, South Asian nations must work together for development: foreign adviser | The Daily Star*

WORLD BANK APPROVES $1.16BN FOR THREE BANGLADESH PROJECTS

The World Bank approved three loans totaling $1.16 billion to support Bangladesh's development in health, water, sanitation, and climate resilience. Of this, $500 million is allocated under the Bangladesh Green and Climate Resilient Development Credit, aimed at helping the country transition to greener, climate-resilient practices through policy reforms. These reforms will improve planning, financing, and implementation of sustainable interventions, reduce air pollution, and enhance water and sanitation services. The second loan of $379 million focuses on improving health and nutrition services in Sylhet and Chattogram divisions, benefiting 5.1 million people and reducing maternal and neonatal mortality. The third loan of $280 million will improve water supply and sanitation in Chattogram, providing safe water to over one million people and rehabilitating 200,000 household connections. These initiatives aim to support Bangladesh's vulnerability to climate change while advancing health and infrastructure goals. The World Bank has committed over $45 billion in financing since Bangladesh's independence to help the country meet its development objectives.

Source*: World Bank Loans For Bangladesh Development Projects | World Bank approves $1.16bn for three Bangladesh projects*

SUMMER POWER SUPPLY LOOKS BLEAK

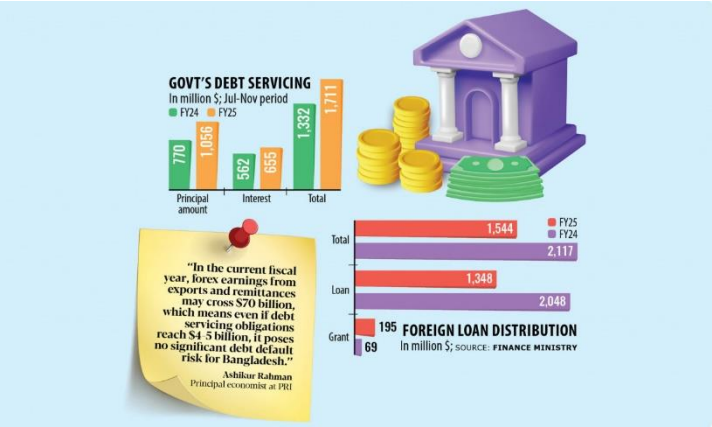
Bangladesh faces significant power supply challenges, driven by unpaid bills with the 1,496MW Adani power plant, which reduced supply to 400MW. Coal power, constituting 20% of the 27,840MW total capacity, struggles with inconsistent fuel imports. Gas, representing 43% of the energy mix, faces depletion and supply gaps, limiting power generation. Experts propose a balanced coal-gas strategy, aiming for 13,000MW base-load with furnace oil and solar supplements. The cost of LNG and furnace oil complicates the situation, with furnace oil generation reaching Tk 25.70 per unit. Unresolved fuel bills and fluctuating coal prices threaten stable summer power. Power outages, reminiscent of past summer disruptions, could impact agriculture. Experts stress urgent funding for energy purchases to mitigate further crises.

Source*: New Age | Summer power supply looks bleak*

CHANGES NEEDED TO ENSURE VOTING RIGHTS, FREEDOM OF SPEECH, JUSTICE: ALI RIAZ

The Constitution Reform Commission of Bangladesh, led by Ali Riaz, is set to propose significant amendments aimed at strengthening democracy, ensuring freedom of speech, safeguarding voting rights, and establishing an independent judiciary. Riaz highlighted that the constitution has gradually diverged from the foundational principles of the 1971 Liberation War, evolving into a tool for centralizing power and diminishing citizens' rights. The commission was formed in response to the July uprising that ousted the authoritarian government of Sheikh Hasina, reflecting public demand for greater accountability and democratic governance. Key issues identified by the commission include the lack of accountability mechanisms for the prime minister, the dominance of one-party influence during the drafting of the 1972 constitution, and amendments like the 15th that limited parliament's authority to make future changes. Riaz stressed the need for reforms that decentralize power, strengthen local governance, and align the constitution with the ideals of equality, human dignity, and social justice that inspired the nation's independence. The commission's recommendations, based on consultations with political parties, civil society, and nearly 100,000 public participants, will address electoral reforms, judicial independence, and the restructuring of democratic institutions. Although the commission is not tasked with drafting a new constitution, it aims to present changes that reflect the aspirations of the people while encouraging dialogue among stakeholders. Riaz underscored the importance of continuous political will and public engagement to sustain democratic progress. The draft recommendations are expected to be submitted to the chief adviser on January 7, laying the groundwork for future political negotiations and potential constitutional transformations that could reshape Bangladesh's democratic landscape.

***Source**: New Age | Changes needed to ensure voting rights, freedom of speech, justice: Ali Riaz*



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*

KARNAPHULI PAPER MILL SET FOR TK36,000CR REVIVAL PLAN

Karnaphuli Paper Mill (KPM) in Kaptai, once a profitable enterprise, has faced over a decade of losses due to outdated machinery, mismanagement, and corruption, with annual losses reaching Tk45 crore. Despite once producing 30,000 tonnes of paper annually, production now hovers between 2,000-6,000 tonnes. A Tk36,000 crore revival project aims to overhaul the mill, establish six new plants, and make KPM self-sufficient. However, high production costs and raw material shortages persist, with the mill losing Tk35,000-40,000 per ton of paper produced. Industry-wide, Bangladesh's paper sector faces challenges from rising global raw material prices, energy costs, and import barriers, threatening private mills and employment.

***Source**: Karnaphuli Paper Mill set for Tk36,000cr revival plan | The Business Standard*

NBR TO USE DOUBLE TAXATION AVOIDANCE DEAL AS A TOOL

Bangladesh's revenue authorities are leveraging double-taxation-avoidance agreements (DTAA) to reclaim assets siphoned abroad by top tycoons, targeting five countries – the UK, USA, Canada, Singapore, and UAE. The Central Intelligence Cell (CIC) has listed influential figures such as owners of Nasa, S. Alam, Summit, Beximco, and Aramit Groups for investigation, citing unreported offshore assets. Tax officials face difficulties in tracing assets with limited data but are pursuing Mutual Legal Assistance if necessary. The DTAA framework allows taxmen to request asset information from partner countries, with potential tax claims under Bangladesh's Income Tax Act 2023. However, officials highlight the need to update aging DTAAs, while experts argue existing agreements suffice for asset recovery.

***Source**: NBR to use double taxation avoidance deal as a tool | The Financial Express*

REMITTANCES GROW 22% TO RECORD NEARLY $27B IN 2024

Bangladesh's remittances rose by 22% in 2024, reaching nearly $27 billion, driven by higher official dollar rates and reduced money laundering. According to Bangladesh Bank, remittances through formal channels totaled $26.67 billion by December 28, up $4.7 billion from 2023. This growth is attributed to narrowing gaps between formal and informal dollar rates and lower demand for hundi. A rise in the dollar rate, from Tk110 in January to Tk128 in December (capped at Tk123), also contributed. Experts suggest boosting remittances by recognizing expatriates' contributions and improving their travel conditions.

***Source**: Remittances grow 22% to record nearly $27b in 2024 | The Business Standard*

CABINET DIVISION EXTENDS DEADLINE FOR REFORM COMMISSION REPORTS

The Cabinet Division of Bangladesh has extended the deadline for six reform commissions to submit their reports to January 15, 2025, as none had met the initial December 31, 2024 deadline. The commissions cover reforms in the Constitution, election, judiciary, Anti-Corruption Commission (ACC), police, and public administration. Election Reform Commission head Badiul Alam Majumdar said their report will be ready by January 3, while ACC Reform Commission chief Iftekharuzzaman expects to submit by January 7. The Constitution Reform Commission has also pledged to submit by January 7.

***Source**: Cabinet division extends deadline for reform commission reports | The Daily Star*

KHALEDA ZIA WILL GO TO LONDON IN JANUARY

Bangladesh Nationalist Party (BNP) chairperson Begum Khaleda Zia is scheduled to travel to London in the first half of January for medical treatment, as confirmed by her personal physician and BNP standing committee member AZM Zahid Hossain. The exact date of her departure is yet to be finalized, but preparations are underway for the trip, which will be made on a long-haul specialized air ambulance. After receiving treatment in London, she is expected to be transferred to a multidisciplinary medical center in the United States. The foreign ministry has been provided with a list of at least 15 individuals who will accompany her. This will be Khaleda Zia's first medical trip abroad since she last visited London in July 2017, before returning to Bangladesh in October 2017 amid multiple arrest warrants. Despite being sentenced in two corruption cases in 2018, Khaleda Zia was released in March 2020 through an executive order, but was barred from leaving the country. After several hospitalizations, she eventually underwent surgery in the country under the supervision of local and foreign doctors. Following the fall of the Awami League government in August 2024, she was granted permission to travel abroad again.

***Source**: Khaleda Zia will go to London for treatment in Jan | Prothom Alo*

RUSSIA'S TOP CLOTHING BRAND EYES BANGLADESH FOR PRODUCTION SHIFT

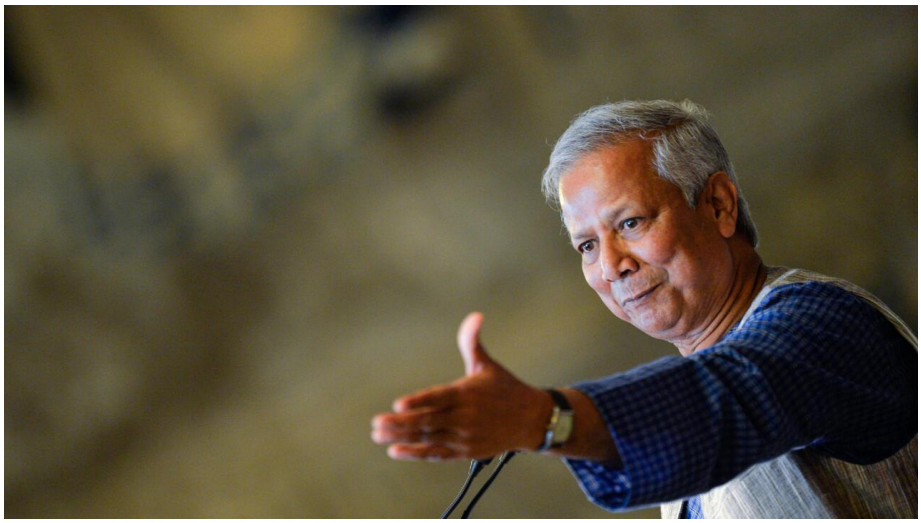
Russia's largest clothing manufacturer, Gloria Jeans, is planning to relocate part of its production capacity abroad due to a labor shortage and other economic challenges. The company, known for producing clothing and footwear, is considering Bangladesh as a potential production destination, along with Vietnam and Uzbekistan. This move will primarily affect factories in Russia's Rostov region, with a sewing factory in Salsk already shut down. Workers from this factory are being offered relocation opportunities to other facilities. Gloria Jeans operates 18 factories across Russia but has faced significant challenges, including a skilled labor shortage, rising labor costs in China, and poor-quality raw materials produced domestically. Economic sanctions imposed by Western nations have further complicated the situation, making it difficult to import necessary sewing equipment. Uzbekistan is seen as a favorable option due to its steady domestic cotton supply, and all three countries—Bangladesh, Vietnam, and Uzbekistan—offer high-quality industrial facilities, making them attractive alternatives for relocation.

***Source**: Russia's top clothing brand eyes Bangladesh for production shift*

HOME MINISTRY ASKS FOREIGNERS STAYING ILLEGALLY TO OBTAIN LEGAL DOCS BY 31 JAN

The Home Ministry has issued a warning notice requesting foreign nationals who are staying and working illegally in Bangladesh to acquire legal documents by January 31, 2025. The notice, signed by Md Khuda Baksh Chowdhury, special assistant to the chief adviser, highlights the issue of illegal foreign residents and workers in the country. The ministry emphasized that legal action will be taken against those who fail to regularize their status by the deadline. Relevant departments and institutions have also been urged to provide necessary cooperation to facilitate this process.

***Source**: Home Ministry asks foreigners staying illegally to obtain legal docs by 31 Jan*



ISLAMIC EXTREMISM WON'T RETURN TO BANGLADESH, YUNUS TELLS THE ECONOMIST

In an interview with *The Economist*, Chief Adviser Muhammad Yunus dismissed concerns over the return of Islamic extremism to Bangladesh following the student-led uprising. Yunus described the students as enthusiastic and neutral about religion, focused on creating a new Bangladesh. He expressed pride in the country being named *The Economist's* Country of the Year, crediting the uprising for significant change. Yunus assured that there was no risk of extremism returning and highlighted the vital role young girls played in the uprising. When asked about his future plans after the national election, he mentioned his desire to return to his previous work, which he had been forced to leave for his current role, and rejoin the global movement he had been part of.

***Source**: New Age | Islamic extremism won't return to Bangladesh, Yunus tells The Economist*

BANGLADESH SEEKS $750M MORE FROM IMF

Bangladesh has requested an additional $750 million loan from the International Monetary Fund (IMF) to tackle economic challenges and ease foreign exchange constraints. The request, if approved, would increase Bangladesh's total loan package from the IMF to $5.3 billion. A staff-level agreement has also been reached to receive a fourth tranche of $645 million under the ongoing $4.7 billion loan program. The IMF has revised Bangladesh's economic growth forecast for FY25 to 3.8%, down from 4.5% previously predicted, citing output losses from the July uprising, floods, and tighter policies. Despite this, the IMF forecasts a GDP growth rebound to 6.7% in FY26. A delegation from the IMF is currently in Dhaka to review progress on the loan conditions and negotiate new terms for the additional funds. Additionally, inflation projections remain high for the current fiscal year, with the IMF's latest statement underscoring the challenges Bangladesh faces in controlling consumer prices. ***Source**: Reserves drop below $20b after ACU payment | The Daily Star*

IMF TO GIVE $645 MILLION AS FOURTH TRANCHE OF LOAN TO BANGLADESH

The International Monetary Fund (IMF) has agreed to extend $645 million to Bangladesh as the fourth tranche of its ongoing loan program. This follows Bangladesh's request for an additional $750 million to address its macroeconomic challenges. In response, the IMF approved an augmentation of $700 million, raising the total loan amount to $5.3 billion. The original $4.7 billion loan was approved in January 2023, with Bangladesh having received $2.3 billion in three previous tranches. The IMF's decision to release the fourth tranche underscores continued financial support for Bangladesh under the extended credit facility and extended fund facility arrangements.

***Source**: Bangladesh seeks $750m more from IMF*

GOVT TO INCREASE VAT ON RESTAURANTS, HOTELS, CLOTHING

The National Board of Revenue (NBR) is set to increase VAT on restaurants, hotels, and clothing, alongside abolishing truncated rates on 43 types of goods and services, applying a standard 15% rate. Restaurant VAT will rise from 5% to 7.5%, while non-AC hotel VAT may double to 15%. VAT on branded and non-branded clothing is also expected to increase to 15%. Trading VAT may rise to 7.5%, and the import of products like soap, detergent, and paint will face higher supplementary duties. These measures aim to generate an additional Tk12,000 crore in revenue, aligning with IMF conditions for economic support.

***Source**: Govt to increase VAT on restaurants, hotels, clothing | The Business Standard*

DHAKA AWAITS MALAYSIA'S ROADMAP FOR WORKERS MISSING ENTRY DEADLINE

Dhaka is awaiting Malaysia's roadmap to address the situation of Bangladeshi workers who missed the May 31 entry deadline, as confirmed by Foreign Affairs Adviser Md Touhid Hossain during a meeting with Malaysian High Commissioner Mohd Shuhada Othman. The issue follows Malaysian Prime Minister Anwar Ibrahim's visit, where he indicated Malaysia might consider allowing entry for 18,000 affected workers. Both sides discussed enhancing trade, investment, manpower, and renewable energy cooperation. The meeting also highlighted Malaysia's interest in introducing cars to Bangladesh and mutual efforts to strengthen bilateral ties.

***Source**: Dhaka awaits Malaysia's roadmap for workers missing entry deadline*

CTG PORT POSTS 7.42% GROWTH IN CONTAINER HANDLING

Chattogram Port achieved record growth in 2024, with a 7.42% rise in container handling and a 3.11% increase in overall cargo, according to CPA Chairman Rear Admiral SM Moniruzzaman. The port handled 3.27 million TEUs of containers and 12.39 crore tonnes of cargo, surpassing previous records. Vessel waiting time was reduced from 6–7 days to one day by year-end. The port's revenue reached Tk 5,055.99 crore, marking a 21.39% increase, while a revenue surplus of Tk 2,948 crore reflected 37.6% growth over the previous year.

***Source**: Ctg port posts 7.42% growth in container handling | The Daily Star*

DON'T FOCUS ON SUPERFICIAL DISCUSSIONS NEGLECTING LIVELIHOODS, SECURITY: DEBAPRIYA

Economist Debapriya Bhattacharya, distinguished fellow at CPD, emphasized unity and practical reforms to address economic hardships at a Forum for Bangladesh Studies event in Dhaka. He warned against superficial discussions that neglect public welfare, urging focus on livelihoods, wages, and security ahead of elections. Debapriya highlighted the severe economic conditions inherited from the previous regime and questioned the lack of attention to unemployment and workers' rights. He stressed the need for foundational reforms to improve living standards, calling for urgent relief measures for ordinary citizens and equitable policies beyond administrative reforms.

***Source**: Don't focus on superficial discussions neglecting livelihoods, security: Debapriya | The Daily Star*

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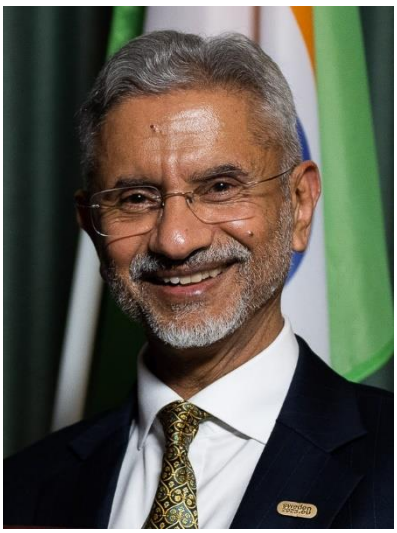


EAM JAISHANKAR MEETS SECRETARY OF STATE BLINKEN & NSA SULLIVAN, DISCUSSES GROWTH IN INDIA-US PARTNERSHIP

Indian External Affairs Minister S Jaishankar met US Secretary of State Antony Blinken and NSA Jake Sullivan in Washington DC to review the progress of the India-US partnership under President Joe Biden's administration. Jaishankar highlighted strengthened bilateral cooperation and expressed confidence in the relationship's continued growth, regardless of the US election outcome. His six-day visit marks the first high-level engagement post-Trump's re-election, with discussions on strategic ties, trade, and technology. Jaishankar also chaired a meeting with Indian Consul Generals in the US, focusing on deepening partnerships and enhancing services for the Indian diaspora.

***Source**: EAM Jaishankar meets Secretary of State Blinken & NSA Sullivan, discusses growth in India-US partnership*

STRENGTHENING BILATERAL TIES: JAISHANKAR'S STRATEGIC QATAR VISIT

Indian External Affairs Minister S Jaishankar will embark on a three-day visit to Qatar from December 30 to strengthen bilateral relations, the Ministry of External Affairs announced. Jaishankar is set to meet Qatari Prime Minister and Foreign Minister Sheikh Mohammed bin Abdulrahman bin Jassim Al Thani to discuss political, trade, investment, energy, security, and cultural ties. The visit follows Jaishankar's earlier engagements with Qatari officials during the Doha Forum in early December, underscoring the commitment to deepening economic and strategic cooperation between the two nations.

***Source**: Strengthening Bilateral Ties: Jaishankar's Strategic Qatar Visit*

DEFENCE MINISTRY DECLARES 2025 AS 'YEAR OF REFORMS'

The Defence Ministry has declared 2025 as the "Year of Reforms" to drive the modernisation of India's armed forces, Defence Minister Rajnath Singh announced. The initiative aims to establish integrated theatre commands to enhance jointness among the three services and develop a technologically advanced, combat-ready force. Focus areas will include cyber and space domains, as well as emerging technologies like AI, machine learning, hypersonics, and robotics. Singh emphasized that the reforms will strengthen India's defence preparedness to address 21st-century security challenges and safeguard national sovereignty.

***Source**: Defence Ministry declares 2025 as 'year of reforms' | India News - The Indian Express*

MANMOHAN SINGH, 92, INDIAN PREMIER WHO SPURRED ECONOMIC BOOM, DIES

Manmohan Singh, former Prime Minister of India and a key architect of the country's economic reforms, passed away at the age of 92 in New Delhi. Singh, a respected economist and statesman, served two consecutive terms from 2004 to 2014, becoming India's first Sikh prime minister and one of the longest-serving leaders in the role. Known for his soft-spoken demeanor and economic acumen, Singh was instrumental in opening India's markets to global trade and investment as finance minister in 1991, initiating reforms that transformed the nation into one of the world's fastest-growing economies. Born in 1932 in what is now Pakistan, Singh's life was shaped by the partition of India, and he went on to hold prominent positions, including Governor of the Reserve Bank of India and Chief Economic Advisor. As prime minister, he navigated coalition governments led by the Congress Party under Sonia Gandhi's leadership, overseeing significant growth, expansion in technology and infrastructure, and strengthened international relations. However, his tenure also faced challenges, including corruption scandals and economic slowdowns. Singh's legacy remains marked by his role in steering India through crucial economic transitions, enhancing its global standing, and fostering a path of inclusive development. His passing was met with tributes from across the political spectrum, with Prime Minister Narendra Modi recognizing him as one of India's most distinguished leaders.

***Source**: Manmohan Singh, Indian Prime Minister, Dies at 92 - The New York Times*

MANIPUR CM APOLOGISES FOR ETHNIC CONFLICT, URGES ALL COMMUNITIES TO FORGET, FORGIVE PAST MISTAKES

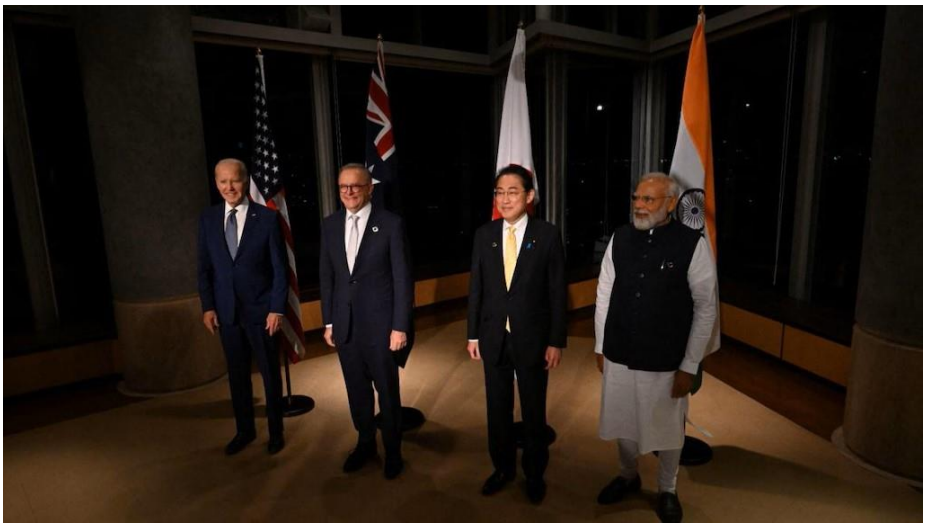
Manipur Chief Minister N Biren Singh publicly apologized for the ethnic conflict that has claimed over 250 lives and displaced thousands, urging communities to forgive past grievances and work towards peace. Speaking at a press conference, Singh expressed regret for the violence that erupted in May 2023 and noted that the past few months have seen relative calm, raising hopes for full normalcy in the new year. Singh highlighted a decline in firing incidents, with 112 reported since May 2024 compared to 408 in the initial six months of the conflict. He also reported the recovery of 3,112 looted weapons and 2,511 explosives, along with the arrest of 625 individuals and registration of over 12,000 FIRs. Singh appealed for unity, emphasizing the importance of rebuilding Manipur into a peaceful and prosperous state.

***Source**: Pan-India coastal defence exercise 'Sea Vigil' to be held on November 20-21: Navy*

MANIPUR ACCOUNTED FOR 77 PER CENT OF TOTAL VIOLENCE IN NORTHEAST IN 2023: MHA

In 2023, Manipur accounted for about 77% of the total violent incidents in the northeastern region of India, according to the Ministry of Home Affairs' annual report. The state's ongoing ethnic violence between the majority Meitei and tribal Kuki communities has contributed to an increase in casualties among both civilians and security forces compared to 2022. Out of 243 violent incidents in the Northeast, 187 occurred in Manipur. The counter-insurgency operations in the state led to the killing of 33 insurgents, the arrest of 184, and the recovery of 49 weapons. Additionally, 80 insurgent cadres surrendered, yielding 31 arms. The ethnic violence, which erupted on May 3, 2023, has caused numerous casualties, injuries, and widespread arson. Despite the situation primarily being a state responsibility, the central government has provided continuous support. Actions taken included engaging with top state officials, deploying additional Central Armed Police Forces, Army, and Assam Rifles, and using helicopters and drones. Union Home Minister Amit Shah visited from May 29 to June 1, 2023, conducting more than 15 meetings with government officials, political leaders, and civil society members. Minister of State for Home Nityanand Rai also monitored the situation in Manipur between May 25 and June 17, 2023. Despite efforts, intermittent violence continues, with over 250 lives lost in the conflict.

***Source**: Manipur accounted for 77 per cent of total violence in Northeast in 2023: MHA*



QUAD MARKS 20 YEARS OF COOPERATION: INDIA SET TO HOST KEY SUMMIT IN 2025

As tensions rise due to China's growing military assertiveness, Quad member nations—India, the US, Japan, and Australia—reaffirmed their commitment to a free, open, and peaceful Indo-Pacific, marking the 20th anniversary of their partnership. This renewed focus on regional stability comes at a crucial time, with India set to host the next Quad Leaders' Summit in the latter half of 2025, an important milestone in the coalition's evolution. The Quad's origins trace back to the aftermath of the 2004 Indian Ocean tsunami when the four nations united for emergency relief efforts, deploying over 40,000 responders to aid millions across the region. This collaboration laid the foundation for a more formal strategic partnership, which now addresses a wide array of challenges, from disaster relief to maritime security, infrastructure development, and beyond. The Quad's foreign ministers highlighted their shared vision for a peaceful, stable, and prosperous Indo-Pacific, underpinned by strong regional institutions. They reaffirmed support for ASEAN's centrality in the region and emphasized the importance of respecting international law in the face of China's territorial expansion. The Quad has broadened its agenda to include climate change, cybersecurity, emerging technologies, and critical infrastructure, reflecting the evolving security dynamics of the Indo-Pacific. India is poised to play a leadership role in shaping the future of Quad cooperation at the 2025 summit. Its strategic position and growing geopolitical influence make it an ideal host to steer the partnership's agenda forward, focusing on areas like infrastructure development, climate action, and strengthening regional security frameworks. The Quad's commitment to multilateral organizations like the Pacific Islands Forum and the Indian Ocean Rim Association underscores its efforts to build an inclusive regional security architecture. The group also continues to emphasize humanitarian support, with ongoing efforts in disaster relief and preparedness across the Indo-Pacific. Looking ahead, the Quad's ability to adapt to regional challenges will be key to its success. The 2025 summit will be a defining moment as the partnership seeks to further cement its role in maintaining peace and prosperity in the Indo-Pacific, demonstrating strong leadership and collaboration to address the evolving needs of the region.

***Source**: QUAD Marks 20 Years of Cooperation: India Set to Host Key Summit in 2025 - India News | The Financial Express*

INDIA, PAKISTAN EXCHANGE LIST OF NUCLEAR INSTALLATIONS

India and Pakistan exchanged a list of their nuclear installations on Wednesday, continuing a practice under the 1988 bilateral pact that prohibits attacking each other's atomic facilities. The exchange occurred simultaneously through diplomatic channels in New Delhi and Islamabad. This marks the 34th consecutive exchange, with the first one taking place in 1992. The agreement, which entered into force in 1991, requires both countries to inform each other annually about the nuclear installations covered under the pact. Despite ongoing tensions over Kashmir and cross-border terrorism, the two nations have adhered to this agreement for over three decades.

***Source**: India, Pakistan exchange list of nuclear installations - The Tribune*

INDIAN STOCK MARKET LAGS BEHIND GLOBAL INDICES IN 2024

The Indian equity markets experienced a rollercoaster ride in 2024, with the Sensex and Nifty delivering modest gains of 8.9% and 9.6%, respectively, after a strong performance in 2023. Geopolitical tensions, FII outflows, and lesser-than-expected rate cuts by the US Federal Reserve contributed to the market's losses in the latter half of the year. While the US stock markets led global gains with the Dow Jones rising 14.1%, the S&P 500 up 25.2%, and NASDAQ-100 surging 27.6%, the Indian market underperformed. The Sensex reached an all-time high of 85,978 in September but later corrected by 11% due to profit-taking. The healthcare, realty, and auto sectors were standout performers, with BSE Midcap and Smallcap indices showing strong growth. Despite FII selling worth Rs 1.19 lakh crore, domestic institutional buying and SIP inflows helped stabilize the market. Experts predict lower returns in 2025, cautioning investors due to elevated valuations, higher volatility, and potential geopolitical risks. Earnings per share growth for the Nifty 50 is expected to rise 7.6% in FY25, with optimistic long-term projections despite risks.

***Source**: Indian Stock Market Lags Behind Global Indices in 2024*

2024 WAS INDIA'S WARMEST YEAR SINCE 1901, GLOBAL TEMP ALSO HIT RECORD HIGH

The year 2024 marked the warmest on record in India since 1901, with the average minimum temperature 0.90°C higher than the long-period average. The annual mean land surface air temperature was 0.65°C above the long-term average (1991-2020), surpassing the previous record set in 2016 by 0.11°C. This milestone highlights a broader global trend, as the European climate agency Copernicus reported 2024 as the warmest year globally, with temperatures 1.5°C above pre-industrial levels. Additionally, a report from climate groups World Weather Attribution and Climate Central noted that the world experienced 41 more days of dangerous heat in 2024, underscoring the growing intensity of climate change impacts.

***Source**: 2024 was India's warmest year since 1901, global temp also hit record high | India News - Business Standard*

INDIA'S POWER CONSUMPTION INCREASES NEARLY 6% TO 130.40 BN UNITS IN DEC

India's power consumption saw a nearly 6% rise in December 2024, reaching 130.40 billion units (BU) compared to 123.17 BU in December 2023, driven by higher use of heating appliances due to cold wave conditions. The peak power demand also increased, touching 224.16 GW, up from 213.62 GW in December 2023. The peak power demand reached an all-time high of around 250 GW in May 2024, surpassing the previous record of 243.27 GW in September 2023. The government had earlier projected peak demand to hit 260 GW in the summer of 2024, with expectations for 270 GW by the summer of 2025. Experts predict more steady growth in January, with consumption rising due to colder temperatures in Northern India and increased commercial and industrial activity.

***Source**: India's power consumption increases nearly 6% to 130.40 bn units in Dec | India News - Business Standard*

PAKISTAN

PM SHEHBAZ LAUDS ECONOMIC PROGRESS, STRESSES NEED FOR EXPORT-LED GROWTH

Prime Minister Shehbaz Sharif praised the economic progress made during the first nine months of his government's tenure, highlighting export-led growth as essential for future development. Speaking at a cabinet meeting, he emphasized the National Economic Transformation Plan 2024-29, which focuses on five key areas: Exports, E-Pakistan, Equity and Empowerment, Environmental Security, and Energy and Infrastructure. PM Sharif expressed confidence in the achievements so far, including a record $15 billion in remittances during the first five months of the current fiscal year, and a target of $35 billion by year-end. He also lauded efforts to boost revenue, including the digitalization of the Federal Board of Revenue (FBR) and measures reducing smuggling. The Prime Minister commended the work of cabinet members and officials, noting that macroeconomic stability had been achieved despite challenges like political disruptions.

***Source**: PM Shehbaz calls for honouring financial pledges to deal with climate change | Pakistan Today*

PAKISTAN AIR STRIKES IN AFGHANISTAN SPARK TALIBAN WARNING OF RETALIATION

Pakistan's recent air strikes on Afghanistan's Paktika province, targeting the Pakistan Taliban (TTP) hideouts, have sparked a strong warning from the Taliban government. The air raids, the first since March, were carried out following a series of deadly attacks by the TTP on Pakistani forces, including the killing of at least 16 soldiers last week. While Pakistan claims the TTP operates from Afghan sanctuaries, the Taliban denies providing refuge to armed groups. The attack, which reportedly killed 46 people, including women and children, prompted a vow of retaliation from the Taliban, further escalating tensions. The air strikes came just after diplomatic talks between Pakistan's special representative and Afghan officials, signaling a deepening rift between the two nations. Experts warn that while cross-border operations are becoming more frequent, the inconsistent approach of Pakistan's policy toward Afghanistan may hinder long-term diplomatic solutions. The growing violence and the TTP's operations pose significant challenges to Pakistan-Afghanistan relations, despite efforts for dialogue.

Source: *Pakistan air strikes in Afghanistan spark Taliban warning of retaliation | Conflict News | Al Jazeera*

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*

IRAN AIMS TO BOOST PAKISTAN TRADE TO $10BN: ENVOY

Iranian Consul General Hassan Darwishvand has outlined Tehran's aim to increase bilateral trade with Pakistan to $10 billion, highlighting the role of continued cooperation. During a farewell meeting with Balochistan business leaders, he shared that trade between the two nations had already surpassed $3 billion. Darwishvand emphasized the importance of ongoing collaboration between the Iranian Consulate and the Quetta Chamber of Commerce and Industry (QCCI) to achieve further growth. He expressed appreciation for the QCCI's support, recognizing the business community as key to both regional and national prosperity. The consul general reaffirmed the commitment of both countries to strengthen their Islamic, cultural, and commercial ties.

Source: *Iran aims to boost Pakistan trade to $10bn: envoy - Pakistan - DAWN.COM*

FO REJECTS US STANCE ON PAKISTAN MISSILES

Pakistan’s Foreign Office has strongly rejected U.S. criticism of its long-range ballistic missile programme, calling the allegations "irrational" and lacking historical context. Spokesperson Mumtaz Zahra Baloch responded to U.S. Deputy National Security Adviser Jon Finer's comments, which accused Pakistan of developing missiles capable of targeting beyond South Asia, including the U.S. Baloch emphasized that Pakistan’s missile capabilities are designed for credible minimum deterrence, specifically to defend against perceived threats from India, not to pose a danger to other nations. She expressed regret over the U.S.'s comparison of Pakistan with adversarial nations like Russia and China, stressing that Pakistan has long been a cooperative partner of the U.S. and continues to make significant sacrifices, particularly in counterterrorism. Additionally, Baloch suggested that the U.S.'s stance might be influenced by Indian interests, exacerbating regional instability. Pakistan reaffirmed its commitment to constructive engagement with the U.S. on security issues.

Source: *Environment takes centre stage at constitutional bench hearing - Pakistan - DAWN.COM*

PAKISTAN MET IMF’S DECEMBER TAX TARGET DESPITE CHALLENGES: PM SHEHBAZ

Prime Minister Shehbaz Sharif on Wednesday asserted that despite ongoing political unrest and protests aimed at destabilizing the government, Pakistan has achieved economic stability and met fiscal targets. Addressing the federal cabinet, he highlighted the Federal Board of Revenue (FBR)'s success in meeting 97% of its December tax collection target, fulfilling commitments to the IMF. He commended the FBR's leadership and acknowledged the Rs72 billion contribution from Alternate Dispute Resolution (ADR) measures. The Prime Minister also lauded the digitization of Karachi Port operations, which reduced container processing time by 39%, enhancing trade and transparency. In tackling smuggling, he praised federal institutions and the military for curbing illicit flows of sugar and petroleum, allowing Pakistan to export surplus sugar. PM Shehbaz noted that remittances in the first five months of the fiscal year reached $15 billion, potentially exceeding $35 billion by year-end. However, he expressed concern over the resurgence of terrorism, attributing it to the Afghan government’s release of militants. He reaffirmed his government’s commitment to transparency and integrity, citing a scandal-free nine months in office, and urged unity for the country’s prosperity in the upcoming year.

Source: *Pakistan meets IMF’s December tax target despite challenges: PM Shehbaz*

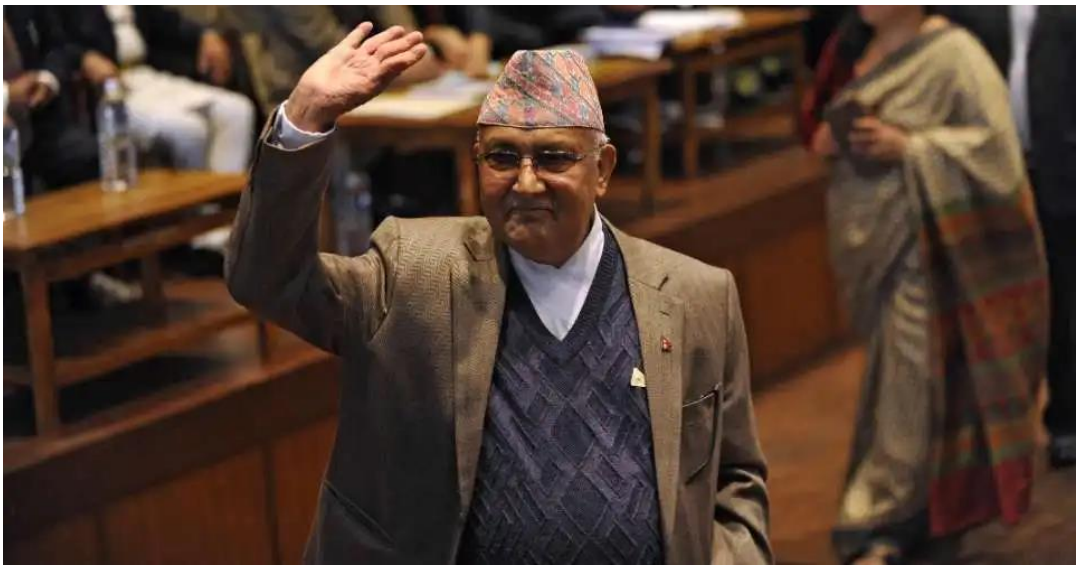
PETROL PRICE INCREASED BY 56 PAISA, HSD BY RS2.96 PER LITRE

The price of petrol has been increased by 56 paisa per litre, and high-speed diesel (HSD) has seen a rise of Rs2.96 per litre for the fortnight beginning January 1, 2025. According to a Ministry of Finance notification, petrol now costs Rs252.66 per litre, while HSD is priced at Rs258.34 per litre. Prior to the announcement, speculations had suggested a higher increase of Rs3.62 per litre for HSD and a minimal 11 paisa rise for petrol. Energy experts highlighted that the premium on oil is $8.69 per barrel, with the calculation factoring in the petroleum levy, general sales tax, and the current currency exchange rate.

Source: *Petrol price increased by 56 paisa, HSD by Rs2.96 per litre*

NEPAL

NEPAL LAUNCHES CAMPAIGN TO END PRACTICE OF CHILD MARRIAGE



Nepal has launched a nationwide campaign to end child marriage, with Prime Minister K P Sharma Oli expressing solidarity and pledging support for the initiative. The 'Child Marriage Free Nepal' campaign was introduced at an event in Kathmandu, led by Minister for Women, Children and Senior Citizens Kishor Sah Sudi and former Lumbini Province Chief Minister Dilli Bahadur Chaudhary. Indian child rights activist Bhuvan Bibhu also participated in the launch, which brought together over 100 activists, children, and civil society members from Nepal and India. The campaign is supported by the Ministry of Women and Children, Nepal's Backward Society Education (BASE), and the Indian organization Just Right for Children. Representatives from all seven provincial governments in Nepal attended the event, reinforcing national commitment to ending child marriage by 2030. Nepal has the second-highest child marriage rate in South Asia, despite the legal marriage age being 20. Prime Minister Oli highlighted child marriage as a human rights violation and signed a resolution committing to eliminate the practice. The campaign follows India's recent launch of the 'Child Marriage Free Bharat' initiative, positioning Nepal as a regional leader in addressing this issue. The National Child Welfare Council is overseeing the initiative, aiming for widespread societal engagement.

Source 1: *Nepal launches campaign to end practice of child marriage | News Today News - The Indian Express*
Source 2: *PM Oli backs 'National Campaign for Child Marriage-free Nepal' - The Himalayan Times - Nepal's No.1 English Daily Newspaper | Nepal News, Latest Politics, Business, World, Sports, Entertainment, Travel, Life Style News*

HOSPITALITY INDUSTRY CONTRIBUTES RS326 BILLION TO NEPAL'S ECONOMY

Nepal's hospitality industry generates over Rs326 billion annually, according to a new National Statistics Office survey. The survey, the first in two decades, identified 142,223 establishments, including hotels, lodges, resorts, and restaurants. The sector's input costs, such as wages, food, and furnishings, total Rs216.73 billion, with an annual gross income of Rs109.27 billion. Establishments report an average profit margin of 20 percent, though margins in Bagmati province are slightly lower. Bagmati leads in output with Rs152.08 billion, followed by Koshi and Lumbini. Nepal's hospitality industry employs 106,459 individuals, with Bagmati employing the largest share. The average hotel room rate is Rs6,916, with resorts charging more. Banks hold 40 percent of the sector's investments. The total value of fixed assets is Rs543.25 billion, and annual wages disbursed amount to Rs20.61 billion. Around 43 percent of hospitality workers are women, and industry respondents express positive views on workplace safety.

Source: *Hospitality industry contributes Rs326 billion to Nepal's economy*

GOVERNMENT BRINGS NEW URBAN POLICY TO ADDRESS DEVELOPMENT CHALLENGES

Nepal has introduced the National Urban Policy, 2024, to address evolving social, political, and economic developments, replacing the 17-year-old framework. The policy assigns urban development responsibilities to federal, provincial, and local governments, emphasizing sustainable growth aligned with global frameworks like the SDGs and the Paris Agreement. The policy aims to improve urban infrastructure by 15 percent by 2036, focusing on resilient infrastructure, resource utilization, and inter-sectoral coordination. Federal authorities will create policies and set national standards, while provincial and local governments implement them, ensuring equitable services and addressing urbanization challenges. Rapid urbanization driven by migration has led to disparities in services, with urban infrastructure varying significantly between municipalities. The policy highlights Kathmandu's infrastructure score of 0.91 compared to Bardiya's 0.16, reflecting unequal development. Urbanization pressures are evident, with 66 percent of Nepal's population residing in municipalities, yet open space is scarce. The policy seeks to tackle these challenges by promoting planned urban growth, addressing infrastructure gaps, and fostering partnerships across all government tiers.

Source: *Government brings new urban policy to address development challenges*

PRIME MINISTER OLI HOLDS TALKS WITH FORMER SRI LANKAN PRESIDENT WICKREMESINGHE

Prime Minister KP Sharma Oli met former Sri Lankan President Ranil Wickremesinghe at his residence in Baluwatar to discuss strengthening bilateral relations and mutual interests between Nepal and Sri Lanka. The meeting, attended by industrialist and Nepali Congress lawmaker Binod Chaudhary, focused on enhancing cooperation between the two South Asian nations. Wickremesinghe, who shares a long-standing friendship with Oli, was in Nepal for a private visit and is set to return home today. Wickremesinghe, a veteran politician, served as Sri Lankan President from 2022 to 2024 and previously held the position of prime minister multiple times. The visit highlighted efforts to deepen diplomatic ties and foster collaboration in areas of shared interest.

Source: *Prime Minister Oli holds talks with former Sri Lankan President Wickremesinghe*

BHUTAN

ECONOMIC AND FINANCE COMMITTEE SUBMITS RECOMMENDATIONS TO ACCELERATE ECONOMIC RECOVERY

Bhutan's Economic and Finance Committee, led by MP Rinchen Wangdi, presented seven recommendations to improve the Economic Stimulus Program (ESP), citing delays in fund disbursement, sector exclusions, and inefficient loan processes. Despite a Nu.15 billion budget, only Nu.5 billion has been released since the ESP's launch in May 2024. The committee urged the immediate release of the remaining Nu.10 billion and prioritized funding high-return projects over recurrent expenditures. They called for expanding support to sectors like hospitality, export, and mining, and introducing risk-sharing mechanisms to boost lending. Simplifying loan applications and passing an Insolvency Bill to manage rising NPLs were also recommended. Finance Minister Lekey Dorji assured that reforms are underway to enhance the ESP's accessibility and fairness. The National Assembly supported the recommendations, emphasizing collaboration and public advocacy for effective economic recovery.

Source: *Economic and Finance Committee Submits Recommendations to Accelerate Economic Recovery |*

GOVT. REVISITS PLEDGE TO LOWER INTERNET COSTS AND IMPROVE ACCESSIBILITY

Bhutan's National Assembly raised concerns over high telecom data costs, with MPs pressing the government to expedite a 50% reduction in charges. The Ministry of Industry, Commerce, and Employment (MoICE) confirmed that the reduction is part of Bhutan's National Digital Transformation Plan and is integrated into the 13th Five-Year Plan. A special committee is set to deliver findings by August 2024, with the goal of achieving the reduction by year-end. Discussions with the Indian government on data import costs are ongoing, and the potential introduction of a third provider, like Starlink, is being considered to boost competition. However, public frustration persists, especially in rural areas, over slow progress and high costs.

Source: *Govt. revisits pledge to lower internet costs and improve accessibility |*

BHUTANESE AND INDIAN EXPERTS TO JOINTLY DESIGN RECTIFICATION MEASURES FOR P I RIGHT BANK

Bhutan and India have reached a tentative agreement on rectification measures for the sliding right bank of the 1,200 MW P I hydropower project. While Bhutan pushed for extensive safety measures, India sought cost-effective solutions to limit tariff impacts. Both sides will now collaborate, with Bhutanese engineers and Indian consultants jointly designing the rectification plan. The design will be reviewed by the Technical Coordination Committee and the PHPA Authority. Plans include removing overburden, driving pylons into the right bank, and applying an impervious concrete layer. Discussions continue on managing project costs and potentially exempting loan interest to reduce tariffs.

Source: *Bhutanese and Indian experts to jointly design rectification measures for P I right bank – The Bhutanese*

SPECIAL PRAYERS FOR MANMOHAN SINGH HELD ACROSS BHUTAN; KING ATTENDS FUNERAL

Bhutan's King Jigme Khesar Namgyel Wangchuck attended the funeral of former Indian Prime Minister Manmohan Singh, following nationwide prayer ceremonies in Bhutan. Singh, who passed away at 92, served from 2004 to 2014, strengthening India-Bhutan relations. Bhutan's national flag was flown at half-mast across the country and at its embassies. The King, along with the Fourth Druk Gyalpo and Queen Mothers, led a special ceremony in Thimphu, lighting a thousand butter lamps in Singh's honor. Bhutanese officials and the Indian Ambassador also participated, with similar ceremonies held in all 20 districts.

Source: *Karmi Tongchey for Dr Manmohan Singh – The Bhutanese*

SRI LANKA

COUNTRY'S ANNUAL BIRTH RATE DROPS SIGNIFICANTLY TO 250,000

Sri Lanka's birth rate has dropped significantly from the previous annual figure of 350,000, according to Dr. Deepal Perera, Consultant Paediatrician at Lady Ridgeway Hospital. He linked the decline to youth migration, delayed marriages, and economic challenges. Dr. Perera warned of potential workforce shortages and an aging population. He emphasized protecting the current child population from diseases, autism, and psychological issues, noting rising cases of Autism Spectrum Disorder (ASD) and mobile device addiction. Dr. Perera highlighted the importance of exclusive breastfeeding and proper nutrition to safeguard children's health in the face of declining birth rates.

Source: *Country's annual birth rate drops significantly to 250,000 - Breaking News | Daily Mirror*

NEW ARMY, NAVY COMMANDERS TO BE APPOINTED

Major General Lasantha Rodrigo will become the 25th Commander of the Sri Lanka Army, succeeding Lt. Gen. Vikum Liyanage. Rear Admiral Kanchana Banagoda will assume the role of 26th Commander of the Navy on January 1, 2025, replacing Vice Admiral Priyantha Perera. Gen. Shavendra Silva, Chief of Defence Staff, will retire on the same day after over 40 years of service. Air Marshal Udeni Rajapaksa's term as Air Force Commander is set to expire next month. Rear Admiral Banagoda, a 1989 intake officer, is an alumnus of S. Thomas' College, Bandarawela.

Source: *New Army, Navy Commanders to be appointed - Breaking News | Daily Mirror*

TRADE DEFICIT WIDENS IN NOVEMBER TO US $ 502MN AS IMPORT EXPENDITURE CLIMBS

Sri Lanka's trade deficit widened to US $502 million in November 2024, up from US $390 million in November 2023, primarily due to a rise in import expenditure and a slight decline in export earnings. The cumulative trade deficit for January to November 2024 increased to US $5.24 billion, from US $4.41 billion in the same period in 2023. Merchandise imports rose by 7.7% YoY to US $1.496 billion, with higher imports in consumer goods, intermediate goods, and investment goods. Export earnings dropped by 0.5% YoY to US $994 million, mainly due to a decline in industrial and mineral exports, despite an increase in agricultural exports. The terms of trade deteriorated by 1.9% as export prices declined more than import prices.

Source: *Trade deficit widens in November to US $ 502mn as import expenditure climbs - Business Main | Daily Mirror*

COLOMBO PRICES SHOW SIGNS OF PRESSURE ON CONSUMER POCKETBOOKS IN DECEMBER

Sri Lanka's consumer prices in the Colombo district saw a monthly increase of 1.2% in December 2024, ending a prolonged deflationary period that began in July, primarily driven by rising food costs. Food prices surged by 3.9%, with sharp hikes in vegetables, coconut, and rice prices, the latter being a prolonged issue despite government interventions. While overall annual prices continued to show deflation at a slower pace of 1.7%, down from 2.1% in November, non-food prices remained in negative territory, helped by lower fuel costs, with a 0.1% monthly decrease. Core inflation, which excludes volatile food and energy prices, increased by 2.7%. The Central Bank anticipates that deflation will persist through much of the first half of 2025, with inflation expected to stabilize at around 5% by mid-year. Despite the deflationary trend, rising food prices continue to put pressure on household budgets, highlighting the challenges of price stability in the country.

Source: *Colombo prices show signs of pressure on consumer pocketbooks in December - Business News | Daily Mirror*

POLICY FRAMEWORK TO ADDRESS CHALLENGES IN ECONOMIC SYSTEM – PRESIDENT

President Anura Kumara Dissanayake outlined an ambitious agenda for 2025, focusing on a comprehensive economic policy framework to address the country's deep-rooted structural issues. The President emphasized the government's commitment to ending nepotism, the abuse of power, and the creation of political elites who prioritize personal interests over public welfare. During the inauguration of the "Clean Sri Lanka" programme, he highlighted the progress made in stabilizing the economy, emerging from bankruptcy, and strengthening national security. Dissanayake stressed the importance of restoring the rule of law, combating corruption, and ensuring that state institutions contribute actively to societal transformation. The government's upcoming budget will target poverty eradication and digital transformation, alongside the "Clean Sri Lanka" initiative, which aims to rejuvenate the country's social and environmental fabric. The initiative prioritizes public participation, citizen engagement, and safety, including reducing road accidents and ensuring the safety and quality of food. Through these efforts, the government aims to set new standards for governance, efficiency, and public trust.

Source: *Policy framework to address challenges in economic system - President - DailyNews*

CLEAN SRI LANKA' PROGRAMME TO BEGIN FROM JANUARY 1

EVERY CITIZEN MUST TAKE RESPONSIBILITY FOR THEIR ASSIGNED DUTIES – PRESIDENT

President Anura Kumara Dissanayake inaugurated the "Clean Sri Lanka" initiative on January 1, 2025, emphasizing the crucial role of public participation in its success. Addressing a gathering of religious leaders, government officials, and diplomats at the Presidential Secretariat, the President outlined the challenges Sri Lanka faces and stressed the importance of transformative change in 2025. He expressed commitment to eradicating issues like corruption, nepotism, and inefficiency, which have hindered the nation's progress. The government is focusing on three main projects: economic reforms to tackle poverty, a digital transformation to reduce corruption and inefficiency, and the "Clean Sri Lanka" initiative, which seeks to restore both the environment and societal values. Dissanayake underscored the need for a new value system that prioritizes life, safety, and inclusivity, especially for marginalized groups. He highlighted the importance of collective effort, urging citizens and state institutions to work together for a better future. The program, supported by a newly established task force and fund, aims to address pressing issues like road accidents, environmental damage, and public health, marking a long-term commitment to the nation's renewal.

Source: *Every citizen must take responsibility for their assigned duties – President (Pics) – Sri Lanka Mirror – Right to Know. Power to Change*

MALDIVES

MALDIVES RECORDS INFLATION RISE IN NOVEMBER

The Maldives recorded a 4.05% increase in inflation in November 2024, according to the National Bureau of Statistics (NBS). Compared to the previous month, the Consumer Price Index (CPI) rose by 2.47%, with a 2.62% increase excluding changes in fish prices. The highest price hike was observed in cigarettes, which surged by 98.12%. Other notable price increases included restaurant and cafe services (15.81%), sea transport (5.13%), and electricity (0.80%). On the other hand, mobile communication services saw a decrease of 2.76%, vegetable prices fell by 1.94%, and motorcycle prices dropped by 1.30%. Fish prices also experienced a slight decrease of 0.36%.

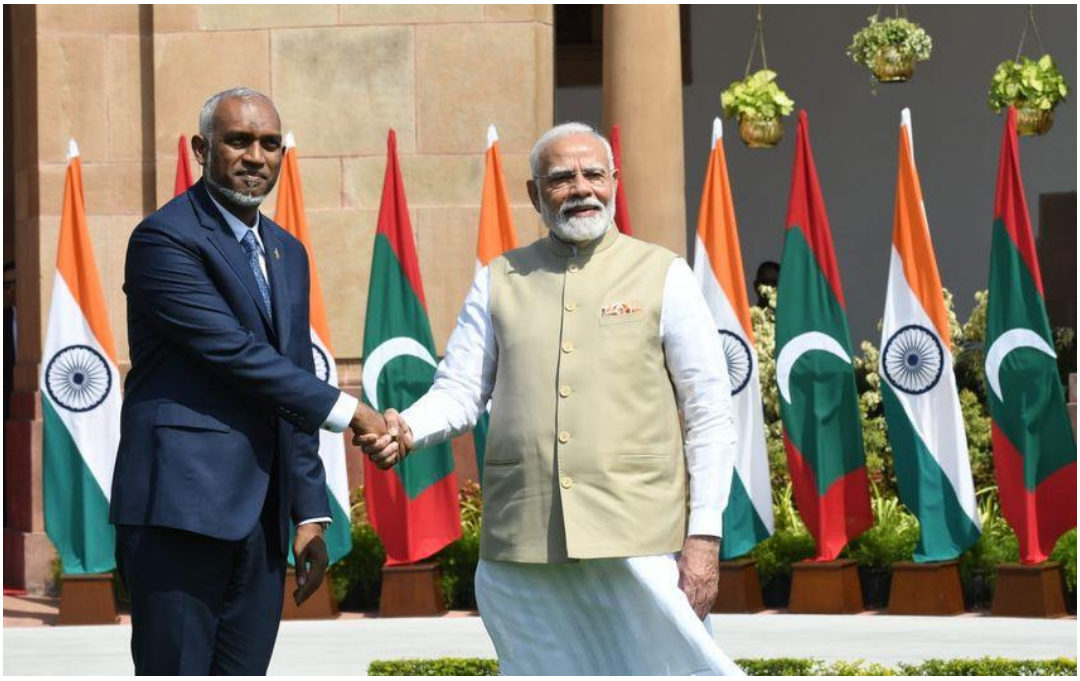
Source: *Maldives records inflation rise in November*

MALDIVES MAKES HISTORY WITH 2 MLN TOURIST ARRIVALS IN A SINGLE YEAR

The Maldives has achieved a historic milestone by welcoming its 2 millionth tourist for the year, surpassing its arrival target for the first time in history. The 2 millionth tourist, an Austrian national, was celebrated at Velana International Airport (VIA) in a grand reception attended by Tourism Minister Ibrahim Faisal, Maldives Marketing and Public Relations Corporation (MMPRC) official Ibrahim Shiury, Maldives Airports Company Limited (MACL) Managing Director Ibrahim Shareef, and immigration officials. According to the Tourism Ministry's statistics, tourist arrivals have increased by 9% compared to the previous year.

Source: *Maldives makes history with 2 mln tourist arrivals in a single year*

INDIA CONSIDERED, THEN ABANDONED, PLAN TO UNSEAT MALDIVES'S PRO-CHINA PRESIDENT: WASHINGTON POST, FORMER MALDIVES PRESIDENT DISMISSES REPORT



The Washington Post reported that India briefly considered a covert plan to oust Maldivian President Mohamed Muizzu after his election in late 2023, due to his promises to expel Indian troops and strengthen ties with China. According to the report, the plan, called the "Democratic Renewal Initiative," involved bribing 40 members of the Maldivian parliament, including those from Muizzu's party, to impeach him. The operation also sought support from senior military and police officers, as well as criminal gangs, with an estimated cost of $6 million, reportedly funded by India. However, the plan was ultimately abandoned after months of deliberation, due to insufficient parliamentary support and concerns about destabilizing the Maldives. Indian officials feared the potential for further instability in the country, which has a fragile political climate and vulnerabilities to extremism. The report also highlighted India's cautious approach in managing its rivalry with China. India has traditionally been a close ally of the Maldives, but with Muizzu's pro-China stance, India faced new challenges. China has expanded its influence in the Maldives through major infrastructure projects, raising concerns about Chinese military presence in the region. After his election, Muizzu alarmed Indian officials with state visits to Turkiye and China, but by late 2024, he shifted his position, calling India a "valued partner." This change was seen as a response to economic pressures, as the Maldives heavily relies on Indian financial aid. In 2024, India deferred $100 million in debt payments to the Maldives. Meanwhile, the Maldives has over $8 billion in debt to both China and India, totaling 120% of its GDP. Former Maldives President Mohamed Nasheed dismissed the Washington Post report, stating that India would never attempt to destabilize the government and would respect the Maldives' democracy.

Source: *India-Maldives ties | India considered, then abandoned, plan to unseat Maldives's pro-China President: Washington Post - Telegraph India*

AFGHANISTAN

UN CALLS FOR LIFTING BAN ON WOMEN WORKING IN NGOS

The United Nations High Commissioner for Human Rights (UNHCR) has urged the Islamic Emirate of Afghanistan to repeal its ban on women working in non-governmental organizations (NGOs), emphasizing the negative impact on humanitarian aid and women's rights. Ravina Shamdasani, spokesperson for the UNHCR, called the ban deeply discriminatory and urged Afghanistan's authorities to reconsider policies that restrict women's access to education, work, and public services. Women's rights activists, including Bahara Atayi, a university professor, expressed concerns about the financial strain the ban would impose on families, as women play a vital role in improving economic conditions. Economic expert Siyar Quraishi warned that the decision could complicate aid delivery across Afghanistan's provinces and villages. The Ministry of Economy, which has registered 853 NGOs, issued another order on December 29, maintaining the ban on women working in NGOs. The Islamic Emirate has not yet commented on the growing international pressure regarding the matter.

Source: *UN Calls for Lifting Ban on Women Working in NGOs | TOLOnews*

AFGHANISTAN IN 2024: POVERTY AND UNEMPLOYMENT PERSIST

Despite ongoing development projects in 2024, Afghanistan continued to face persistent poverty and unemployment, exacerbated by international economic sanctions, a decline in humanitarian aid, migration, and natural disasters. Banking restrictions and the freezing of Afghanistan's assets were major obstacles for trade and industry, deepening the country's economic struggles. The Chamber of Commerce and Investment called for the separation of political issues from economic matters to enable the private sector to function more effectively. Humanitarian aid also faced severe funding shortages, with the Office for the Coordination of Humanitarian Affairs (OCHA) reporting that only 31-32% of the needed funds were secured for 2024. The World Bank reported moderate economic growth but highlighted challenges such as financial constraints, trade imbalances, and food insecurity, affecting 11.6 million Afghans. Abdul Rahman Habib of the Ministry of Economy emphasized the need for comprehensive approaches and global cooperation to combat food insecurity. Climate-related events like droughts and floods further exacerbated the food crisis, with the World Food Programme noting that only six million of the 16.8 million people in need of assistance could be supported. Experts stressed the importance of specialization in Afghanistan's economy and strengthening international cooperation to address these pressing issues.

Source: *Afghanistan in 2024: Poverty and Unemployment Persist | TOLOnews*

AFGHAN TALIBAN HIT 'SEVERAL POINTS' IN PAKISTAN IN RETALIATION FOR ATTACKS

In retaliation for Pakistani air strikes inside Afghanistan, the Afghan Taliban targeted several points in Pakistan, according to Afghanistan's Ministry of Defense. The ministry's statement described the attacks as occurring "beyond the hypothetical line," referring to the disputed border between Afghanistan and Pakistan, known as the Durand Line. The ministry did not confirm if Pakistan was directly hit, but stated the attacks targeted hideouts used by malicious elements coordinating attacks in Afghanistan. No casualties or specific locations were mentioned. Pakistani authorities have not officially responded, although reports indicated at least one Pakistani soldier was killed and several others wounded in cross-border clashes. The violence follows accusations from Afghanistan that Pakistani air strikes near the border killed 46 people, mostly women and children. Pakistan claims it targeted fighter hideouts, while Afghanistan vowed retaliation. Relations between the two countries have worsened, with Pakistan accusing the Afghan Taliban of harboring the Tehreek-e-Taliban Pakistan (TTP), which has launched attacks on Pakistani territory, including a raid that killed 16 Pakistani soldiers. Pakistani Prime Minister Shehbaz Sharif stated that good relations are desired but insisted that the TTP must be stopped from attacking Pakistan. The escalation of violence has strained ties, with over 950 Pakistanis killed in 2024 alone.

Source: *Afghan Taliban hit 'several points' in Pakistan in retaliation for attacks | Taliban News | Al Jazeera*

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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