

SOUTH ASIA WEEKLY BRIEFING

DATE 25, 2026

BY KASWAR KLASRA

South Asia is navigating a complex intersection of diplomacy, security, and economic recalibration. The Trump-led “Board of Peace” initiative has thrust Pakistan and India into a new multilateral framework, highlighting Washington’s transactional approach to regional stability.

India’s dual strategy—joining global peace mechanisms while hedging with Germany and the EU—reflects a careful balance between economic resilience and strategic autonomy. Pakistan leverages geoeconomic gains, with Basmati exports overtaking Vietnam, yet domestic business costs threaten competitiveness.

Afghanistan’s humanitarian crisis, worsened by IS-K attacks and severe weather, underscores persistent governance fragility. Nepal’s exclusion of Huawei from 5G infrastructure signals growing alignment with Western technology-security norms, while Bangladesh confronts election volatility and digital-sector corruption.

Across the region, China remains a pivot in economic recalibration, prompting India to reconsider selective investment restrictions. Collectively, South Asia is transitioning from reactive security postures toward proactive diplomacy and economic statecraft amid intensifying great-power competition.

Here are five most important stories which shaped South Asia last Week:

1. Nepal Telecom cancels Rs5 billion billing system bid, ousts Huawei

Nepal scrapped a major billing system tender, effectively excluding Huawei amid procurement and geopolitical concerns.

🔗 <https://kathmandupost.com/money/2026/01/19/nepal-telecom-cancels-rs5-billion-billing-system-bid-ousts-huawei>

2. India invited to sit on Trump’s Board of Peace for Gaza

India has been invited to join the U.S.-led “Board of Peace” aimed at Gaza conflict resolution, underscoring New Delhi’s rising diplomatic role.

🔗 <https://www.thehindu.com/news/national/india-invited-to-sit-on-trumps-board-of-peace-for-gaza/article20260119.ece>

3. ISIS-K claims responsibility for Kabul restaurant attack

Islamic State-K claimed a suicide bombing at a Chinese restaurant in Kabul’s Shahr-e-Naw

district, killing at least seven and highlighting ongoing security threats.

🔗 <https://www.aljazeera.com/news/2026/1/20/isil-claims-kabul-attack-on-chinese-restaurant-that-killed-7-people>

4. Pakistan overtakes Vietnam in Basmati exports

Pakistan has surpassed Vietnam in global rice exports, driven by strong Basmati demand and aligning with broader geoeconomic strategy.

🔗 <https://asianews.network/basmati-boom-propels-pakistan-past-vietnam/>

5. Europe and India seek closer ties with “mother of all deals”

India and the EU push toward a historic free trade pact to expand economic integration amid shifting global geopolitics.

🔗 https://www.indianagazette.com/the_wire/europe-and-india-seek-closer-ties-with-mother-of-all-deals/article_137d7031-f079-5bbc-a25c-a1b72c1a10e0.html

Ends