

WEEKLY NEWS HIGHLIGHTS

BANGLADESH ENTERPRISE INSTITUTE (BEI)

| Brief Highlights on Current Issues of South Asia |

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BANGLADESH



CHIEF ADVISER CALLS FOR RECONCILIATION

Chief Adviser Professor Muhammad Yunus has called for national reconciliation following the July mass uprising, which led to the fall of Sheikh Hasina's 15-year autocratic rule. Speaking at a meeting with families of victims, he stressed the need for unity to secure the country's future. During the event, Yunus distributed financial aid to families of 21 martyrs and 7 injured individuals. He assured that all killings and enforced disappearances would be investigated, emphasizing a fair legal process to bring perpetrators to justice. The Chief Adviser underscored that justice must not turn into vengeance, stating, "If we indulge in injustice, where is the difference between them and us?" He called for a constructive approach, urging wrongdoers to acknowledge their actions and move towards national healing. "This is your country too... Constant conflict will only hold us back," he said.

Source: [Yunus Urges For Unity | Chief adviser calls for reconciliation](#)



OPERATION "DEVIL HUNT" LAUNCHED

The government has launched Operation Devil Hunt, a joint forces initiative, to restore law and order following an attack on students and common people in Gazipur on February 8. The operation aims to apprehend the perpetrators, including those with warrants and troublemakers, to curb mob violence and maintain peace. Sixteen individuals have been arrested, and further searches are planned. The Home Affairs Adviser emphasized that those responsible would face maximum punishment, while students' groups demanded swift action within 24 hours. The operation is part of broader efforts, including joint force deployments since September 4, to recover illegal firearms and improve law and order after the August 5 uprising. Security at the Supreme Court has also been increased as a precaution.

Source: [Operation Devil Hunt Launched Nationwide in Bangladesh | Operation Devil Hunt launched](#)

UN FACT-FINDING REPORT ON JULY UPRISING RIGHTS VIOLATIONS ON FEB 13

The UN Human Rights Office will release its fact-finding report on February 13, focusing on the human rights violations during the July uprising. The report will be launched by High Commissioner for Human Rights Volker Türk in Geneva, with key officials, including Rory Mungoven, Jyotsna Poudyal, and Ravina Shamdasani, joining the event. The five-member delegation of the UN fact-finding mission began its investigation into the violations between July 1 and August 15, 2024, following an invitation from the interim government. The mission visited various parts of Bangladesh, gathering first-hand information on the human rights abuses during that period. The OHCHR has already shared the findings with the interim government, which provided feedback. The report's findings and recommendations could serve as a valuable reference for further investigations and potential reforms in Bangladesh's law enforcement and overall human rights practices.



Source: [UN Fact-Finding Report On July uprising | UN fact-finding report on July uprising rights violations on Feb 13](#)



ROHINGYA CRISIS: UN CHIEF PLEDGES TO MOBILISE AID

The United Nations remains committed to supporting Bangladesh in addressing the Rohingya crisis, UN Secretary-General António Guterres stated during a meeting in New York with Dr Khalilur Rahman, high representative of Bangladesh's chief adviser on Rohingya issues. The discussion focused on the upcoming UN International Conference on Rohingya Muslims and Other Minorities of Myanmar, which the UN General Assembly unanimously decided to hold as over 80,000 new Rohingya refugees entered Bangladesh, adding to the existing one million-plus population. Khalilur stressed the urgent need for international action to resolve the crisis, warning of its impact on regional peace and security, and urged Guterres to ensure the conference produces concrete measures for a lasting solution. He also highlighted the worsening external funding situation and called on the UN chief to use his influence to secure resources. Guterres reaffirmed the UN's commitment to a sustainable solution and pledged support for securing funding. Khalilur also updated him on Bangladesh's reform initiatives under Chief Adviser Prof. Muhammad Yunus and pushed for a stronger

role for Bangladesh in UN peacekeeping operations. Guterres, recalling his recent meeting with Yunus in Davos, reiterated his strong support for Bangladesh's reform efforts. **Source:** [Rohingya Crisis: UN chief pledges to mobilise aid | The Daily Star](#)



TOUHID-JAISHANKAR MEETING IN MUSCAT

DHAKA TO CONVEY MESSAGE TO NEW DELHI NOT TO INCREASE DISCORD

Bangladesh's Foreign Affairs Adviser, Touhid Hossain, is set to meet Indian Foreign Minister S. Jaishankar during the Indian Ocean Conference in Muscat, Oman, next week. The meeting, scheduled for February 16-17, is expected to focus on addressing the ongoing tensions between the two countries following the July uprising in Bangladesh and issues stemming from Sheikh Hasina's remarks in India. Bangladesh plans to convey its dissatisfaction with India's recent actions, including interference in Bangladesh's internal affairs and attacks on its diplomatic missions. The discussions will also likely cover border tensions, with Bangladesh urging India to cease actions that could escalate the situation, such as the construction of barbed wire fences. Additionally, Bangladesh will reiterate its request to India to address Sheikh Hasina's actions while in India, as her remarks have exacerbated the already strained relations. Bangladesh aims to strengthen ties but insists that India must halt provocative actions to prevent further discord.

Source: [Dhaka to convey message to New Delhi not to increase discord](#)



INDIA'S REMARKS ON BANGLADESH'S INTERNAL AFFAIRS UNWARRANTED AND UNDESIRABLE: FOREIGN MINISTRY

In response to Sheikh Hasina's remarks from New Delhi, which fueled anger in Bangladesh, students and citizens demolished Sheikh Mujibur Rahman's house at Dhanmondi 32. India condemned the incident, prompting a strong reaction from Bangladesh. The Bangladesh Foreign Ministry dismissed India's comments on the situation as unwarranted and undesirable. Spokesperson Mohammad Rafiqul Alam criticized India's interference, emphasizing that Bangladesh refrains from commenting on other nations' internal matters and expected the same from India. Bangladesh also protested Hasina's false statements made during her stay in India, accusing her of attempting to destabilize the country. Following these developments, both Bangladesh

and India summoned each other's acting high commissioners for formal protests.

Source: [Rohingya situation is getting complicated, Yunus tells Filippo Grandi](#)



PUBLIC ADMINISTRATION REFORM COMMISSION:

PROPOSAL TO REDUCE MINISTERS, STATE MINISTERS TO 35, SECRETARIES TO 60

The Public Administration Reform Commission has proposed significant changes in Bangladesh's government structure, recommending reducing the number of ministers, state ministers, and deputy ministers to 35, alongside a reduction in secretaries to 60, with 17 being principal secretaries. The commission has also suggested reducing the number of ministries from 43 to 25 (or 27 including the President's Secretariat and PMO), and creating four separate provinces from the existing divisions. In terms of administrative restructuring, it recommended merging ministries such as industries, commerce, and textiles into a single Ministry of Industries and Commerce and combining education and primary education ministries into one. Additionally, the commission proposed the creation of two new divisions, Cumilla and Faridpur, and reorganizing districts in Dhaka and Chattogram divisions. These reforms aim to streamline governance and enhance administrative efficiency.

Source: [Touhid in Beijing: China agrees to extend loan repayment period by 10 years for Bangladesh | The Business Standard](#)

REFORM COMMISSION RECOMMENDS SETTING 'CAPITAL CITY GOVT' LIKE DELHI

The Public Administration Reform Commission has recommended the creation of a "capital city government" similar to Delhi in India, controlled by the federal government. This proposed government would manage services and legislative functions for the large population of Dhaka and surrounding areas, including Tongi, Keraniganj, Savar, and Narayanganj. The recommendation also includes transforming four divisions into provinces and reducing the number of ministries to 25 and directorates to 44. These proposals aim to streamline governance and address the unique needs of Dhaka's expanding population. The commission submitted its recommendations, along with those from the judiciary reform commission to the interim government's Chief Advisor, Professor Muhammad Yunus.

Source: [Public administration: Reform commission recommends setting 'capital city govt' like Delhi](#)

HUMAN
RIGHTS
WATCH

ANGER AGAINST AWAMI LEAGUE JUSTIFIED, LAWLESSNESS NOT: HRW

Human Rights Watch has emphasized the importance of maintaining law and order in Bangladesh, stating, "while anger against the former Awami League government is justified, lawlessness is not." This statement came in response to the demolition of ousted prime minister Sheikh Hasina's family home in Dhanmondi, Dhaka. The report, titled 'Mob in Bangladesh destroys ousted PM's family home', highlighted the destruction of Hasina's properties and those of her relatives and party leaders, noting that despite being widely announced on social media, authorities failed to protect the properties. HRW cautioned that the nation should not regress into further abuses. The report urged the Yunus government to propose a resolution at the UN Human Rights Council in March to request technical assistance and further investigations by UN-backed human rights experts. It also acknowledged the oppressive nature of the previous administration and noted the positive steps taken by the interim government, which is working on reforms and accountability. The report touched upon the Monsoon Revolution that led to

Hasina's exile, resulting in significant casualties from excessive state violence. It also addressed the current administration's challenges, including political unrest and misinformation about abuses against religious minorities, particularly Hindus, and the military's obstruction of investigations into unlawful detentions. Source: [Anger against Awami League justified, lawlessness not: HRW](#)



TIB SEEKS EFFECTIVE GOVT ROLE, INSTEAD OF 'STATEMENT-BASED INDIFFERENCE'

Transparency International Bangladesh (TIB) has expressed deep concern over recent acts of vandalism, including those at Dhanmondi 32, criticizing the government's response as merely "statement-based indifference." The anti-graft watchdog emphasized the need for the government to take effective actions to address threats to democratic transition, good governance, and state stability. TIB's executive director, Iftekharuzzaman, condemned the violence, highlighting that while public anger is understandable due to past deprivations, the ongoing vandalism is unacceptable. He also criticized the failure of law enforcement and the army in preventing the violence, warning that such activities could pave the way for a revival of authoritarianism in Bangladesh. TIB called for effective measures to safeguard democratic rights and prevent further unrest.

Source: [TIB seeks effective govt role, instead of 'statement-based indifference'](#)



EKUSHEY PADAK: WOMEN FOOTBALL TEAM, 14 DIGNITARIES TO GET AWARD

The government has announced the nominees for the 2025 Ekushey Padak, recognizing 14 dignitaries and the national women's football team for their exceptional contributions. The honorees include Azizur Rahman (posthumously) in film, Ustad Nirad Baran Barua (posthumously) and Ferdous Ara in music, Nasir Ali Mamun in photography, Rokeya Sultana in painting, Mahfuz Ullah (posthumously) in journalism, Mahmudur Rahman in journalism and human rights, Shahidul Alam in culture and education, Niaz Zaman in education, Mehedi Hasan Khan in science and technology, Mohammad Yusuf Chowdhury (posthumously) in social service, and Helal Hafiz, Shahidul Zahir (both posthumously) in language and literature, and Moidul Hasan in research. The

Ekushey Padak is Bangladesh's second-highest civilian award, presented annually to those who have made significant contributions to various fields.

Source: [Women football team, 14 dignitaries get Ekushey Padak](#)

NEW MONETARY POLICY: CREDIT FLOW TO INCREASE IN PVT SECTOR DECREASE IN GOVT SECTOR

Bangladesh Bank has announced a new monetary policy for the second half of the fiscal year (January-June), increasing the credit growth target for the private sector to 9.8%, up from 7.3% in the first half of the year. This marks a 2.5 percentage point increase. However, the target for credit growth in the government sector has been reduced to 17.5%, down from 18.1% in December. The central bank aims for an overall internal credit flow growth of 11.5% by the end of the fiscal year, up from 9.4% in December. This policy is designed to enhance credit availability for the private sector while controlling government sector borrowing.

Source: [New monetary policy: debt flow in private sector to increase, come down in govt sector](#)

NBR SEEKS PROPOSALS ON VAT LAW

The National Board of Revenue (NBR) has called on businesses to submit proposals regarding the VAT and supplementary duty laws for the 2025-26 fiscal year. The NBR has requested input on the VAT and Supplementary Duty Act 2012, VAT and SD rules, the Excise and Salt Act 1944, and relevant notifications. Businesses are asked to submit their proposals by March 6, 2025. This request is part of the NBR's efforts to gather recommendations for the upcoming fiscal year's tax proposals, following a similar call for input on income tax-related laws last week.

Source: [NBR seeks proposals on VAT law | The Daily Star](#)

JAPANESE ECONOMIC ZONE NOW LOOKS TO ATTRACT FOREIGN INVESTORS

The Bangladesh Special Economic Zone, also known as the Japanese Economic Zone, is focusing on attracting foreign direct investment (FDI), especially from export-oriented companies. Located in Araihasar, Narayanganj, the zone already hosts companies like Singer Bangladesh and Lion Kallol, with others planning to set up factories soon. The zone is developing infrastructure, including electricity, water, and a gas connection expected by mid-2025, aiming to boost industrial development and job creation. The Bangladesh Economic Zones Authority is working on enhancing connectivity and services to attract \$5.5 billion in investments and create over 238,000 jobs.

Source: [Japanese economic zone now looks to attract foreign investors | The Business Standard](#)



MEASURES TO COOL OFF PRICES

- Key lending rate raised to **10%** in Dec
- Central bank shuns printing new notes
- Govt continues belt-tightening, trims dev spending
- Revenue board cuts tax on essential imports
- Subsidised food distribution covers **1 crore** families
- District-level taskforces formed for market monitoring



NOW GOVT LOOKS TO

- Streamline supply chain of essential items
- Bring essential stocks under close monitoring
- Strengthen Competition Commission to curb price gouging
- Ensure adequate seeds, fertilisers to boost agri output

INFLATIONARY TRENDS

Average inflation remains above 9% since FY23	Inflation crossed 11% in July, eased to 9.94 in January	Inflation below 4% in Bangladesh's top sourcing countries	Therefore, import factors are less likely responsible
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SUPPLY CHAIN DISRUPTIONS THWART INFLATION FIGHT

Bangladesh has taken measures to address inflation, including tighter spending controls, higher interest rates, and subsidies on essential goods. While inflation has shown signs of easing, supply chain disruptions remain a significant challenge, particularly for staples like rice, onions, and potatoes. A report from the Finance Division highlights the need for long-term solutions to address structural supply chain issues. The government is focusing on improving storage and distribution networks, enhancing cold storage facilities, and preventing price manipulation through mobile court drives and oversight. Despite these efforts, inflation remains elevated, with the government aiming to reduce it to

around 8% by June 2025. Additionally, challenges in food security, exacerbated by floods, have led to a decline in food stock, necessitating imports to stabilize the supply.

Source: [Supply Chain Disruptions in Bangladesh | Supply chain disruptions thwart inflation fight](#)

RMG EXPORTS TO US GROW AFTER A GAP OF TWO YEARS

Bangladesh's garment exports to the US saw a 0.75% growth in 2024, reaching \$7.34 billion after two years of decline. This growth comes as the US market recovers from high inflation, with a 4.86% increase in export volume. However, a 3.94% drop in unit prices affected profitability. Despite challenges from the Covid-19 pandemic and the Russia-Ukraine war, the US's overall apparel imports grew by 1.71%, with China remaining the largest supplier. *Source: [RMG exports to US grow after a gap of two years | The Daily Star](#)*

CPD ANALYSIS: MOST ECONOMIC INDICATORS TAKE A DOWNWARD TURN

The Centre for Policy Dialogue (CPD) recently highlighted a decline in key economic indicators in Bangladesh, such as revenue collection, inflation, unemployment, private investments, and foreign investment. While remittances and forex reserves showed positive trends, challenges remain, particularly with inflation and ineffective measures to curb the rising prices of essentials. CPD emphasized the need for political and institutional stability to attract investment, advocating for a swift election process. It also criticized the government's reliance on indirect taxes like VAT instead of direct taxes and suggested reforms in the banking sector, including merging weak banks and holding officials accountable for past mismanagement. Furthermore, the CPD called for more transparency, such as the publication of power purchase contracts, and urged the government to prepare for Bangladesh's transition out of the Least Developed Country category. *Source: [Most economic indicators take a downward turn](#)*

CENTRAL BANK FORECASTS

- ➔ GDP growth is likely to slow to **4%-5%** in FY25
- ➔ Growth may rebound to **6% or over** in FY26
- ➔ Inflation is expected to ease to **7%-8%** by June
- ➔ Non-performing loans could exceed **30%** of total loans by June

ECONOMY FACES HEADWINDS

Bangladesh's economy is grappling with several significant challenges, as the second half of the 2025 fiscal year approaches with an uncertain growth outlook. The country's GDP growth is projected to remain between 4-5% due to multiple internal and external factors. Inflation continues to be a major issue, driven by both domestic disruptions, such as floods, labor unrest, and gas shortages, as well as external shocks like the global economic slowdown and the Russia-Ukraine war. Industrial production has been severely impacted, and the economy has struggled to regain momentum after the slow recovery from the pandemic. The banking sector is under severe strain, with a sharp rise in non-performing loans (NPLs) and weak deposit growth, leading to

liquidity crises at several banks. This has prompted Bangladesh Bank to provide temporary liquidity support and introduce new regulatory guidelines to stabilize the sector. Meanwhile, despite a positive trend in remittance inflows and growth in garment exports, inflationary pressures and high loan costs are dampening business and consumer confidence. Additionally, political uncertainty, arising from recent unrest and government transitions, further complicates efforts to restore economic stability. However, with hopes pinned on effective fiscal and monetary reforms, structural adjustments, and political stabilization, there is potential for recovery. The central bank is aiming to bring inflation down to 7-8% by June 2025, and while the short-term outlook remains grim, there is cautious optimism that growth may rebound to above 6% in FY26 if the right measures are taken. The situation mirrors broader regional trends, where emerging economies are also facing economic slowdowns, but with India expected to maintain robust growth.

Source: [Economy faces headwinds | The Daily Star](#)

DESPITE HIGH IMPORT, BOTTLED EDIBLE OIL CRISIS IN MARKET, SMUGGLING FEARED

Despite a decline in international prices and an improved import situation, Bangladesh is still facing a crisis in bottled edible oil. Local refinery owners report better imports this year, yet a shortage persists in the market. The reason behind this scarcity remains unclear, although refinery owners have been selling edible oil with conditions, such as requiring buyers to purchase additional products. This issue was discussed in a meeting at the Bangladesh Trade and Tariff Commission (BTTC), but no concrete solution was reached. The lack of resolutions has left the edible oil crisis ongoing, with fears of potential smuggling exacerbating the problem.

Source: [Despite high import, bottled edible oil crisis in market, smuggling feared](#)

GDP GROWTH DROPS TO 4.2PC IN FY24

Bangladesh's GDP growth for the 2023-2024 financial year has been revised down to 4.22%, significantly lower than the provisional estimate of 5.8% made in May 2024. The revision reflects a broader economic slowdown, with the growth of key sectors such as agriculture, industry, and services all experiencing declines compared to the previous year. Industry growth dropped to 3.51% from 8.37% in FY23, largely due to dollar shortages that hampered imports of raw materials. Agriculture and services also saw reduced growth rates, at 3.30% and 5.09%, respectively. The country's GDP size, calculated in US dollars, decreased to \$450 billion, and per capita income was revised down to \$2,738 from \$2,784. The Bangladesh Bureau of Statistics is awaiting corrected export income data from Bangladesh Bank, which revealed significant discrepancies in export performance, with a decline of 15.29% in FY23 and 21.07% in FY24.

Source: [New Age | GDP growth drops to 4.2pc in FY24](#)

CA TO VISIT UAE TO ATTEND WORLD GOVERNMENTS SUMMIT IN DUBAI

Bangladesh's interim government chief adviser, Professor Muhammad Yunus, is set to attend the World Governments Summit 2025 in Dubai from February 11-13. The summit, a platform for exchanging government innovations and experiences, will allow Yunus to present Bangladesh's views on global challenges. He is also expected to engage in bilateral meetings with international leaders and hold discussions with political and business figures. The summit, initiated by UAE's Vice President and Prime Minister Mohammed bin Rashid Al Maktoum, aims to foster global dialogue and strengthen government partnerships. Bangladesh and the UAE share a strong relationship, particularly in trade and remittances, with a significant Bangladeshi expatriate community in the UAE.

Source: [New Age | CA to visit UAE to attend World Governments Summit in Dubai](#)

PAKISTAN FM LIKELY TO VISIT DHAKA IN APRIL

Pakistan's Foreign Minister, Ishaq Dar, is expected to visit Dhaka in April, according to Bangladesh's foreign adviser, Md Touhid Hossain. While the exact date is still to be finalized, both countries are working on the visit. Touhid acknowledged unresolved issues, including the 1971 war, but emphasized that these would be addressed during discussions. He expressed a desire to move beyond the past and focus on mutual interests, viewing Pakistan as a key South Asian partner. The resumption of maritime connectivity between the two countries has already brought economic benefits, and Bangladesh aims to maximize these opportunities. *Source: [New Age | Pakistan FM likely to visit Dhaka in April: Touhid](#)*

GOVT STARTS PROVIDING FINANCIAL ASSISTANCE TO JULY VICTIMS



The interim government has officially started providing financial assistance to the families of the martyrs and the injured from the July uprising. Chief Adviser Professor Muhammad Yunus inaugurated the program by handing over cheques to the families of 21 martyrs and seven injured individuals in Dhaka. The government has decided to recognize the martyrs as "July Martyrs" and the injured as "July Fighters," granting them identity cards. Each martyr's family will receive a one-time financial aid of Tk 30 lakh, along with a monthly allowance of Tk 20,000, while priority will be given to family members for government jobs. The seriously injured "July Fighters" will receive financial assistance, medical facilities, and rehabilitation support. The program aims to provide institutional recognition to the sacrifices made by these individuals and their families.

Source: [New Age | Govt starts providing financial assistance to July victims](#)

WORLD BANK LOWERS BANGLADESH'S ECONOMIC GROWTH FORECAST

The World Bank has revised Bangladesh's economic growth forecast down to 4.1% for the fiscal year 2024-25, significantly lower than its previous projection of 5.7% made in June 2024. This downgrade is attributed to political instability and waning investor confidence, which have adversely impacted industrial activities and investment. The report also highlights supply-side constraints, such as energy shortages and import restrictions, which have further weakened industrial output and contributed to rising inflation, reducing household purchasing power. The Bangladesh Bureau of Statistics (BBS) reported that GDP growth slowed to 1.8% in the July-September period, marking the lowest growth in nearly four years. Despite these challenges, the World Bank anticipates a modest recovery, projecting a 5.4% growth for FY2026.

Source: [World Bank lowers Bangladesh's economic growth forecast | The Financial Express](#)

INDIA



INDIA'S MODI TO MEET TRUMP WITH PLANNED TARIFF CONCESSIONS

Indian Prime Minister Narendra Modi is set to meet U.S. President Donald Trump this week, with India preparing to offer tariff reductions in multiple sectors to enhance American exports and prevent potential trade tensions. Trump's economic adviser Kevin Hassett highlighted India's high tariffs as a barrier to U.S. imports, while Trump has threatened new 25% tariffs on steel and aluminum, reinforcing his stance on reciprocal trade policies. Modi's visit will also focus on boosting defense and energy imports, with talks on combat vehicle purchases and a fighter jet engine deal. India, aiming to balance trade and strengthen its strategic partnership with Washington, is open to a mini trade deal and has already cut average import tariffs on various goods. The meeting follows tensions over deportations of Indian nationals from the U.S. and concerns that Indian engineering exports could be

impacted if Trump's proposed tariffs materialize. Indian stock markets reacted negatively to the news, with metals stocks seeing significant losses.
Source: [India's Modi to meet Trump with planned tariff concessions, sources say | Reuters](#)



INDIA OPPOSITION CHIDES MODI OVER 'HUMILIATING' DEPORTATIONS



India's opposition lawmakers have strongly criticized Prime Minister Narendra Modi's government over the alleged mistreatment of

Indian immigrants being deported by the United States. Reports claim that some deportees were shackled and subjected to degrading conditions during their journey on a US military plane, leading to widespread condemnation from opposition figures. The issue came to the forefront when a plane carrying 104 Indian deportees landed in Punjab, India, and footage of the deportation process surfaced, showing individuals in handcuffs and leg cuffs. The opposition has called for a parliamentary discussion, and protests were staged by senior leaders including Rahul Gandhi and Akhilesh Yadav. The controversy comes just days before Modi's planned visit to the United States, where the issue of migration is expected to be a key topic. India's External Affairs Minister S. Jaishankar clarified that the US Immigration and Customs Enforcement's procedures involve restraints but noted that women and children are exempted. He assured that the Indian government is in talks with the US to prevent mistreatment of deportees in the future.

Source: [Donald Trump excludes India in new tariffs, imposes on China, Mexico and Canada | Latest News India - Hindustan Times](#)



INDIA 'ENGAGING WITH US' AFTER SHACKLED DEPORTEES SPARK ANGER

India's Foreign Minister S. Jaishankar has stated that the Indian government is engaging with the United States to ensure that Indian citizens are not mistreated during deportation. This follows criticism after a US military flight carrying 104 deported Indians, who were reportedly shackled for the duration of a 40-hour journey, landed in Punjab. Jaishankar clarified that the US Immigration and Customs Enforcement (ICE) had assured that women and children were not restrained and that the deportees' basic needs, such as food and medical care, were attended to during the flight. Despite this, deportees like Jaspal Singh, who was on the flight, described being shackled throughout the journey, sparking further outrage. The US has made mass deportation of undocumented migrants a key policy under President Trump, with around 18,000 Indian nationals identified for deportation. While the US defends the deportation process as part of its national security efforts, opposition leaders in India have condemned the treatment of the deportees, calling it inhumane. The incident has drawn comparisons with similar cases involving other countries, such as Brazil and Colombia, which have also protested the treatment of their citizens during deportation.

Source: [S Jaishankar: India 'engaging with US' after shackled deportees spark anger](#)



TALKS UNDERWAY FOR MEETING BETWEEN EAM JAISHANKAR AND BANGLADESH FOREIGN AFFAIRS ADVISOR TOUHID HOSSAIN

IF TALKS BETWEEN JAISHANKAR AND HOSSAIN DO TAKE PLACE, THIS WILL BE THEIR SECOND MEETING SINCE AUGUST 5, WHEN THE SHEIKH HASINA-LED GOVERNMENT IN BANGLADESH COLLAPSED.

Talks are underway for a meeting between India's External Affairs Minister S. Jaishankar and Bangladesh Foreign Affairs Advisor Touhid Hossain, expected to take place on the sidelines of the Indian Ocean Conference in Muscat, Oman, on February 16-17. If the meeting occurs, it will be their second since the collapse of the Sheikh Hasina-led government in Bangladesh on August 5, with their first meeting having taken place in September during the UN General Assembly in New York. Jaishankar will co-chair the conference alongside Omani and Singaporean foreign ministers.

The last diplomatic interaction between India and Bangladesh was in December, when Indian Foreign Secretary Vikram Misri visited Dhaka. Tensions have been high between the two countries since the fall of Hasina's government, especially following recent violence in Dhaka, including the destruction of Sheikh Mujibur Rahman's residence, which India condemned. Both nations have summoned each other's acting envoys over inflammatory statements, with Bangladesh urging India to stop Hasina from making controversial remarks, while India blamed Bangladesh for fostering negativity.

Source: [Talks underway for meeting between EAM Jaishankar and Bangladesh foreign affairs advisor | India News - The Indian Express](#)

TRUMP'S 25% TARIFF ON STEEL: INDIA FEARS DUMPING, PRICING PRESSURE

India is concerned about the impact of a potential 25% tariff on steel and aluminum imports from the US, following similar measures implemented during President Trump's first term. The fear is that this could lead to downward pressure on domestic steel prices and a surge in steel imports, particularly from China, due to trade diversion. India's Ministry of Steel had requested a safeguard duty on steel imports after a significant increase in steel imports from China. While Indian exporters hope for an exception, as seen in previous tariff disputes, the steel sector remains vulnerable to global market shifts, especially as Chinese and other Asian steel exports may flood into India, exacerbating oversupply. Moody's Ratings predicts challenges for Indian steel producers, and the Indian Steel Association has raised concerns about the risk of dumping. In response, India's Ministry of Commerce has launched an investigation into the rising imports. Shares of steel companies in India and other markets have fallen, with Indian manufacturers like SAIL and Tata Steel seeing notable declines.

Source: [Trump's 25% tariff on steel: India fears dumping, pricing pressure | Business News - The Indian Express](#)

PM MODI LANDS IN PARIS FOR FOUR-DAY VISIT TO FRANCE AND USA

Prime Minister Narendra Modi has arrived in Paris for a four-day visit to France and the United States, having departed from New Delhi on Monday. During his visit, Modi will hold discussions with French President Emmanuel Macron and U.S. President Donald Trump. Key topics of conversation include increasing energy imports from the U.S., with a focus on more LNG purchases and GAIL India's potential stake acquisition in a U.S. LNG plant. In defense, India aims to finalize deals for co-producing Stryker combat vehicles and fighter jet engines with U.S. companies like General Dynamics and General Electric. The visit will also address the deportation of illegal Indian immigrants, concerns over their treatment, and H-1B visa misuse. Additionally, the U.S. is expected to raise concerns about market access and import tariffs, while Modi may meet with Elon Musk to discuss Tesla's entry into India and Starlink's satellite spectrum. The visit is geared towards strengthening strategic and economic ties between India and the U.S., with a focus on boosting investments in sectors like steel, garments, and contact manufacturing.



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Source: [PM Modi lands in Paris for four-day visit to France and USA - World News | The Financial Express](#)

INDIA IN TALKS WITH US TO BUY COMBAT VEHICLES, SEAL FIGHTER JET ENGINE DEAL AS PM MODI VISITS

India is in ongoing talks with the United States for the co-production of Stryker combat vehicles and the finalization of a fighter jet engine deal. As Prime Minister Narendra Modi visits the U.S. this week, he is expected to discuss these defense matters with President Donald Trump. India, the world's largest arms importer, has traditionally relied on Russia for defense equipment but is now focusing on strengthening its defense ties with the U.S. This includes plans to acquire Stryker combat vehicles, which were demonstrated to the Indian Army last year, and to co-produce fighter jet engines with General Electric for the Indian Air Force. Discussions are also ongoing to finalize a deal by March, with talks involving officials from India's Hindustan Aeronautics Ltd (HAL) and the U.S. aerospace sector. Modi is also preparing to discuss potential tariff reductions to boost American exports to India, aiming to avoid a trade war, particularly in light of Trump's recent tariff threats on steel and aluminum imports.

Source: [India-US defence relationship | India in talks with United States to buy combat vehicles, seal fighter jet engine deal - Telegraph India](#)



ADANI, UNDER BRIBERY SCRUTINY, PRESSED BY BANGLADESH TO REOPEN POWER DEAL

Bangladesh's interim government is pressing Adani Power to renegotiate a multi-billion-dollar power deal, accusing the company of breaching the agreement by withholding tax benefits that were granted by India. The deal, signed in 2017, involves power supply from Adani's coal-fired plant in eastern India. Bangladesh's power agency has revealed that the agreement was awarded without a tender process, and the deal costs Bangladesh significantly more than its other coal power agreements. Bangladesh is behind on payments for the energy supplied since July 2023 and disputes the total amount owed. The country's power minister stated that Bangladesh now has enough domestic capacity to manage without the Adani supply. Bangladesh is also seeking to use the fallout from a bribery scandal involving Adani executives, as reported by U.S. prosecutors, to push for a revised deal. The company did not answer

questions about the tax benefits and other issues raised by Bangladesh. Adani Group has called the US allegations "baseless."

Source: [Adani, under bribery scrutiny, pressed by Bangladesh to reopen power deal | Business News - The Indian Express](#)

PAKISTAN



TURKIYE'S PRESIDENT ERDOGAN TO VISIT PAKISTAN THIS WEEK AMID THREE-NATION ASIA TOUR

Turkish President Recep Tayyip Erdogan is embarking on a four-day trip to Malaysia, Indonesia, and Pakistan as part of a tour to strengthen ties with these countries. Erdogan's meetings will cover various areas of cooperation, including the Palestine-Israel conflict, the situation in Syria, and the Russia-Ukraine conflict. His final stop will be Pakistan, where relations with Turkey have been at a high point, particularly in defense cooperation, with deals signed for naval vessels and uncrewed aerial vehicles (UAVs). Pakistan was the first country to purchase Turkey's MILGEM naval vessels. Erdogan's last visit to Pakistan was in February 2020 to bolster bilateral relations. Additionally, former Pakistani President Asif Ali Zardari held a brief meeting with Erdogan at Istanbul Airport, where they discussed mutual interests.

Zardari is currently in Portugal to offer condolences following the passing of Prince Karim Aga Khan.

Source: [Turkiye's President Erdogan to visit Pakistan this week amid three-nation Asia tour - Pakistan - DAWN.COM](#)

PAKISTAN WANTS TO RESOLVE ALL ISSUES, INCLUDING KASHMIR, WITH INDIA THROUGH TALKS: PM SHARIF

On "Kashmir Solidarity Day," Pakistan's Prime Minister Shehbaz Sharif reiterated his country's stance on resolving all outstanding issues with India, including the Kashmir dispute, through dialogue. Sharif called on India to honor the promises made to the United Nations and move beyond its actions of August 5, 2019, when it revoked Article 370, stripping Jammu and Kashmir of its special status. He emphasized that the only way forward for both nations is peaceful dialogue, as envisioned in the 1999 Lahore Declaration. Sharif also criticized India's military buildup, asserting that it would not bring peace or change the reality of Kashmir. He reaffirmed Pakistan's unwavering moral, diplomatic, and political support for the Kashmiri people's right to self-determination, calling for the international community's pressure on India to allow Kashmiris to determine their future. Additionally, Sharif's comments were echoed by other Pakistani leaders, including President Asif Ali Zardari and officials from Pakistan-occupied Kashmir, who stressed that peace in the region is impossible without resolving the Kashmir issue. *Source: [Pakistan PM Shehbaz Sharif says he wants to resolve all issues, including Kashmir, with India through talks - The Hindu](#)*



PM IN UAE FOR WORLD GOVERNMENTS SUMMIT, TO FOCUS ON PAKISTAN'S ECONOMIC, GOVERNANCE REFORMS

Pakistan's trade deficit with its nine neighboring countries rose by 43.22% during the first half of the current fiscal year (July 2024 - June 2025), according to the State Bank of Pakistan (SBP). This increase is mainly attributed to higher imports from China, India, and Bangladesh. Despite the widening deficit, Pakistan's exports to Afghanistan, Bangladesh, and Sri Lanka saw significant growth, which partially offset the overall decline in exports. The value of exports to the nine countries, including China, Afghanistan, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan, and the Maldives, rose by 7.85%, totaling \$2.4 billion in the July-December period. However, imports from these countries surged by 29.97%, reaching \$7.73 billion during the same period, up from \$5.95 billion a year ago.

Source: [Pakistan's trade deficit with neighbouring countries surges 43pc | The Financial Express](#)

CPI INFLATION SLOWS TO 2.41PC FOR JANUARY — LOWEST IN 9 YEARS

Pakistan's consumer price index (CPI) inflation dropped sharply to 2.41% year-on-year (YoY) in January 2025, the lowest in 111 months, compared to 4.1% in December 2024 and 28.3% in January 2024. On a month-on-month basis, inflation increased by 0.2%. The decline reflects disinflation, with average inflation for the first seven months of the fiscal year at 6.5%, down from 28.73% last year. Significant YoY price hikes were observed in food items like potatoes and pulse gram, along with non-food items such as motor vehicle tax and dental services. Month-on-month, chicken, pulse moong, and sugar saw price increases in urban areas, while rural areas experienced price hikes in food and non-food items like medical tests and house rent. *Source: [CPI inflation slows to 2.41pc for January — lowest in 9 years - Business - DAWN.COM](#)*

PM HAILS \$20BN WORLD BANK PARTNERSHIP TO BOOST GROWTH

Prime Minister Shehbaz Sharif hailed the \$20 billion World Bank Country Partnership Framework (CPF) as a transformative initiative for Pakistan's economic growth, climate resilience, and digital progress. Launched as a decade-long collaboration, the CPF aims to enhance employment, IT development, and fiscal stability while addressing Pakistan's developmental challenges. World Bank officials acknowledged the risks involved but emphasized their commitment to long-term structural and policy reforms. The CPF will focus on six key outcomes, including reducing child stunting, improving education, and transitioning to cleaner energy. World Bank Vice President Martin Raiser highlighted the need for additional resources, urging private sector participation through IFC and MIGA. The plan aligns with the government's Uraan Pakistan strategy and will undergo periodic reviews to ensure effectiveness. Officials stressed that steady implementation, collaboration with global partners, and private investment are crucial for achieving the CPF's ambitious targets.

Source: [PM hails \\$20bn World Bank partnership to boost growth - Pakistan - DAWN.COM](#)

PAKISTAN, SAUDI ARABIA TO CONVENE URGENT OIC MEETING ON GAZA CRISIS



Pakistan and Saudi Arabia have agreed to convene an urgent meeting of the Organization of Islamic Cooperation (OIC) to address the escalating Gaza crisis. This decision came after a phone conversation between Pakistan's Deputy Prime Minister Ishaq Dar and Saudi Foreign Minister Prince Faisal bin Farhan Al Saud. The talks followed Israeli Prime Minister Benjamin Netanyahu's controversial remarks regarding the Palestinians, which were condemned by Dar. Pakistan reaffirmed its strong support for Saudi Arabia's sovereignty and its unwavering commitment to the Palestinian cause. Saudi Arabia also rejected Netanyahu's comments on the displacement of Palestinians and any suggestion of a Palestinian state on its territory. Additionally, Dar discussed the situation with Iranian Foreign Minister Seyyed Abbas Araghchi, reiterating Pakistan's stance on the establishment of an independent Palestinian state based on pre-1967 borders with Al-Quds Al-Sharif as its capital.

Source: [Pakistan, Saudi Arabia to convene urgent OIC meeting on Gaza crisis](#)

NEPAL



NEPAL RECEIVES RS 763 BILLION IN REMITTANCES IN SIX MONTHS: FINANCE MINISTRY

Nepal has received Rs 763.08 billion in remittances during the first six months of the current fiscal year, marking a 4.1% increase compared to the same period last year, according to the Ministry of Finance. However, this increase is smaller than the 22.2% rise seen in the previous year. Additionally, net secondary income, which includes remittances, reached Rs 832.76 billion, reflecting a 4.2% increase, compared to a 21.1% increase in the prior year. The number of Nepalis approved for foreign employment for the first time rose by 11.7% to 230,439, while those renewing their employment permits increased by 21.4% to 162,628. Despite the growth in remittances, the balance of payments surplus declined to Rs 249.26 billion from Rs 273.52 billion in the same period last year.

Source: [Country receives Rs 763 billion in remittances in six months: Finance Ministry - The Himalayan Times - Nepal's No.1 English Daily Newspaper | Nepal News, Latest Politics, Business, World, Sports, Entertainment, Travel, Life Style News](#)

NEPAL RECORDS A TRADE DEFICIT OF RS 723.58 BILLION IN THE FIRST SIX MONTHS

Nepal recorded a trade deficit of Rs 723.58 billion in the first half of the current fiscal year, with total foreign trade reaching Rs 921.16 billion, according to the Department of Customs. Exports rose by 31.78% to Rs 98.79 billion, while imports increased by 7% to Rs 822.37 billion, widening the trade deficit by 4.38% year-on-year. India remains Nepal's largest trade partner, with a deficit of Rs 429.14 billion, followed by China at Rs 158.62 billion. Nepal maintains trade surpluses with 32 countries, including Denmark, Austria, Russia, and the Maldives.

Source: [Nepal records a trade deficit of Rs 723.58 billion in the first six months - The Himalayan Times - Nepal's No.1 English Daily Newspaper | Nepal News, Latest Politics, Business, World, Sports, Entertainment, Travel, Life Style News](#)

BHUTAN

BHUTAN PM TO ATTEND BENGAL BIZ SUMMIT AS SPECIAL GUEST

Bhutan's Prime Minister, Dasho Tshering Tobgay, is set to visit Kolkata to attend the Bengal Global Business Summit (BGBS) 2025, which will take place on February 5 and 6. Leading a 13-member delegation, Tobgay will participate as a special guest to strengthen bilateral trade relations between Bhutan and India. The summit aims to promote business opportunities in various sectors, including infrastructure, manufacturing, technology, and agriculture. Bhutan will showcase its products and services, and the Prime Minister will address a session to foster business connections. The event, organized by the West Bengal government, will bring together business leaders, policymakers, and industry experts. Notable figures, such as Sanjiv Puri of ITC Limited and R Mukundan of Tata Chemicals, are expected to attend. West Bengal's key sectors, including manufacturing, MSMEs, IT, and healthcare, will be highlighted during the summit, reflecting the state's robust industrial infrastructure and investment potential. This visit follows Tobgay's trip to New Delhi in November 2024 and aims to further enhance trade ties between the two nations.

Source: [Bhutan tops India's foreign aid list for 2025-26 fiscal year | Kuensel Online](#)

HYDROPOWER IN THE COUNTRY FACES DECLINING EXPORTS AND GROWING LOCAL DEMAND

Bhutan's hydropower sector, contributing 11.61% to GDP in 2023, is experiencing declining exports and growing domestic consumption. The total electricity supply increased by 1.42% to 11,157.60 GWh, but its monetary value dropped by 5.08% to Nu 26,415.25 million. Industrial electricity consumption surged by 77.53%, making up 93.83% of domestic use, while household consumption fell by 32.33%. Exports accounted for 46.10% of total supply, but fell by 28.95%, while imports rose by 151.50%, highlighting Bhutan's increasing reliance on foreign electricity during lean seasons.

Source: [Hydropower in the country faces declining exports and growing local demand - The Bhutanese](#)

BHUTAN INFLATION DROPS TO 2 PER CENT IN 2024 - RMA

Bhutan's inflation rate has decreased significantly, dropping to 2% in August 2024 from 5.7% in the same month of 2023, largely due to falling fuel prices and slower increases in non-food costs. However, food prices surged, particularly in vegetables like tomatoes and onions, driven by poor weather conditions in India, Bhutan's primary supplier. Non-food inflation saw a reduction in transportation costs, reflecting global trends of easing energy prices. Despite these improvements, Bhutan faces a persistent issue with the declining purchasing power of ngultrum, which has lost 43.5% of its value over the past decade, making the currency's real value significantly weaker.

Source: [Inflation drops to 2 per cent in 2024 - RMA - BBSCL](#)

SRI LANKA

SRI LANKAN PRESIDENT MAKES FIRST MIDDLE EAST TRIP FOR WORLD GOVERNMENTS SUMMIT

Sri Lanka's President Anura Kumara Dissanayake has embarked on his first Middle East trip to attend the World Governments Summit 2025 in Dubai. Accompanied by Foreign Minister Vijitha Herath, this marks Dissanayake's third international trip after India and China. At the summit, he will engage with global leaders on governance and public policy. Additionally, his visit will focus on strengthening bilateral relations with the UAE, particularly in areas of fuel and gas purchases, energy projects, trade, and investment. Sri Lanka aims to sign multiple agreements, including the formation of a joint commission, while also promoting tourism, education, and exports like tea and gems. The president is also set to meet the Sri Lankan diaspora in Dubai, where over 350,000 Sri Lankans reside.

Source: [China, Sri Lanka agree more investment and economic cooperation | Reuters](#)



Source: [Lankan president vows to end island's image as 'corrupt' country](#)

LANKAN PRESIDENT VOWS TO END ISLAND'S IMAGE AS 'CORRUPT' COUNTRY

Sri Lanka's President Anura Kumara Dissanayake marked the country's independence anniversary by pledging to change its global image as a "corrupt" nation. The self-avowed Marxist leader emphasized his commitment to reducing lavish government spending, opting for a scaled-back military march instead of extravagant displays. Dissanayake assured the nation that his government, despite the challenges and the remnants of a flawed political system, is dedicated to transforming Sri Lanka's reputation. His government recently concluded a crucial debt restructuring, ending the country's status as a bankrupt nation after defaulting on its \$46 billion external debt in 2022.

SRI LANKA COULD ADOPT SINGAPOREAN MODEL WHEN IT COMES TO MPS PERKS: PM

Sri Lankan Prime Minister Harini Amarasuriya suggested that the country could adopt Singapore's model of high remuneration for MPs to make politics an attractive profession, though it would take time. This comes amid opposition criticism of the ruling National People's Power (NPP) regarding ministerial and MPs' perks. MP Ravi Karunanayake, who proposed abolishing MP pensions, argued that Sri Lanka should follow Singapore, Malaysia, Thailand, and Indonesia in offering competitive salaries to politicians. Amarasuriya acknowledged the idea but emphasized that the government's current priority is transforming the political culture before considering such changes in future parliaments.

Source: [Sri Lanka could adopt Singaporean model when it comes to MPs perks: PM - Breaking News | Daily Mirror](#)

PRESIDENT, IMF DISCUSS EXTENDED FUND FACILITY

Sri Lankan President Anura Kumara Dissanayake met with an IMF delegation at the Presidential Secretariat to discuss the progress of the Extended Fund Facility (EFF) program. The government has reached a staff-level agreement on the third review of the \$3 billion EFF, with details set to be presented to the IMF Board by the end of the month. Upon approval, Sri Lanka will receive a fourth tranche of \$333 million. The meeting included key officials from the IMF, the Ministry of Finance, and the Central Bank, focusing on the country's economic reforms and the continuation of the program.

Source: [President, IMF discuss Extended Fund Facility - Breaking News | Daily Mirror](#)

IMF EXECUTIVE DIRECTOR CALLS ON PRIME MINISTER

IMF Executive Director Dr. Krishnamoorthy Subramanian met with Sri Lankan Prime Minister Dr. Harini Amarasuriya to discuss key economic issues, including tax policy, revenue management, and public sector efficiency. The Prime Minister outlined the government's development agenda, emphasizing economic stability and sustainable growth. The meeting was attended by IMF Alternate Executive Director Dr. P.K.G. Harischandra and key Sri Lankan officials from the Prime Minister's Office, Central Bank, and Ministry of Foreign Affairs, highlighting ongoing collaboration between Sri Lanka and the IMF on economic reforms.

Source: [IMF Executive Director calls on Prime Minister - DailyNews](#)

WHERE A STRONGMAN FAILED, WOMEN ARE NOW FUELING A DEMOCRATIC REVIVAL: THE NEW YORK TIMES

A LEFTIST MOVEMENT IN SRI LANKA THAT TOOK POWER AFTER AN ECONOMIC COLLAPSE IS SEIZING A RARE OPPORTUNITY TO RALLY MORE WOMEN INTO POLITICS.

Sri Lanka is undergoing a political and social transformation, with women playing a central role in reshaping governance and policy. Prime Minister Harini Amarasuriya, the first woman in South Asia to hold such a high office without family political ties, is leading efforts to make politics more inclusive and governance more responsive to women's needs. The new leftist government, which came to power after the ousting of a long-standing political dynasty, is focusing on gender equality, economic stability, and ending VIP culture in politics. Women, who were instrumental in the 2022 protests and the recent elections, are now actively engaged in policymaking and grassroots political mobilization. Despite progress, female representation in Parliament remains low, but initiatives like women's committees across local governance units aim to foster more female leadership. The challenge ahead is ensuring economic stability and creating more opportunities for women to participate in both politics and the



workforce.

[Read More: *Where a Strongman Failed, Women Are Now Fueling a Democratic Revival - The New York Times*](#)



SRI LANKA APPAREL SECTOR TO GAIN FROM NEW US TARIFFS

The U.S. tariff hikes on China, Mexico, and Canada are prompting buyers to rethink their supply chains, creating opportunities for Sri Lanka. MAS Holdings CEO Suren Fernando noted increased inquiries from U.S. buyers looking to shift orders, positioning Sri Lanka as a premium alternative despite lower production volumes than Bangladesh and Vietnam. By focusing on high-value products like lingerie, sportswear, and swimwear, leveraging faster lead times, and adopting technological advancements, Sri Lanka aims to strengthen its trade position. With a revenue target of \$5-8 billion in the next three years, the country could benefit from shifting global trade dynamics.

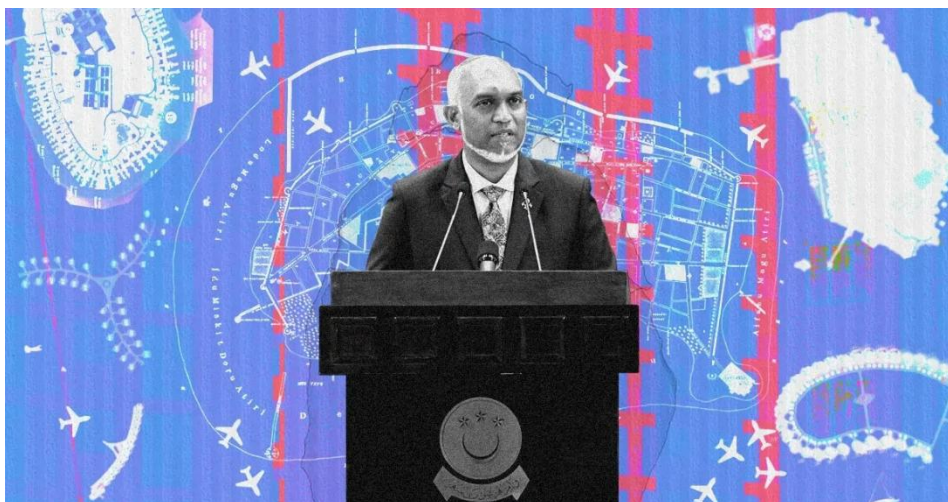
[Source: *Sri Lanka apparel sector to gain from new US tariffs | Print Edition - The Sunday Times, Sri Lanka*](#)

SRI LANKA PREPARES FOR KEY ANTI-MONEY LAUNDERING EVALUATION AHEAD OF GLOBAL SCRUTINY

Sri Lanka is gearing up for its third Mutual Evaluation on Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) by the Asia Pacific Group on Money Laundering (APG). The country must demonstrate compliance with the Financial Action Task Force's (FATF) 40 recommendations and 11 immediate outcomes to avoid international scrutiny and potential greylisting. In response, the government has strengthened regulatory measures and reconstituted a high-level AML/CFT Task Force under President Anura Kumara Dissanayake. Chaired by retired Supreme Court Judge Buwaneka Aluwihare, the task force will coordinate efforts across key institutions to ensure Sri Lanka meets global financial standards.

[Source: *Sri Lanka prepares for key anti-money laundering evaluation ahead of global scrutiny | Daily FT*](#)

MALDIVES



MUIZZU DELIVERED HIS SECOND STATE OF THE NATION ADDRESS AT THE OFFICIAL OPENING OF THE PEOPLE'S MAJLIS FOR 2025

In his second State of the Nation address for 2025, President Mohamed Muizzu laid out a comprehensive vision for the Maldives, focusing on a wide array of national priorities. He emphasized efforts to eradicate extreme poverty through reforms in the Zakat system, as well as proposed constitutional amendments to synchronize presidential and parliamentary elections. Muizzu highlighted key legislative measures, such as changes to the composition of the judiciary and policies on housing, including the delivery of low-interest loans for housing construction. Economic growth was a central theme, with GDP growth projected at 6.4%, and

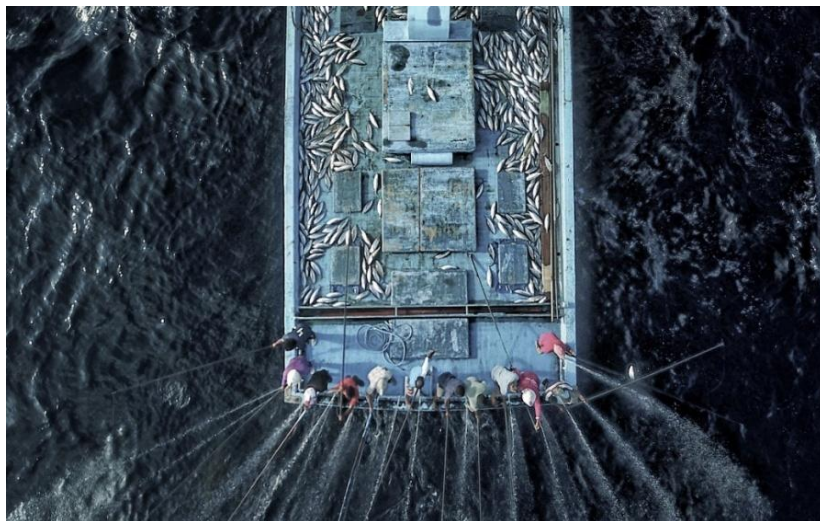
measures to ease foreign currency controls, promote renewable energy through floating solar projects, and expand tourism infrastructure. Plans to enhance public transport, including completing the Raajje Transport Link, and the development of international airports in various atolls were also outlined. In the judicial sector, Muizzu announced initiatives like the creation of a Public Defenders Office and the construction of a new Superior Courts Complex, signaling a push for both economic development and institutional reforms to support a more resilient and inclusive Maldives.

Source: [Highlights of President Muizzu's state of the nation address - Maldives Independent](#)

JANUARY SEES RECORD TOURIST ARRIVALS, INCREASED FISHERMEN PAYMENTS

In January 2025, the Maldives saw remarkable growth in its key economic sectors, tourism and fisheries. Tourist arrivals surged by 8%, reaching 207,798 visitors compared to 192,385 in January 2024. The highest single-day arrival was recorded on January 31, with 9,495 tourists. China, Russia, and Italy were the top source markets. In the fisheries sector, the Maldives Industrial Fisheries Company (MIFCO) increased payments to fishermen by 47%, disbursing over USD 6.44 million in January 2025, up from USD 4.38 million in December 2024. The payments, made to 1,750 fishing vessels, were processed within 48 hours, in line with President Dr. Muizzu's pledge.

Source: [January Sees Record Tourist Arrivals, Increased Fishermen Payments](#)



ECONOMIC MINISTER: MALDIVES AND INDIA WILL REACH A FREE TRADE AGREEMENT 'SOON'

Maldivian Economic Minister Mohamed Saeed has revealed that the Maldives and India are set to reach a free trade agreement (FTA) "soon." This comes after discussions between Maldivian President Mohamed Muizzu and Indian Prime Minister Narendra Modi, both of whom expressed interest in signing the agreement during Muizzu's state visit to India in October 2024. Minister Saeed emphasized that President Muizzu is committed to forming trade agreements with major global markets, which would benefit Maldivians. He pointed to the recent preferential trade agreement with Turkey and the FTA with China, which has already led to significant tariff reductions for Maldivian exports, including seafood products. Saeed also discussed the need to reduce the Maldives' dependence on imports and its reliance on tourism, a sector that remains vulnerable to economic shocks. The anticipated FTA with India is seen as an essential step toward diversifying the economy and boosting exports while stabilizing the nation's trade balance.

Source: [President Dr Muizzu Asserts Meticulous Planning Behind Developmental Initiatives](#)

AFGHANISTAN

TALIBAN THREATEN TO USE US ARMS TO THWART ATTEMPTS TO RETAKE THEM

The Taliban have strongly asserted that the U.S. military equipment left behind in Afghanistan after the 2021 withdrawal now belongs to them as "spoils of war." This includes the vast array of weapons, vehicles, aircraft, and munitions, valued at around \$7 billion, that were abandoned by U.S. and NATO forces. Zabihullah Mujahid, the Taliban's spokesperson, declared that these weapons are now used to defend Afghanistan's sovereignty, independence, and Islamic system, rejecting any demands for their return. The Taliban warned that they would use these arms to repel any efforts to reclaim them. This statement comes in response to remarks made by former President Donald Trump, who had called for the return of U.S. military gear, suggesting that future financial aid to Afghanistan should be conditioned on the equipment's return. The Taliban, however, refuted Trump's claims, emphasizing that they have not received any financial aid from the U.S. since they took control of the country. The U.S. military exit, following the Doha Agreement between the Trump administration and the Taliban, has been a source of ongoing political debate in the U.S., with differing opinions on its execution and consequences.

Source: [Taliban threaten to use US arms to thwart attempts to retake them](#)



PAKISTAN, CHINA DISCUSS AFGHANISTAN'S INTEGRATION, REGIONAL STABILITY

During a meeting in Beijing, Pakistan's President Asif Ali Zardari and Chinese President Xi Jinping discussed Afghanistan's integration into the international community and the importance of sustainable development. Both leaders emphasized the need for Afghanistan's interim government to take action against terrorist groups and to work towards a stable future. A joint statement from both nations highlighted their commitment to maintaining close communication on Afghan issues and playing a constructive role in the country's development. Political analysts argue that regional powers like China and Pakistan are key players in fostering Afghanistan's stability, as they have long sought stronger relations with the country. Analysts suggest that Afghanistan's response to international demands and the actions of its current rulers will determine how the country integrates into the global community. Pakistan views Afghanistan's stability as beneficial for its own political, economic, and social growth, while also offering assistance in various

development sectors. Despite concerns over terrorist groups in Afghanistan, the Islamic Emirate has repeatedly pledged that Afghan soil will not be used for actions against other countries. China's ongoing engagement with Afghanistan contrasts with Pakistan's more complicated relationship, which has faced numerous challenges since the Taliban's return to power.

Source: [Pakistan, China Discuss Afghanistan's Integration, Regional Stability | TOLONews](#)

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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