

International

Pakistan to allow imports from India in sign of diplomatic thaw

Limited imports of sugar, cotton and wheat to help rein in inflation

ISLAMABAD: Pakistan will allow limited imports of sugar, cotton, and wheat from India in a bid to rein in rampant inflation, signaling a further thaw in relations between the two arch-foes.

The government said late Wednesday that permits would be granted for the import of half a million tons of sugar—a move expected to slash the price of the commodity by up to 20 percent ahead of the forthcoming fasting month of Ramadan, when consumption soars. Three million tons of wheat would also be allowed to be brought in, as well as unspecified quantities of cotton and yarn.

Pakistan's economy is in the doldrums, a position made worse by a spreading third wave of the coronavirus pandemic that has seen the reintroduction of partial lockdowns across the country. Islamabad suspended trade and diplomatic ties with India in 2019 after New Delhi revoked the special status of the part of divided Kashmir that it rules.

Both countries withdrew their top diplomats, and consular staff were expelled or withdrawn. There has been a frosty stand-off since, but signs of rapprochement recently have included Indian Prime Minister Narendra Modi and his Pakistani counterpart Imran Khan exchanging letters, as well as a resumption of talks last week on the use

of resources from their shared Indus River. Bloomberg reported last week that the United Arab Emirates had brokered secret back-channel talks between the two South Asian nations. Asked at a press conference Wednesday why the trade was resuming despite there being no change in New Delhi's position on Kashmir, Pakistan Finance Minister Hammad Azhar said the government had to make decisions "in the interest of the people".

"Cutting trade ties with India was an emotional decision and now the resumption of these ties is an economic compulsion," Farrukh Saleem, an economist and financial and political analyst, told AFP.

Azhar only took up his position on Tuesday after Khan sacked his predecessor for failing to check runaway inflation. Meanwhile, the International Monetary Fund resumed its \$6 billion bailout program with Pakistan, which was paused after the coronavirus outbreak, sending an instalment of nearly \$500 million this week. Pakistan went on to make its first foray in nearly five years into the global treasury market, with an oversubscribed issue of \$2.5 billion in Eurobonds. The country is in debt to the tune of nearly \$114 billion—more than 85 percent of its gross domestic product. —AFP



ISLAMABAD: Pakistan announced that it will allow the import of sugar and cotton from India, resuming trade between the two countries after it was stopped in August 2019. —AFP

AU calls for urgent action after Mozambique attack

ADDIS ABABA: The African Union yesterday called for urgent and coordinated international action after a jihadist attack that killed dozens and uprooted thousands on the northern Mozambican coastal town of Palma. The jihadists captured Palma on March 24, ransacking buildings and beheading residents and forcing thousands to seek safety in surrounding forest.

Dozens have been killed, more than 8,000 displaced and many more are still missing following the coordinated attack seen as the biggest escalation of an Islamist insurgency that has battered Cabo Delgado province since 2017. In a statement, AU chairman Moussa Faki Mahamat said he "condemns in the strongest terms the terrorist attacks".

Expressing "utmost concern" at the presence of international extremist groups in southern Africa, he called for an "urgent and coordinated regional and international action". Regional bloc the Southern African Development Community held emergency talks in Harare to discuss the violence.

Botswana's President Mokgweetsi Masisi vowed regional help, but gave no details. He said SADC would "respond in a helpful manner that we assure the integrity and sovereignty of one of our own, never to be assaulted by dissident, rebellious and non-state actor forces that undermine the democratic credentials and peace in the region." —AFP

Italian 'spy for Russia' had money problems, says wife

ROME: The Italian navy captain arrested this week in Rome for selling confidential documents to a Russian official was "desperate" for money, his wife said in a newspaper interview published yesterday.

The arrest of Walter Biot, 56, late Tuesday in a parking lot, unleashed a diplomatic scuffle between Italy and Russia. Italy swiftly expelled two Russian officials on Wednesday while Foreign Minister Luigi Di Maio summoned Russian ambassador Sergey Razov to lodge a formal protest.

"He's not stupid, he's not irresponsible. It's just that he was desperate," Biot's wife, Claudia Carbonara, told La Corriere della Sera daily. "Desperate for our future and that of the children."

Biot's salary of 3,000 euros a month (\$3,500) was insufficient to support his family of four children—one of them with a serious handicap—and four dogs, Carbonara told the paper. A 1,200-euro mortgage, school costs and activity fees for the children all pushed the navy veteran of 30 years



ROME: A view of the headquarters (left) of Italian Ministry of Defense in Rome. — AFP

to hand over secret documents to the Russian in exchange for 5,000 euros, she said.

"Because of Covid we've become impoverished," said Carbonara, a sex therapist, adding that her husband had not discussed with her beforehand what he planned to do. Since 2015, Biot has worked in the office of the Chief of the Defense Staff. He is accused of taking pictures of secret documents on his computer screen and passing the files onto a pen drive, which police confiscated.

Police said the arrest followed lengthy

investigations by Italy's domestic intelligence agency AISI, with support from the Chief of the Defense Staff. On Wednesday, Di Maio told parliament that Russia's move was a "hostile act that will have consequences". A Kremlin spokesman said Wednesday he hoped the incident would not affect "the very positive and constructive nature" of relations between the two countries. The Russian embassy in Rome also on Wednesday expressed "regret" for the expulsion of two members of its military attache office. —AFP