



Opinion in Lead

Public debt in South Asia: Lessons from Nepal, Pakistan and Sri Lanka

Soaring public debt, especially in the wake of the COVID-19 pandemic, has been in the crosshairs of public debate. South Asia is at the epicenter of the debate. Sri Lanka defaulted for the first time on its sovereign loan and Pakistan is facing severe difficulties in financing its increasing public debt stock. Another South Asian nation, Nepal, while not known for its debt issues, with a relatively modest debt stock, has seen some concern over its precipitously rising public debt. Against this background, three country studies (covering Nepal, Pakistan, and Sri Lanka) were conducted to assess the state of public debt in these three South Asian nations and to identify what political-economic factors turned their debt sour.

State of public debt

A good starting point is to present the state of public debt in each country. Although government debt has generally seen a significant increase over the years, there is a considerable variation among the countries in their debt-to-GDP ratio (Figure 1). Likewise, notable differences are seen in government revenue and expenditure patterns, and debt-service obligations.

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News



Nepal, China to issue five-year passes for Himalayan districts

Nepal and China have agreed to issue five-year entry and exit passes for people in 15 districts of northern Nepal abutting China.

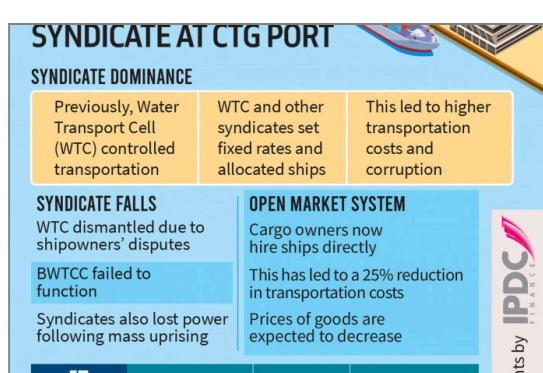
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India surpasses China to become Russia's top oil buyer

India overtook China as the world's biggest importer of Russian oil in July as Chinese refiners bought less because of lower profit margins from producing fuels.

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Syndicates' absence in Chittagong port cuts lighter ship transport costs 25%

With the removal of the transportation syndicates, goods are now transported from the outer anchorage of Chattogram port to 34 sea routes under an open market system, reducing shipping cost by at least 25 percent.

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China targets dairy imports from EU in latest barb in trade row

Beijing launched a probe into EU subsidies of some dairy products imported into China, the day after the bloc said it planned to impose five-year import duties of up to 36 percent on Chinese electric vehicles (EVs).

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EU lists lower tariff on China-made Teslas as it revises duties

The European Union has slashed its planned extra tariff on Tesla electric vehicles (EVs) imported from China by more than half.

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India raises imports of Nepal's energy to nearly 1,000 MW

India approved a plan to import an additional 251 MW of electricity from Nepal, bringing the total imports to nearly 1,000 MW.

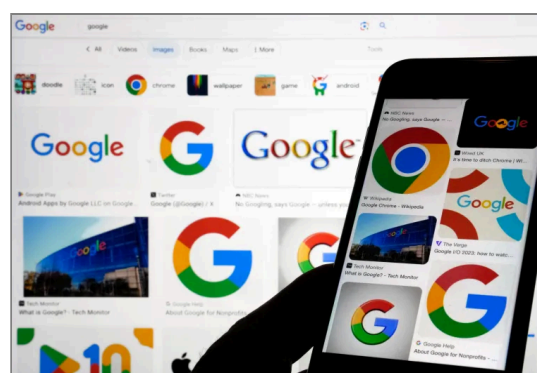
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Will Yunus-led interim government bring Bangladesh out of its 'dark era'?

As a new government headed by the country's only Nobel laureate takes charge, many wonder how it will undo years of ex-PM Sheikh Hasina's 'autocratic rule'.

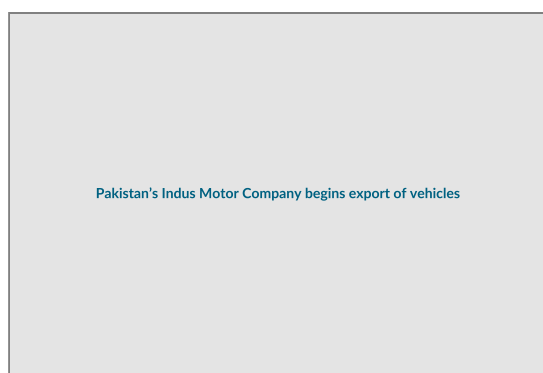
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Google has illegal monopoly over internet search, US judge rules

An US court has ruled that Google spent billions of dollars to create an illegal monopoly for its search engine, exploiting its dominance to squash competition and stifle innovation.

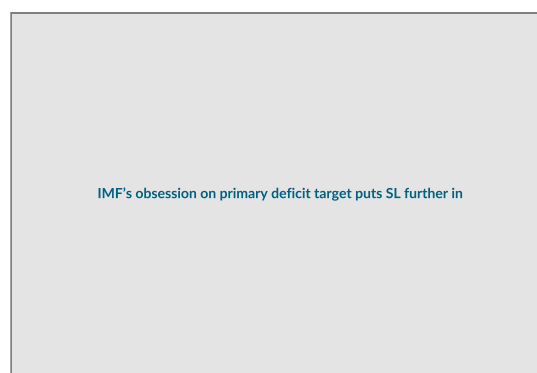
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Pakistan's Indus Motor Company begins export of vehicles

Indus Motor Company has started exporting vehicles manufactured in Pakistan during a ceremony held at the company's manufacturing facility at Port Qasim Authority.

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IMF's obsession on primary deficit target puts SL further in debt bind

The obsession on an arbitrarily set primary balance target in the budget by the IMF is driving Sri Lanka into a debt bind, perhaps much worse than what it is in right now, an analyst cautioned.

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Publications

Trade Insight Vol 20 No 1-2: Towards a green transformation



In response to the growing threat of climate change impacts, several South Asian countries are implementing green industrial policies and exploring sustainable energy transitions. The latest issue of Trade Insight captures the intersection of climate change, industrial policy, and trade in South Asia. The articles explore India's green industrial initiatives; Pakistan's efforts towards a just energy transition; and broader attempts at green trade facilitation in the region; policies to support climate-smart agriculture in Sri Lanka; green, resilient and inclusive development goals in Nepal; and navigating the global green policy measures and its implications for developing countries, among other issues.

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