



## OPINION IN LEAD

### Loss and Damage Fund: Triumph of COP27

Climate change is causing an increase in the frequency and intensity of some types of extreme weather events, including extreme precipitation events, such as heavy rain and snowfall. This can cause flooding, landslides, and other disasters. These extreme weather events and the resulting disasters cause some serious unavoidable losses and damages to the lives and livelihoods of people. These damages can be specified as economic losses and non-economic losses. Economic losses [refer](#) to the loss of resources, goods and services commonly traded in markets, such as agricultural produce, infrastructure and property. Non-economic losses are [understood](#) as losses that can impact individuals, society and/or the environment such as loss of life or health, loss of territory, loss of cultural heritage and identity, loss of biodiversity or loss of an entire ecosystem.

Climate-vulnerable countries—developing countries, especially least-developed countries (LDCs) and small island developing states (SIDS)—are disproportionately affected by loss and damage caused by climate change in spite of their limited contribution to global warming. As a result, addressing loss and damage (L&D) has been a key issue in international climate negotiations. L&D—as frequently mentioned in international climate negotiations—refers to plans and policies focused on addressing L&D caused by climate change.

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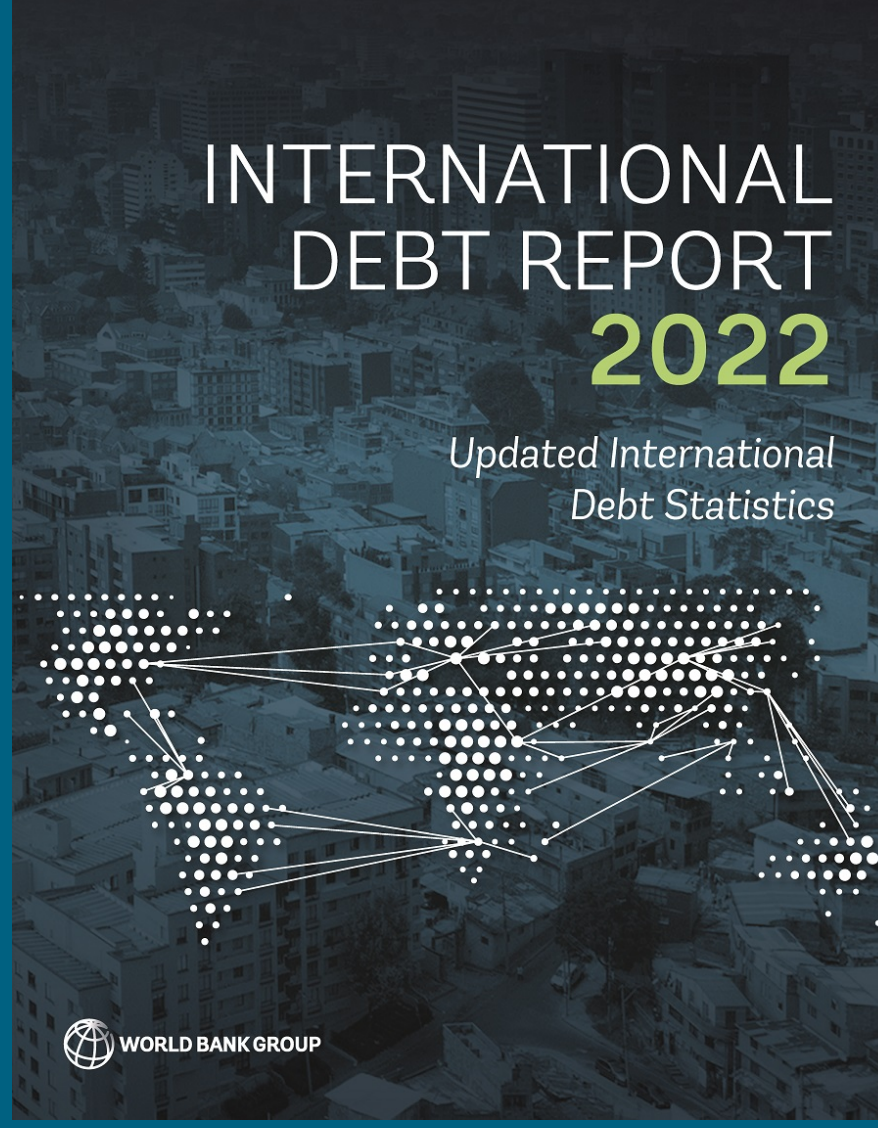
## REPORT

### Debt-service payments put biggest squeeze on poor countries

The poorest countries eligible to borrow from the World Bank's International Development Association (IDA) now spend over a tenth of their export revenues to service their long-term public and publicly guaranteed external debt—the highest proportion since 2000, shortly after the Heavily Indebted Poor Countries (HIPC) initiative was established, the World Bank's new International Debt Report shows.

The report highlights rising debt-related risks for all developing economies—low- as well as middle-income economies. At the end of 2021, the external debt of these economies totaled US\$9 trillion, more than double the amount a decade ago. During the same period, the total external debt of IDA countries, meanwhile, nearly tripled to US\$1 trillion. Rising interest rates and slowing global growth risk tipping a large number of countries into debt crises. About 60 percent of the poorest countries are already at high risk of debt distress or already in distress.

At the end of 2021, IDA-eligible countries' debt-service payments on long-term public and publicly guaranteed external debt totaled US\$46.2 billion—equivalent to 10.3 percent of their exports of goods and services and 1.8 percent of their gross national income (GNI), according to the report. Those percentages were up significantly from 2010, when they stood at 3.2 percent and 0.7 percent respectively. In 2022, IDA countries' debt-service payments on their public and publicly guaranteed debt are projected to rise by 35 percent to more than US\$62 billion, one of the highest annual increases of the past two decades. China is expected to account for 66 percent of the debt-service payments to be made by IDA countries on their official bilateral debt.

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## NEWS



### China to open to the rest of the world after nearly 3 years

China is dropping COVID quarantine requirements for foreigners and says it will start reissuing some visas — after nearly three years of complete border closures.

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### Nepali traders face additional cost of up to 32% due to poor logistic

Nepali traders have been paying as high as 32 percent of the actual cost of the goods for transport, transit, delivery, storage and official procedures due to lack of related infrastructure.

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### Slump in consumer goods imports in Sri Lanka shows household misery

The slump in imports of consumer goods this year offers a glimpse to how the unravelling economic crisis has had upended the purchasing patterns of consumers.

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### Red Bull's manufacturer files case against Nepal in WTO

The Rasuwagadhi-Kerung border point is yet to reopen after being closed for the past thirty-four months, throwing scores of local traders out of jobs.

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### EU adopts carbon border tax to fight polluting imports

The European Union (EU) agreed on the broad outlines of its Carbon Border Adjustment Mechanism (CBAM) to tax imports from the most polluting sectors.

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### India-Australia pact kicks in; zero duty for 96.4% exports

Australia is offering zero-duty access to India from day one for about 96.4% of the products exported, including many that currently attract 4-5% customs duty.

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### Nepal's energy exports come to a halt

Nepal's electricity export to India has come to a halt for this year after the water level receded in rivers as the winter season has peaked.

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### World's poorest countries' debt interest payments rise

The world's poorest countries are expected to pay 35% more in debt interest bills this year to cover the extra cost of the Covid-19 pandemic and a rise in the price of food imports.

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### FDIs into Sri Lanka stay robust amid challenges

Despite a wave of global and local volatility, the Board of Investments has attracted foreign direct investment at record levels, reaching 71% of the full-year target of \$ 1 billion in nine months.

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## Events

### Regional Investment: Barriers, Opportunities and Facilitation

South Asia Watch on Trade, economics and Environment (SAWTEE), with support from the Asia Foundation (TAF), organized a webinar on "Regional Investment: Barriers, Opportunities and Facilitation" on 1 December 2022. The panel discussed the state of intraregional investment in South Asia and its linkages with trade and value chain integration. The session had Civil Society Organizations (CSOs), experts and academicians that specialize in the issues of regional investment to delineate pathways for greater investment integration in the region.

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### SAWTEE organizes panel discussion at Birat Expo

SAWTEE organized a panel discussion on "Province 1's regional connectivity and trade potential" at the Expo on 17 December. Moderated by Dr Paras Kharel, Executive Director, SAWTEE, the panel discussion had Dr Posh Raj Pandey, Chairman, SAWTEE as a keynote speaker, along with three panellists: Mr Rabi Sainju, former Joint Secretary, Ministry of Industry, Commerce and Supplies, Government of Nepal; Mr Shyam Dahal, Accredited World Customs Organization Customs Modernization Advisor; and Mr Anil Sarada, General Secretary, Morang Merchants' Association.

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### Seminar on 'Trade Policy and Economic Diplomacy in Nepal'

South Asia Watch on Trade, Economics and Environment (SAWTEE), in collaboration with The Asia foundation (TAF), organized a seminar on "Trade policy and economic diplomacy in Federal Nepal" on 28 December. The event saw the participation of current and former policymakers, trade experts, diplomats, researchers, academicians and journalists, among others.

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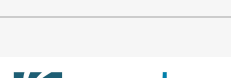
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