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# Selections From Regional Press

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### Dailies:

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**INSTITUTE OF REGIONAL STUDIES, ISLAMABAD**

F-5/2, Ataturk Avenue, Islamabad, Pakistan

E-mails: [irspak@comsats.net.pk](mailto:irspak@comsats.net.pk), [irspak@yahoo.com](mailto:irspak@yahoo.com)

URL: <http://www.irs.org.pk>

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**INDIAN EXPRESS, NEW DELHI 4-5-2021**

## **In first in-person meeting, Jaishankar, Blinken discuss Covid challenge**

**Written by Shubhajit Roy**

While this was Jaishankar's first in-person meeting with Blinken, they have worked closely together in their previous capacities. Sources said the two had "in depth discussion on the Covid challenge and the immediate requirements of India".

In first in-person meeting, Jaishankar, Blinken discuss Covid challenge External Affairs Minister S Jaishankar with US Secretary of State Antony Blinken in London, on Monday. This is their first ever in-person meeting since Joe Biden took over as the US President. (Twitter/@DrSJaishankar)

EXTERNAL AFFAIRS Minister S Jaishankar met US Secretary of State Antony Blinken in London in their first in-person meeting ever since the Joe Biden administration took charge in January this year. Both are in London to attend the G-7 foreign ministers' meeting, where India has been invited as a guest country.

Jaishankar and Blinken have spoken at least four times in the past three months, twice in the last fortnight and once at the Quad foreign ministers' meeting through video-conferencing.

"Good to meet in person my old friend @SecBlinken. Detailed discussion on the global Covid challenge, focussing on expanded vaccine production capacity and reliable supply chains," Jaishankar tweeted.

"Expressed appreciation for the strong US support to India at this difficult time, especially oxygen and Remdesivir," he said. Their meeting also covered other issues such as Indo-Pacific, UN Security Council, Myanmar and climate change, he said.

While this was Jaishankar's first in-person meeting with Blinken, they have worked closely together in their previous capacities.

Sources said the two had "in depth discussion on the Covid challenge and the immediate requirements of India". Blinken "assured Jaishankar that the US was monitoring developments closely and would respond positively to any Indian requirements", sources said, adding that the next shipment from the US will be landing soon.

Sources said that oxygen and related equipment will continue to be key priority. The US has also acted on India's request for more remdesivir, sources said.

The ministers discussed how greater Indian vaccine production can address both India's own needs and the requirement of global public health. India and US will collaborate bilaterally, in Quad format and through multilateral initiatives.

They exchanged views on the Indo-Pacific strategic landscape and the conversation brought out the convergence of interests. They reviewed the progress in practical cooperation in recent months.

Their conversation covered the agenda before the UNSC and other multilateral organisations. They were in "agreement that it was in mutual interest to work together", sources said.

They also noted that climate action and clean energy can be areas of cooperation. "Early operationalization of the 2030 Clean Energy Agenda was important," sources said.

The situation in Myanmar also came up and the discussion centred on the ASEAN 5-point plan and its further progress.

The ministers looked forward at a further conversation at the G7 plus Guests meeting starting Tuesday.

Jaishankar and Blinken last spoke on April 30, the day US aircraft landed with the first consignment from the US – 440 oxygen cylinders with regulators, 210 pulse oximeters, 8.84 lakh Abbott Rapid Diagnostic Test Kits, and 84,000 N-95 face masks. Earlier, they had also spoken on April 19, when they discussed "issues pertaining to health cooperation".

**HINDUSTAN TIMES, NEW DELHI 1-5-2021**

## **Ties with India intensified in first 100 days of Biden govt: US**

**PTI**

Biden himself had an opportunity to speak to Prime Minister Narendra Modi recently. Secretary of State Tony Blinken has engaged with his counterpart, Foreign Minister S Jaishankar, several times as well.

The relationship between India and the United States has intensified in the first 100 days of the Biden administration, a State Department official said here. The engagement between the two countries during this period reflects a global comprehensive partnership, State Department spokesperson Ned Price said, asserting that there has been a concerted focus on India over these 100 days.

"There's been a concerted focus on India over the past 100 days. President Biden, of course, did make mention of India in his (State of the Union) address last night, and I think you can look at that deep partnership and commitment to partnership through any number of lenses," Price said at his daily news conference.

Biden himself had an opportunity to speak to Prime Minister Narendra Modi recently. Secretary of State Tony Blinken has engaged with his counterpart, Foreign Minister S Jaishankar, several times as well, he said.

There have been several high-level delegations. Special Envoy on Climate Change John Kerry was in India not all that long ago. Defense Secretary Lloyd Austin was in India

to discuss elements of India-US security cooperation, Price said. “We have engaged with India in a multilateral context as well through the Quad, both at the ministerial level and, for the first time ever, at the leader level,” he said. “I have mentioned our climate cooperation, but also our health cooperation, and this was something that predates the pandemic but has intensified with the onset of the pandemic,” Price said.

**HINDUSTAN TIMES, NEW DELHI 12-5-2021**

## **Can India and the EU operationalise their natural partnership?**

**By Harsh V Pant**

With the EU being India’s largest trading partner and the second-largest export destination, the economic logic of strong India-EU economic relations is self-evident. The two sides have also agreed to commence talks for a standalone investment protection pact and an accord on geographical indications

It has been a long road from the first European Union (EU)-India Summit in 2000 to the virtual India-EU leaders meeting in 2021, which saw Prime Minister (PM) Narendra Modi interacting with the 27 EU leaders as well as presidents of the European Council and the European Commission last week. The optics could not have been better. This was a special privilege accorded to the Indian PM to underline a new sense of urgency in the EU to get its India policy right. From New Delhi’s perspective, this is also an inflection point in the way it is thinking about its foreign policy priorities; a renewed momentum in India-EU ties is the need of the hour.

The most significant outcome of the summit was that after eight years and several rounds of talks spanning six years, India and the EU have decided to resume negotiations for a comprehensive trade agreement. These talks were suspended in 2013 after the two sides failed to bridge their differences on some key issues such as tariff reductions, patent protection, data security and the right of Indian professionals to work in Europe.

Today’s changed circumstances provide the two sides with a new set of opportunities to move forward on this long-stalled agenda. The EU wants to pivot away from China. It recently signed a Comprehensive Agreement on Investment with China, which has drawn a lot of flak and its ratification has now been suspended because of diplomatic tensions. The European Parliament remains overwhelmingly opposed to this deal after China imposed sanctions on some of its members, in response to the EU imposing sanctions against China for its treatment of the Uyghur Muslim minority in the Xinjiang region.

India wants to showcase its commitment to open trade at a time of renewed focus on developing a domestic

manufacturing base. With the EU being India’s largest trading partner and the second-largest export destination, the economic logic of strong India-EU economic relations is self-evident. The two sides have also agreed to commence talks for a standalone investment protection pact and an accord on geographical indications.

The virtual summit saw India and the EU launching an ambitious “connectivity partnership” in digital, energy, transport, and people-to-people sectors, enabling the two to pursue sustainable joint projects in regions spanning from Africa, Central Asia to the wider Indo-Pacific. At the multilateral level, climate cooperation was the focal area.

Given the current situation, health cooperation assumed a new salience. Contrary to the partisan debate in India on vaccine diplomacy, EU member-states stood in solidarity with New Delhi. French President Emmanuel Macron asserted that India does not need to be “lectured from anyone” on vaccine supplies. EU member-states have rallied to support India by sending critical medical supplies in the last few weeks in recognition for the role India had played in helping others over the last year. As the two sides commit themselves to working together on global health, the need to focus on resilient medical supply chains is all the more evident. India, of course, has been pushing for the EU’s support on a TRIPS waiver for vaccine patents to which the EU remains non-committal so far.

The India-EU summit has given new energy to a relationship that, for all its trappings, has struggled to capture the imagination of top-level decision-makers either in New Delhi or in Brussels. But as strategic realities evolve rapidly in an era defined by Covid-19 and its aftermath, India and the EU have a new opening to re-evaluate the fundamentals of their engagement.

The EU is being forced to reckon with the geopolitical implications of its foreign policy imperatives and India is looking for substantive partnerships with like-minded nations to bring stability to the Indo-Pacific theatre. With its India and Indo-Pacific strategies, Brussels is making its changing priorities clear and with a robust outreach to Europe, New Delhi is also signalling that it is willing to take the plunge. Whether the two “natural partners” can make the most of this unique synergy remains to be seen.

**THE INDIAN EXPRESS, NEW DELHI 4-5-2021**

## **Could Modi-Johnson meet improve unsteady Indo-Brit ties?**

**Written by C. Raja Mohan**

The two nations have a deep historical connection. But both have found it hard to move on from entrenched prejudices of the past.

As Delhi and London break the corona jinx on the long-scheduled summit between Prime Ministers Narendra Modi

and Boris Johnson with a digital conversation scheduled for Tuesday, cooperation on taming the pandemic is inevitably at the top of the agenda. Like India today, Britain had gone through a horrendous COVID crisis some months ago; and there is much for the two leaders to talk about.

Beyond the immediate relief supplies of oxygen and other medical equipment needed to treat COVID victims, India and the UK must tap into the enormous potential for bilateral strategic cooperation in the health sector and contributions to the global war on the virus.

The issue of resilient medical supply chains is expected to figure not only in the bilateral conversation between Modi and Johnson, but also at the Group of Seven ministerial meeting in London this week. Foreign ministers of India, Japan and Australia would also join this meeting to set the stage for the “Group of Seven Plus Three” physical summit next month hosted by the British Prime Minister.

The possibilities range from ramping up vaccine production to the structuring of a strong public health system in India, the absence of which has been so terribly felt in the last few weeks. The current pandemic is neither the first nor will it be the last.

Even as it overcomes the current COVID wave, Delhi must seize the opportunities to work with its international partners in overcoming India’s failings that have been so mercilessly exposed in the last few weeks. Britain and the G-7 are well-positioned to help transform India’s internal capabilities as well as benefit from them in the management of future global pandemics.

While the health sector will necessarily dominate the conversation between Modi and Johnson on Tuesday, there is other bilateral business that has been pending for too long. Few Western powers are as deeply connected to India as Britain. Yet, building a sustainable partnership with Britain has been rather hard. While India’s relations with countries as different as the US and France have dramatically improved in recent years, ties with Britain have lagged.

One reason for this failure has been the colonial prism that has distorted mutual perceptions. If the anti-colonial resentment against Britain is always seething barely below the surface among the Indian political and bureaucratic classes, London has found it difficult to shed its own prejudices about India.

The bitter legacies of the Partition and Britain’s perceived tilt to Pakistan have long complicated the engagement between Delhi and London. To make matters worse, the large South Asian diaspora in the UK transmits the internal and intra-regional conflicts in the subcontinent into Britain’s domestic politics.

While there is no way of fully separating South Asian and British domestic politics, Delhi’s problems have been accentuated by the British Labour Party’s growing political negativity towards India. For generations, Indian elites grew

up thinking Labour was more empathetic towards India, while resenting the Conservative condescension.

The last three decades have seen an important turnaround. The Tories have become natural partners for Delhi, while Labour has become more meddling in India’s domestic politics. Here is a paradox: The Labour Party and its intelligentsia that never miss a chance to denounce the empire can’t seem to resist talking down to India. The Tories, who are certainly sentimental about the Raj era, are more open to seeing India in its own right. They are also more willing to view India through the prism of shared interests.

A quarter-century ago, the Labour Foreign Secretary Robin Cook, travelled with Queen Elizabeth to the subcontinent to mark the 50th anniversary of Independence in 1997. Speaking in the name of a values-based foreign policy, Cook held forth on self-determination for Kashmiris.

The soft-spoken Indian Prime Minister Inder Kumar Gujral, who heard about Cook’s remarks on Kashmir when he was on an official visit to Cairo, reacted by dismissing Britain as a “third rate power”. Gujral also accused Britain of creating the Kashmir problem in the first place and slammed its temerity to tell India how to solve it. Both sides quickly got into damage limitation, but the Queen’s visit, meant to signal goodwill, ended up doing the opposite.

Labour Prime Ministers Tony Blair and Gordon Brown certainly sought to make amends, but the party drifted steadily away from India. Under Jeremy Corbyn’s leadership, the Labour Party had become rather hostile on India’s internal matters, including on Kashmir. More recently the Labour Party was quick to jump into controversy over the farmers’ agitation.

In contrast, the Conservatives have been warming up to India. Tory Prime Minister John Major was quick to support India’s economic reforms in the 1990s. David Cameron, who wrested power from Labour in 2010, sought to revive the relationship with India. His successor, Theresa May, too was eager to advance bilateral ties but Delhi and London continued to struggle in translating the new goodwill into strategic outcomes.

What is new in the relationship is the strong political will on the part of Modi and Johnson to find a fresh basis for the bilateral relationship. The two leaders are expected to announce a 10-year roadmap to transform the bilateral relationship that will cover a range of areas.

Both Modi and Johnson confront a whole new set of circumstances for their countries and recognise that India and Britain need each other to achieve their larger goals. On trade, for example, both are on the rebound from their respective regional blocs. Britain has walked out of the European Union and India has refused to join the China-centred Regional Comprehensive Economic Partnership. Although both will continue to trade with their regional

partners, they are eager to build new global economic partnerships.

While remaining a security actor in Europe, Britain is tilting to the Indo-Pacific, where India is a natural ally. Delhi, which is looking at a neighbourhood that has been transformed by the rise of China, needs as wide a coalition as possible to restore a semblance of regional balance. Britain could also contribute to the strengthening of India's domestic defence industrial base. The two sides could also expand Delhi's regional reach through sharing of logistical facilities.

Delhi and London are said to be exploring an agreement on "migration and mobility" to facilitate the legal movement of Indians into Britain. Both sides are committed to finding common ground on climate change. As they deepen their bilateral partnership and expand regional and international cooperation, Delhi and London may find it easier to manage the irritations over Pakistan and South Asian diaspora politics in Britain. If Modi and Johnson succeed in laying down mutually beneficial terms of endearment, future Labour governments might be less tempted to undermine the partnership.

#### **THE PIONEER, NEW DELHI 6-5-2021**

### **Outcomes of India-UK virtual summit marked transformation in ties: UK High Commissioner**

PTI

The outcomes of the India-UK virtual summit have marked a transformation in the bilateral relationship as it paved the way for expansion of cooperation in a range of areas like trade and investment, climate change and migration, British High Commissioner Alex Ellis said on Wednesday.

At the summit on Tuesday, Prime Minister Narendra Modi and his British counterpart Boris Johnson unveiled a 'Roadmap 2030' to elevate ties to a comprehensive strategic partnership and announced enhanced trade cooperation.

Under the trade partnership, the two sides are to begin negotiations later this year for a balanced free trade agreement including an interim pact for delivering early gains.

"The summit and the agreements have marked a transformation in the UK-India relationship," he said at a virtual media briefing.

Ellis said the summit reflected the resolve of both sides to make a new beginning of deeper cooperation in a plethora of areas.

On the implementation of the partnership on migration and mobility, the high commissioner said its provisions will be implemented under an efficient mechanism.

He said the UK wants its expeditious implementation but at the same time added that the process has to be carried forward ensuring that it is legally correct.

The India-UK migration and mobility partnership, finalised on Tuesday, provides for enhanced employment opportunities for around 3,000 Indian professionals annually, but it mandates New Delhi to take back the Indians who have been staying illegally in Britain.

At a media briefing, Joint Secretary in the Europe West division in the Ministry of External Affairs Sandeep Chakravorty said after the summit that Indian nationals who are undocumented, or are in distress abroad and not being given nationality or residence permits, have to be taken back.

Asked about two members of the Indian delegation attending the G7 foreign ministers' meeting in London testing positive for COVID-19, the high commissioner did not give a direct reply.

"These are questions better answered by my colleagues in London," he said, adding there are laid down protocols in dealing with such situations.

He said the approach by the UK authorities will be guided by the advice of Public Health England. To a query on distribution in India of COVID-19 medical aid provided by the UK, he said the supplies were brought in as specified by the Indian authorities.

#### **THE PIONEER, NEW DELHI 13-5-2021**

### **Indo-Africa relations growing from strength to strength**

**Eduardo Faleiro**

Relations between India and Africa span over thousands of years. At the dawn of history, there was migration of people from Africa to the Mediterranean region and to Asia. Indians have been migrating to Africa and Africans to India over several centuries. Africa now has a population of about 2.5 million people of Indian origin. They shape the economic, political and cultural foundation of an Afro-Indian alliance. Some of the descendants of African emigrants in India are known as Siddis who came in the 10th century and their progeny still live in different parts of India. Gandhiji began his struggle for freedom in Africa and India has always been in the forefront of the movement for independence and sovereignty of the African countries.

It was a seminar on Portuguese colonialism held in New Delhi in October 1961 that triggered India's decision to liberate Goa. The seminar was addressed by Prime Minister Jawaharlal Nehru among others. Nehru was reluctant to take any military action to liberate Goa in view of his policy of non-violence. However, the seminar created intense public opinion and led to Operation Vijay on December 19, 1961



which liberated Goa and provided the impetus for anti-colonial movements in the Portuguese territories of Africa.

In the 1980s Prime Minister Rajiv Gandhi supported the struggle of the African countries against "apartheid" in South Africa and asked me to visit all the border countries then known as the "Frontline States", to assess the situation there. I met the leaders of those countries including President Samora Machel of Mozambique, President Julius Nyerere of Tanzania, President Kenneth Kaunda of Zambia, President Robert Mugabe of Zimbabwe, President Eduardo dos Santos of Angola, Sam Nujoma who was not yet the President of Namibia, and other leaders. Rajiv Gandhi constituted the Africa Fund to provide technical assistance to the Frontline States and to counter the depredations unleashed against them by the South African regime of the time.

In those countries, I had meetings with people of Goan origin and other people of Indian origin. Their loyalty is to the country of their adoption. This was also the path outlined by Nehru for people of Indian origin who settle abroad. However, I did suggest to them that they could and should be the bridges to foster understanding and cooperation between their country of adoption and their country of origin — India.

Countries of Africa have achieved enormous progress on the economic and social fronts. The rate of return on investment in Africa is currently the highest in the developing world. Over 400,000 new businesses were registered in Africa in 2013 and mobile telephones reach 95 percent of the population in many places. Primary school enrolment in Africa now exceeds 90 percent. India is a major source of business in Africa. Thirty-four African countries enjoy duty free access to Indian markets. In less than a decade our trade has more than doubled to around 80 billion dollars.

One of the most significant aspects of the India-Africa partnership has been the offer of concessional credit under the Indian Development and Economic Assistance Scheme (IDEAS) for implementing a range of projects as per the economic and social priorities of African countries in areas where Indian companies have relevant expertise. In the last decade, a total of almost \$9 billion in concessional credit has been approved for nearly 140 projects in more than 40 African countries.

During the last three years alone nearly 25,000 young Africans have been trained and educated in India in areas such as IT, renewable energy, agriculture, marine and aeronautical engineering, marine hydrography, SME entrepreneurship, rural development, parliamentary affairs, logistics and management, climate change adaptation, disaster management, cyber security, forensic sciences, and defence and security, among others. They are the 25,000 new links between the two regions.

There is continued access of African students and academics to India's premier institutions in areas such as engineering,

medical technology and agriculture. It will provide 50,000 scholarships over the next five years to African students.

The India-Africa Forum Summit held in October, 2015 adopted a Framework for Strategic Cooperation and decided to establish a regular, formal monitoring mechanism to review its implementation within an agreed timeframe.

The summit meetings have facilitated air and maritime connectivity, more liberal visa procedures and visa concessions to enhance tourism, trade and people to people contacts. India has committed \$7.4 billion in concessional credit and \$1.2 billion in grants since the first India-Africa Summit of 2008. It is creating 100 capacity building institutions and developing infrastructure, public transport, clean energy, irrigation, agriculture and manufacturing capacity across Africa. This century will be the century of Asia and Africa, the people of the two continents working together to promote inclusive globalisation and a more equitable global economy and polity.

#### **OUTLOOK AFGHANISTAN, KABUL 11-5-2021**

### **Pakistan's Bajwa Meets with Ghani in Kabul: Sources Tell Reuters**

(ATN)

KABUL - Pakistani Army Chief of Staff General Qamar Javed Bajwa met with Afghan President Ashraf Ghani and other leaders in Kabul on Monday, sources told Reuters on condition of anonymity.

The media wing of Pakistan's military did not immediately respond to a request for comment or confirm the visit.

According to Reuters, it was not immediately clear what was discussed during the meeting.

Neighbouring Pakistan is regarded as a key player in the Afghan peace process. In the past Islamabad has been accused of harbouring the Taliban but in recent years Washington and other Western powers have acknowledged its efforts to push the militant group to take part in peace talks.

Bajwa on Monday also met Britain's Chief of Defence Staff General Nicholas Patrick Carter for talks on Afghan peacemaking, according to a statement from Pakistan's military media wing. The venue of the meeting was not given.

In recent weeks, Taliban and diplomatic sources told Reuters, Pakistan has been negotiating with insurgents to try and get them to commit to a ceasefire, agree to an extension of the U.S.-Taliban agreement which stipulated forces should withdraw by May, and to continue to take part in peace talks at a planned conference in Turkey.

Violence has risen starkly in Afghanistan in recent weeks with the Taliban launching attacks throughout the country.

The Taliban announced on Sunday night that they would commit to a three-day ceasefire for the Islamic religious holiday of Eid later this week.

### **OUTLOOK AFGHANISTAN, KABUL 11-5-2021**

## **Australian FM Meets with Ghani and Abdullah in Kabul**

(ATN)

KABUL - Australian Foreign Minister Marise Payne has paid an unannounced visit to Kabul where she met with President Ashraf Ghani and High Council for National Reconciliation Chairman Abdullah Abdullah.

In a statement issued by Australia's foreign office, Payne said she discussed the challenges of COVID-19, the foreign troop withdrawal, support for a stable and secure Afghanistan, and the shared hopes for ongoing peace talks.

"I was also pleased to meet with the Minister for Women's Affairs, Hasina Safi, who joined our meeting, and to discuss how Australia and Afghanistan have worked together to support and improve the rights of women and girls – a development we want to see maintained," she said.

Payne also stated that in her meeting with Abdullah, they discussed the gains made by the people of Afghanistan over the past 20 years, the development and humanitarian assistance provided by Australia and her country's enduring shared commitment to a sustainable peace that is genuinely inclusive and involves all of Afghan society.

"During these meetings, we discussed the sacrifices made by the Afghan people, as well as those international military forces killed or wounded, including those Australians who made the ultimate sacrifice and the many who still bear the impacts of their service in Afghanistan both physical and mental.

"We discussed the recent Inspector-General report, Australia's robust response, and the establishment of the Office of the Special Investigator," she said.

Payne also stated she had met with the Commander of US Forces in Afghanistan, General Scott Miller, to discuss the withdrawal plans.

"I was also proud to spend time with Australian Embassy staff and Defence Force personnel to acknowledge their significant contributions to the Australia-Afghanistan relationship," she said.

In conclusion, Payne stated: "With the departure of the Australian Defence Force, the Australia-Afghanistan relationship is beginning a new chapter of our diplomatic relationship, established in 1969.

"We will continue our close friendship, and support our shared aspiration of peace, stability and prosperity. We will continue our development assistance program to work to

preserve the significant gains made by the Afghan people, in particular advancing the rights of women and girls."

### **THE DAILY OBSERVER, DHAKA 1-5-2021**

## **Dhaka, Delhi need to get rid of irritants**

**Diplomatic Correspondent**

Learning lessons from the coronavirus pandemic and climate change fallout, India and Bangladesh need to work more effectively to boost trade, connectivity and environmental protection while removing all irritants at the soonest, said foreign relations analysts from the two countries.

The two friendly neighbours, which have historical and cultural bonds, should also nurture the values of mutual respect and collaborate on regional integration, they said at a virtual webinar titled "Bangladesh-India Relations: Prognosis for the Future" organised by COSMOS Foundation on Thursday night.

For all latest news, follow The Daily Star's Google News channel.

"The pandemic has shown how we should work together. We need to reconstruct our supply chain of both regional and domestic levels," said former Bangladesh ambassador Tariq A Karim.

The two countries need to go for promoting renewable energy, including hydropower, wind power by involving Nepal and Bhutan, and protect the the Sundarbans and better manage the trans-boundary rivers.

"We need to have a coordinated body to take the initiatives forward."

Prof C Raja Mohan, director at the Institute of South Asian Studies, National University of Singapore, said it was difficult for Bangladesh and India to come to this stage of their relationship following the partition in 1947, and they should not slide back.

The noted global strategist thinks the new area of cooperation can be the Bay of Bengal, and both countries need to work together and use digital technology to find innovative ways.

He suggested that the think tanks come up with a possible solution.

Former Indian foreign secretary Krishnan Srinivasan said the Bangladesh-India friendship has been hostage to the vagaries of politics on both sides of the border. Now is time for looking at trade and connectivity that can lead the development without any detriment to sovereignty and independence.

"In a globalised world, every nation has multiple choices of friends, and India should accept that Bangladesh must have outreached to Southeast and Northeast Asia," he said.

Indian High Commissioner to Bangladesh Vikram Kumar Doraiswami said trade will be a key driver of the Bangladesh-India friendship in future, and Bangladesh could provide India a key base for value addition, including in food production, RMG and textile.

He also talked about closer integration of transportation systems, cooperation on renewable energy, blue economy and health.

Bangladesh is interested in having connectivity with Nepal, Bhutan and Myanmar through India, he said, adding, "It is a sustainable way to move forward if both sides see benefit in any initiative."

Doraiswami said there is a need for the two countries to do much on protecting the Sundarbans as well as check river pollution, especially around Dhaka.

Bangladesh Institute of Peace and Security Studies (BIPSS) President Maj Gen (Retd) ANM Muniruzzaman said it's necessary to analyse the current irritants of the bilateral relations and address those.

He said not signing the Teesta water-sharing deal, border killings, India's role on the Rohingya issue, rise of fundamentalism in India, export ban of vaccine, National Register of Citizenship and Citizenship Amendment Act are some of the issues that developed wrong perception in the public mind and need to be addressed.

Top leadership uttering negative words about the people of another country is also a problem, he said, stressing on mutual respect.

Prof Imtiaz Ahmed, of Dhaka University's international relations department, said the two-nation theory will not work and this had not worked back in 1971. "Two-nation theory is really bad and we need to keep that in mind."

He said it will not work if Bangladesh, India or any other country thinks that it will develop alone and will not allow others to develop.

Centre for Policy Dialogue Distinguished Fellow Debapriya Bhattacharya suggested that India continue to provide duty-free, quota-free access of Bangladeshi products to reduce the trade gap.

CPD Executive Director Fahmida Khatun said the potential of trade between the two countries is \$16 billion, but it is now less than \$10 billion.

India imports products from the world market worth \$45 billion, and regional trade could increase to a great extent if there was regional integration.

In response to India's role on Rohingya repatriation, former Indian high commissioner to Bangladesh Pinak Ranjan Chakravarty said India, which shares a border with Bangladesh and Myanmar, cannot fully support Bangladesh over the Rohingya issue due to its internal problem and national interests.

"On Myanmar, my point is that India's ambivalence should be understood in the context of India's national interests. We can't swing into absolute support and favour for Bangladesh," he said.

"We have an insurgency problem in the northeast and we have our own problems and difficulties in dealing with Myanmar on the Rohingya issue," he said.

On the border killings, Vikram Doraiswami said it is a complex phenomenon that requires a far greater effort, including by district governance and border guards on both sides.

Pinak Ranjan said, "Alleging and pointing fingers at India all the time doesn't help resolve the problem and doesn't help create the public perception in India."

He said the main reason behind border killings is the huge smuggling network and the huge mafia operating on both sides of the borders, which should be addressed jointly.

In reply to a comment that "vaccine diplomacy" is going on in reference to India's halt of exporting vaccines, Doraiswami said India has tried its best to supply vaccines to its neighbours.

Also, it should be recognised that there is a major crisis underway in India. Alternatively, he said India had offered third stage trial of Covaxin and subsequently its co-production, but that remains on the table. "Of course, this is Bangladesh's decision."

### **THE DAILY OBSERVER, DHAKA 11-5-2021**

## **Bangladesh to continue following non-aligned foreign policy: FM**

**Observer Online Desk**

Foreign Minister Dr AK Abdul Momen on Tuesday said Bangladesh maintained a non-aligned and balanced foreign policy and it will decide what to do following that principles.

"We're an independent and sovereign State. We decide our (own) foreign policy. But yes, any country can uphold its position," he told reporters adding that they recall with respect what others say but did not expect such behaviour from China.

The Foreign Minister made the remarks when his comments sought on Chinese Ambassador to Bangladesh Li Jiming's remarks on "Quad" and Bangladesh, reports UNB.

"Naturally, he (Ambassador) represents a country. They can say what they want. Maybe they don't want it (Bangladesh's joining Quad)," Dr Momen said, adding that no one from the organisation that was mentioned did approach Bangladesh yet.

"The comment has been an advanced one," said the Foreign Minister.

He said usually China does not interfere into others' affairs and they did not see anyone saying anything such an aggressive way. "It's very regrettable."

Dr Momen said they (China) can say their position and Bangladesh always welcome what others say. "We'll listen to what they say. But we'll decide what is good for us."

He said once the United States had asked Bangladesh for selling gas but Prime Minister Sheikh Hasina replied to power like the US that Bangladesh would decide after keeping reserve for 50 years. "Who're you?"

Dr Momen said they are lucky that they have a leader like Prime Minister Sheikh Hasina.

He said many people at many times had said many things in the past but Bangladesh has done what is good for the country and for the wellbeing of its people guided by its principled position.

Dr Momen said they will decide following the foreign policy principles considering the interest of people and the country. "We've maintained a non-aligned and a balanced foreign policy. We'll continue to do it (maintaining non-aligned and balanced foreign policy)."

"What he (Ambassador) said (is) fine. We've no special comment on that," Dr Momen added.

Chinese Ambassador Li Jiming on Monday said Bangladesh's relations with China will "substantially get damaged" if Bangladesh joins "Quad", a US-led initiative.

The envoy said obviously it will not be a good idea for Bangladesh to participate in this small club of four countries because it will substantially damage the bilateral relationship between the two countries.

"So, we don't like to see any form of participation by Bangladesh to this small group of countries," said Ambassador Li.

He termed "Quad" a military alliance aiming against China's resurgence and its relationship with neighbouring countries.

The US, India, Japan and Australia are part of an informal strategic alliance - the Quadrilateral Security Dialogue, or Quad as it is known.

While talking to UNB at his residence recently, Dr Momen said then the world was divided into blocks -- one was eastern block and another western block.

Since the eastern block helped Bangladesh most, many thought Father of the Nation Bangabandhu Sheikh Mujibur Rahman would join the eastern bloc but Bangabandhu did not do it and maintained a non-aligned position, he said.

The Foreign Minister said Bangladesh still believes in the foreign policy given by Bangabandhu - friendship to all malice to none.

Following Bangabandhu's footprint, Dr Momen said, Prime Minister Sheikh Hasina, adopted a balanced and non-aligned foreign policy.

He said Bangladesh is in a very good position as it had friends like India and China - two big countries. "We maintain good relations with both the countries."

Dr Momen said Bangladesh has a "rock-solid" relationship with India since 1971 and China is a big economic and development partner.

"Others see us with much respect as we maintain good relations with India and China," said the Foreign Minister, adding that Bangladesh could do things what other countries could not.

## **DAILY MIRROR, COLOMBO 1-5-2021**

### **DEFENCE DIPLOMACY**

## **Augmenting Sri Lanka's Foreign Policy**

**George I. H. Cook**

*Chinese Defence Minister Wei Fenghe greeted by President Gotabaya Rajapaksa during his recent visit*

The visit of the Chinese Defence Minister has drawn renewed attention in light of perceived geopolitical implications. In his discussions, Wei referred to 'cliques and factions' that sought 'regional hegemony', which he argued were against 'people's shared aspirations

Sri Lanka has seen an intensified degree of defence cooperation in 2021. In March, the Air Chiefs of India, Pakistan and Bangladesh as well the Commander of US Pacific Air Force visited Colombo for the 70th anniversary of the Sri Lanka Air Force, and in April the Chinese State Councilor and Minister of National Defence Wei Fenghe undertook a visit that included meetings with the President, Prime Minister and Defence Secretary. Engagement of this nature signals the crucial use of defence diplomacy, a long-practised aspect of diplomacy that allows yet another critical arm of the state, the defence establishment, to augment and strengthen international relations.

For Sri Lanka, these high level visits cement collaboration between capitals. Although defence diplomacy has not been actively pursued in the past, the recent visits indicate potential. Whilst the presence in March of the neighbouring air chiefs was important, the visit of the Commander of the US Pacific Air Force was highly significant as America displayed renewed interest and the visit fostered closer relations. Yet the latest visitor takes defence diplomacy to a higher level, given his position in the command structure of China, and the role of China in the world. As a veto-wielding permanent member of the Security Council, that is racing ahead in a plethora of spheres of global activity, the visit of the Chinese Defence Minister provided Sri Lanka with the

opportunity to strengthen ‘pragmatic cooperation’, which was alluded to by Prime Minister Mahinda Rajapaksa.

Whilst cooperation does occur in the economic and financial spheres at present on a large scale, the military realm does not, it might be perceived, receive adequate attention. Lest it be forgotten, at the height of the conflict China continuously supported Sri Lankan military efforts to thwart and defeat terrorism, and continued to provide support to the island even after, especially in international fora where the country ran into challenging moments. During the visit Wei highlighted that ‘peaceful development and win-win cooperation is the global trend and the right way forward.’ Determined to support development activities and do so in a mutually beneficial manner, China has its objectives clearly identified and is eagerly heading towards achieving them. Whether it is through the Belt and Road Initiative, Asian Infrastructure Investment Bank or any of its other economic and financial structures, the country and its leadership is clear on the outcome. It remains for countries like Sri Lanka to do the same by realising that strategising to achieve objectives is absolutely paramount.

For China, the visit of the Defence Chief comes as the country commemorates the centenary of the Communist Party of China (CPC) in July 2021. Similar visits to Nepal and Pakistan were undertaken by Wei in December 2020. The synchronised manner in which the CPC functions, its intrinsic involvement in the running of the state across all sectors including the military, and the progress made by the country which is chiefly attributed to the CPC is not easily understood nor are attempts made to comprehend it given the enormity of the task.

While Wei is the military head, his visit needs to be analysed against a backdrop of China’s strategised diplomatic engagement. Jonathan Holslag opined that ‘today China’s diplomacy with Asia has morphed from a rigid state-guided scheme into an eclectic array of initiatives from many stakeholders: the state, the Party, the military, the provinces, cities, companies, (and) think tanks.’ The strategic manner in which the country promotes development within enhances international interaction and has started revolutionising global governance is resulting in the country surging ahead. Whilst the centenary anniversary of the founding of China is nearly three decades away, in 2049, preparations have long commenced on where they want the country to be at that juncture and the degree of achievement, they envisage by that date.

### **Geopolitical Implications**

The visit of the Chinese Defence Minister has drawn renewed attention in light of perceived geopolitical implications. In his discussions, Wei referred to ‘cliques and factions’ that sought ‘regional hegemony’, which he argued were against ‘people’s shared aspirations’. This visit, the visitor and the message he conveyed needs to be juxtaposed with events six months ago when the Chinese Foreign Minister and the US Secretary of State were in Sri Lanka

within weeks of each other. At that juncture too, it was evident that Sri Lanka piqued the interest of the two global heavyweights.

While Sri Lanka has remained of relevance to large powers for centuries and has been a hub of varied forms, it is the present that remains of critical concern as the country is called upon to make choices in its interactions, with the decisions made today impacting the engagement of tomorrow. The intense interest expressed by China to engage with a small country that stood by it when it faced a rubber embargo is significant, and today that engagement is multifaceted. The inclusion of defence diplomacy as an additional instrument augurs well for the implementation of Sri Lanka’s Foreign Policy and needs to be welcomed for its potential. Sri Lanka gained immense experience in successful combating and defeating terrorism. This expertise needs to be understood, shared and used in an effective manner. It is through such collaborative action that the island nation would continue to mature in the eyes of the world, as a country that not only receives assistance but also has the potential to provide it.

In the year ahead there will be renewed interest by the Quad as the Biden administration looks to consolidate its presence and position in South Asia and its neighbouring regions, as well as from China with the growth of the BRI. Sri Lanka may sit in the middle of the Indian Ocean but it is not the only country in this region, and the vigorous engagement of China and the United States with countries in South Asia remains a wake-up call for Sri Lankan Foreign Policy formulators to firstly act, secondly, act fast and importantly, act smart, if this interest is to be beneficial to the island.

### **DAILY MIRROR, COLOMBO 14-5-2021**

## **China seeks deeper military ties with SL amid pressures from Quad**

**Lasanda Kurukulasuriya**

The recent visit to Sri Lanka by Chinese Defence Minister, General Wei Fenghe, says much about the growing bilateral relationship, as well as the changing dynamics of the external environment against which the visit takes place. A notable aspect of the remarks made by the top Chinese official was the reference to strengthening military to military relations. China came to Sri Lanka’s aid during the war against the LTTE when it supplied much-needed military hardware, at a time the West refused it. But it is peace-time now, and the reference would relate to security in a more general sense and in the longer term. During his meeting with Prime Minister Mahinda Rajapaksa, Wei said (as translated):

“I believe my visit will strengthen bilateral and mil to mil relations. .... Our two militaries have carried out fruitful cooperation in different fields. This morning we had a very cordial and candid discussion with the president and defence

secretary. We informed that we would provide another RMB 50 million military assistance to the Sri Lankan side. We also witnessed signing of military protocol to the total amount of RMB 102 million military aid, in year 2017 and 2019. We had a further in-depth exchange of ideas to further our military cooperation, this morning. We are ready to work together with Sri Lanka to deepen our military cooperation to carry forward friendship and to bring our mil-to-mil relations to a higher level.”

"Wei stressed the need for 'peaceful development,' saying that "certain major countries are keen to form cliques and factions and seek regional hegemony, which goes against people's shared aspiration and severely harms the interests of the regional countries"

The significance of the RMB 50 million grant, though relatively small in monetary terms, would lie in the gesture of offering military assistance. A specific military focus was not evident in previous recent visits by high-ranking diplomats from Beijing.

### **China and the Quad**

Apart from foreign investment, poverty alleviation and vaccine diplomacy, Wei's talks with the President and Prime Minister had significant assurances of mutual support in international fora. According to Xinhua, Wei said China "will as always support Sri Lanka's stance over issues relating to human rights and national reconciliation." His reference clearly was to the UNHRC's March session where a damning Western-led resolution against Sri Lanka was adopted. According to Xinhua, President Gotabaya Rajapaksa said that "Sri Lanka has prioritized developing the relations with China and firmly supported China's positions on issues concerning its core interests." Rajapaksa had asserted that "his country has been pursuing an independent foreign policy and will never bend to pressure from major powers outside the region as well as never forge an alliance with any country." ('Sri Lanka, China vow to enhance pragmatic cooperation in all sectors' – Xinhua 28.04.21) During Wei's meeting with Prime Minister Mahinda Rajapaksa, Xinhua reports that Wei stressed the need for 'peaceful development,' saying that "certain major countries are keen to form cliques and factions and seek regional hegemony, which goes against people's shared aspiration and severely harms the interests of the regional countries." He refers to the recent galvanisation of the 'Quad' (quadrilateral security dialogue) – a group comprising US, India, Japan and Australia, increasingly seen as a military alliance, with a common goal of pushing back against China's rising influence.

"A specific military focus was not evident in previous recent visits by high-ranking diplomats from Beijing Apart from foreign investment, poverty alleviation and vaccine diplomacy"

Wei arrived in Sri Lanka from Bangladesh, where he is said to have made pointed reference to the Quad. Dhaka-based Prothom Alo reported foreign ministry officials saying that

Wei called on president Md Abdul Hamid and "apprised him of Beijing's displeasure with QUAD," and that "He also expressed China's hope that the two countries could work together against QUAD spreading its dominance in the region." The report said the Chinese minister commented that "an anti-China coalition was being formed in the name of a free and open Indo-Pacific region." Bangladesh's Foreign Secretary Masud Bin Momen was reported saying that while Wei expressed China's stand on the matter, "that does not mean that Bangladesh supports what he said."

It appears Bangladesh walks a similar diplomatic tightrope as Sri Lanka, in balancing its relations with China and India. While the India relationship is critical, at the same time Bangladesh has 'extensive defence cooperation with China' and remains the army's main source for weapons procurement, according to Prothom Alo.

### **War games in the Indian Ocean**

In March and April the waters of the Indian Ocean were bristling with warships engaged in military exercises, many of them representing extra-territorial powers. From 28th to 29th March the Indian and US navies carried out a naval exercise in the Eastern Indian Ocean region. From 5th to 7th April a French-led mega naval drill called 'La Perouse' saw the participation of India along with its Quad partners US, Japan and Australia in the Bay of Bengal. It followed the first (virtual) summit of Quad leaders in March, where the Biden administration had affirmed the importance of the 'Indo-Pacific' in US foreign policy. Indian Navy Spokesman Commander Vivek Madhwal signaled that India was onboard with US strategy when, according to PTI, he said that India's participation in 'La Perouse' "demonstrates the shared values with friendly navies ensuring freedom of seas and commitment to an open, inclusive Indo-Pacific and a rules-based international order." From 25th to 27th April the French and Indian Navies participated in another joint naval exercise called 'Varuna 2021' in the Arabian Sea. A notable development is the growing interest of European powers in the Indian Ocean.

Yet the cohesiveness of these newly active anti-China formations is by no means clear. The US call for a 'rules based international order' is riven with contradictions stemming from the US's own conduct. Just days after the conclusion of 'La Perouse,' a warship of the US Seventh Fleet transited through India's exclusive economic zone without India's consent, in what the US termed a 'Freedom of Navigation' operation. This sparked a diplomatic spat between Washington and its new best friend, Delhi, with the latter conveying its concerns through diplomatic channels. The 'rules based international order' that the US seeks, refers to rules designed to protect its own hegemony, it would seem.

"The Asian giant's rhetoric has so far stressed that it does not want conflict with anyone, that it seeks peace and stability"

Analysts say US economic interests are tied to China in a way that makes an all-out confrontation untenable. "The fact is that, unlike the original Cold War where there were nearly no economic relations between the US and USSR, the economic ties between the US and China are deeply intertwined to the former's disadvantage" writes Jean Pierre Page. "For instance, deindustrialisation has proceeded in the US thanks to US corporations outsourcing manufacturing to China. This makes any decoupling almost impossible." ('The Longer Telegram and 'sleepy Joe' in Wonderland' – New Cold War, 30.04.21)

Against this backdrop of ambiguity, a NATO report last year called on its members to deepen cooperation with their 'Indo Pacific' partners, suggesting engagement with the Quad, in order to counter China. It even suggested a partnership with India. With militarization of the Indian Ocean already underway, the expansion of NATO's focus (traditionally Europe and Russia) to include China and the Asia-Pacific is a cause for concern, if not alarm - not only for littoral states like Sri Lanka but for the wider region and beyond. US Secretary of State Antony Blinken addressing NATO members in Brussels in March, identified China as a 'economic and security threat' to NATO member countries.

It is against this changing geopolitical landscape that China's recent South Asian diplomacy needs to be viewed. The Asian giant's rhetoric has so far stressed that it does not want conflict with anyone, that it seeks peace and stability. Could mounting pressures catalyse a change in approach? If China's offer of military assistance to Sri Lanka moves towards alliance with Beijing, this could play out as a self-fulfilling prophecy for the Sino-phobic West.

**DAWN, ISLAMABAD 6-5-2021**

## **Pakistan, India backchannel at a delicate point**

**By Fahd Husain**

Almost two weeks since a senior Pakistani official confirmed the existence of backchannel talks between Pakistan and India, fresh information suggests this quiet process is today situated at a delicate point and could go either way depending on the response from New Delhi.

A national debate was generated by a story published in this newspaper on April 25 titled 'Indian offer led to 'quiet' talks on all major issues' which detailed a deliberate effort by the two South Asian rivals to engage in secret talks aimed at reducing tension and initiating an effort to resolve outstanding disputes. While the debate raged over whether discussing a possible resolution of the Kashmir issue with India was prudent policy at this time, some key nuances were overlooked. One reason for this was the direction that the debate took as it veered off from the contents of the original story and began to fuel itself from various other interpretations of what the senior official had suggested.

The situation is gradually becoming clearer with the emergence of fresh information from Red Zone insiders. Here is how it is mapping out: For four months, the Pakistan-India backchannel progressed smoothly and between December 2020 and April 2021, intelligence officials from the two countries met face-to-face at least four to five times in a Gulf country. In these meetings, they talked about a number of key issues including the Kashmir dispute. However, officials insist that these meetings are best characterised as 'talks about talks' and nothing more at this stage.

Today these talks are at a standstill.

Official sources confirm that for the process to move forward, India has to show some progress on issues that have been discussed so far. 'They have to say something, do something to create an environment in which these secret talks can move forward, says an insider. The sense that emerges from background conversations with official sources is that after hectic rounds of conversations, both sides had come to an understanding that tangible measures would need to be taken to nudge the process forward. Pakistan today believes it has done whatever it could do and now it is India's responsibility to show progress.

This progress centres on the situation in Occupied Kashmir. Pakistani officials have communicated to Indian interlocutors their immediate priorities on the Kashmir issue after the Indians expressed their willingness to discuss all aspects of this dispute.

These priorities are (1) India must not change the demography in Occupied Kashmir, and this is non-negotiable; (2) India must not undertake any measures that alter the character of the region; (3) India must take steps to normalise the lives of the people in the occupied territory, including the release of prisoners; (4) India will need to give statehood to Occupied Kashmir in one form or another; and (5) Any discussion from the Indian side on the status of Azad Kashmir and Gilgit-Baltistan is off the table.

'Please remember this is not a dialogue, says an insider. He argues that Pakistan had told India during backchannel talks that any prospects of transforming these 'talks about talks' into a dialogue depended on the progress that India could show on the priorities regarding Occupied Kashmir. So far, there is silence from New Delhi. Officials say that Indian interlocutors had mentioned some steps they could take, but those have not materialized yet. Till they do, Pakistan will not take any other initiative.

What then was the logic to engage with India in the first place? As mentioned in the earlier story, India had approached Pakistan in December last year to initiate talks and Pakistan had responded favourably. This response germinated from many closed-door meetings that discussed the pros and cons of accepting India's offer to conduct 'talks about talks'.

Two points of views emerged from these discussions. The first one said India was offering these talks because the BJP government of Prime Minister Narendra Modi wanted to buy time so it could fast-track its plans to change the demography of Occupied Kashmir and at some point make the issue a closed chapter. The other view suggested that India had realised it was stuck in Occupied Kashmir after its August 5, 2019 takeover of the territory and therefore needed to tone down its belligerence in order to find a way out by engaging with Pakistan via some *guid pro quo*.

These two competing and conflicting arguments within high-level of official circles led to some conclusions, one of which was that the BJP government must not be allowed to change the demography of Kashmir to a point of no return. Some officials argued that the RSS agenda was aimed at completing this altering of demography so that there would be nothing left for Pakistan and India to negotiate. However, it was noted that India was struggling to achieve this target.

On the basis of these arguments and counter-arguments, it was finally decided that it would be prudent to reciprocate India's offer and use this opportunity to somehow push back Indian designs on Occupied Kashmir's demography. In the ensuing rounds of talks between December 2020 and April 2021, Indian officials said they were open to talking about all these options regarding Occupied Kashmir.

However, a month on, the message from Pakistan to India, according to Red Zone insiders, is clear: If you do not take any positive steps, we do not have any space to move forward at this point.

But who in India is this message intended for? This too has been a sensitive topic these last few weeks in terms of who is 'in the loop' regarding this backchannel process in both Pakistan and India. A senior Pakistani official had confirmed two weeks ago that these talks were led by intelligence officials from both sides. He had explained diplomats and experts had not been involved because these backchannel contacts had not progressed beyond the exploratory stage. However there is fresh information available that suggests that from the Indian side the process of engagement is piloted by the National Security Advisor Ajit Doval and includes various senior officials of the Indian intelligence service. The assessment of Pakistani officials is that the Indian Ministry of External Affairs (MEA) does not have a significant role in this process so far. 'At this stage, their consensus is even narrower than ours,' says an insider.

Insiders with knowledge of the process say that Pakistani officials involved in the process had taken the leadership of Azad Kashmir as well as the Hurriyat Conference in the loop. How much these leaders knew is not clear but they were at least informed that the process was under way. Official sources now say that if there is reciprocity from New Delhi, and if there is any substantive headway that can convert these exploratory meetings into some kind of a structured dialogue, then the Pakistani side will take all stakeholders, including all political parties, into confidence.

But at this stage, expectations are tempered. Officials argue that Pakistan has kept its word on activity at the Line of Control (LoC) and the Indians know this.

However, their ceasefire violations in the last few days have vitiated the atmosphere.

This piles up on the fact that New Delhi has not even replied to Pakistan's offer of help in the terrible situation from coronavirus in India. 'These are all signs that they are not serious in their engagement,' an official states.

For Islamabad now, it is a policy of wait and see.

### THE NATION, ISLAMABAD 2-5-2021

## **Pakistan, US, Russia, China call for permanent ceasefire**

**Mateen Haider**

ISLAMABAD - The Extended Troika on peaceful settlement of Afghan issue reiterated that the withdrawal of foreign troops should ensure a steady transition of situation in Afghanistan, besides stressing upon Taliban not to pursue their spring offensive.

The text of the joint statement was released by the Governments of the United States of America, the Russian Federation, the People's Republic of China, and the Islamic Republic of Pakistan on the occasion of the Extended "Troika" on Peaceful Settlement in Afghanistan held in Doha, Qatar on April 30.

Representatives of the extended "Troika," comprising the United States, the Russian Federation, People's Republic of China and Islamic Republic of Pakistan, met in Doha, Qatar to discuss ways to support intra-Afghan negotiations and help the parties reach a negotiated settlement and a permanent and comprehensive ceasefire, foreign office spokesperson said in a press release on Saturday.

According to statement, the Troika reiterated that there was no military solution in Afghanistan and a negotiated political settlement through an Afghan-led and Afghan-owned process was the only way forward for lasting peace and stability in Afghanistan.

The extended "Troika" met with representatives of the Islamic Republic of Afghanistan negotiating team and of the Taliban, as well as Qatar.

"We urge the Government of the Islamic Republic and the High Council for National Reconciliation to engage openly with their Taliban counterparts regarding a negotiated settlement. We do not support the establishment in Afghanistan of any government imposed by force," it maintained.

It called upon the negotiating parties to make progress toward an inclusive political settlement and a comprehensive and permanent ceasefire.



“We strongly advocate a durable and just political resolution that will result in the formation of an independent, sovereign, unified, peaceful, democratic, neutral and self-sufficient Afghanistan, free of terrorism and an illicit drug industry, which contributes to a safe environment for the voluntary, expeditious and sustainable return of Afghan refugees through a well-resourced plan; stability; and global security,” it added.

While acknowledging the widespread and sincere demand of the Afghan people for a lasting and just peace and an end to the war, it also noted April 14 announcement by the United States and NATO that US/NATO forces would begin a responsible withdrawal from Afghanistan by May 1, that conclude by September 11, 2021.

“We reiterate that the withdrawal of foreign troops should ensure a steady transition of the situation in Afghanistan. We stress that, during the withdrawal period, the peace process should not be disrupted, no fights or turbulence shall occur in Afghanistan, and the safety of international troops should be ensured,” the statement said.

The Troika urged the Taliban to fulfill its counterterrorism commitments, including preventing terrorist groups and individuals from using Afghan soil to threaten the security of any other country; not hosting these groups and preventing them from recruiting, training, and fundraising.

It also expected the Afghan government to continue counterterrorism cooperation with the international community.

“We reiterate our call on all parties to the conflict in Afghanistan to reduce the level of violence in the country and on the Taliban not to pursue a Spring offensive. We condemn in the strongest terms any attacks deliberately targeting civilians in Afghanistan and call on all parties to respect their obligations under international humanitarian law in all circumstances, including those related to protection of civilians,” it added.

It also stressed that that diplomatic personnel and property should be inviolable, and the perpetrators of any attack or threat on foreign diplomatic personnel and properties in Kabul would be held accountable.

It also extended its support to review the status of designations of Taliban individuals and entities on the UN 1988 sanctions, as stated in the UNSC resolution 2513 (2020).

Practical measures to reduce violence and sustained efforts to advance intra-Afghan negotiations by the Taliban would positively affect this review process.

The extended Troika also noted preparations by Turkey to host a conference of senior leaders of both Afghan parties in order to accelerate the intra-Afghan negotiations, and welcomed the United Nations and Qatar’s roles as co-conveners of this dialogue.

The Troika further stressed upon all Afghans including the Government of the Islamic Republic and the Taliban to ensure that terrorist groups and individuals should not use Afghan soil to threaten the security of any other country.

It also reaffirmed that any peace agreement must include protections for the rights of all Afghans, including women, men, children, victims of war, and minorities, and should respond to the strong desire of all Afghans for economic, social and political development including the rule of law.

### **DAWN, ISLAMABAD 8-5-2021**

## **Imran arrives in Jeddah, holds talks with Saudi prince**

**By Syed Irfan Raza and Baqir Sajjad Syed**

ISLAMABAD: Pakistan and the Kingdom of Saudi Arabia on Friday renewed pledge to enhance cooperation between the two countries in different fields.

The reaffirmation to boost the bilateral ties came during Prime Minister Imran Khan’s official visit to Saudi Arabia.

Prime Minister Khan arrived at Jeddah Airport on a three-day official visit. It is the prime minister’s third official visit to Saudi Arabia since he came to power in 2018.

The prime minister was warmly received by Saudi Crown Prince and Defence Minister Mohammed bin Salman.

Earlier in the day, Chief of the Army Staff Gen Qamar Javed Bajwa held meetings with the Saudi leaders.

According to an agreement signed after the prime minister’s arrival, the two sides decided to form a ‘Supreme Coordination Council’ to have close coordination between the two states.

Besides, five Memorandums of Understanding (MoUs) were inked in the fields of economic cooperation, strategic partnership, trade, investment, energy, environment and media partnership.

Soon after Mr Khan’s arrival, the crown prince took him to Royal Palace where he hosted a reception in honour of the prime minister.

Following a one-on-one meeting with Prince Salman, a delegation-level meeting started between the two sides. The talks covered bilateral cooperation including economy, trade, investment, energy and job opportunities for the Pakistani workforce, and welfare of Pakistani diaspora in the Kingdom.

Accompanied by Foreign Minister Shah Mahmood Qureshi, Interior Minister Sheikh Rashid Ahmed and Senator Faisal Javed, the prime minister arrived in the Kingdom at the invitation of the Saudi crown prince.

During the visit, the prime minister will meet the secretary general of the Organisation of Islamic Cooperation (OIC)

Dr Yousef Al-Othaimen, secretary general of the World Muslim League Mohammad bin Abdulkarim Al-Issa and the Imams of the Two Holy Mosques in Makkah and Medina. He will interact with the Pakistani diaspora in Jeddah.

He will also perform Umrah and pay his respects at the Roza-e-Rasool (Peace be Upon Him) in Madina Munawwara.

The prime minister's visit is preceded by talks between the Pakistani and Saudi military leadership during which they discussed bilateral cooperation for regional peace and security.

The discussions were held during Gen Bajwa's meetings with the Saudi crown prince and Deputy Defence Minister Khalid bin Salman.

Gen Bajwa is on a four-day visit to Saudi Arabia.

The focus of the discussions during the army chief's visit, according to the statements issued by both sides, has been on regional security.

Gen Bajwa, according to an ISPR statement, reassured the Saudi leadership of Pakistan's resolute 'commitment to safeguard the sovereignty and territorial integrity of KSA and defence of the two Holy Mosques'.

Pakistan and Saudi Arabia have longstanding military ties governed by a bilateral security cooperation agreement of 1982 under which Pakistan assists the kingdom in military training and defence production capabilities.

Pakistani troops have, moreover, been stationed in Saudi Arabia in training and advisory role.

'During the meeting, matters of mutual interest, regional security situation including recent developments in Afghan peace process, bilateral defence, security, collaboration for regional peace and connectivity were discussed, 'the ISPR said about the COAS meeting with the Saudi crown prince.

MbS was quoted by the ISPR as having 'acknowledged' Pakistan's role for regional peace and stability.

'The relations between KSA and Pakistan are based on bonds of brotherhood and mutual trust and both nations will continue to play their part for peace, stability and betterment of Muslim Ummah,' MbS was quoted as having further said.

Saudi Press Agency, meanwhile, said during the meeting MbS and Gen Bajwa discussed bilateral military and defence cooperation and ways to enhance it. A number of issues of 'common concern', SPA said, were also discussed.

The meeting was on the Saudi side attended by Deputy Defence Minister Khalid bin Salman bin Abdulaziz, National Security Adviser Dr Musa'ed bin Mohammed Al-Aiban, General Intelligence President Khalid bin Ali Al-

Humaidan and Saudi Ambassador to Pakistan Nawaf bin Saeed Al-Malki.

The army chief, according to SPA, also separately met the deputy defence minister. The two sides, it said, discussed ways for enhancing cooperation in maintenance of security and stability, besides issues of common interest.

Deputy Minister Khalid later said on Twitter that he had an 'excellent' meeting with Gen Bajwa. He said the two sides 'afirmed their two countries' 'goal to preserve regional peace and stability'.

Meanwhile, Minister for Information and Broadcasting Chaudhry Fawad Hussain said Prime Minister Khan enjoyed good personal relations with the Saudi leadership, based on mutual love and brotherhood.

'We are looking towards the Saudi leadership on the Kashmir issue. Saudi Arabia can play an important role in resolving the Kashmir issue,' he said.

He said the prime minister had expressed his desire for ending the regional dispute between Iran and Saudi Arabia.

He said Prime Minister Khan would play his part regarding the recent statement of the Saudi crown prince about talks with Iran.

'We acknowledge the services of the Saudi leadership for the Islamic world and would like to know how Pakistan can facilitate the dialogue between Iran and Saudi Arabia,' he said.

He said Pakistan and Saudi Arabia had a long and historic defense relationship.

According to media reports, Pakistani-Saudi relations have been complex all along but since 2015, when the Pakistani parliament restricted the military from participating in the war in Yemen, its relations with Saudi Arabia have soured.

Military conflict in Yemen is said to be one of the reasons behind strained relations between Saudi Arabia and Pakistan.

Last year, Pakistan had expected Riyadh to support it in dealing with India over the Kashmir crisis. In particular, Pakistan had sought a supportive meeting with the Council of Foreign Ministers of the OIC. After Saudi Arabia turned down the request, Pakistan repeated its demand, which in turn resulted in Riyadh calling for repayment of \$1 billion loan. Consequently, Pakistan repaid the loan while using the amount obtained under a new loan this time from China.

**II - ECONOMIC, CULTURAL AND SOCIAL AFFAIRS**

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12.	Lanka receives USD 500 mn concessional loan from Republic of Korea By S. R. Attygalle <b>PAKISTAN</b>	Daily News, Colombo	11-5-2021	23
13.	Pakistan, Turkmenistan to enhance economic, trade connectivity By Dr Javaid Laghari	The Nation, Islamabad	7-5-2021	23
14.	US, Pakistan launch pilot project to boost trade - Staff Report	The Nation, Islamabad	8-5-2021	24
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**HINDUSTAN TIMES, NEW DELHI 6-5-2021**

## **Moody's cuts India's growth forecast to 9.3%, risks of longer-term scarring**

**PTI**

Moody's Investors Service on Tuesday slashed India's growth forecast for the current financial year to 9.3 per cent saying that the second wave of coronavirus infections hampers economic recovery and increases risk of longer-term scarring.

Moody's, which has a 'Baa3' rating on India with a negative outlook, said obstacles to economic growth, high debt and weak financial system constrain sovereign credit profile.

The US-based rating agency had in February forecast a 13.7 per cent economic growth for the current fiscal (April 2021-March 2022). As per official estimates, the Indian economy contracted 8 per cent in the previous fiscal ended March 2021.

"India is experiencing a severe second wave of coronavirus infections which will slow the near-term economic recovery and could weigh on longer-term growth dynamics.

"The surge of the virus, which has been driven by a highly contagious variant, has put significant strain on India's healthcare system with hospitals overrun and medical supplies in short supply," Moody's said.

Stating that the second wave of coronavirus infections hampers economic recovery and increases risk of longer-term scarring, Moody's said the reimposition of lockdown measures will curb economic activity and could dampen market and consumer sentiment.

However, it does not expect the impact to be as severe as during the first wave. Unlike the first wave where lockdowns were applied nationwide for several months, the second wave 'micro-containment zone' measures are more localised, targeted and will likely be of shorter duration. Businesses and consumers have also grown more accustomed to operating under pandemic conditions.

"As of now, we expect the negative impact on economic output to be limited to the April-June quarter, followed by a strong rebound in the second half of the year.

"As a result of the negative impact of the second wave, we have revised our real, inflation-adjusted GDP growth forecast down to 9.3 per cent from 13.7 per cent for fiscal 2021 and to 7.9 per cent from 6.2 per cent in fiscal 2022," Moody's said.

Over the longer term, Moody's expects growth to be around 6 per cent.

"The credit profile of India is increasingly constrained by obstacles to economic growth, a high debt burden and weak financial system. Policymaking institutions have

struggled to tackle and contain these risks, exacerbated by the coronavirus pandemic," it added.

It said mutually reinforcing risks from deeper stresses in the economy and financial system could lead to a more severe and prolonged erosion in fiscal strength, exerting further pressure on the credit profile.

India began the third phase of its vaccination campaign for those aged 18-44 on May 1, making the vaccination available to the entire adult population. However, as of early May only around 10 per cent of the country's population had received at least one dose of the vaccine.

"A shortage of vaccines and logistical difficulties in reaching a large rural population (about two-thirds of the population) complicate the vaccine roll-out," Moody's said.

It added that the international community has recently contributed to India's vaccine efforts with increased medical and vaccine supplies to help address shortfalls. "The spread of the virus and the rate of vaccinations will have a direct impact on economic outcomes."

Moody's expects the renewed surge in the virus to contribute to a marginal shortfall in revenue and a redirection of spending toward healthcare and virus response relative to what the government budgeted in February. It expects an wider general government fiscal deficit of about 11.8 per cent of GDP in current fiscal, compared with our previous forecast of 10.8 per cent.

"We expect the combined impact of slower growth and a wider deficit to drive the general government debt burden to 90 per cent of GDP in fiscal 2021 (April-March 2022), gradually rising to 92 per cent in fiscal 2023," Moody's said.

Just as the economy appeared to be inching back to normalcy, India was hit by a second wave of infections, prompting states and cities to restrict public movements and impose lockdowns, which have hit some businesses hard.

India is facing the world's worst outbreak of COVID-19 cases with more than 3 lakh new daily COVID-19 cases being reported for two weeks now and the new cases reached more than 4 lakh new daily cases over the weekend.

Over the past months, the outbreak in India has exploded, with reports of superspreader gatherings, and shortages in hospital beds, oxygen and medicines.

Coronavirus infections have crossed 2.29 crore since the virus surfaced in China more than a year ago, with a death toll of 2,49,992.

Last week, another US-based rating agency S&P last week said India's GDP growth rate could drop to 9.8 per cent under the 'moderate' scenario, where Covid infections peak in May.

It could even go as low as 8.2 per cent in a 'severe' scenario under which cases peak in late June. S&P in March had forecast India to grow at 11 per cent in current fiscal.

Besides, Fitch Ratings had last month said the resurgence of COVID-19 infections may delay India's economic recovery, but won't derail it, as it kept the sovereign rating unchanged at 'BBB-' with a negative outlook.

Fitch projected a 12.8 per cent recovery in GDP in the fiscal year ending March 2022, moderating to 5.8 per cent in FY23.

Fitch Ratings had on Monday said that India's slow pace of vaccination could mean that the country remains vulnerable to further waves of the pandemic even once the current surge subsides.

### **THE TIMES OF INDIA, NEW DELHI 7-5-2021**

## **The Quad's economic imperative: Participating nations should cooperate and benefit beyond the security framework**

**Arun M Kumar**

*Chairman & CEO of KPMG India, Arun M Kumar has served as Assistant Secretary of Commerce and Director General of the US Commercial Service in the Obama Administration.*

The leaders of Quad nations came together this March (virtually) for a meeting that was veritably 17 years in the making. Launched as a humanitarian response to the December 2004 Tsunami that killed and displaced millions across South and Southeast Asia and Africa, the Quad now met in the wake of another calamity – this time a worldwide one, the Covid-19 pandemic. Appropriately, they pledged to combat the pandemic together through vaccines. This sets an example of concerted action to advance a framework for a free and prosperous Asia Pacific, built on a bedrock of democracy and cooperation.

While the security framework of the group is well-understood, there is also an enormous opportunity here for Quad nations to dramatically alter the global economic landscape. This could go a long way in benefitting all the participating nations, at a time when job creation is paramount for their economies.

What if this alignment of the strategic interests of Quad powers could be extended to bring about significant transformation in the sphere of trade? A July 2020 paper published in the Journal of Economic Structures by Mohammad Masudur Rahman and co-authors, makes some fascinating points. Using econometric modelling, the authors conducted a comparative analysis of the likely impact of tariff reduction and trade facilitation in a scenario of Indo-Pacific regional integration on various macroeconomic and trade variables.

The modelling showed that if Quad countries were to sign a trade agreement where bilateral tariffs are scrapped, India's real GDP could increase by 0.2% or \$2.7 billion a year, while exports could rise by 2.5% or \$5.7 billion. Sectors where India's exports are competitive such as clothing, textiles, and light manufacturing, would benefit the most. On the other hand, US could see an increase of 0.01% or \$3.7 billion a year in real GDP, while its exports could rise by 0.6% with heavy manufacturing being the major gainer. If the countries also managed to reduce non-tariff barriers by 25%, India's real GDP could increase by nearly 2% or \$31.4 billion a year, while US's real GDP could increase by 0.42% or \$85.1 billion.

While such an agreement would be advantageous for the other two partners as well, benefits would differ depending on the size of the economy, the levels of tariff and non-tariff barriers. If other nations or groupings – like Asean – were to join such an FTA and engage in reducing non-tariff barriers, the benefits for member countries could be exponentially higher. So, given the economic turmoil the region has faced during an unprecedented year, to emerge stronger from this crisis there is a compelling case for India and its Quad allies to embrace even greater trade, investment, and economic cooperation.

The US-India relationship is a cornerstone of the Quad. Economic and strategic ties between the countries are now deeper than ever before, and the Biden administration has stated its commitment to further enhancing this relationship. From climate change to technology, this partnership has significant potential to benefit both countries.

US-India cooperation on energy and infrastructure can serve as an effective platform to enable greater job creation in India, which is currently on a multi-dimensional energy transition journey towards increasing its renewables capacity. More importantly, extending the partnership across industrial sectors, with a strong focus on reducing carbon emissions, has great potential to transform this economic growth into a more sustainable one.

Japan is already a large investor in India, particularly supporting key infrastructure projects in the country. The capability of a large, young country like India to absorb technology and provide scale economies to Japanese investments is unparalleled. The duo can work together to maintain a free, open and inclusive Indo-Pacific region, as a level playing field to fuel economic activities for countries across the littoral. There is scope to partner on building resilient supply chains – an essential factor to boost business in India's key industrial sectors.

At the same time, Australia and India are also seeking to grow their trade relationship. India's Australia Economic Strategy Report 2020, in response to a similar document released by Australia, projects the ambition to place India as Australia's third largest trade partner by 2035. Raw

materials, investments, and access to the Pacific nations are aspects India can benefit from.

In its new avatar, the prosperity of the nations of the Quad will be enhanced by a wider commitment to collaborate with each other. Key areas of such engagement would be trade, investment and financing, and overall economic development initiatives in areas ranging from healthcare to infrastructure.

Among Quad nations, India needs investment, attractive financing for infrastructure, technology, and access to key raw materials, particularly rare earth elements. The other members of the Quad are looking for market access and reliable destinations for investment. In such a scenario, an enlargement of the Quad's present strategic focus, towards boosting economic ties under the aegis of the partnership, would make for a win-win situation for all the countries involved.

How the Quad process evolves and indeed how other stakeholders in the region, China, South Korea and Asean react to this grouping remains to be seen. But political and economic imperatives suggest that the 'Confluence of Two Seas', posited by PM Abe in his address to India's Parliament in August 2007, could play a critical role in global strategic and economic policies in the years to come.

#### **THE INDIAN EXPRESS, NEW DELHI 7-5-2021**

### **After 8 years, India and European Union to resume free trade pact talks**

#### **Express News Service**

Official sources in the EU also said the free trade agreement package will include an investment protection pact as well as a framework on geographical indication.

After eight years, India and the European Union are set to resume negotiations for an ambitious and comprehensive free trade agreement. An announcement on the formal resumption is expected to be made at a virtual summit between Prime Minister Narendra Modi and top leadership of the 27-nation grouping on Saturday.

Official sources in the EU also said the free trade agreement package will include an investment protection pact as well as a framework on geographical indication.

Launched in June 2007, the FTA talks between India and the EU hit a roadblock in May 2013 when the two sides failed to bridge substantial gaps on crucial issues, including tariff, data security status for the IT sector and market access.

India and the EU will agree to resume the negotiations at the virtual summit between Prime Minister Modi and top leadership of the bloc, sources said Thursday.

The two sides are also likely to announce a connectivity partnership at the summit that is aimed at boosting cooperation in sectors like railway, maritime and aviation as well as in the digital domain to bring people of the two sides closer to each other, sources said. Prime Minister Modi was scheduled to visit Portugal for the India-EU summit but it was called off because of the coronavirus crisis. Both sides then decided to hold the deliberations virtually.

A strategically important grouping for India, the EU as a whole was country's largest trading partner in 2018. India's bilateral trade with the EU in 2018-19 stood at \$15.6 billion with exports valued at \$57.17 billion and imports worth \$58.42 billion.

#### **THE PIONEER, NEW DELHI 9-5-2021**

### **India-EU agree to strengthen strategic, bilateral cooperation**

#### **IANS**

In its first ever meeting with India in the EU+27 format, European Council on Saturday agreed to strengthen the "India-EU Strategic Partnership" based on a shared commitment to democracy, fundamental freedoms, rule of law and multilateralism.

India and the EU also agreed to enhance bilateral cooperation on digital and emerging technologies such as "5G, AI, Quantum and High-Performance Computing including through the early operationalization of the Joint Task Force on AI and the Digital Investment Forum".

At the invitation of President of the European Council Charles Michel, Prime Minister Narendra Modi participated in the India-EU Leaders' Meeting that was virtually held in a hybrid format with the participation of leaders of all the 27 EU Member States as well as the President of the European Council and the European Commission.

A statement issued from Prime Minister's Office mentioned that it was the first time that the EU hosted a meeting with India in the EU+27 format. The meeting was the initiative of the Portuguese Presidency of the Council of the European Union.

The leaders noted with satisfaction the growing convergences on regional and global issues, including counterterrorism, cybersecurity and maritime cooperation. The leaders acknowledged the importance of a free, open, inclusive and rules-based Indo-Pacific and agreed to closely engage in the region, including in the context of India's Indo-Pacific Ocean's Initiative and the EU's new strategy on the Indo-Pacific.

During the meeting, the leaders exchanged views on three key thematic areas-- foreign policy and security; Covid-

19, climate and environment; and trade, connectivity and technology.

They discussed forging closer cooperation on combating the Covid-19 pandemic and economic recovery, tackling climate change, and reforming multilateral institutions.

India appreciated the prompt assistance provided by the EU and its member states to combat its second Covid wave.

The leaders welcomed the decision to resume negotiations for balanced and comprehensive free trade and investment agreements. Negotiations on both the Trade and Investment Agreements will be pursued on parallel tracks with an intention to achieve early conclusion of both agreements together.

This is a major outcome which will enable the two sides to realise the full potential of the economic partnership.

India and the EU also announced dedicated dialogues on WTO issues, regulatory cooperation, market access issues and supply chain resilience, demonstrating the desire to deepen and further diversify economic engagement.

India and the EU launched an ambitious and comprehensive 'Connectivity Partnership' which is focused on enhancing digital, energy, transport and people-to-people connectivity.

The Partnership is based on the shared principles of social, economic, fiscal, climate and environmental sustainability, and respect for international law and commitments. It will catalyse private and public financing for connectivity projects. It will also foster new synergies for supporting connectivity initiatives in third countries, including in the Indo-Pacific.

India and the EU leaders reiterated their commitment to achieving the goals of the Paris Agreement and agreed to strengthen joint efforts for mitigation, adaptation and resilience to the impacts of climate change, as well as providing means of implementation including finance in the context of COP26. India welcomed the EU's decision to join CDRI.

Coinciding with the Leaders' Meeting, an India-EU Business Roundtable was organised to highlight the avenues for cooperation in climate, digital and healthcare.

A finance contract of Euro 150 million for the Pune Metro Rail Project was signed by the Ministry of

Finance, Government of India, and European Investment Bank.

India-EU Leaders meeting has set a significant milestone by providing a new direction to the Strategic Partnership and giving a fresh impetus for implementing the ambitious India-EU Roadmap 2025 adopted at the 15th India-EU Summit held in July 2020.

## THE PIONEER, NEW DELHI 15-5-2021

### **Exports jump to USD 30.63 bn in April; trade deficit at USD 15.1 bn**

**PTI**

India's exports in April jumped nearly three-fold to USD 30.63 billion from USD 10.36 billion in the same month last year, according to government data released on Friday.

Imports too rose to USD 45.72 billion last month as against USD 17.12 billion in April 2020, the data showed.

Trade deficit widened to USD 15.10 billion as against USD 6.76 billion in April 2020.

Exports in April last year had plunged by a record 60.28 per cent due to the Covid-19 pandemic induced lockdown.

In March this year, exports grew by 60.29 per cent to USD 34.45 billion.

Due to the low base effect, exports in April 2021 recorded a growth rate of 195.72 per cent.

Oil imports stood at USD 10.8 billion as compared to USD 4.66 billion in the corresponding month last year.

Major export commodities which have recorded positive growth in April include gems and jewellery, jute, carpet, handicrafts, leather, electronic goods, oil meals, cashew, engineering, petroleum products, marine products and chemicals.

## OUTLOOK AFGHANISTAN, KABUL 1-5-2021

### **Afghanistan's Economy to Rebound in 2021 Despite Challenges - ADB**

**(PR)**

KABUL — Afghanistan's economic growth is expected to recover this year and accelerate next year after a sharp decline in 2020 from the coronavirus disease (COVID-19) pandemic and continued violence and instability, said a new report by the Asian Development Bank (ADB).

In its Asian Development Outlook (ADO) 2021 released today, ADB forecasts Afghanistan's gross domestic product (GDP) growth to rebound to 3.0% in 2021, rising to 4.0% in 2022 as business activity and market sentiment normalize. GDP contracted by an estimated 5.0% in 2020 as COVID-19 containment measures exacerbated the economic impact of persistent violence and political instability. ADO is ADB's flagship annual economic publication.

"Afghanistan's economy experienced unprecedented disruption in 2020 due to COVID-19 pandemic, political instability and continued violence, which cut remittances, trade, and revenue," said ADB Country Director for Afghanistan Narendra Singru. "With a successful COVID-19 vaccine rollout and post-pandemic recovery, the



country should be on track to achieve economic growth this year and in 2022 as business activity and market sentiment normalize.”

According to the report, inflation more than doubled from 2.3% in 2019 to 5.6% in 2020 driven by higher food prices. Food price inflation in 2020 was estimated at 10% with the highest spike recorded in April, when border closure and panic buying propelled it to 16.6%. Inflation is projected to moderate to 5.0% in 2021 and 4.0% in 2022 as food supplies improve.

However, risks remain, including implementing vaccinations in remote and insecure areas, conflict, criminality, corruption, political instability, and broader social fragility. If unaddressed, these could weigh heavily on the economy and impede recovery.

Supporting the recovery of micro, small, and medium-sized enterprises (MSMEs) hard hit by the pandemic is pivotal to safeguarding workers’ incomes and livelihoods, according to the report. Before the pandemic, MSMEs were estimated to provide nearly 1.6 million service and industry jobs. The government approved a 2-year support package worth \$295 million in October 2020 to improve business conditions and implemented countercyclical measures that include support for MSMEs.

To improve the business environment, Afghanistan should facilitate MSME access to markets by developing infrastructure, improving security, combating corruption, simplifying regulation, strengthening property rights and contract enforcement, and promoting innovation and better labor skills. Increasing access to credit and further expanding the formal bank sector is also crucial.

#### **THE DAILY OBSERVER, DHAKA 4-5-2021**

### **Forex reserve crosses record \$45b mark**

#### **Agencies**

For the first time, the foreign exchange reserves of Bangladesh crossed the \$45 billion mark on Monday, keeping the money market afloat.

The country's foreign currency reserve stood \$45.105 billion, according to the Bangladesh Bank sources.

On 8 October last year, the reserves reached the \$40-billion mark. Then, on 24 February this year, the reserves exceeded \$44 billion.

In this context, Dr Mustafizur Rahman, distinguished fellow at the Centre for Policy Dialogue (CPD), said capital machineries are hardly being imported for investment, which is leaving an impact on the reserves.

On the other hand, Ahsan H Mansur, executive director of the Policy Research Institute (PRI), observed, "People stopped going abroad because of coronavirus-induced restrictions. Besides, many are not being able to go to

Singapore, Thailand or even India for treatment. As a result, a large amount of foreign exchange is not being spent, which is helping the reserves swell."

Meanwhile, inward remittances have gone past the \$2-billion mark again in April this year, after going slightly down in January.

Money sent home by migrant Bangladeshis was above \$2 billion for four straight months till December of the current 2020-2021 fiscal year.

According to data provided by the Bangladesh Bank, the country's remittance income last month stood at \$2.07 billion - almost double the previous April's figure of \$1.09 billion.

#### **THE DAILY STAR, DHAKA 5-5-2021**

### **5 economic zones to get modern telecom network**

#### **Star Business Report**

The government will set up a modern and high-frequency telecommunication network at five economic zones and tourism parks in Sylhet, Jamalpur and Cox's Bazar, with an aim to accelerate the country's economic development.

During a virtual meeting yesterday, the Executive Committee of the National Economic Council (Ecneec) approved a project of the posts and telecommunications division named "Setting up Telecommunication Network at Economic Zones (Phase-1)", involving Tk 95.12 crore.

Ecneec Chairperson and Prime Minister Sheikh Hasina presided over the meeting from Gono Bhaban.

After the meeting, Planning Minister MA Mannan said the government was going for a modernised telecommunication network at the under-construction economic zones as foreign investors sought assurance of quality telecommunication and internet services before investment.

The Ecneec approved a total of 10 projects involving an estimated cost of Tk 11,901.33 crore.

Of the sum, Tk 8,991.44 crore will come from the state coffer, Tk 809.98 crore from related government agencies, and Tk 2,099.91 crore as project assistance.

The Bangladesh Telecommunications Company Ltd (BTCL) will implement the telecommunication network project at the Srihatta Economic Zone in Moulvibazar, the Jamalpur Economic Zone, two tourism parks at Sabrang and Naf in Teknaf, and the Sonadia Tourism Park in Moheshkhali.

The project tenure runs from January 2021 to June 2023.

The project activities include setting up high-power dense wavelength division multiplexing optical fibre transmission link, establishing telecom exchange with

6,000 connection capacity, installing routers with high-speed internet back up, and constructing a telecom building in each of the zones.

The prime minister emphasised that state-owned companies like BTCL implement such projects on their own fund, the planning minister told a virtual media briefing.

"The prime minister stressed that state-owned entities established for doing business should try to be independent so that they do not have to rely on government grants," the minister said.

The Ecne approved a proposal seeking the extension of one and a half years and an additional Tk 195 crore for a project to set up a super-specialised hospital with modern healthcare facilities at the Bangabandhu Sheikh Mujib Medical University.

The estimated project cost was earlier fixed at Tk 1,366.34 crore. As per the approved proposal, the cost has gone up by 14.3 per cent to Tk 1,561.18 crore.

Initially, the project tenure was from January 2016 to December 2019, and it was earlier extended to December 2020. The new deadline is June 2022.

The prime minister expressed concern over the delay in implementing the super-specialised hospital project and ordered to complete it fast, Mannan said.

Moshammat Nasima Begum, a member of the socio-economic infrastructure department of the planning commission, said the implementation was delayed last year due to the coronavirus pandemic as Korean consultants went back.

A South Korean consulting firm conducted the feasibility study of the project in 2014, she said.

Another project that received the nod was Tk 1,452.33 crore Rehabilitation and Expansion of Command area of the Teesta Irrigation Project. The implementation period is January 2021 to June 2024.

## **SPOTLIGHT, KATHMANDU 14-5-2021**

### **ADB PROJECTION**

## **Nepal To Grow By 3.1%**

**By Staff Correspondent**

Despite the adverse impacts of COVID-19, Nepal's GDP is anticipated to grow by 3.1% for Fiscal Year 2021, according to ADB

Despite the COVID-19 pandemic and disruptions caused by the nationwide and local lockdowns, Nepal has made progress in the second quarter of the fiscal year, increasing production and capital investment.

This has contributed a lot to the economy of the country. With his confidence, Finance Minister Bishnu Poudel had announced a month ago that Nepal's economy was coming back on track.

However, the recent surge of COVID-19 cases and local level lockdowns in different parts of the country, including Kathmandu Valley, is likely to make adverse effects on the economy.

Nepal's gross domestic product (GDP) is anticipated to grow by 3.1% in fiscal year (FY) 2021 from a contraction of 1.9% in FY2020, says the Asian Development Outlook (ADO) 2021, the flagship economic publication of the Asian Development Bank (ADB).

Growth is expected to recover from the low base in FY2020, as a result of the gradual lifting of nationwide lockdown since July 2020, and a pickup in domestic demand. The ongoing vaccination campaigns against the coronavirus disease (COVID-19) pandemic will help strengthen the economic impetus.

"The COVID-19 contagion that seemed to have tapered off until end-March 2021 is now spreading rapidly. If strict containment measures that have been initiated to tackle this second wave of infections are necessary for a prolonged period in the remainder of this fiscal year, then GDP growth will be lower than the forecast," said ADB Officer-in-Charge for Nepal Sharad Bhandari.

Agriculture is expected to rise by 2.4% in FY2021 as paddy yield is likely to increase by 1.3%, owing to a good monsoon and increased acreage under production. Manufacturing and service industries gradually reopened following the end of the lockdown in July 2020. The affected industries, including micro, small, and medium-sized enterprises (MSMEs) have been receiving economic support in the form of concessional lending and refinancing of existing loans to mitigate the adverse effects of the downturn.

Construction began to pick up, while the completion of some major projects of the government is expected to boost economic recovery. The Upper Tamakoshi Hydropower is expected to begin its first phase of production, while water from the Melamchi Water Supply Project began flowing in March 2021. Overall, industry is expected to grow by 2.5% after contracting by 4.2% in FY2020. The services sector is expected to grow by 3.4% in FY2021, though hospitality, travel, and tourism subsectors will take a longer time to recover.

The ADO 2021 forecasts inflation to moderate to an average of 5.0% in FY2021, down from 6.2% in FY2020, on the back of a good harvest, smoother supply chains, and subdued non-food prices. The current account deficit is expected to widen from 0.9% of GDP in FY2020 to 2.5% in FY2021, owing to increased import growth.

GDP growth of 5.1% is envisaged for FY2022 in anticipation of vaccination progress against COVID-19,

regional and global economic recovery from this pandemic, assumption of a good monsoon leading to better harvest, and steady inflows of workers' remittance. Inflation is forecast to remain contained at an average of 6.0% in FY2022, assuming a better harvest, subdued oil prices and modest uptick in inflation in India, the major trade partner of Nepal. The current account deficit is expected to widen from 2.5% of GDP in FY2021 to 3.8% in FY2022 as imports of capital goods increase.

The main downside risk to the outlook centers on a resurgence of COVID-19 infections. Political uncertainties and policy inconsistencies, as well as recurrent natural calamities like floods and landslides, could also undermine growth prospects. A weaker than expected regional and global recovery would limit employment opportunities abroad for Nepalese workers, constrain remittance and earnings from exports, and dampen Nepal's growth.

### **Developing Asia's economic growth forecast to 7.3%**

Economic growth in developing Asia is forecast to rebound to 7.3 percent this year, supported by a healthy global recovery and early progress on COVID-19 vaccines, according to Asian Development Outlook 2021. The flagship report says the region's growth is forecast to moderate to 5.3 percent in 2022.

Inflation in developing Asia is projected to fall to 2.3 percent from 2.8 percent last year, as food-price pressures ease in several economies, before rising to 2.7 percent in 2022.

"Growth is gaining momentum across developing Asia, but renewed COVID-19 outbreaks pose a threat to recovery," ADB Chief Economist Yasuyuki Sawada in a virtual press conference.

Sawada said China and India will lead the growth in the region this year.

The report says that strong exports and a gradual recovery in household consumption will boost economic activity in China this year. China's gross domestic product (GDP) is forecast to expand 8.1 percent in 2021 and 5.5 percent in 2022.

India's economy is forecast to grow 11 percent in the fiscal year 2021, which ends on March 31, 2022, amid a strong vaccine drive, says the report.

However, it adds that the recent surge in COVID-19 cases in India may put this recovery at risk. India's GDP is expected to expand 7 percent in 2022.

Sawada said, "the most significant threat to the outlook is an unfavorable evolution" of the COVID-19 pandemic.

"Several downside risks weigh on the generally positive outlook. The biggest is that resurgent COVID-19 outbreaks or delayed or ineffective vaccines could once

again disrupt mobility and economic activity, setting back the recovery," Sawada said.

He said the economies in the region are on diverging paths. "Their trajectories are shaped by the extent of domestic outbreaks, the pace of their vaccine rollouts, and how much they are benefiting from the global recovery," Sawada added.

The report says that rising exports are boosting some economies in developing Asia amid strengthening global economic activity, including a rebound in manufacturing.

It says that progress on the production and delivery of COVID-19 vaccines has contributed to this momentum, but the pandemic remains the biggest risk for the region as potential delays in vaccine rollouts or significant new outbreaks could undermine growth.

Although Asian countries have made good progress, it is yet to see how the recent round of deadly upsurge of cases will affect the economy. However, ADB's recent outlook shows a positive trend.

### **DAILY NEWS, COLOMBO 4-5-2021**

## **“Sri Lanka should explore JV’s with Pakistan to boost economic cooperation”**

### **Print Edition**

Sri Lanka and Pakistan should seriously look into opportunities for joint ventures between the two countries across high potential sectors to substantially boost economic cooperation.

This was opined by the High Commissioner of Pakistan in Sri Lanka Muhammad Saad Khattak, who was the Chief Guest at the 29th Annual General Meeting of the Sri Lanka – Pakistan Business Council of the Ceylon Chamber of Commerce held recently. At the Annual General Meeting Somasundaram Deivanayagam, Managing Director of Eswaran Brothers Exports was unanimously elected as the President of the Council.

“I strongly believe that the active working and participation of forums such as the Sri Lanka – Pakistan Business Council of the Ceylon Chamber of Commerce are integral to building long-term and sustainable business-to-business linkages between Pakistan and Sri Lanka.

Pakistan-Sri Lanka relationships are bound together by diverse yet similar legacies, linked by trade connections crisscrossing over time. We have helped each other in times of adversity; we have signed a mutual free trade agreement before anyone else. To this end, Sri Lanka has the exceptional status of being the first country with which Pakistan entered into a Free Trade Agreement for trade of goods, which came into effect in 2005. This clearly highlights the trust and expectations that we have in the economic potential of Sri Lanka.”

Elaborating further on the trade ties he indicated that though the current trend of growth in bilateral trade is positive, however, the present volume of trade which is around US \$ 450 million does not reflect the true potential between the two friendly countries. Currently, Sri Lanka is the 14th largest export destination, while Pakistan is Sri Lanka's 23rd.

“However, we are cognizant of the fact that exports from Sri Lanka, which stood at US\$ 81 million in 2019 and the overall volume of bilateral trade between our two friendly countries can be significantly improved.”

The High Commissioner reiterated that strengthening bilateral trade and investment between Pakistan and Sri Lanka is a top priority in the agenda of the Pakistan High Commission in Sri Lanka. Addressing the gathering Deivanayagam, the newly elected President stated that Pakistan is the largest tea drinking nation importing approximately 250 to 300 million Kgs of tea annually.

“However, it was noted that a very low quantity of tea is being exported from Sri Lanka to Pakistan and requested the Ambassador to intervene and see the possibility of improving the current situation by importing increased quantities of tea from Sri Lanka to Pakistan.

“Newly elected President Deivanayagam requested the High Commissioner to improve the current situation by importing increased quantities of tea from Sri Lanka to Pakistan, the largest tea drinking country.

Outgoing President Azmy Mohammed appreciated the support extended to local companies by the High Commission of Pakistan and requested his support to further develop trade and investment between Sri Lanka and Pakistan.

In South Asia, Sri Lanka ranks as the 3rd largest trading partner. Major exports to Sri Lanka include, Portland Cement, Vegetables including onions and potatoes, rice, pharmaceuticals, cereals, cotton yarn, woven fabric, etc. I'm pleased to note that exports to Sri Lanka have been stable and growing throughout the years since the signing of the FTA and in 2019 exports from Pakistan stood at US\$ 369 million.

The High Commission of Pakistan through its Trade & Investment Wing is committed to not only enhance the volume of our traditional exports to Sri Lanka such as textile products, pharmaceuticals, construction materials including cement and iron and steel products, fruits and vegetables but also make way for joint ventures between Sri Lankan and Pakistani businesses in various mutually beneficial high potential sectors such as textile manufacturing, pharmaceuticals, agro processing, Information & communication Technology (ICT) and tourism development and also to deepen our cooperation through enhanced regional connectivity under the Belt and Road Initiative (BRI) and China-Pakistan Economic Corridor (CPEC). Pakistan is one of the world's fastest

growing economies in a largely volatile global economic scenario. The Bilateral Business Councils, an integral part of the Ceylon Chamber of Commerce, plays a vital role in the promotion of international business. The main activity of the Councils is expansion of business between Sri Lanka and the partner country.

The Ceylon Chamber operates 19 Bilateral Business Councils with the prime objectives of promoting trade and investment, joint ventures, services including promotion of tourism between Sri Lanka and the respective countries. Somasundaram Deivanayagam, Managing Director of Eswaran Brothers Exports Pvt Ltd. was elected as the President of the Council, and Kaushal Rajapaksa, Proprietor, Kalhari Enterprises Shaameel Mohideen, Chief Executive Officer, Spillburg Holdings (Pvt) Ltd. were elected as the Vice Presidents.

The Committee members representing Akbar Brothers (Pvt)Ltd. -Yogaratnam Yogeswaran, DMW Ventures Pvt. Ltd. – Wasantha de Silva, Hatton National Bank PLC – Randeva Mahaarachchi, M.A. Razak & Co. Ltd. – Ehab Razak, and MAC Holdings(Pvt) Ltd. - Kamal Boyagoda was appointed at the AGM. Caption: The new office bearers Seated Left to right Ehab Razak, Rohitha Thilakarathne, Lilakshini de Mel, Segga Nagendra, S. Deivanayagam, Maj. Gen.(Retd) Muhammad Saad Khattak, Shameel Mohideen, Asmma Kamal, Kaushal Rajapaksa, Azmy Mohideen, Wasantha de Silva and Mahesh Wijayanayake.

#### **DAILY NEWS, COLOMBO 4-5-2021**

### **ADB commits US\$ 17.4 bn grants, technical assistance, loans and \$ 12.8 bn in co financing**

#### **Provides assistance for developing tech related education programs in Sri Lanka**

##### **Print Edition**

Since announcing ADB's \$20 billion support package in April last year, the Asian Development Bank has already committed \$17.4 billion out of that package through grants, technical assistance, and loans to governments and businesses and also mobilized \$12.8 billion in cofinancing, Masatsugu Asakawa, President, Asian Development Bank, told the ASEAN+3 Finance Ministers' and Central Bank Governors' Meeting (AFMGM+3), aired virtually yesterday.

ADB's COVID-19 Pandemic Response Option, or CPRO, provides quick-disbursing budget support for countercyclical economic stimulus in our developing member countries (DMCs). So far we have provided \$10.2 billion in CPRO to 26 countries, including \$5.0 billion for five ASEAN economies.

“We are also helping our DMCs procure and deliver safe and effective vaccines, swiftly and equitably. Last

December, we launched our \$9 billion vaccine initiative—the Asia-Pacific Vaccine Access Facility, or APVAX. We recently signed a \$425 million loan for the Philippines and \$450 million for Indonesia. We also provided grants to Afghanistan and Pacific countries.

Fourteen additional APVAX projects, worth more than \$3.8 billion, are in the pipeline. Unfortunately, supply shortages are limiting vaccine availability in the region. ADB recently revised its vaccine eligibility criteria so that vaccines can be procured swiftly from more diverse sources, while also ensuring safety and efficacy aligned with the World Bank and COVAX.”

Asakawa said the ADB was also providing technical assistance to strengthen digital literacy in education projects in Bangladesh, and developing technology-related education programs in Sri Lanka.

The tax-to-GDP ratio averages 14% for ASEAN and 18% for the Plus three economies—lower than the average for developing Asia and OECD, respectively. This suggests ample room for boosting revenues and strengthening tax collection in ASEAN+3 economies, he said.

Digitizing tax systems and international tax cooperation can help mobilize revenue and fight tax avoidance. Multinational investments are growing in ASEAN+3 markets, but an increasingly borderless digital economy is making it easier for firms to shift profits to low-tax jurisdictions.

We need to ensure all parties pay their fair share of taxes by closing cross-border tax loopholes through collaboration.

“As a next step, we propose establishing a Steering Committee to bring together key development partners and DMCs that are willing to actively engage in the Tax Hub. We will then organize a first High-Level Conference under the Tax Hub later this year to share the progress and plans on the three building blocks, including details of the operations of the Secretariat and Steering Committee,” he added.

#### **DAILY NEWS, COLOMBO 11-5-2021**

### **Lanka receives USD 500 mn concessional loan from Republic of Korea**

#### **Business**

*S. R. Attygalle, Secretary, Ministry of Finance and Woonjin Jeong, the Ambassador of the Republic of Korea*

In order to further strengthen the economic cooperation between the two countries, the Government of the Republic of Korea has agreed to provide concessional loans from the Economic Development Cooperation Fund (EDCF) of the Export Import Bank of Korea (KEximbank).

Accordingly, the Government of Republic of Korea and Government of Sri Lanka have agreed to sign a new Framework Arrangement for the period of 2020-2022 to obtain loans through EDCF up to an aggregate commitment amount of USD 500 million to finance projects mutually agreed. The loan interest rate on this concessional loan is about as low as 0.15% -0.20% and the loan has a repayment period of about 40 years with a grace period of 10 years.

In addition, the two sides agreed to continue the Korean Exim Bank Representative Office, which was opened in Colombo in January 2016 by its Chairman, to further implement the projects in a well-coordinated manner.

The Framework Arrangement was signed yesterday by S. R. Attygalle, Secretary, Ministry of Finance on behalf of the Government of Sri Lanka, and Woonjin Jeong, the Ambassador of the Republic of Korea, representing the Republic of Korea.

#### **THE NATION, ISLAMABAD 7-5-2021**

### **Pakistan, Turkmenistan to enhance economic, trade connectivity**

#### **Dr Javaid Laghari**

ISLAMABAD - Pakistan and Turkmenistan on Thursday agreed to enhance the bilateral economic and trade cooperation in the different potential sectors for broadening the trade connectivity between both sides.

The two sides decided to work on mutual cooperation in Sanitary and phytosanitary (SPS) standards for trade of agriculture products, banking sector, pharmaceuticals, engineering goods, trade dispute resolution, establishing warehouses in Pakistan, establishing joint chamber of commerce and industry, exchange of information on trade, tariff and regulatory regimes and exchange of delegations of professionals and businessmen from information technology sector, said a press release issued by Ministry of Commerce here.

The second meeting of Pak-Turkmenistan Joint Working Group on Trade was held virtually here. The meeting was co-chaired by Additional Secretary (Trade Diplomacy) Ministry of Commerce, Pakistan Humair Karim and Head of Department of Foreign Economic Relations, Ministry of Trade and Foreign Economic Relations, Turkmenistan

Merdan Annagulyyev and attended by senior government officials from both sides.

Additional Secretary (TD) in his opening statement expressed his gratitude to hold the meeting and stated that Pakistan and Turkmenistan have long standing diplomatic and commercial relations and the government of Pakistan attaches huge importance to its relations with Turkmenistan.

However, the existing bilateral trade is far below the potential. The meeting of this Joint Working Group is a manifestation of the desire on both sides not only to strengthen and increase bilateral trade but also make efforts to remove the hurdles which hamper the trade. He shared the vision of the government of Pakistan, to make Pakistan a trade, transit and trans-shipment hub. He also highlighted the importance of Pakistan as a hub for investment due to its access to world markets and ease of doing business. Head of Department of Foreign Economic Relations, Ministry of Trade and Foreign Economic Relations, Turkmenistan Merdan Annagulyyev also expressed his pleasure on holding the meeting of JWG on trade and the interest of Pakistan to enhance trade relations with Turkmenistan. He reciprocated the same desire from the Government of Turkmenistan.

#### **THE NATION, ISLAMABAD 8-5-2021**

### **US, Pakistan launch pilot project to boost trade**

#### **STAFF REPORT**

ISLAMABAD - The United States government, along with the government of Pakistan, has launched the first international shipment from Pakistan. The initiative is compliant with the United Nations' "Transports Internationaux Routiers" (TIR) Convention, an international customs transit system that facilitates trade by expediting border checks between countries.

According to details, the United States Agency for International Development's (USAID) Pakistan Regional Economic Integration Activity (PREIA) provided technical and financial support for the pilot project.

Utilizing the international transport company TCS, this week's pilot shipment was the first in a series of five planned trial runs between Pakistan and Central Asia.

These pilot shipments will test the viability of various routes for international transit to Central Asia and beyond under the TIR Convention, and they will document the associated operational and logistical challenges during the journey.

The trial shipment to Tashkent, Uzbekistan, via Afghanistan departed Karachi on April 28 and arrived in Tashkent on May 3 via the Karachi-Kabul-Termez trade route.

"The success of the first pilot shipment to Tashkent will build confidence among traders and transport operators on both sides to use TIR for cross-border trade and transit, which will boost regional trade," said USAID Mission Director Julie Koenen.

"We are proud to partner with the Pakistan government to make trade with Central Asia as fast and seamless as possible, which will help all of the countries in the region improve their economies," the official remarked.

#### **THE NEWS, ISLAMABAD 11-5-2021**

### **Pakistan seeks more trade with Central Asia in diversity push**

#### **Monitoring Desk**

ISLAMABAD: Pakistan is looking to intensify trade with neighbor Afghanistan and countries in Central Asia, as it looks to diversify commerce beyond the top players, the nation's trade adviser told Bloomberg.

The South Asian nation is looking to finalize a new trade accord with Kabul by June, Abdul Razak Dawood, the commerce adviser to Prime Minister Imran Khan, said in an interview in Islamabad. It plans to grow trade with five landlocked Central Asian nations -- Uzbekistan, Tajikistan, Turkmenistan, Kyrgyzstan and Kazakhstan -- to about \$1.5 billion a year from less than a billion in the past decade, he said.

"We're too restricted to a few countries -- North America, European Union and China," said Dawood. "But there is a much bigger world."

The U.S. withdrawal from Afghanistan promises a return of stability and provides an opportunity to Pakistan to strengthen commerce with its neighbor, which sits at the cross-roads of South and Central Asia. Also, Islamabad

stands to benefit from greater trade with Central Asian markets that are rich in energy resources needed to feed its ambition to grow its industrial base.

Pakistan is due to sign transit and preferential trade agreement with Uzbekistan in July, Dawood said.

The South Asian economy's move to scout for newer markets stems from the need to diversify its trade basket that's heavily reliant on the U.S., EU and China. Of its total \$66 billion of annual trade in the year ended June 2020, China accounted for \$11.2 billion and North America \$6.76 billion, according to data from State Bank of Pakistan.

Analysts see the new push in the context of Pakistan's geo-strategic framework, which draws from the economic cooperation espoused by Chinese President Xi Jinping's Belt and Road Initiative.

While China has channeled investments toward electricity generation in Pakistan as part of its Belt and Road Initiative, it's financing has also been focused on gas- and oil-based projects for exploration and distribution in Central Asia.

"Economy is one part of the strategic outlook," Vaqar Ahmed, joint executive director at Sustainable Development Policy Institute said. "Ultimately you would need economy, trade and investment cooperation to keep excitement in your strategic interests."

### **THE NATION, ISLAMABAD 13-5-2021**

## **Pak-Uzbek transit trade launched**

### **Staff Report**

ISLAMABAD - The embassy of Uzbekistan in Pakistan together with Pakistani transport company "Best Trans Pvt Ltd" and Uzbek freight forwarding company "Asad Trans" for the first time implemented pilot trans-Afghan logistics project for the direct delivery of Uzbek export goods to Pakistan through the territory of Afghanistan.

As the joint action of the embassy of Uzbekistan in Islamabad with the support of the ministry of Commerce of Pakistan, the partners of "Asad Trans" and "Best Trans Pvt Ltd" since January of this year began working on a project for direct delivery (through Afghanistan) of Uzbek

goods to Pakistani cities according to the "supplier's warehouse - importer's warehouse" scheme.

The implementation of the specified transit transportation of Uzbek goods is the implementation of trans-Afghan transport and logistics projects initiated by the President of Uzbekistan. Successful implementation of the project provides significant reduction of the cost of transportation of Uzbek goods, including shipping at Uzbek-Afghan border, and subsequently at Afghan-Pakistani border in accordance with TIR CARNET Convention dated on 1975, members of which are Uzbekistan, Afghanistan and Pakistan. On May 11 of this year, a cargo vehicle with Uzbek licence plates safely crossed the Afghan transit route in two days and reached the Torkham checkpoint in Peshawar. After the completion of customs clearance, the truck will reach the importer in Faisalabad.

The vehicle transports processed leather products (wet blue) from Uzbekistan for Pakistani leather factories. Further regular direct delivery of Uzbek export goods (coal, mineral fertilizers and textiles) has been planned to the Pakistani cities of Lahore, Karachi, Taxila and Faisalabad.

Partners of "Best Trans Pvt Ltd" and "Asad Trans" are planning to increase the number of freight vehicles up to 50 units by the end of the year to ensure the smooth circulation of goods by Uzbek trucks. According to the chairman of "Best Trans Pvt Ltd" Ramiz Rabbani, the entry of the first Uzbek truck into the territory of Pakistan is a historical event, since before that, in the Uzbek-Pakistani economic relations, the delivery of Uzbek export goods directly to Pakistan through the freight transport of the Republic of Uzbekistan was not implemented.

According to him, the expected signing between Uzbekistan and Pakistan of intergovernmental agreements on preferential and transit trade will be an impetus for the development of interregional freight circulation through the trans-Afghan route.