

## || WEEKLY NEWS HIGHLIGHTS ||

### BANGLADESH ENTERPRISE INSTITUTE (BEI)

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

|| 09 April – 14 April 2022 ||

#### SOUTH ASIA: COVID-19 CRISIS: AT A GLANCE

Afghanistan has recorded a total of 168,550 cases of coronavirus since the beginning of the pandemic. Total deaths reported stood at 7,465 as of April 17.

Bangladesh reported no new death and 51 coronavirus cases on 16 April and has thus far recorded a total of 29,124 fatalities and 1,952,275 confirmed cases. Bangladesh has administered a total 254,227,836 Covid-19 vaccine doses, totaling 78.00% of the population.

Bhutan reported 1367 new cases and no death on 16 April. A total of 51,800 cases have been registered until 16 April, while 86.84 % of Bhutan's population has been vaccinated.

India reported 04 deaths and 1,150 new coronavirus cases on 16 April, bringing the total number of cases to 43,042,097 while the total number of deaths now stands at 521,751. Until 16 April, 61.58% of Indian population has been vaccinated.

Maldives has recorded 178320 confirmed cases and 298 deaths.

Myanmar has recorded 612545 confirmed cases and 19434 deaths.

Nepal reported 10,687 new coronavirus cases on April 17 taking the nationwide infection tally to 970,462 since the beginning of the pandemic. To date, the total number of deaths stands at 11,852.

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

Sri Lanka has recorded 662827 confirmed cases and 16495 deaths.

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

#### Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks, Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shabbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist Rajapaksa family quit politics

## Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks, Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shahbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist Rajapaksa family quit politics

## BUSINESS AND INVESTMENT: TAKE STEPS TO MAINTAIN RISK-FREE FOREIGN DEBT LIMIT: PM HASINA TO ALL CONCERNED; BANGLADESH'S FOREIGN DEBT FAR BELOW RISK LIMIT: ECONOMIC REVIEW TELLS PRIME MINISTER

Prime Minister Sheikh Hasina has directed all concerned to take necessary measures so that Bangladesh could maintain its current position in future regarding the foreign debt. A press release of the Prime Minister's Press Wing said that the premier issued this directive while witnessing a presentation on "offshore tax amnesty" and "review of Bangladesh's macro economy against the backdrop of Sri Lankan economic crisis" at her official residence Ganabhaban. During the presentation made by the National Board of Revenue (NBR) and Finance Division, it was presented that Bangladesh's economy is relatively stable in almost all the indicators and its amount of foreign debt is still far below the risk limit. The reasons for the ongoing economic crisis in Sri Lanka and its response were discussed in detail in the presentation alongside reviewing various indicators of Bangladesh's economy compared to other countries in South Asia.

<https://www.dhakatribune.com/bangladesh/2022/04/12/pm-hasina-take-steps-to-maintain-risk-free-foreign-debt-limit>

<https://thefinancialexpress.com.bd/economy/bangladesh/bangladeshs-foreign-debt-far-below-risk-limit-economic-review-tells-pm-1649765840>

## UNDP, BIDA SIGN MOU FOR 'FUTURE NATION' PROGRAMME; TRADE DEFICIT SOARS TO \$22B IN 8 MONTHS: IMPORT SURGE, REMITTANCE FALL TRIGGER HIGH DEFICIT; MULTILATERAL LENDERS MULL HIGHER COST LOANS

The United Nations Development Programme (UNDP) and Bangladesh Investment Development Authority (BIDA) have signed a Memorandum of Understanding (MoU) for the 'Future Nation' programme to create economic opportunities for all. According to BSS, 'Future Nation' is a new coalition of the government, private and development sectors to accelerate the future national economic growth agenda by transforming the country's population into the key driving force of the economy and enabling them to achieve economic independence beyond borders. Resident Representative of UNDP Bangladesh Sudipto Mukerjee and BIDA's Director-General Md Ziaul Huq signed the MoU on behalf of their respective organisations in the ceremony held at BIDA's Head Office in Agargaon.

Meanwhile, Bangladesh's trade deficit has been widened by 80.48 per cent or \$9.95 billion in the July-February period of the current fiscal year 2021-2022 amid high import payments. Though the country's export earnings have grown sharply so far in the current fiscal year, the import payments have outpaced the export growth, which resulted in a sharp increase in the trade deficit in the first eight months of FY22. The Bangladesh Bank data showed that the country's trade deficit stood at \$22.31 billion in July-February of FY22 from \$12.36 billion in the same period of the previous fiscal year. The trade deficit in the first eight months of FY22 was almost the same as it was in the entire FY21.

On a separate note, low-cost foreign loans are going to be a thing of the past for Bangladesh as it enters the realm of increased per capita national income and growing economic development. Different development partners of Bangladesh from the World Bank (WB), Asian Development Bank (ADB) to JICA and AIIB have started mulling revisions to the terms of loans given to the country. The WB has already started discussions with the Economic Relations Division (ERD) in this regard. The ADB may also follow suit.

<https://thefinancialexpress.com.bd/economy/bangladesh/undp-bida-sign-mou-for-future-nation-programme-1649601032>

<https://www.newagebd.net/article/167524/trade-deficit-soars-to-22b-in-8-months>  
<https://www.tbsnews.net/economy/multilateral-lenders-mull-higher-cost-loans-400442>

## AFGHANISTAN: EU PARLIAMENT MEMBER IN AFGHANISTAN CALLED FOR INCLUSIVE GOVERNMENT; AFGHANISTAN'S PRIVATE SECTOR HIT HARD BY POLITICAL CRISIS: WORLD

German member of the European Parliament, Hannah Neuman, on her visit to Kabul, called for the reopening of girls' schools and for the inclusion of all elements of society into the current Afghan government. Speaking press conference in Kabul, Neuman expressed concerns over enforced disappearances. She called for the inclusion of other social groups into the government.

Amid political crisis in Afghanistan since the Taliban's takeover last August, the private sectors of the country have been hit hard as the businesses were halted, reported local media citing a survey conducted by the World Bank. With a shortage in sales, the private companies have laid off over half of their employees on an average, raising concerns over unemployment in the country. According to the survey, many private sectors faced a shortage in consumers demand, forcing investors to reduce operations. Further, small enterprises have been hit hardest with about 38 percent of them seizing operations,

compared to a 25 percent among medium and 35 percent among large businesses in Afghanistan. The survey also found that Afghan women have been more vulnerable as compared to men as 42 percent of businesses owned by women are temporarily closed compared to 26 percent of firms owned by men. While surveyed business owners have slashed jobs, laying off more than a half of their employees on average, women employees have been more affected as compared to the men employees. The findings of the survey show that though Afghan domestic inputs have become more expensive, they are still difficult to obtain due to supplier closure and supply chain disruptions. Access to imported goods has also become difficult because of the ongoing border closures, the rising value of foreign currency, and the increase in goods prices. Besides all this, banking in Afghanistan has been most affected, with the banks increasing reliance on cash transactions and informal money transfers, according to the survey.

## BANGLADESH: BANGLADESH SECURITY FORCES GETTING WIDESPREAD IMPUNITY: US REPORT; BANGLADESH-US KEEN TO STRENGTHEN BILATERAL RELATIONS; DIFFICULT TO ADJUST TIES WITH RUSSIA: FOREIGN SECRETARY

The '2021 Country Reports on Human Rights Practices' published by the Bureau of Democracy, Human Rights, and Labor of the US Department of State has stated that the security forces in Bangladesh are getting widespread impunity although there are reports that they are involved with different types of crimes, including extrajudicial killings and enforced disappearance. According to the report, the security forces encompass the national police, border guards, and counterterrorism units such as the Rapid Action Battalion (RAB). The report also said that the government took few measures to investigate and prosecute cases of corruption and abuse and killing by security forces. The report added that the 2018 parliamentary election was not considered free and fair by observers

reportedly due to irregularities, including ballot-box stuffing and intimidation of opposition polling agents and voters. On the other hand, Foreign Secretary Masud Bin Momen has said that Bangladesh continues to maintain very close relations with Russia and it is very difficult for the country to try to adjust the relationship. Talking to a small group of reporters, he also conveyed that Bangladesh has taken its positions on the successive UN resolutions in line with its historical relations with Russia. Foreign Secretary recently visited the United States and accompanied Foreign Minister Dr AK Abdul Momen at the bilateral meeting with US Secretary of State Antony Blinken at the US State Department on April 4. The foreign secretary also led the Bangladesh delegation at the

### Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks; Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shahbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist Rajapaksa family quit politics

## BANGLADESH: PHILIPPINE NEWS OUTLET REPORTS: NEW YORK COURT DISMISSES BANGLADESH'S RESERVE THEFT CASE

### Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks; Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shahbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist Rajapaksa family quit politics

A lawsuit filed at a New York court seeking the recovery of a portion of the money that was stolen from the reserve of Bangladesh Bank has been dismissed. The Supreme Court of New York dismissed the case in a verdict citing out of jurisdiction on 8 April. Philippine based media outlet inquirer.net revealed this information in a report published the news. On the night of 4 February 2016, a total of US\$ 81 million was stolen from the reserve of Bangladesh Bank. The reserve was kept in the Federal

Reserve Bank of New York in the US. The money was promptly withdrawn after it was transferred to the Rizal Bank (RCBC) of Philippine.

<https://en.prothomalo.com/bangladesh/new-york-court-dismisses-bangladeshs-reserve-theft-case>

## BHUTAN: BHUTAN ON PATH TO GRADUATE FROM LDC

Bhutan is on track to graduate from the Least Developed Countries (LDC) group by June 2023, according to senior government officials. Officials from the Ministry of Finance said that despite the pandemic, the government decided that Bhutan will graduate by June 2023. As part of the preparation for graduation, countries are expected to implement a smooth transition strategy, to gauge the disruptions and ensure sustainable graduation. Bhutan's smooth transition strategy will be integrated with the 13th

Plan. Macroeconomic stability, product space diversification, and disaster resilience are some of the parameters recommended for inclusion in Bhutan's transition strategy

<https://www.tbsnews.net/economy/multilateral-lenders-mull-higher-cost-loans-400442>

## INDIA: UKRAINE A MATTER OF CONCERN, URGED PUTIN FOR DIRECT TALKS,' MODI TELLS BIDEN IN VIRTUAL MEET; MODI CONGRATULATES NEW PAKISTAN PM, SAYS 'INDIA DESIRES PEACE AND STABILITY'; INDIA AND US ASK PAKISTAN TO TAKE IMMEDIATE, SUSTAINED AND IRREVERSIBLE ACTION AGAINST TERRORISM; MONITORING SOME RECENT CONCERNING DEVELOPMENTS IN INDIA, INCLUDING RIGHTS ABUSE: ANTONY BLINKEN

Welcoming India's humanitarian support for the people of Ukraine and calling the Russian invasion a horrific assault, US President Joe Biden has said that the US and India are going to continue close consultation on how to manage the destabilizing effects of this Russian war. In his virtual meeting with Biden ahead of the 2+2 talks between their Defence and Foreign Ministers, Prime Minister Narendra Modi called the killings of innocent civilians in Ukraine's Bucha city very worrying and said that India immediately condemned the killings and called for an independent probe. Modi said that he had held conversations with Russian President Vladimir Putin and Ukraine's President Volodymyr Zelenskyy and urged direct talk between them. The two leaders also discussed the destabilizing impacts of Russia's war against Ukraine, with a particular focus on global food supply.

Meanwhile, Prime Minister Narendra Modi has congratulated new Pakistani Prime Minister Shahbaz Sharif within minutes of him being sworn in. He also said that India desired peace and stability in a region free of terrorism. Pakistan Parliament elected unopposed Shehbaz Sharif as the 23rd prime minister of the country, bringing to an end the political uncertainty that had gripped the nation since a no-confidence motion was introduced against his predecessor Imran Khan on March 8.

In the meantime, India and the US have asked Pakistan to take immediate, sustained, and irreversible action to ensure that no territory under its control is used for terrorist attacks and called for the perpetrators of the 26/11 Mumbai attack and Pathankot attack to be brought to justice. The demand for action by Pakistan was made a day

after Shehbaz Sharif replaced Imran Khan as the Prime Minister of Pakistan through a joint statement issued after the 2+2 Ministerial attended by the US Secretary of State Antony Blinken and Defence Secretary Lloyd Austin, Defence Minister Rajnath Singh and External Affairs Minister S Jaishankar.

On the other hand, the US Secretary of State Antony Blinken has said in the aforementioned joint press briefing that the United States is monitoring human rights abuses in India by some of its officials. However, External Affairs Minister and Defence Minister who spoke after Blinken at the briefing, did not comment on the human rights issue. This is unusual for a US Secretary of State to make such assertions, in the presence of a visiting Indian Foreign Minister, especially in recent years. But this is in sync with a Democratic administration's focus on human rights.

<https://indianexpress.com/article/india/pm-modi-joe-biden-virtual-meeting-7864883/>

<https://indianexpress.com/article/india/modi-congratulates-new-pakistan-pm-says-india-desires-peace-and-stability-7864964/>

<https://indianexpress.com/article/india/india-and-us-ask-pakistan-to-take-immediate-sustained-and-irreversible-action-against-terrorism-7865441/>

<https://indianexpress.com/article/india/us-monitoring-some-recent-concerning-human-rights-violations-in-india-blinken-7865377/lite/>

### Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks, Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shahbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist

## INDIA: INTER-MINISTERIAL GROUP DISCUSSES BORDER INFRA, RAIL TO BANGLADESH

The Inter-Ministerial Coordination Group (IMCG) for a comprehensive management of India's relations with neighbouring countries deliberated on multiple issues, including the construction of border infrastructure that will facilitate greater trade with neighbours like Nepal, opening rail connectivity with Bangladesh, and humanitarian assistance to Afghanistan and Myanmar. The first meeting at the secretary level of the IMCG, set up as a high-level mechanism towards mainstreaming of India's 'Neighbourhood First' policy, was convened by Foreign Secretary Harsh Vardhan Shringla.

The Ministry of External Affairs (MEA) said in a statement that the meeting took important decisions on various aspects of India's bilateral relationship with Afghanistan, Bangladesh, Bhutan, Maldives, Myanmar, Nepal, Pakistan and Sri Lanka in the areas of trade and investment, connectivity, border infrastructure, immigration, development cooperation, border security.

<https://indianexpress.com/article/india/inter-ministerial-group-discusses-border-infra-rail-to->

## MYANMAR: JAPAN APPEALS FOR EXEMPTION FROM MYANMAR JUNTA'S FOREIGN EXCHANGE RULES; CHINA WILL FACE REJECTION FROM MYANMAR PEOPLE FOR WORKING WITH JUNTA: SHADOW GOVT

The Japanese Embassy in Myanmar has asked the junta's Ministry of Foreign Affairs to exempt Japanese companies and governmental organizations from the new directive that foreign exchange earnings must be converted into kyats at the official rate within one working day. An embassy letter said: "Japanese companies operating in Myanmar will face serious challenges in following this new regulation, which will cause difficulties in continuing their businesses in the country." The Central Bank of Myanmar's order will also affect the embassy and other official organizations, like the Japan International Cooperation Agency and Japan External Trade Organization, the letter said. The embassy asked for an exemption for Japanese companies and official organizations, citing the "bilateral relationship".

Myanmar's parallel civilian National Unity Government (NUG) has warned China that any effort to build a partnership with the

military regime would be rejected by Myanmar's people and could seriously damage China's international reputation. The warning was issued in a statement by the NUG's Ministry of Foreign Affairs after Chinese Foreign Minister Wang Yi met with his Myanmar regime-appointed counterpart Wunna Maung Lwin in Tunxi, Anhui Province on April 1. Wunna Maung Lwin was in China at Wang's invitation.

<https://www.irrawaddy.com/news/burma/china-will-face-rejection-from-myanmar-people-for-working-with-junta-shadow-govt.html>

<https://www.irrawaddy.com/news/burma/japan-appeals-for-exemption-from-myanmar-juntas-foreign-exchange-rules.html>

### Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks, Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shahbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist Rajapaksa family quit politics

## NEPAL: NEPAL SUSPENDS CENTRAL BANK GOVERNOR AMID FOREX WOES; RISING COMMODITY PRICES ADD TO PRESSURE ON NEPAL'S FX RESERVES

In a rare move, the Nepal Government has suspended the country's Central Bank Governor Maha Prasad Adhikari over disagreements with Finance Minister Janardhan Sharma and for not doing enough to pull the economy from doldrums. Mr. Adhikari, the Nepal Rastra Bank (NRB) Governor, was suspended after the government formed a panel headed by former Supreme Court judge Purushottam Bhandari, the Kathmandu Post newspaper reported. Mr. Adhikari was appointed as Nepal's 17th governor on April 6, 2020 under the previous regime headed by former Prime Minister K.P. Sharma Oli. This is only the second instance that a sitting governor, who enjoys a five-year tenure, was suspended. According to sources, differences had emerged between Mr. Adhikari and Mr. Sharma in the wake of the dwindling forex reserves and the current state of Nepal's economy. Last week, the NRB announced a ban on the import of vehicles and other luxury items, citing liquidity crunch and declining foreign exchange reserves. Since July 2021, Nepal has seen a decline in forex reserves due to the surging imports, declining

inflows of remittance and meager earnings from tourism and exports.

Soaring global prices of commodities such as crude and edible oil are adding to the pressure on Nepal's foreign currency reserves amid a decline in remittances and tourist earnings. Nepal has imposed restrictions on imports of cars, gold, cosmetics and other non-essential items to protect its dwindling reserves. Critics say it could face an external payments crisis, though the government rejects this. Nepal's import bill rose 38.6 percent to 1.31 trillion Nepali rupees (\$10.8 billion) in first eight months of the financial year that started in mid-July, forcing the government to dip into foreign currency reserves amid sluggish export earnings. Economists at the Asia Development Bank have warned higher oil and other commodity prices could push up domestic inflation, and add to pressure on external trade. However, the country doesn't face a situation like Sri Lanka, which has warned of a sovereign default.

[https://  
economictimes.indiatimes.com/  
news/international/world-news/](https://economictimes.indiatimes.com/news/international/world-news/)

### Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks, Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shahbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist Rajapaksa family quit politics

## PAKISTAN: SHAHBAZ SHARIF SWORN IN AS NEW PRIME MINISTER, PROMISES TO TACKLE ECONOMY; U.S. CONGRATULATED NEWLY ELECTED PRIME MINISTER SHEHBAZ SHARIF; CHINA COMMENDED SHEHBAZ SHARIF'S REMARKS ON CPEC

Shahbaz Sharif was sworn in as Pakistan's new prime minister, following a no-confidence vote ousting ex-prime minister Imran Khan. Mr. Sharif announced a series of populist measures, including a new minimum wage of 25,000 rupees (some €124 or \$135). He also promised pay rises for civil servants and development projects for rural areas. Sharif urged better relations with neighbor India, while stressing that a solution still needed to be found for Kashmir - the territory at the heart of decades of dispute between the two nuclear powers. He also promised to tackle an economic slump that has seen the rupee at an all-time low, and a major hike in interest rates.

In a statement published on 13 April, US Secretary of State Antony Blinken described Pakistan as being an important partner in wide-ranging mutual interests for nearly 75 years. The United States congratulated the newly-elected Pakistani Prime Minister Shehbaz Sharif and reiterated its "long-standing cooperation with Pakistan's government". "The United States views a strong, prosperous, and

democratic Pakistan as essential for the interests of both of our countries," the statement further added.

China commended Prime Minister Shehbaz Sharif's remarks on the construction of China-Pakistan Economic Corridor (CPEC), saying that Beijing was ready to work with Islamabad to continue pursuing high-quality development of the corridor. Chinese Foreign Ministry's Spokesperson Zhao Lijian told his regular briefing that China wanted to build CPEC into a model and a demonstration project of Belt and Road (BRI) cooperation - the flagship initiative of President Xi Jinping. In his maiden speech in the National Assembly after winning election, Prime Minister Shehbaz Sharif had said that his government would speed up the construction of CPEC, the major project of the BRI.

<https://www.aljazeera.com/news/2022/4/11/shehbaz-sharif-elected-as-pakistans-new-prime-minister-2>

<https://www.dawn.com/news/1684969/us-congratulates-shehbaz-on-election-as-prime-minister>

## SRI LANKA: SRI LANKA IS SUSPENDING PAYMENTS ON ITS FOREIGN DEBT AS ITS ECONOMIC CRISIS WORSENS; THOUSANDS IN SRI LANKA INSIST RAJAPAKSA FAMILY QUIT POLITICS

Sri Lanka is suspending its repayment of foreign debt, including bonds and government-to-government borrowings, pending the completion of a loan restructuring program with the International Monetary Fund to deal with the island nation's worst economic crisis in decades, the government said Tuesday. Sri Lankans for the past months have been enduring shortages of fuel, food and other essentials and daily power outages. Most of those items are paid for in

hard currency, but Sri Lanka is on the brink of bankruptcy, saddled with dwindling foreign reserves and \$25 billion in foreign debt. Nearly \$7 billion is due this year.

Thousands of people demanding "total system change" have rallied in Sri Lanka's capital, Colombo, calling for President Gotabaya Rajapaksa and his powerful brothers to quit politics amid a deepening economic crisis. <https://www.aljazeera.com/news/2022/4/10/thousands-in-sri-lanka-insist-rajapaksa-family-quit>

### Inside this issue

- South Asia: Covid-19 Crisis: At a glance
- Business and Investment: Take steps to maintain risk-free foreign debt limit: Prime Minister to all concerned; Bangladesh's foreign debt far below risk limit: economic review tells Prime Minister
- Business and Investment: UNDP, BIDA sign MOU for 'Future Nation' Programme; Trade deficit soars to \$22b in 8 months: import surge, remittance fall trigger high deficit; multilateral lenders mull higher cost loans
- Afghanistan: EU parliament member in Afghanistan called for inclusive government; Afghanistan's private sector hit hard by political crisis: World Bank
- Bangladesh: Bangladesh security forces getting widespread impunity: US report; Bangladesh-US keen to strengthen bilateral relations; difficult to adjust ties with Russia: Foreign Secretary
- Bangladesh: Philippine news outlet reports: New York court dismisses Bangladesh's RESERVE THEFT CASE
- Bhutan: Bhutan on path to graduate from LDC
- India: Ukraine a matter of concern, urged Putin for direct talks, Modi tells Biden in virtual meet; Modi congratulates new Pakistan Prime Minister, says 'India desires peace and stability'; India and us ask Pakistan to take immediate, sustained and irreversible action against terrorism; monitoring some recent concerning developments in India, including rights abuse: Antony Blinken
- India: Inter-Ministerial group discusses border INFRA, rail to Bangladesh
- Myanmar: Japan appeals for exemption from Myanmar Junta's Foreign Exchange rules; China will face rejection from Myanmar people for working with Junta: Shadow Govt
- Nepal: Nepal Suspends Central Bank Governor amid FOREX Woes; rising commodity prices add to pressure on Nepal's FX reserves
- Pakistan: Shahbaz Sharif Sworn in as New Prime Minister, promises to tackle economy; U.S. congratulated newly elected Prime Minister Shehbaz Sharif; China commended Shehbaz Sharif's remarks on CPEC
- Sri Lanka: Sri Lanka is suspending payments on its foreign debt as its economic crisis worsens; thousands in Sri Lanka insist Rajapaksa family quit politics

## About Us

Bangladesh Enterprise Institute is a non-profit, non-political research centre. Established in October 2000, the Institute has established for itself a reputation for excellence in its research and advocacy work focusing on the growth of private enterprise in Bangladesh. The Institute promotes issues of importance to the private sector and seeks to initiate essential measures and influence policy for the development of a market-oriented economy. Through the promotion of sustainable growth in domestic trade, commerce and industry, BEI hopes to address the enormous challenge for Bangladesh in securing a fair share of the global market.

BEI has a particular interest in the support and growth of Small and Medium-Sized Enterprises (SMEs), which have the potential to be the engine of economic growth in Bangladesh. BEI also undertakes research and policy advocacy work focusing on the issues of foreign policy and security, particularly those of terrorism impacting Bangladesh and South Asia.

Being conscious of the enormous challenge to securing a fair share for Bangladesh in the global market as well as to address issues of trade and investment promotion, the Bangladesh Enterprise Institute (BEI) was established under the initiative of some leading business personalities of the country. Salman F. Rahman, Deputy Chairman of the BEXIMCO Group, has been working as the Chairman of the Board of Governors, Ambassador Farooq Sobhan, former Foreign Secretary and Ambassador, and past Executive Chairman of the Board of Investment, has been working as a Distinguished Fellow and Member of the Board of Governors of the institute and M Humayun Kabir, former Ambassador, has been working as the President and Chief Executive of the institute.

The institute is registered with the Registrar of Joint Stock Companies, Bangladesh, under the Societies Registration Act.

## DISCLAIMER

In compiling this weekly news update, BEI has attempted to include the most relevant news accounts from the past week concerning South Asian Region. From time to time, news beyond South Asia has also been included if it finds relevance on any issues to the region. We recognize that some developments may have been overlooked, and that some sources may not be viewed by all as credible or balanced. Inclusion of a news story and its summary does not constitute any kind of endorsement or position taken by BEI, and the text and positions included in the above are solely extracted from various news articles published in the print media in various countries in South Asia and beyond. If you have any comments or feedback for us regarding this digest, please email at [bei@bol-online.com](mailto: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](mailto: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