

WEEKLY NEWS HIGHLIGHTS

BANGLADESH ENTERPRISE INSTITUTE (BEI)

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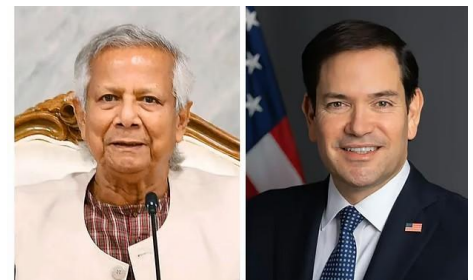
Brief Highlights on Current Issues of South Asia

BANGLADESH

US SECRETARY OF STATE HAD A TELEPHONE CONVERSATION WITH CHIEF ADVISER: PRESS SECRETARY

US Secretary of State Marco Rubio held a 15-minute telephone conversation with Bangladesh's interim government Chief Adviser, Professor Muhammad Yunus, on Monday evening at 7:30 PM. The discussion was described as warm, cordial, and constructive, signaling strong bilateral engagement between the United States and Bangladesh. According to Chief Adviser's Press Secretary Shafiqul Alam, the conversation reflected the depth of mutual respect and ongoing cooperation between the two nations.

Source: [US Secretary of State had a telephone conversation with Chief Adviser](#)



GOVT FORMS 5-MEMBER COMMITTEE TO INVESTIGATE LAST THREE NATIONAL POLLS

The government has formed a five-member committee, led by former High Court judge Justice Shamim Hasnain, to investigate allegations related to the 2014, 2018, and 2024 national elections. The move aims to ensure voting rights, protect democracy, and prevent future authoritarian regimes. The committee will review reports from observers, analyze media and expert inputs, and examine the roles of the election commission, law enforcement, and political actors. It will also recommend reforms to make future elections fair. The committee must submit its report by 30 September 2025. It has the authority to summon documents, question individuals, and co-opt members if needed. *Source: [Govt forms 5-member committee to investigate last three national polls](#)*



INDIA WILLING TO DISCUSS ALL ISSUES WITH BANGLADESH IN 'CONDUCTIVE' ENVIRONMENT: RANDHIR JAISWAL

Indian external affairs ministry spokesperson Randhir Jaiswal has stated that India is willing to engage with Bangladesh on all issues, including the renewal of the 1996 Ganga Water Sharing Treaty, in a "conductive" environment. His remarks, made on Friday in response to a media query, were reported by *The Hindu*. The statement comes amid preparations by former diplomats and experts to brief India's parliamentary standing committee on external affairs regarding future India-Bangladesh relations. Jaiswal emphasized that established diplomatic mechanisms exist to address the full spectrum of bilateral matters. He reiterated India's readiness for dialogue that is mutually respectful and beneficial.

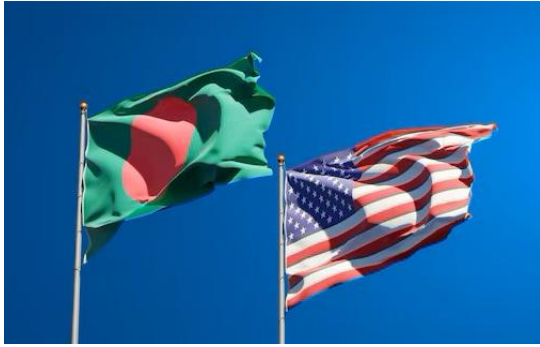
Source: [India willing to discuss all issues with Bangladesh in 'conductive' environment: MEA spokesperson](#)

BANGLADESH ENVOY MEETS MAMATA IN KOLKATA

Bangladesh High Commissioner to India, Md Riaz Hamidullah, paid a courtesy call on West Bengal Chief Minister Mamata Banerjee at her office in Nabanna, Kolkata, on Monday. Held in a warm and cordial atmosphere, the meeting marked the first formal interaction between the newly appointed High Commissioner and any Indian Chief Minister. Mamata Banerjee conveyed her greetings to Bangladesh's Chief Adviser, Professor Muhammad Yunus, and to the people of Bangladesh. She expressed strong optimism about deepening the historic and cultural ties between West Bengal and Bangladesh, emphasizing shared linguistic and value-based bonds that go beyond economic relations. The Chief Minister also reaffirmed her

commitment to continued engagement with Bangladesh. The meeting was reported by the Bangladesh Deputy High Commission in Kolkata. High Commissioner Hamidullah had earlier presented his credentials to the Indian President on May 29. *Source: [Bangladesh envoy meets Mamata in Kolkata](#)*

POSSIBILITY OF TARIFF AGREEMENT BETWEEN BANGLADESH AND THE UNITED STATES



Bangladesh is close to signing a tariff agreement with the United States, with final talks scheduled for 3–4 July in Washington. The move follows the Trump administration’s announcement of an additional 37% countervailing duty on Bangladeshi exports, which was suspended until 9 July. If an agreement is reached, this duty may be reduced, easing pressure on Bangladeshi exporters. Trade Advisor Sheikh Bashiruddin and National Security Advisor Md Khalilur Rahman are leading negotiations with the USTR, stressing that any deal must align with Bangladesh’s economic capacity. The draft agreement was prepared after multiple meetings since April, with Bangladesh responding to six key US concerns. To reassure the US, Bangladesh has committed to increased imports of wheat, cotton, and Boeing aircraft, and imposed zero tariffs on most US goods in the 2025–26 budget. Bangladesh’s \$8.36 billion exports to the US in 2024 resulted in a \$6.15 billion trade surplus. Commerce officials remain hopeful for a one-year moratorium extension, while stakeholders urge caution to maintain competitiveness against countries like India and Vietnam.

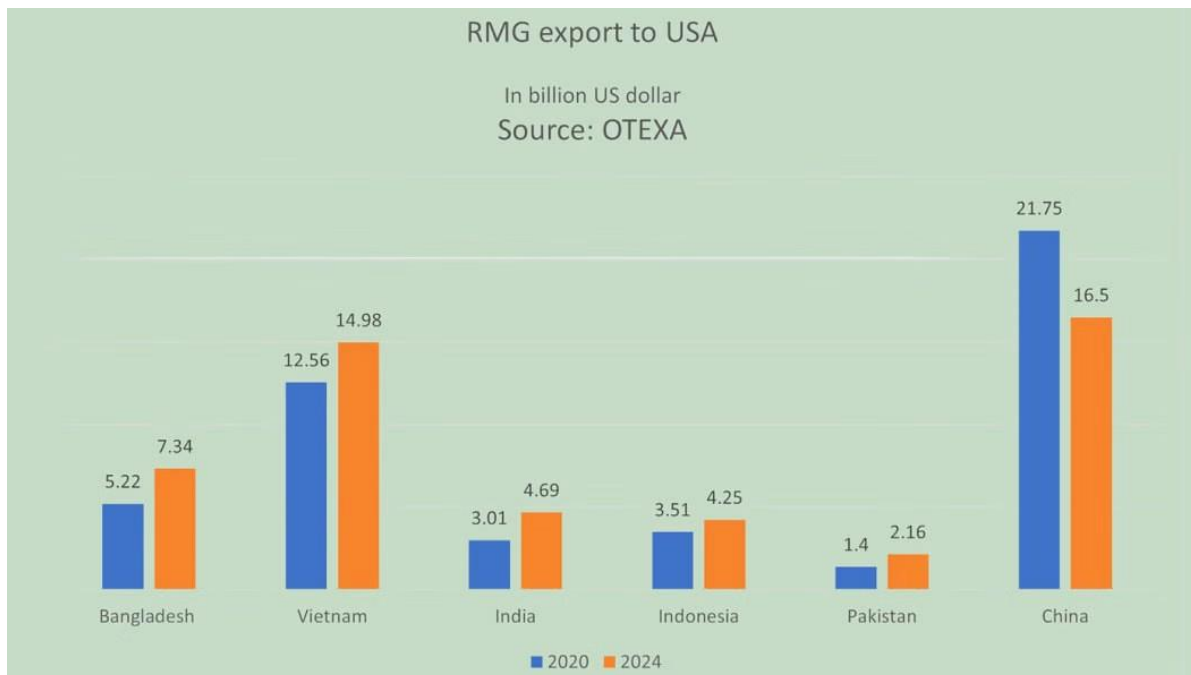
Source: Possibility of tariff agreement between Bangladesh and the United States



GOVT OKAYS DRAFT MOU TO HOST UN RIGHTS OFFICE

The advisory council, led by Chief Adviser Professor Muhammad Yunus, has approved in principle a draft MoU allowing the UN Human Rights Office to establish a mission in Bangladesh for an initial period of three years. Law Adviser Professor Asif Nazrul stated that the final draft will be sent to UN High Commissioner for Human Rights Volker Türk for approval, with the signing expected soon after. The move follows last year’s July–August uprising, during which a UN fact-finding mission reported 1,400 deaths. The planned office will support Bangladesh’s ongoing reforms in political, judicial, bureaucratic, and law enforcement sectors. UN Resident Coordinator Gwyn Lewis confirmed the UN’s readiness to open the office soon. Other decisions from the council meeting included approval of the Code of Criminal Procedure (Amendment) Ordinance 2025, an MoU on counter-terrorism with Turkey, and the implementation of a National Rooftop Solar Programme.

Source: UN Human Rights Office in Bangladesh / Govt okays draft MoU to host UN rights office



BANGLADESH RESERVES CLIMB AFTER IMF LOAN DISBURSEMENT

Bangladesh received \$1.34 billion in two tranches under the ongoing \$4.7 billion IMF loan programme, credited on 26 June, boosting the country’s foreign currency reserves to \$30.51 billion. However, under the IMF’s BPM-6 accounting, reserves stand at \$25.51 billion, with \$19.80 billion considered usable. The increase is attributed to strong remittance inflows, a halt in dollar sales by Bangladesh Bank for ten months,

and over \$5 billion in foreign loans for reforms and budget support. An additional \$420 million loan from Japan was added on Friday, with \$1 billion more expected from global lenders by the end of the month. Reserves are projected to reach \$32 billion by June’s end. Remittances have surged to \$29.46 billion in FY 2024–25, up from \$23.91 billion the previous fiscal year, while export earnings rose 9% and imports by 5%. At the end of the last Awami League government in July 2024, BPM-6 reserves stood at \$20.48 billion.

Source: Bangladesh reserves climb after IMF loan disbursement

AGAINST THE ODDS, BANGLADESH GAINS GROUND IN US APPAREL MARKET

Bangladesh's garment exports to the US grew 40.45% from \$5.22 billion in 2020 to \$7.34 billion in 2024, solidifying its rank as the third-largest apparel exporter to the US. Despite global challenges—including the COVID-19 pandemic, inflation, geopolitical conflicts, and labor unrest—Bangladesh's apparel sector demonstrated resilience, supported by improvements in product quality, workplace safety, and compliance. While the US's overall apparel imports rose 23.72% in the period, Bangladesh outperformed many competitors amid shifting sourcing trends away from China, whose exports to the US fell from \$21.75 billion in 2022 to \$16.50 billion in 2024 following tariff increases. Vietnam, India, Indonesia, and Pakistan also gained market share. Bangladesh is actively negotiating with the US to reduce the proposed 37% reciprocal tariff, advocating instead for a cap at 10% or a combined 26% rate. Commerce Adviser Sheikh Bashir Uddin and National Security Adviser Khalilur Rahman are leading talks ahead of a July 3 meeting in Washington, seeking to extend the current tariff pause beyond its July 8 expiry.

Source: [Against the odds, Bangladesh gains ground in US apparel market | The Daily Star](#)

INDIA NOW BANS LAND IMPORT OF NINE TYPES OF BANGLADESHI PRODUCTS

India has imposed a ban on the import of nine types of Bangladeshi products through land ports, as per a notification issued Friday by the Directorate General of Foreign Trade. The restricted items include raw jute, jute yarn, jute rolls, and specific fabrics. While land port entry is blocked, these products can still enter India via sea routes, specifically through the Nhava Sheva port in Mumbai. In FY 2023–24, Bangladesh exported \$149.4 million worth of these products to India, with 99% routed through land ports. This marks the third such restriction in three months, following earlier bans on ready-made garments, processed foods, plastic goods, furniture, yarn products, and beverages, as well as the April suspension of Bangladesh's export privileges via Kolkata Airport. However, the latest restrictions do not apply to exports from Bangladesh to Nepal and Bhutan through Indian land ports.

Source: [India now bans land import of nine types of Bangladeshi products](#)

BUDGET FALLS SHORT OF STRUCTURAL REFORMS: ECONOMISTS

Economists and private sector leaders have expressed concern that the proposed FY2025–26 budget fails to deliver the structural reforms necessary to revive economic growth, boost investor confidence, and counter the ongoing slowdown. Speaking at a post-budget analysis by the Policy Research Institute (PRI), experts called the 5.5% GDP growth target overly ambitious given persistent inflation, declining private investment, and reduced capital machinery imports. PRI's keynote highlighted that provisional GDP growth for FY2023–24 is below 4%, with private investment down to 22.48% of GDP. Inflation remains high at 10.21%, while the central bank has kept the policy rate steady at 10% for seven months. Weak development spending, fragile fiscal health, and low revenue collection were also flagged, with a projected shortfall of over Tk 1 trillion. Dr Sheikh Moinuddin criticised the fragmented transport planning and prolonged procurement process. PRI warned that without urgent reforms in taxation, governance, and infrastructure planning, the budget's targets will be difficult to achieve. *Source: [Budget falls short of structural reforms: Economists | The Financial Express](#)*

ADB, WB APPROVE \$1.5B IN LOANS TO SUPPORT REFORMS, ENERGY SECURITY

The Asian Development Bank (ADB) and World Bank have approved a combined \$1.54 billion in loans to Bangladesh to support critical reforms and development goals. ADB will provide \$900 million—\$500 million to strengthen banking sector governance, asset quality, and regulatory oversight, and \$400 million to enhance climate resilience, reduce emissions, and support inclusive development. The World Bank will contribute \$640 million, with \$350 million aimed at improving energy security by enabling Petrobangla to secure LNG through private capital, and \$290 million for a Clean Air Project to combat severe air pollution in Dhaka by expanding monitoring, modernising vehicle emissions controls, and introducing 400 electric buses. These funds arrive at a crucial time as Bangladesh navigates economic challenges and seeks to boost investor confidence and sustainable growth.

Source: [ADB, WB approve \\$1.5b in loans to support reforms, energy security | The Financial Express](#)

INDIA



COUNTER-TERRORISM, SECURITY, RARE EARTHS IN FOCUS DURING PM MODI'S 5-NATION TOUR

Prime Minister Narendra Modi will embark on a five-nation tour from July 2 to 9, covering Ghana, Trinidad and Tobago, Argentina, Brazil, and Namibia, with key focuses on counter-terrorism, security cooperation, and access to critical minerals. The centerpiece of the visit will be the Brics Summit in Rio de Janeiro, where a leaders' declaration is expected to denounce the Pahalgam terror attack and support India's call for global action against terrorism. Indian officials confirmed unified support within Brics on counter-terrorism, despite the absence of China's Xi Jinping and Russia's Vladimir Putin. Modi's visit underlines India's outreach to the Global South and its strategic push to diversify partnerships in defence, trade, and minerals. Talks with Brazil will explore defence equipment sales and deepen joint research and training ties. In Argentina and Brazil, securing lithium and rare earth supplies will be a priority, with Indian firms

already gaining exploration concessions. Modi will be the first Indian premier to visit Ghana in three decades, with economic ties and gold imports central to talks. A UPI agreement with Namibia is also expected, and Modi will address the parliaments in Ghana, Trinidad and Tobago, and Namibia.

Source: [Counter-terrorism, security, rare earths in focus during PM Modi's 5-nation tour | Latest News India - Hindustan Times](#)

INDIA, U.S. TRADE TALKS FACE ROADBLOCKS AHEAD OF TARIFF DEADLINE

Trade negotiations between India and the U.S. have stalled over disagreements on import duties for auto parts, steel, and agricultural goods, jeopardizing a potential deal ahead of President Donald Trump's July 9 deadline to impose reciprocal tariffs. Despite initial optimism and Trump's assertion that India proposed a "no tariffs" pact, U.S. negotiators are demanding deeper cuts in Indian tariffs on items like soybeans, corn, cars, and alcoholic beverages. India is seeking a rollback of the proposed 26% reciprocal tariff and concessions on existing U.S. duties but has yet to reach consensus with Washington. While New Delhi has offered tariff cuts on products such as almonds and pistachios and hinted at preferential treatment in sectors like energy and defense, progress has been limited despite multiple rounds of talks. An Indian delegation may still visit Washington before the deadline, though attention could shift to broader trade cooperation beyond an interim deal. Indian officials maintain commitment to a long-term U.S. partnership

while pursuing parallel trade talks with the EU and UK to diversify options. Despite the impasse, India's exports to the U.S. rose 21% year-on-year in April–May, showing resilience amid rising tariffs.

Source: [India, U.S. trade talks face roadblocks ahead of tariff deadline, Indian sources say | Reuters](#)



TRUMP'S DEALMAKER CLAIMS CAUSE TENSION BETWEEN INDIA AND US

US President Donald Trump's claim of mediating a ceasefire during the recent India-Pakistan conflict has stirred unease in Delhi, with Prime Minister Narendra Modi firmly rejecting the assertion. India's Foreign Secretary Vikram Misri clarified that the ceasefire followed military-level talks between India and Pakistan and not any US intervention, reiterating India's long-standing position against third-party mediation. The incident, compounded by Trump's

recent White House meeting with Pakistan's army chief General Asim Munir, has fueled Indian public perception of the US as an unreliable partner. While former diplomats note the need for strategic composure, they also highlight growing mistrust due to Washington's perceived tilt toward Pakistan and Trump's unpredictable diplomacy. As trade talks stall ahead of a July 9 tariff deadline and with the upcoming Quad Summit in New Delhi, both nations face the challenge of recalibrating ties amidst rising global tensions and domestic sensitivities. *Source: [Trump's dealmaker claims cause tension between India and US](#)*

INDIAN ECONOMY POISED TO BE THE FASTEST GROWING; THE NUMBER COULD BE EVEN BETTER, SAYS FM SITHARAMAN

Finance Minister Nirmala Sitharaman has asserted that India will continue to be the world's fastest-growing economy despite global geopolitical challenges, with potential for even stronger performance. In an interview with *Businessline*, she expressed confidence in the country's macroeconomic fundamentals and emphasized key reform strategies, including new trade agreements, greater sectoral liberalisation, and improved access to tailored bank credit for industries. She noted that the Finance Commission will be urged to consider the Centre's financial constraints before revising the states' fund devolution, highlighting ongoing central spending on projects despite previous devolution increases. On tax reforms, she confirmed that intense work is underway on rationalising GST rates and reducing tax slabs, while not ruling out a higher GST on sin goods post-March 2026. The FM also hopes India's positive macro indicators—like energy surplus and rising purchasing power—will influence global credit rating agencies, which haven't upgraded India's ratings in over a decade. *Source: [Indian economy poised to be fastest growing; numbers may surprise, says FM Sitharaman - The Hindu BusinessLine](#)*

INDIA REFUSES TO SIGN JOINT STATEMENT AT DEFENCE SUMMIT OVER KASHMIR

India has refused to sign a joint statement at the Shanghai Cooperation Organisation (SCO) defence ministers' summit in China, citing the document's failure to acknowledge its concerns over terrorism, particularly the recent Pahalgam attack in Indian-administered Kashmir that killed 26 tourists. The Indian foreign ministry said one member country—believed to be Pakistan—opposed the inclusion of India's concerns, making the final draft "unacceptable." Indian media reported that the joint statement was perceived as biased, referencing militancy in Pakistan's Balochistan but omitting attacks in India. Defence Minister Rajnath Singh indirectly criticized Pakistan, urging the SCO to hold nations accountable for cross-border terrorism and avoid double standards. The diplomatic standoff follows recent military tensions between the two nuclear-armed neighbours and underlines India's insistence on clear condemnation of terrorism in multilateral forums.



Source: [SCO: India refuses to sign joint statement at the summit](#)

INDIA SENDS ITS FIRST ASTRONAUT INTO SPACE IN 41 YEARS



India is celebrating a proud space milestone as Group Captain Shubhanshu Shukla becomes the second Indian to travel to space and the first to reach the International Space Station (ISS). Piloting the multinational Axiom-4 (Ax-4) mission aboard SpaceX's Crew Dragon, Shukla joins a four-member crew led by NASA veteran Peggy Whitson. This momentous flight, launched from Kennedy Space Center, marks India's return to human spaceflight after 41 years and symbolizes the nation's growing ambition in space exploration. Backed by ISRO and supported by a \$59 million investment for training and mission inclusion, Shukla's 2-week mission involves 60 scientific experiments, including seven from India focused on microalgae, seed growth, muscle loss, and tardigrades in space. With nationwide celebrations and messages of pride from Prime Minister Modi, this mission is seen as a stepping stone for India's 2027 human spaceflight and long-term plans to build a space station and send astronauts to the Moon. Shukla's words from orbit— "This is the beginning of India's human spaceflight"—have ignited inspiration across the country. [Source: Shubhanshu Shukla: India celebrates sending its first astronaut into space after 41 years](#)



S JAISHANKAR TO VISIT US FOR QUAD MEET, FOCUS ON KEY INDO-PACIFIC ISSUES

External Affairs Minister Dr. S. Jaishankar is scheduled for a four-day visit to the United States from June 30 to July 3, invited by US Secretary of State Marco Rubio. During the trip, he will participate in the Quad Foreign Ministers' Meeting (QFMM) on July 1, joining counterparts from the US, Japan, and Australia to discuss regional and global issues, with a strong focus on the Indo-Pacific region and progress on Quad initiatives ahead of India's upcoming Quad Leaders' Summit. Additionally, Dr. Jaishankar will inaugurate an exhibition titled "The Human Cost of Terrorism" at the United Nations Headquarters in New York on June 30, spotlighting the global impact of terrorism and international efforts to combat it. This visit follows India's recent Operation Sindoor targeting terror infrastructure in Pakistan after the deadly Pahalgam attack. Besides these key engagements, Jaishankar is expected to address the US's claim of brokering the India-Pakistan ceasefire and advance talks on a bilateral trade agreement with the United States.

[Source: Jaishankar to embark 4-day visit to US from June 30 to July 2; Here's what's on the agenda](#)



INDIA'S INDUSTRIAL OUTPUT GROWTH SLOWS TO NINE-MONTH LOW IN MAY

India's industrial output grew by 1.2% year-on-year in May 2025, marking the slowest pace since August 2024 and falling short of economists' expectations of 2.4%, according to government data released Monday. The growth rate slowed down from 2.7% in April. Early monsoon rains negatively impacted mining activity and electricity demand, with both sectors contracting in May. Manufacturing output increased by 2.6% in May, down from 3.1% in April, while electricity generation fell sharply by 5.8%, compared to a 1.7% rise the previous month. Mining activity saw a slight 0.1% decline. Consumer durables output, including cars and phones, dropped 0.7%, reversing a 6.2% growth in April, and consumer non-durables

declined 2.4%, slightly better than April's 2.7% fall. Capital goods output continued its strong performance with a 14.1% increase. Overall, industrial output for April-May grew by 1.8%, significantly lower than last year's 5.7% rise.

[Source: India's industrial output growth slows to nine-month low in May / Reuters](#)

INDIA SAYS IT WILL 'NEVER' RESTORE INDUS WATERS TREATY WITH PAKISTAN

India's Home Minister Amit Shah has declared that India will never restore the Indus Waters Treaty with Pakistan, following its suspension after the April terror attack in Indian-administered Kashmir blamed on Pakistan. Shah stated that the water flowing to Pakistan through the treaty's three eastern rivers will instead be diverted for India's internal use, specifically to Rajasthan, aiming to "starve" Pakistan of water it has been receiving. The 1960 treaty governs water sharing between the two countries, giving India control over the Ravi, Sutlej, and Beas rivers, and Pakistan control over the Jhelum, Chenab, and Indus rivers. Pakistan has rejected India's suspension of the treaty, calling it illegal under international law and warning that blocking water would be considered an act of war. Legal experts note the treaty cannot be unilaterally suspended or amended without mutual consent. Analysts suggest the treaty may face revision or modification in the future to address modern challenges like groundwater depletion and climate change, but the current abrupt suspension deepens tensions and dims prospects for near-term negotiations.

Source: [India says it will 'never' restore Indus Waters Treaty with Pakistan](#) / [India-Pakistan Tensions News](#) / [Al Jazeera](#)

PAKISTAN



TRUMP PRAISES 'VERY IMPRESSIVE' PAKISTAN ARMY CHIEF, REITERATES TRADE STOPPED INDO-PAK CONFLICT

Former U.S. President Donald Trump has reignited diplomatic debate by praising Pakistan's army chief, General Asim Munir, as "very impressive" following their White House meeting, while also claiming credit for preventing a potential nuclear war between India and Pakistan in May. Trump said he offered trade deals as leverage to urge both nations to de-escalate, adding that leaders from both sides prioritized economic cooperation over conflict. During

a NATO summit, Trump boasted of halting wars not only between India and Pakistan but also between Iran and Israel. Pakistan, acknowledging his role, announced plans to nominate Trump for a diplomatic peace award. However, India continues to deny any U.S. mediation in the ceasefire, maintaining a hardline stance—especially after suspending the Indus Waters Treaty, which Pakistan has warned could be viewed as an "act of war." The situation underscores the fragile nature of South Asia's geopolitics, where U.S. involvement, whether real or perceived, continues to stir tensions and contestations.

Source: [Trump praises 'very impressive' Pakistan army chief, reiterates trade stopped Indo-Pak conflict](#)



US TALKS TO PAKISTAN ABOUT PROMOTING 'DURABLE PEACE BETWEEN ISRAEL AND IRAN'

U.S. Secretary of State Marco Rubio and Pakistan Prime Minister Shehbaz Sharif discussed efforts to secure lasting peace between Israel and Iran during a phone call, following U.S. President Donald Trump's announcement of a ceasefire that ended hostilities sparked by Israel's June 13 strike on Iran. The call comes after Trump's high-profile meeting with Pakistan's army chief, Field Marshal Asim Munir, who is seen as a key regional interlocutor, given Pakistan's informal diplomatic link with Iran through its embassy in Washington. The U.S. emphasized its firm stance against Iran acquiring nuclear weapons, while both leaders acknowledged the strategic necessity of cooperation to defuse Middle East tensions. The Israel-Iran confrontation had intensified after reciprocal strikes, including U.S. attacks on Iranian nuclear facilities and Tehran's retaliation targeting a U.S. base in Qatar. Despite condemning U.S. and Israeli strikes, Pakistan recently nominated Trump for a Nobel

Peace Prize for his diplomatic role in ending the India-Pakistan conflict, underscoring Islamabad's complex positioning amid volatile geopolitical dynamics.

Source: [US talks to Pakistan about promoting 'durable peace between Israel and Iran'](#) / [Reuters](#)

'READY TO ENGAGE IN MEANINGFUL DIALOGUE': PAKISTAN PM SHEHBAZ SHARIF SEEKS TALKS WITH INDIA; HIGHLIGHTS UNRESOLVED ISSUES

Pakistan Prime Minister Shehbaz Sharif has once again expressed willingness to resume peace talks with India, emphasizing dialogue on key issues like Jammu and Kashmir, water-sharing, trade, and terrorism during a phone call with Saudi Crown Prince Mohammed Bin Salman. However, India remains firm in its stance, insisting that talks can only occur after Pakistan ends its support for cross-border terrorism and that discussions must center on the return of Pakistan-occupied Kashmir. Following the deadly April 22 terror attack in Jammu and Kashmir, India launched Operation Sindoor and suspended both the Indus Waters Treaty and trade with Pakistan. While Sharif has reiterated Pakistan's openness to dialogue in multiple international engagements, India's External Affairs Ministry has made it clear that "terror and talks cannot go together."

Source: 'Ready to engage in meaningful dialogue': Pakistan PM Shehbaz Sharif seeks talks with India: highlights unresolved issues - Times of India

PAKISTAN'S FOREIGN POLICY FOCUSES ON GEO-ECONOMICS, PEACE: DAR

Pakistan's Deputy Prime Minister and Foreign Minister Ishaq Dar has reaffirmed that the country's foreign policy is now centered on geo-economics, prioritizing regional cooperation and economic diplomacy to attract investment, promote trade, and ensure prosperity. Speaking at the Institute for Strategic Studies' anniversary event, Dar highlighted trilateral mechanisms with China-Bangladesh and China-Afghanistan as examples of shifting alliances aimed at "win-win cooperation." He criticized India's actions for undermining SAARC and threatening South Asian stability, while reiterating Pakistan's firm stance on Kashmir and vowing to challenge India's suspension of the Indus Waters Treaty. Emphasizing ties with China, the US, Russia, EU, and Gulf states, Dar declared Pakistan's "quid pro quo plus" response to Indian aggression as the new regional military standard. He also condemned US strikes on Iran and Israeli actions in Gaza, reiterating Pakistan's support for Palestinian statehood and multilateralism grounded in international law.

Source: Pakistan's foreign policy focuses on geo-economics, peace: Dar - Pakistan - DAWN.COM

PAKISTAN CLOSES KEY BORDER CROSSING WITH AFGHANISTAN AMID SECURITY THREATS



Pakistan has temporarily closed the Ghulam Khan border crossing with Afghanistan following a deadly suicide attack in North Waziristan on June 28, 2025, which killed at least 13 security personnel. Citing ongoing security threats, Pakistani authorities imposed a curfew in the region and shut the crossing indefinitely, redirecting traffic to alternative routes. The closure, confirmed by both Pakistani officials and the Interim Afghan Government's Border Forces, affects a critical trade and transit point between Khost province in Afghanistan and Pakistan's North Waziristan. Afghan officials have urged citizens and traders to use other border points like Torkham and Spin Boldak until further notice.

Source: Pakistan closes key border crossing with Afghanistan amid security threats - The Hindu

SRI LANKA



SRI LANKA PRESIDENT GRANTS SPECIAL APPROVAL FOR UN VESSEL AMID FAO WARNING OF \$1 MILLION LOSS

Sri Lankan President Anura Kumara Dissanayake has granted special approval for the UN-flagged research vessel *Dr Fridtjof Nansen* to enter Sri Lankan waters for a marine ecosystem research mission scheduled between July 15 and August 20. The decision follows repeated appeals by the UN's Food and Agriculture Organisation (FAO), which warned that further delays could cost Sri Lanka over \$1 million and delay future missions until after 2030. Initially, approval was withheld pending the creation of standard operating procedures (SOPs) for foreign research vessels, as mandated by a cabinet decision earlier this year. The vessel's clearance marks a temporary exception to a one-year moratorium imposed by the previous government over data security concerns. President Dissanayake has reaffirmed his

commitment to ensuring Sri Lanka's territory is not used in ways that could harm India's strategic interests, a stance reiterated during recent bilateral visits with Indian leadership. [Source: Sri Lanka President grants special approval for UN vessel amid FAO warning of \\$1 million loss -](#)

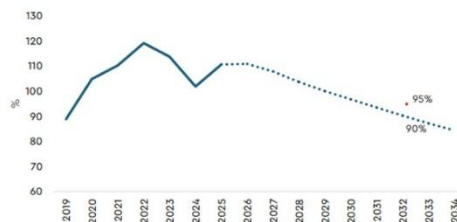


SRI LANKA LEADER TO VISIT MALDIVES, EYES BILATERAL TRADE: SOURCES

Sri Lankan President Anura Kumara Dissanayake is expected to undertake a three-day official visit to the Maldives in the last week of July, coinciding with the celebration of Sri Lanka–Maldives diplomatic relations on July 29. This would mark his sixth foreign visit since assuming office, following trips to India, China, the UAE, Vietnam, and Germany. The visit will focus on enhancing bilateral trade and cooperation, especially in emerging sectors like renewable energy, tourism, digital infrastructure, and climate resilience. With longstanding people-to-people ties and strong cooperation in areas such as healthcare, education, and maritime security, both countries aim to deepen relations beyond traditional trade. Sri Lanka's exports to the Maldives have exceeded \$100 million in recent years, and numerous Sri Lankan firms continue to operate across Maldivian sectors, including

construction and hospitality. While the visit is under discussion, formal confirmation is still pending. [Source: Sri Lanka leader to visit Maldives, eyes bilateral trade: Sources | EconomyNext](#)

Public Debt (% of GDP)



Source: Fiscal Strategy Statement/Central Bank of Sri Lanka & IMF - EFF Programme

SRI LANKA DEBT TO GDP RATIO TO REACH IMF TARGET TWO YEARS AHEAD OF SCHEDULE: MINISTER

Sri Lanka is projected to achieve its IMF-set debt-to-GDP target of 95% by 2030—two years earlier than originally planned—due to strict adherence to fiscal discipline and improved economic performance, Deputy Minister Anil Jayantha Fernando told Parliament. The government has upheld IMF-driven tax reforms and spending limits, aiming to cap primary spending at 12.9% of GDP as part of a broader fiscal consolidation strategy. The latest IMF projections show the debt-to-GDP ratio reaching 94.5% by 2030. Analysts warn that sustainable growth hinges on maintaining monetary stability, as past aggressive rate cuts and money printing led to repeated currency and debt crises. Sri Lanka's improved investor confidence, stable exchange rate, and rejection of broad-based domestic debt restructuring have helped accelerate recovery. However, any return to activist "growth policies"

like expansionary monetary stimulus could risk unraveling progress, as seen in countries like Argentina.

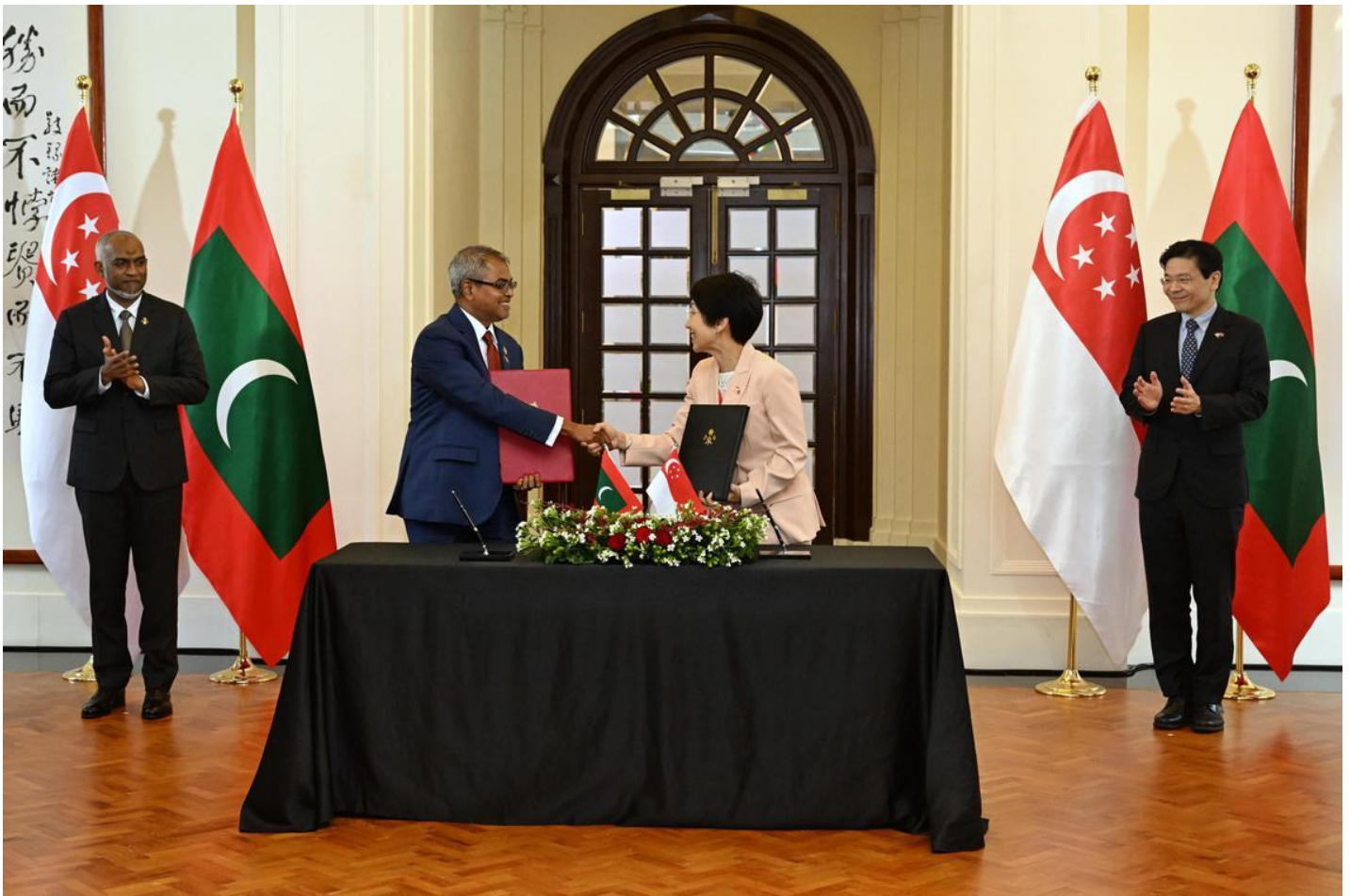
[Source: Sri Lanka debt to GDP ratio to reach IMF target two years ahead of schedule: Minister | EconomyNext](#)

INDIA, SRI LANKA CEOS MEET IN COLOMBO TO DEEPEN TIES

Indian High Commissioner Santosh Jha joined a CEO Roundtable co-hosted by the Confederation of Indian Industry (CII) and the Ceylon Chamber of Commerce, aimed at strengthening business collaboration between India and Sri Lanka. The event featured discussions with a 15-member CII delegation led by ITC Chairman Sanjiv Puri, aligned with the momentum from President Anura Kumara Dissanayake's recent State visit to India. The delegation also met with Sri Lankan Prime Minister Dr. Harini Amarasuriya, Energy Minister Kumara Jayakody, and plans to engage with President Dissanayake, top government officials, the Board of Investment, and leading Sri Lankan business leaders. The visit underscores CII's intent to deepen economic partnerships, promote investment-led ties, and explore new opportunities in bilateral cooperation.

Source: [India, Sri Lanka CEOs meet in Colombo to deepen ties / Daily FT](#)

MALDIVES



SINGAPORE AND MALDIVES TO COOPERATE ON SUSTAINABILITY

Singapore and the Maldives have signed three key agreements during Maldivian President Mohamed Muizzu's state visit, marking 50 years of diplomatic relations. The pacts focus on environmental sustainability, capacity building, and technical and vocational education, aiming to foster knowledge exchange and collaboration in areas like climate science, sustainable tourism, and public administration. President Muizzu, accompanied by nine Cabinet ministers, met Singaporean leaders including Prime Minister Lawrence Wong and President Tharman Shanmugaratnam to deepen bilateral ties and explore economic cooperation, including a potential investment treaty. The visit also featured cultural and diplomatic events, including the unveiling of commemorative stamps and the naming of an orchid hybrid in honor of the Maldivian first couple.

Source: [Singapore and Maldives to cooperate on sustainability / The Straits Times](#)



PM OLI'S VISIT TO SPAIN: AN OPPORTUNITY TO ATTRACT INVESTMENT FOR SUSTAINABLE DEVELOPMENT

Prime Minister KP Sharma Oli is set to begin an official visit to Spain on June 29 to attend the United Nations' Fourth International Conference on Financing for Development (FFD-4) in Seville, from June 30 to July 3. Invited by UN Secretary-General Antonio Guterres and Spanish PM Pedro Sanchez, Oli will advocate for the interests of least developed, small, and island nations, emphasizing the need for development financing, investment commitments, and technology transfer. The visit is seen as crucial for Nepal's leadership role among LDCs and aims to enhance international cooperation for achieving the UN's 2030 Sustainable Development Goals. Oli will deliver a statement at the conference, meet with Spain's King Philip II and Prime Minister Sanchez, and engage with other global leaders. A 21-

member Nepali delegation will accompany him, with additional members joining from Spain and New York. **Source:** [PM Oli's visit to Spain: An opportunity to attract investment for sustainable development](#)

NEPAL'S HYDROPOWER A CLIMATE CHANGE SOLUTION



The world is experiencing record-breaking heatwaves and worsening climate disasters, underscoring the urgent need for zero-carbon solutions. Nepal, though a climate-vulnerable country, holds vast untapped hydropower potential—up to 150,000 MW—which could significantly reduce global carbon emissions if harnessed. With over 6,000 rivers, Nepal could supply clean electricity to India, China, and beyond, replacing coal and aiding in the fight against air pollution and energy shortages. Its low-cost hydropower also positions Nepal as a potential green hydrogen hub for South Asia. Existing cooperation with India and China in clean energy shows promise, but Nepal needs more investment, better infrastructure, and supportive policies. By unlocking its hydropower, Nepal can become a regional leader in sustainable energy and climate action.

Source: [Nepal's hydropower a climate change solution - Opinion - Chinadaily.com.cn](#)

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/>]

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



BEI

Bangladesh Enterprise
Institute

