



Brief Highlights on Current Issues of South Asia

INDIA

MORE THAN 20 KILLED AFTER GUNMEN OPEN FIRE ON TOURISTS IN INDIAN-ADMINISTERED KASHMIR



At least two dozen people were killed and many injured after gunmen opened fire on domestic tourists in Pahalgam, a popular beauty spot in Indian-administered Kashmir, authorities told the BBC. The attack, described as unusually large by Chief Minister Omar Abdullah, prompted strong condemnations from global leaders including US President Donald Trump, Russian President Vladimir Putin, and EU chief Ursula Von der Leyen. Prime Minister Narendra Modi vowed justice and cut short his Saudi Arabia trip, while Pakistan expressed condolences. The shooting occurred in Baisaran meadow, inaccessible by vehicles, and no group has claimed responsibility. Security forces launched a joint search operation amid reports that gunmen targeted non-Muslim tourists, with protests planned and the region on high alert.

Source: [At least five killed after gunmen open fire on tourists in Kashmir](#)

KASHMIR ATTACK: INDIA DOWNGRADES TIES WITH PAKISTAN

India has announced sweeping diplomatic and security measures against Pakistan following the deadly attack on civilians in Kashmir, citing evidence of cross-border links. The government suspended the Indus Water Treaty, closed the critical Attari-Wagah land border, expelled Pakistani defense advisors, revoked visa exemptions for Pakistani nationals, and began withdrawing its own advisors from Islamabad. Prime Minister Narendra Modi, cutting short an overseas visit, vowed strong action as security forces launched large-scale operations in Kashmir. The attack, claimed by The Resistance Front (TRF), an affiliate of Lashkar-e-Taiba, has raised fears of renewed tensions between the two nuclear-armed neighbors, drawing global condemnation and highlighting the fragile situation in the disputed region.



- Suspension of the Indus Waters Treaty: India suspended the 1960 treaty until Pakistan stops supporting cross-border terrorism.
- Closure of Attari-Wagah Border: All cross-border movement of people and goods halted; returns allowed until 01 May 2025.
- Cancellation of SAARC Visa Exemption Scheme: All Pakistani nationals' SVES visas canceled; 48-hour deadline to leave India.
- Expulsion of Pakistani Military Advisors: Pakistani defense personnel in New Delhi ordered to leave within a week; India to withdraw its own military advisors from Islamabad.
- Reduction of Diplomatic Personnel: Indian High Commission staff in Pakistan to be cut from 55 to 30 by 01 May 2025.

Source: [Kashmir attack: India downgrades ties with Pakistan – DW – 04/23/2025](#)



INDIA WILL PURSUE KASHMIR ATTACKERS TO 'ENDS OF EARTH': PM MODI

Indian Prime Minister Narendra Modi on Thursday vowed to identify, track, and punish every terrorist and their supporters following the killing of 26 civilians in a terror attack in Pahalgam, Jammu and Kashmir — the deadliest civilian attack in the region in 25 years. Accusing Pakistan of supporting "cross-border terrorism," Modi warned that perpetrators would be pursued "to the ends of the Earth" and made to pay "beyond their imagination." His remarks came as India launched a series of punitive measures against Pakistan, including suspending the Indus Waters Treaty, closing the Attari-Wagah border crossing, and downgrading diplomatic ties. Meanwhile, Indian security forces intensified a massive manhunt for the attackers, reportedly linked to the Pakistan-based Lashkar-e-Taiba group, as tensions between the nuclear-armed neighbors soared.

Source: <https://www.reuters.com/video/watch/idRW890824042025RP1/?chan=business-energy>



UN URGES INDIA AND PAKISTAN TO SHOW 'MAXIMUM RESTRAINT' FOLLOWING KASHMIR ATTACK

The United Nations has urged India and Pakistan to exercise "maximum restraint" as tensions between the nuclear-armed neighbours soared following a deadly attack in Kashmir that killed 26 civilians, the worst in the region in 25 years. India accused Pakistan of backing "cross-border terrorism" and launched a massive manhunt after identifying two of the suspected gunmen as Pakistani nationals, while Prime Minister Narendra Modi vowed to pursue and punish all those responsible. Pakistan denied involvement, calling Indian allegations "frivolous" and warning of firm retaliation against any threats. As both nations imposed diplomatic measures against each other, the UN stressed that disputes must be resolved peacefully through meaningful engagement to prevent further deterioration.

Source: [UN urges India and Pakistan to show 'maximum restraint' following Kashmir attack](https://www.un.org/press/en/2019/19081901.htm)



TRUMP SAYS INDIA, PAKISTAN TO EASE TENSIONS 'ONE WAY OR ANOTHER'

US President Donald Trump appeared to downplay the escalating tensions between India and Pakistan following the deadly Kashmir attack, saying aboard Air Force One that "there have been tensions on that border for 1,500 years" and expressing confidence that "they'll get it figured out." While acknowledging the killing of 26 tourists as a "bad one," Trump emphasized his close relationships with both countries' leaders. Earlier, he had condemned the attack as "deeply disturbing" and assured Indian Prime Minister Narendra Modi of his "full support" during a phone call, according to India's Foreign Ministry.

Source: <https://p.dw.com/p/4tbi6>

INDIAN AND PAKISTANI SOLDIERS BRIEFLY EXCHANGE FIRE ALONG KASHMIR BORDER

India and Pakistan exchanged fire along their contested border in Kashmir, escalating tensions just days after a terrorist attack killed 26 people, mostly tourists, in the region. Pakistani soldiers initiated the small-arms fire at an Indian position, to which India responded, but the exchange was brief and there were no reported casualties. The attack on Tuesday in Pahalgam, India, has led to severe diplomatic fallout, with India accusing Pakistan of "cross-border linkages" and taking punitive measures, including downgrading diplomatic ties and withdrawing from a crucial water-sharing treaty. Pakistan denied involvement, labeling India's accusations as baseless, and retaliated by closing its airspace to Indian carriers. The conflict has prompted calls for maximum restraint from the United Nations, with fears of further escalation. Indian officials admitted to security lapses following the attack, leading to opposition criticism. Meanwhile, India's government is focused on tracking and punishing those responsible, with a manhunt underway. The situation has heightened concerns among diplomats, given the history of conflict between the two nuclear-armed nations over Kashmir.

Source: [Indian and Pakistani Soldiers Briefly Exchange Fire Along Kashmir Border - The New York Times](https://www.nytimes.com/2019/08/19/asia/india-pakistan-kashmir.html)





INDIAN ARMY CHIEF IN KASHMIR AS RISING TENSIONS WITH PAKISTAN SPOOK MARKETS

India's army chief, General Upendra Dwivedi, visited Kashmir on Friday to assess security measures and visit the site of a deadly attack that claimed 26 lives earlier this week. The attack, carried out by militants in the Pahalgam area, has intensified tensions between India and Pakistan, with India accusing Pakistan of involvement, though Islamabad denies any connection. India has taken retaliatory actions, including suspending a critical river water-sharing treaty and imposing measures against Pakistan's airspace. Stock markets reacted negatively, with a 1% drop in major indices, while disruptions to flight routes have been reported due to the closure of Pakistani airspace. The situation has sparked fears of military escalation, reminiscent of the 2019 airstrike in response to a suicide bombing. Indian officials have suggested "cross-border linkages" in

the attack, identifying two Pakistani nationals among the suspects, though they have not provided concrete evidence. The conflict continues to fuel domestic outrage in India, with calls for military action against Pakistan and rising tensions along the Line of Control.

Source: [Indian army chief in Kashmir as rising tensions with Pakistan spook markets – Jordan Daily](#)



INDIA DEPLOYS ITS MOST MODERN AIRCRAFT CARRIER INS VIKRANT FACING PAKISTAN IN A STANDOFF BETWEEN NUCLEAR POWERS.

In the wake of the deadly terrorist attack in Pahalgam, Jammu and Kashmir, on April 22, 2025, India has deployed its indigenously built aircraft carrier, INS Vikrant, into the Arabian Sea near Pakistan's coastline. The deployment is part of a broader strategic move aimed at exerting pressure on Pakistan, which India accuses of harboring militants linked to the attack. INS Vikrant, a state-of-the-art vessel equipped with advanced defensive and offensive systems, enhances India's ability to control key maritime routes and target critical Pakistani military infrastructure, including its ports and airbases. This move is seen as a direct show of strength, as both nations face an increasingly fragile diplomatic relationship, with communication channels severed and the risk of further military escalation growing in a region where both sides possess nuclear capabilities.

Source: [India Deploys Its Most Modern Aircraft Carrier INS Vikrant Facing Pakistan in a Standoff Between Nuclear Powers](#)

INDIAN NAVY TEST FIRES MISSILE FROM INS SURAT AMID TENSION WITH PAKISTAN AFTER PAHALGAM ATTACK

Amid rising tensions following the Pahalgam terror attack, the Indian Navy announced on Thursday that its newest indigenous guided missile destroyer, INS Surat, successfully intercepted and destroyed a fast, low-flying sea-skimming missile target, marking a major boost to India's maritime defense capabilities. The precision test, seen as a strong signal to Pakistan, comes as Islamabad issued a maritime advisory for a planned missile test off the Karachi coast, further heightening regional unease. Sharing footage of the launch, the Navy highlighted INS Surat's milestone achievement in enhancing India's combat readiness at sea.

Source: [Indian Navy test fires missile from INS Surat amid tension with Pakistan after Pahalgam attack | India News – India TV](#)



INDIA WEIGHS COMPLETE TRADE HALT WITH PAKISTAN AS TENSIONS ESCALATE

As tensions soar after the Pahalgam terror attack, India is considering a complete halt to trade with Pakistan, a move that would severely disrupt Pakistan's economy, which relies heavily on imports of essential goods like pharmaceuticals, fruits, vegetables, and chemicals from India. Despite already minimal bilateral trade—less than 0.06% of India's global trade—New Delhi is weighing further steps, including using third-country channels like the UAE to cut off indirect routes. Meanwhile, Pakistan has retaliated by suspending all trade, closing its airspace to Indian flights, and bracing for severe economic fallout, particularly in sectors like pharmaceuticals, where it remains critically dependent on Indian supplies.

Source: [India weighs complete trade halt with Pakistan as tensions escalate | Today News](#)

PAKISTAN

TRADE, TIES AND FLIGHTS OFF-LIMITS AS PAKISTAN RETALIATES TO INDIA'S MOVES



Pakistan hosted the three-day Health, Pakistan on Thursday announced the immediate closure of the Wagah Border and suspended the 1972 Simla Agreement, following India's "unilateral and provocative actions" after the deadly Pahalgam attack in Indian-administered Kashmir. At a National Security Committee (NSC) meeting chaired by Prime Minister Shehbaz Sharif, Pakistan rejected India's accusations, calling the attack a "false flag operation" and labeling India's moves "politically motivated" and "devoid of legal merit." Pakistan also warned that any attempt by India to divert waters under the Indus Waters Treaty — which India has suspended — would be considered an act of war. Meanwhile, India downgraded diplomatic ties, blocked Pakistan's official X account, and intensified pressure following the attack, which killed 26 civilians and was claimed by the little-known group The Resistance Front.

Pakistan's major decisions:

- Immediate closure of the Wagah Border for all cross-border transit with India.
- Suspension of the 1972 Simla Agreement and other bilateral agreements, holding them in abeyance.
- Suspension of all trade with India, including transit to and from third countries through Pakistan.
- Closure of Pakistani airspace to all Indian-owned or Indian-operated airlines.
- Suspension of visas under the SAARC Visa Exemption Scheme (SVES) for Indian nationals, except Sikh religious pilgrims.
- Reduction of the Indian High Commission's staff in Islamabad to 30 diplomats and staff members by April 30.
- Declaration of Indian defence, naval, and air advisers in Islamabad as persona non grata, ordering their immediate expulsion.
- Warning that any attempt to block or divert Pakistan's water under the Indus Waters Treaty would be considered an Act of War and met with full national response.

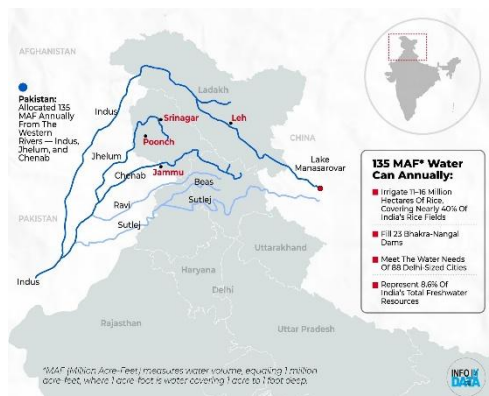


Source: Trade, ties and flights off-limits as Pakistan retaliates to India's moves - Pakistan - DAWN.COM

PAKISTAN OFFICIAL CALLS FOR INTERNATIONAL INQUIRY INTO KASHMIR TERROR ATTACK

Amid escalating tensions with India over the deadly Pahalgam attack, Pakistan's Defense Minister Khawaja Muhammad Asif on Friday rejected allegations of Pakistani involvement, called for an international investigation, and stressed Islamabad's willingness to cooperate with global inspectors. In an interview, Asif denounced India's swift punitive actions — including closing border crossings and suspending the Indus Waters Treaty — as politically motivated and baseless, accusing New Delhi of exploiting the tragedy for domestic gains without evidence. He warned of regional disaster if conflict escalates and dismissed claims linking Lashkar-e-Taiba to the attack, insisting the group is defunct in Pakistan. Asif also floated the possibility of the attack being a "false flag" operation by India and reiterated Pakistan's support for Kashmiris' struggle, while urging U.S. mediation to prevent further deterioration of ties between the nuclear-armed neighbors.

Source: Pakistan Official Calls for International Inquiry Into Kashmir Terror Attack - The New York Times



PAKISTAN CALLS INDIA'S SUSPENSION OF WATER TREATY 'ACT OF WAR' AS TENSIONS SURGE

The crisis between India and Pakistan deepened further as Pakistan's Foreign Ministry spokesperson Shafqat Ali Khan condemned India's suspension of the Indus Waters Treaty, warning that any attempt to block Pakistan's water would be treated as an act of war. In the strongest language yet, Khan announced retaliatory measures, including immediate closure of the Wagah border, suspension of SAARC visa exemptions (except for Sikh pilgrims), expulsion of Indian defense attachés, a reduction of Indian diplomatic staff, a ban on Indian flights through Pakistani airspace, and the suspension of all bilateral trade. He asserted Pakistan's full military readiness while blaming India for escalating tensions following the deadly April 22 Kashmir attack, which left 26 civilians dead and reignited fears of conflict between the two nuclear-armed rivals.

Source: Pakistan calls India's suspension of water treaty 'act of war' as tensions surge | Amu TV

A portrait of Pakistan's Defence Minister Khawaja Asif, an older man with grey hair and glasses, wearing a dark suit and a red tie. He is looking slightly to the left with a serious expression. The text "INDIA TODAY" is visible in the top right corner of the image.

INDIA
TODAY

“We will measure our response to whatever is initiated by India. It would be a measured response. If there is an all-out attack or something like that, then obviously there will be an all-out war.”

PAKISTANI MINISTER: 'IF INDIA LAUNCHES AN ALL-OUT ATTACK, THERE WILL BE ALL-OUT WAR'

Pakistan's Defence Minister Khawaja Asif, in a Sky News interview, warned that any Indian attack would trigger “all-out war” between the nuclear-armed neighbors, amid heightened tensions after the Pahalgam attack that killed 26 in India-held Kashmir. Calling the attack “staged” by India to provoke a crisis, Asif dismissed accusations of Pakistani involvement, labeling TRF — the group that claimed responsibility — as unknown and questioning its links to the defunct Lashkar-i-Taiba. He admitted Pakistan's past support for militant groups during Cold War alliances under Western influence but rejected Indian media interpretations of this as an admission of state-sponsored militancy. Stressing Pakistan's military readiness, Asif urged for peaceful dialogue while warning of devastating consequences if hostilities escalate.

Source: [Defence Minister Khawaja Asif warns of 'all-out war' if India attacks - Pakistan - DAWN.COM](#)

PAKISTAN TO APPROACH WB OVER IWT: PAK DEFENSE MINISTER

India's recent suspension of the 1960 Indus Waters Treaty (IWT) follows a history of non-compliance, including its boycott of the Permanent Court of Arbitration (PCA) proceedings concerning the design changes of two hydroelectric projects, Kishanganga and Ratle, which Pakistan claims violate the treaty. Despite the PCA's ruling in favor of Pakistan's jurisdiction over the dispute, India refused to participate in the process. In response to India's suspension of the IWT, Pakistan plans to formally raise concerns through diplomatic channels, emphasizing the treaty's provision for shared water data and asserting that the treaty cannot be unilaterally suspended. Legal experts argue that while the IWT lacks a clause for suspension, India's

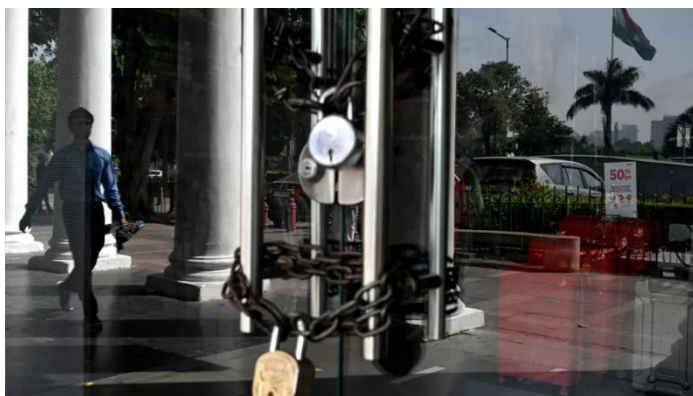
actions breach its terms, and Pakistan has warned that any attempt to divert or stop water flow would be seen as an act of war. Pakistan's Defense Minister Khawaja Asif confirmed that Pakistan will approach the World Bank regarding India's suspension, reiterating that no one has the right to deprive Pakistan of its water rights.

Source: [Pakistan to approach WB over IWT: Asif](#)

SENATE PASSES RESOLUTION AGAINST INDIA'S BID TO LINK PAKISTAN TO PAHALGAM ATTACK

The Senate of Pakistan has unanimously passed a resolution rejecting India's attempt to link Pakistan to the recent deadly attack in Pahalgam, Indian-administered Kashmir, and condemning India's unilateral suspension of the Indus Waters Treaty. The resolution emphasizes Pakistan's preparedness to defend its sovereignty against any aggression, including water terrorism, and reaffirms its support for the Kashmiri people's right to self-determination. Pakistan's leadership warned India against further provocative actions, asserting that any misadventure would be met with a firm response. The resolution also condemned India's use of terrorism as a political tool and affirmed Pakistan's commitment to peace while defending its national interests.

Source: [Senate passes resolution against India's bid to link Pakistan to Pahalgam attack - Pakistan - DAWN.COM](#)



INDIA AND PAKISTAN'S KASHMIR FALLOUT HITS ECONOMY TOO

The escalating tensions between India and Pakistan over the recent deadly attack in Kashmir are beginning to impact both nations' economies, albeit in small but significant ways. Pakistan's decision to halt trade and close its airspace to Indian airlines is expected to lead to longer and costlier flights, particularly for Air India, with potential increases in airfares due to longer routes and extra fuel consumption. Additionally, while the direct trade between the two countries is minimal, with India exporting less than \$450 million in goods to Pakistan, the suspension of trade and disruption to third-country routes could affect indirect trade, particularly in pharmaceuticals,

cotton, and chemicals. Experts suggest that while these economic impacts are not immediately severe, they could worsen if tensions persist, further straining the already limited economic relations between the two nations.

Economic Impact of Diplomatic Tensions



- India and Pakistan's deteriorating relations over the Kashmir attack are causing small but significant economic disruptions.
- Pakistan has suspended trade with India and closed its airspace, which is affecting the airline industry and international trade.

Aviation Sector

- Pakistan's airspace closure will result in longer flight times for Indian airlines, particularly for routes to Central Asia, Europe, and North America.



- Air India is most affected, as some of its flights will take alternative, longer routes, increasing fuel consumption and operational costs.
- Experts predict that the added flight time could eventually lead to increased ticket prices, particularly for destinations in the Middle East and Europe.

Impact on Trade

- Direct trade between India and Pakistan is limited, with India exporting about \$450 million in goods to Pakistan, mainly pharmaceuticals and sugar.
- Pakistan's trade suspension includes halting transit to third countries via Pakistan, which may affect indirect trade routes.
- Indirect trade, such as imports of chemicals, pharmaceuticals, and cotton from India, totals around \$10 billion.

Third-Country Trade

- Informal sources suggest that Pakistan imports several products from India via third countries like the UAE and Singapore, including pharmaceuticals and cotton.
- India also receives products from Pakistan through third-party routes, including Himalayan pink salt, dry fruits like dates, apricots, and almonds.

Overall Economic Effects

- While the trade and aviation disruptions are unlikely to have an immediate severe economic impact, prolonged tensions could lead to higher costs, further straining the limited economic ties between India and Pakistan.

Source: [India and Pakistan's Kashmir fallout hits economy too](#)

BANGLADESH



QATAR WILL HELP REBUILD BANGLADESH

During a meeting in Doha with Chief Adviser Prof Muhammad Yunus, Qatar's Prime Minister Sheikh Mohammed bin Abdulrahman bin Jassim Al Thani assured Qatar's full support for Bangladesh's rebuilding efforts. Yunus, who was in Qatar for the Earthna Summit 2025, requested diplomatic, financial, and investment assistance to create new opportunities for Bangladesh's youth. The discussion also focused on the Rohingya crisis, with Yunus seeking support for their dignified return to Myanmar, while Qatar reiterated its backing for the refugees. Yunus also discussed the Gaza situation and called for more global action. Additionally, he sought support for female athletes in Bangladesh and emphasized the importance of youth empowerment. Yunus also interacted with expatriates, assured them of addressing their concerns, and spoke to foreign investors to attract investment in sectors like manufacturing, energy, and tourism. He invited the Qatari PM to visit Bangladesh, which was accepted. Yunus emphasized Bangladesh's transformation into a manufacturing hub and urged Qatari investors to partner with Bangladesh for its development.

Source: [Qatar will help rebuild Bangladesh | The Daily Star](#)

ROHINGYA CRISIS THREATENS REGIONAL SECURITY: YUNUS

At a high-level roundtable in Doha on April 23, Bangladesh's interim government Chief Adviser Professor Muhammad Yunus warned that the prolonged stay of Rohingyas in Bangladesh poses enormous challenges and could threaten regional security and stability if repatriation efforts continue to stall. Urging Qatar to use its diplomatic influence to pressure Myanmar for the immediate return of Rohingyas, Yunus stressed that international attention was shifting away from the crisis amid other global conflicts. He highlighted the humanitarian, social, economic, political, and environmental implications of the crisis, citing rising criminal activity in camps and illegal migration attempts as signs of growing desperation. Bangladesh currently hosts 1.3 million Rohingyas, with 32,000 newborns added annually, while recent armed conflicts in Myanmar's Rakhine State have exacerbated the situation, pushing over 100,000 new refugees into Bangladesh since November 2023. Yunus announced plans to organize a UN-backed High-Level Conference on the Rohingya crisis in New York in September 2025, seeking greater support from Qatar and OIC countries. He underlined the importance of justice initiatives at the ICJ and ICC, insisting that crimes like genocide must not go unpunished to build confidence among Rohingyas for their safe return.



Source: [New Age | Rohingya crisis threatens regional security: Yunus](#)

BANGLADESH CONDEMNS TERROR ATTACK IN JAMMU & KASHMIR

Chief Adviser Prof Muhammad Yunus strongly condemned the terrorist attack in Kashmir, where gunmen killed at least 26 tourists in a resort in Indian-controlled Kashmir. In a message to Indian Prime Minister Narendra Modi, Yunus reaffirmed Bangladesh's firm stance against terrorism. He expressed deep condolences for the lives lost in the Pahalgam attack and emphasized Bangladesh's commitment to combating terrorism. Yunus is currently in Qatar attending the Earthna Summit in Doha.

Source: [Bangladesh Condemns Kashmir Terror Attack | Chief adviser, govt condemn J&K attack](#)



ITALY TO SUPPORT BANGLADESH IN CURBING ILLEGAL MIGRATION: HOME ADVISER

Italy has expressed interest in working closely with Bangladesh to prevent irregular migration, human trafficking, and to enhance the capacity of police and security forces. After a meeting with Italian Ambassador Antonio Alessandro, Home Adviser Lt Gen (ret'd) Jahangir Alam Chowdhury said both sides discussed security cooperation, advanced training for police and BGB personnel, and combating transnational crimes. Italy's Interior Minister Matteo Piantadosi will visit Bangladesh on May 5–6, during which bilateral agreements or MoUs are expected to be signed. Bangladesh emphasized its commitment to promoting legal migration and taking strict action against human traffickers. The Italian ambassador reaffirmed Italy's support for Bangladesh's interim government.

Source: Italy to support Bangladesh in curbing illegal migration: home adviser | The Daily Star

BANGLADESH-NEPAL ON SAME PAGE TO REVITALISE SAARC: NEPALI ENVOY

Nepal's Ambassador to Bangladesh, Ghanshyam Bhandari, said on April 21 in Dhaka that Bangladesh and Nepal were aligned on the need to revive the South Asian Association for Regional Cooperation (SAARC), which has remained inactive since 2014. Speaking at a lecture organized by the Bangladesh Institute of International and Strategic Studies (BISS), Bhandari emphasized the importance of stronger economic cooperation as both countries prepare to graduate from Least Developed Country status by 2026. Highlighting growing bilateral ties, he noted Bangladesh's current import of 40MW hydroelectricity from Nepal, with discussions underway for an additional 500MW, and pointed to opportunities in sectors like pharmaceuticals, tourism, education, and trade. The envoy also mentioned Nepal's interest in using Mongla Port for third-country trade and ongoing efforts to finalize a Preferential Trade Agreement. He said about 2,700 Nepali students are studying in Bangladesh, and around 50,000 Bangladeshi tourists visited Nepal in 2024. *Source: New Age | Bangladesh-Nepal on same page to revitalise SAARC: Nepali envoy*



PROF YUNUS PAYS LAST RESPECT TO POPE FRANCIS, ATTENDS HIS FUNERAL WITH GLOBAL LEADERS

Chief Adviser Professor Muhammad Yunus attended the funeral of Pope Francis on 26 April 2025 at St. Peter's Square, joining world leaders including US President Donald Trump and Ukrainian President Volodymyr Zelenskyy in paying final respects. A close admirer of Prof Yunus' work for the marginalized and his vision for a "Three Zero World"—zero poverty, zero unemployment, and zero carbon emissions—Pope Francis had earlier launched a joint Three Zero Initiative with him in Rome. Prof Yunus arrived in Rome from Doha and visited St. Peter's Square on Friday afternoon to pay homage to the late Pontiff. Representing Bangladesh at the high-

profile event attended by 130 delegations, including 50 heads of state and 10 sovereigns, Prof Yunus' presence underscored the deep bond he shared with Pope Francis. He was received by the Bangladesh Ambassadors to Italy and Vatican City and is scheduled to return to Bangladesh via Leonardo da Vinci Rome Fiumicino Airport.

Source: Prof Yunus pays last respect to Pope Francis, attends his funeral with global leaders



PAKISTAN FM ISHAK DAR'S BANGLADESH TOUR POSTPONED

Pakistan's Deputy Prime Minister and Foreign Minister Ishak Dar's two-day visit to Bangladesh, scheduled for April 27-28, has been postponed due to unforeseen circumstances. The Pakistan Ministry of Foreign Affairs announced that the visit would be rescheduled following discussions between both sides. The postponement comes after a deadly terrorist attack in Kashmir, which killed at least 26 tourists, prompting India to take several countermeasures against Pakistan. Pakistan's National Security Committee held a meeting to respond to India's actions, with decisions announced by Prime Minister Shahbaz Sharif. This visit was initially planned after a visit by Pakistan's Foreign Secretary Amna Baloch to Dhaka. [Source: Pakistan FM Ishak Dar's Bangladesh tour postponed](#)

IMF TALKS END WITHOUT DEAL ON NEXT LOAN TRANCHES

Talks between Bangladesh and the International Monetary Fund (IMF) have ended in Washington without reaching an agreement over the release of the fourth and fifth tranches of a \$4.7 billion loan package. While officials noted "good progress," key differences remain, particularly over exchange rate flexibility and revenue reforms. Bangladesh Bank Governor Ahsan H Mansur stressed that the country is not under pressure to accept all IMF conditions, highlighting Bangladesh's improved economic situation compared to last year. Discussions will continue, though no timeline has been set for a final agreement. [Source: IMF talks end without deal on next loan tranches | The Daily Star](#)

WORLD BANK FLAGS DEEPENING CRISIS IN BANKING SECTOR

The World Bank has flagged deepening vulnerabilities in Bangladesh's banking sector, citing high non-performing loans (NPLs), weak capital adequacy, governance failures, and political interference. In its latest *Bangladesh Development Update*, the Bank noted that gross NPLs doubled to Tk 290,000 crore by September 2024 and warned that the NPL rate could exceed 30 percent under new international standards from April 2025. While praising initial reform efforts by the interim government and Bangladesh Bank, the World Bank stressed the urgent need for stronger supervisory enforcement, restructuring of state-owned banks, improved corporate governance, and full central bank autonomy to prevent further destabilization of the financial sector. [Source: Bangladesh Banking Sector Crisis 2025 | World Bank flags deepening crisis in banking sector](#)



BANGLADESH GETS \$850 MILLION IN WORLD BANK LOANS FOR BAY TERMINAL, SOCIAL PROTECTION

Bangladesh has secured \$850 million in financing from the World Bank to fund the Bay Terminal Marine Infrastructure Development Project in Chattogram and expand social protection programmes, according to the Economic Relations Division. Two agreements, signed in Washington on April 23, allocate \$650 million for port development—expected to boost trade efficiency and cut daily economic losses by \$1 million—and \$200 million for strengthening social safety nets through a dynamic registry and improved cash transfer initiatives. The projects, aimed at enhancing job creation and supporting vulnerable groups, will be implemented between 2025 and 2031. [Source: Bangladesh gets \\$850 million in World Bank loans for Bay Terminal, social protection | The Daily Star](#)

POVERTY MAY WORSEN: WORLD BANK

Bangladesh is facing a potential rise in poverty and inequality as high inflation, job losses, and a slowing economy strain household welfare, according to the World Bank's latest Bangladesh Development Update. The national poverty rate is projected to climb to 22.9 percent in 2025, with extreme poverty nearly doubling, while the Gini index signals widening inequality. Economic growth is forecast to slow to 3.3 percent

in FY2025 amid falling investment, political unrest, and policy uncertainty, though a gradual recovery is expected by FY2026. The World Bank warned that delays in financial and fiscal reforms, persistent inflation, and political tensions surrounding upcoming elections could undermine recovery efforts, while global trade disruptions pose additional risks to exports and growth. [Source: Poverty may worsen: World Bank | The Daily Star](#)

BANGLADESH BANK APPROVES FOREIGN STUDY FEE PAYMENTS

The Bangladesh Bank (BB) has approved the payment of foreign currency fees for admission and examination-related expenses at foreign academic institutions for exams held at local centers. According to a recent circular, banks can collect fees in local currency (Taka) for exams like TOEFL, SAT, and secondary education equivalents for outward remittances. However, banks must ensure that examination centers are authorized by relevant foreign authorities and conduct due diligence. The circular also mandates detailed documentation, including invoices and tax forms, for remittance requests. Any misreporting will hold remitters accountable, and funds must be repatriated if necessary. Additionally, banks are required to maintain electronic records and submit reports to the central bank. [Source: Bangladesh Bank approves foreign study fee payments](#)

BANGLADESH'S GARMENT EXPORTS TO EU SURGE 37% IN JAN-FEB

Bangladesh's readymade garment exports to the European Union (EU) surged by 36.99% year-on-year to \$3.69 billion during January–February 2025, according to Eurostat. The growth was driven by a 39.02% rise in shipment volume, though unit prices declined by 1.46%, squeezing profitability. Industry leaders credit higher value-added production, duty-free access, compliance with safety standards, and buyer confidence for the robust performance. The outlook remains positive for 2025, but sustaining competitiveness and improving margins amid global price pressures will be key. [Source: Bangladesh's garment exports to EU surge 37% in Jan-Feb | The Daily Star](#)



GOVT TO SET UP LAND-BASED LNG TERMINAL SOON: CHIEF ADVISER'S PRESS SECRETARY

The interim government has decided to set up a land-based LNG terminal to ensure uninterrupted gas supply for Bangladesh's factories, said Chief Adviser Professor Muhammad Yunus's press secretary, Shafiqul Alam, during a briefing in Doha. The plan was shared with Qatar Energy during Yunus's recent "very successful" visit to Qatar. The terminal aims to address gas shortages that have been hindering industrial expansion. Additionally, Alam highlighted Bangladesh's economic rebound, noting a reduction of outstanding foreign debt from \$3.2 billion to \$600 million, signalling stronger economic stability and readiness for foreign investment. [Source: Pakistan FM Ishak Dar's Bangladesh tour postponed](#)

BANGLADESH, S KOREA SIGN \$6.26M LOAN DEAL FOR MARITIME SECTOR DEV

South Korea will provide an additional \$6.26 million loan to Bangladesh under a supplementary agreement for the *Global Maritime Distress and Safety System (GMDSS)* and *Integrated Maritime Navigation System (IMNS)* project. The agreement was signed between Bangladesh's Economic Relations Division and Korea Eximbank. The Department of Shipping will implement the project, which aims to construct coastal radio stations at seven sites and establish integrated transmission links. This supplements the original \$37.5 million loan signed earlier. The loan terms are highly concessional, with a 0.01% interest rate and a 40.5-year repayment period, including a 15.5-year grace period. [Source: New Age | Bangladesh, S Korea sign \\$6.26m loan deal for maritime sector dev](#)

TK 2.26 LAKH CRORE IN TAX EVADED IN 2023: CPD

Bangladesh's readymade garment exports to the EU grew by 36.99% year-on-year to \$3.69 billion in January–February 2025, driven by a 39.02% rise in shipment volume despite a slight 1.46% decline in unit prices, reflecting both strong market confidence and ongoing profitability challenges. Meanwhile, the interim government announced plans to set up a land-based LNG terminal to address gas shortages for industries, a move discussed with Qatar Energy during Chief Adviser Muhammad Yunus's successful Doha visit. Additionally, Bangladesh signed a \$6.26 million supplementary loan agreement with South Korea for strengthening its maritime safety infrastructure under the GMDSS and IMNS project, with soft loan terms including a 0.01% interest rate over 40.5 years. However, a CPD study revealed that tax evasion soared to Tk 226,236 crore in 2023 — half from corporate taxes — and urged urgent reforms such as raising the RMG sector's tax rate to 15%, digitising the tax system, and ending politically motivated incentives to ensure sustainable revenue growth as Bangladesh prepares for its LDC graduation. [Source: New Age | Tk 2.26 lakh crore in tax evaded in 2023: CPD](#)



US WANTS PRECISE ACTION PLAN FROM BANGLADESH

At a bilateral meeting in Washington on 23 April 2025, the United States urged Bangladesh to submit a precise action plan to address the trade deficit between the two countries, emphasizing necessary reforms in labour conditions, labour laws, and intellectual property rights. The discussion took place between Bangladesh's special envoy on international affairs, Lutfey Siddiqui, and US Assistant Trade Representative for South and Central Asia, Brendon Lynch. The US praised Bangladesh's efforts but stressed the need for visible, actionable steps. Following letters sent by Chief Adviser Muhammad Yunus and Commerce Adviser Sk Bashir Uddin to US authorities earlier in April — which helped secure a 90-day suspension of counter tariffs imposed by President Donald Trump — Bangladesh has proactively engaged through dialogue, proposing to increase imports of US soybean oil, LNG, and cotton. US officials acknowledged that the trade imbalance may not be eliminated immediately but insisted on a concrete roadmap that includes regulatory reforms and a plan for increasing imports to demonstrate Bangladesh's commitment to fair trade practices. [Source: US wants precise action plan from Bangladesh](#)



LABOUR REFORM COMMISSION: ADJUSTING WAGES IN EVERY 3 YEARS RECOMMENDED

The Labour Reform Commission, led by BILS Executive Director Syed Sultan Uddin Ahmed, has submitted 25 comprehensive recommendations to Chief Adviser Muhammad Yunus to improve Bangladesh's labour sector, including adjusting workers' wages every three years, annual increments aligned with inflation, forming an emergency fund for export-oriented industries, relaxing trade union registration rules, and increasing maternity leave to six months. The Commission proposed ensuring legal protections and formal documentation for all workers, setting a national minimum wage based on family needs, banning outsourcing of permanent jobs, and significantly raising worker compensation for workplace deaths, along with mandatory accident insurance. It emphasized establishing a permanent Labour Commission, improving labour court operations, strengthening anti-harassment measures, and enhancing transparency in trade union registration. The government, pledge-bound to reform labour laws by March 2026, has been advised to begin implementation through setting up a worker data center and initiating a broad national

dialogue involving political parties via the National Consensus Commission.

[Source: Labour Reform Commission: Adjusting wages in every 3 years recommended](#)

SRI LANKA

INDIA, SRI LANKA INK 10 AGREEMENTS INCLUDING IN DEFENCE, POWER, ENERGY

India and Sri Lanka signed 10 key agreements covering defence cooperation, electric grid connectivity, and the development of an energy hub at Trincomalee, with Indian Prime Minister Narendra Modi assuring Sri Lankan President Anura Kumara Dissanayake of continued support for the island's economic recovery. The new defence framework institutionalizes joint exercises and high-level exchanges, while a tripartite deal with the UAE will transform Trincomalee into a multi-product energy hub. Agreements also include digital transformation, debt restructuring, and health cooperation. India pledged to continue financial assistance, including converting loans into grants and reducing interest rates, alongside new projects like solar rooftop systems for 5,000 religious sites. Both leaders emphasized security cooperation, with Sri Lanka reaffirming it would not allow its territory to be used against India's interests.

Source: [India, Sri Lanka ink 10 agreements including in defence, power, energy | The Business Standard](#)



UAE FM MEETS SRI LANKAN PRESIDENT IN COLOMBO VISIT

Sheikh Abdullah bin Zayed Al-Nahyan, UAE Minister of Foreign Affairs, met with Sri Lanka's President Anura Kumara Dissanayake and Foreign Minister Vijitha Herath in Colombo to enhance bilateral ties. The discussions focused on strengthening cooperation in sectors such as the economy, trade, tourism, and development. Sheikh Abdullah emphasized the UAE's commitment to supporting Sri Lanka's development goals, while President Dissanayake highlighted the robust relationship between Abu Dhabi and Colombo. The meeting culminated in the signing of an MoU between the UAE and Sri Lanka's Chambers of Commerce, establishing the UAE-Sri Lanka Joint Business Council, aimed at furthering economic collaboration.

Source: [UAE FM meets Sri Lankan president in Colombo visit](#)

WORLD BANK: SRI LANKA'S POVERTY ALARMINGLY HIGH

Despite Sri Lanka's economy making a "remarkable recovery" with a 5.0% growth in 2024, surpassing the World Bank's forecast, the country is still grappling with high poverty, with 24.5% of its population living below the poverty line. The World Bank noted that many Sri Lankans continue to struggle with low wages and a weak labor market, leading to increased emigration. Household incomes and employment remain far below pre-crisis levels, and poverty has doubled since 2019. While growth is expected to moderate to 3.5% in 2025, external challenges such as rising US tariffs could threaten the recovery. The US is Sri Lanka's largest market, and the ongoing trade issues, including a 44% reciprocal tariff imposed by Washington, continue to add uncertainty.

Source: [World Bank: Sri Lanka's poverty alarmingly high](#)

SRI LANKA TO WORK WITH US TO REDUCE TRADE DEFICIT AND LOWER TARIFFS

Sri Lanka has expressed its commitment to working with the US to address the trade deficit and reduce tariff and non-tariff barriers, following a meeting between Sri Lankan officials and US Trade Representative Ambassador Jamieson Greer on April 22 in Washington. The Sri Lankan delegation highlighted the steps the country is taking to recover economically and tackle past challenges. This comes after the US announced a 44% tariff on Sri Lankan imports, citing the 88% tax Sri Lanka imposes on US goods. Sri Lankan exports to the US, primarily apparel and rubber products, are valued at \$3 billion annually.

Source: [Sri Lanka To Work With US To Reduce Trade Deficit And Lower Tariffs](#)

LANKAN PRESIDENT CALLS PM MODI, EXPRESSES SOLIDARITY AFTER PAHALGAM TERROR ATTACK



Sri Lankan President Anura Dissanayake expressed his condolences to Indian Prime Minister Narendra Modi over the recent terror attack in Jammu and Kashmir's Pahalgam, which claimed 26 innocent lives. Dissanayake reaffirmed Sri Lanka's solidarity with India in the fight against terrorism. This message of support came as other global leaders, including British Prime Minister Keir Starmer and Dutch Prime Minister Dick Schoof, also extended their condolences. The attack, carried out by the Pakistan-based terror group The Resistance Front, left many civilians dead and critically injured. In response, India has implemented diplomatic measures, including suspending the Indus Waters Treaty and expelling Pakistani military attachés.

Source: [Lankan President calls PM Modi, expresses solidarity after Pahalgam terror attack](#)

AFGHANISTAN

AFGHAN TALIBAN GOVT CONDEMNS PAHALGAM ATTACK, SAYS SUCH INCIDENTS UNDERMINE REGIONAL SECURITY

Afghanistan's Taliban government condemned the recent terror attack on tourists in Jammu and Kashmir's Pahalgam, calling such incidents detrimental to regional security and stability. In a statement, Taliban spokesperson Abdul Qahar Balkhi expressed condolences to the victims' families, emphasizing that such attacks undermine efforts to ensure peace in the region. The deadly assault, which killed 26 people, mostly tourists, was claimed by The Resistance Front, an offshoot of the Pakistan-based Lashkar-e-Taiba group. Three Pakistani suspects are believed to have been involved in the attack.

Source: [Afghan Taliban govt condemns Pahalgam terror attack](#)

PAKISTAN PM CLAIMS THREATS ORIGINATE FROM AFGHANISTAN

Pakistani Prime Minister Shehbaz Sharif reiterated his accusation that Afghan territory is being used for terrorism against Pakistan, citing it as a major obstacle to improving relations between the two countries. Speaking at the Kakol military base in Khyber Pakhtunkhwa, Sharif emphasized Pakistan's desire for peaceful ties with Afghanistan but condemned the continued terrorist activities emanating from Afghan soil. Despite efforts, including a recent delegation visit to Kabul, Sharif stated that Pakistan would not tolerate attacks from groups like Fitna Al Khawarij. While Afghanistan has previously rejected these claims, political analysts suggest that Pakistan must address internal issues and adjust its strategic policies to improve relations with Kabul.

Source: [Sharif Again Claims Threats Originate From Afghanistan | TOLONews](#)

AFGHANISTAN'S FUTURE IN FOCUS AT RUSSIA'S UPCOMING SECURITY CONFERENCE

Russia has stated that the situation in Afghanistan is not just a regional issue but also integral to its global strategic interests. Sergei Shoigu, the Secretary of Russia's Security Council, highlighted that the upcoming International Security Conference in Moscow from May 27 to 29 will address various global and regional threats, including Afghanistan. Shoigu emphasized Russia's broad national interests, ranging from the Middle East to cooperation with regional organizations like the CSTO, SCO, and Eurasian Economic Union. Political analysts note that the inclusion of Afghan representatives in such conferences is crucial, as it would help the Taliban defend its stance and possibly move closer to international recognition. Recent diplomatic engagements, including a visit by Russia's special envoy to Kabul, signify improving relations between the two nations.

Source: [Afghanistan's Future in Focus at Russia's Upcoming Security Conference | TOLONews](#)

JAPAN, OIC STRESS NEED TO EXPAND COOPERATION WITH AFGHANISTAN

Representatives from the Organization of Islamic Cooperation (OIC) and Japan met to discuss enhancing cooperation with Afghanistan and improving humanitarian assistance to the country. Both sides emphasized the importance of continued collaboration to meet the urgent needs of the Afghan people. Political experts highlighted that Afghanistan, as an OIC member and a Muslim-majority country, should have a representative from the Islamic Emirate to directly address its issues within the organization. Japan has been a key humanitarian and economic partner for Afghanistan, and experts agree that both Japan and the OIC play significant roles in improving the situation in Afghanistan. The OIC's special envoy had previously stressed the need for constructive dialogue with Afghanistan's authorities to support the Afghan people.

Source: [Japan, OIC Stress Need to Expand Cooperation with Afghanistan | 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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