WB declares record $100b support for poorest countries

AFP, *Washington*

The World Bank announced Thursday that it had raised close to $24 billion to provide loans and grants for some of the world's poorest nations, which it can leverage to generate a record $100 billion in total spending power.

Donor countries committed $23.7 billion to replenish the bank's concessional lending arm, known as the International Development Association (IDA), a World Bank spokesperson told AFP, marking a slight increase from the roughly $23.5 billion pledged during the last fundraising round three years ago.

The bank can use this money to borrow on financial markets, allowing it to leverage the amount raised by around four times, unlocking around $100 billion in new loans and grants, up from $93 billion in 2021.

"We believe the historic success of this IDA21 replenishment is a vote of confidence and support

It will help provide resources to invest in health, education, infrastructure, and climate resilience as well as helping to stabilise economies and create jobs

from donors and clients," a World Bank statement read, referring to the current IDA funding round.

"This funding will be deployed to support the 78 countries that need it most," World Bank President Ajay Banga said in a separate statement, referring to the developing countries that are eligible for IDA support. It would, he added, help provide "resources to invest in health, education, infrastructure, and climate resilience," as well as helping to stabilize economies and create jobs.

The World Bank's announcement follows two days of talks in the South Korean capital, Seoul, a city still reeling after President Yoon Suk Yeol declared martial law late on Tuesday local time, before backtracking under pressure from lawmakers.

IDA has become the single largest source of concessional, or below-market, climate finance, and around two-thirds of all IDA funding over the past decade has gone to support countries in Africa, according to the World Bank.

Businesses call to curb red tape, corruption to spur investment

JAGARAN CHAKMA

Investment barriers at the National Board of Revenue (NBR) and the Office of the Registrar of Joint Stock Companies and Firms (RJSC) must be addressed immediately to bolster investor confidence and increase investment growth, according to experts and top business leaders.

The laws concerned must be amended right away in order to end the culture of bribery and establish corruption-free service organisations, they suggested.

"Facilitation of trade and investment must be a priority. A trade and investment commission with active participation from the private sector is required," Ashraf Ahmed, president of the Dhaka Chamber of Commerce and Industry (DCCI), said while speaking with The Daily Star recently.

He added that many reforms could be implemented immediately, such as those that can be initiated through executive orders or require changes in the rules rather than the law.

However, some major reforms will require changes to existing laws. So, they will require approval from parliament.

According to Ahmed, numerous laws must be updated to reflect changing global circumstances and business needs. This includes the Companies Act 2014, Export Import Control Act 1950, Foreign Exchange Regulation Act 1947, Competition Act, Income Tax Act, Customs Act, and VAT Act.

Ahmed said amending and updating these laws is required to create a conducive environment for investment.

However, many reform opportunities which will not require changes in the law also exist, such as automation of filing procedures for the RJSC, Chief Controller of Import and Export or customs.

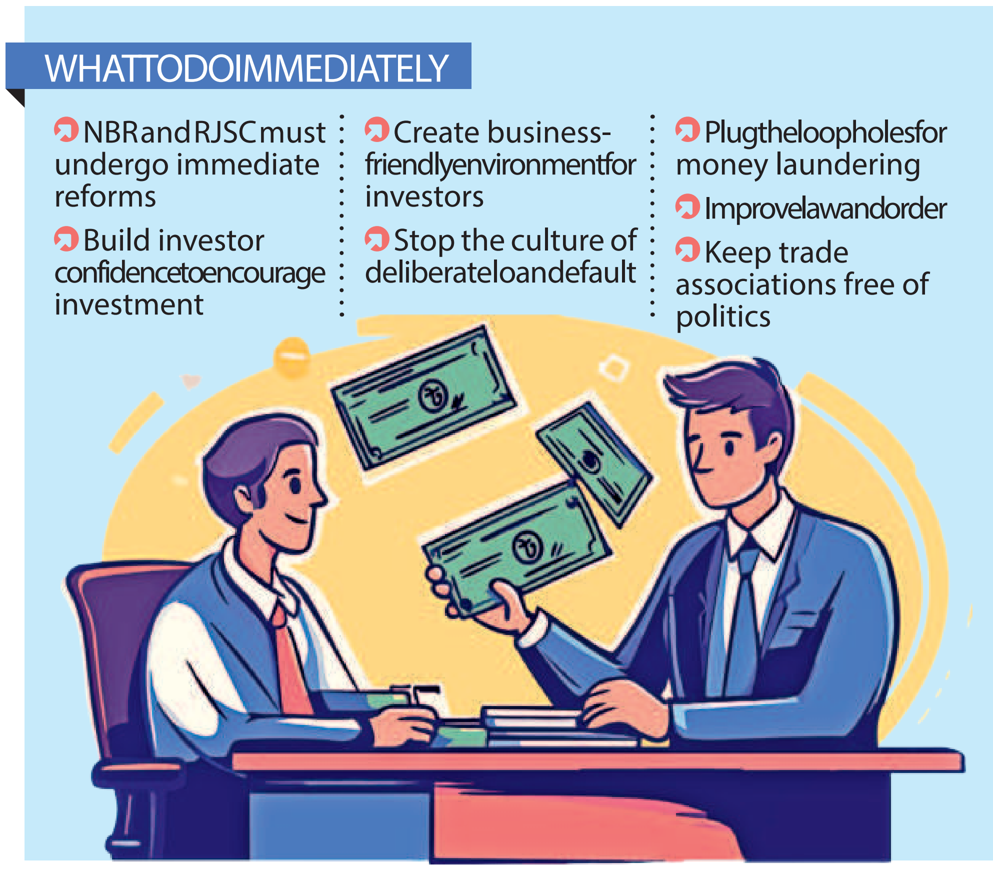
Mohammed Amirul Haque, managing director of Premier Cement Mills, stressed the need for a platform that will focus on trade and investment as well as address problems and bottlenecks faced by entrepreneurs.

He alleged that the inconsistent policy governing the adjustable advance income tax of investors was discouraging investment by increasing the business cost by around 10 percent.

Haque added that entrepreneurs would have to keep a 35 percent profit margin to sustain the businesses in line with the existing income tax law.

This type of bottleneck indirectly encourages the siphoning of money, he alleged.

Asif Ibrahim, former president of DCCI, said the business community hopes the burning issues in the private sector of Bangladesh will now get due priority from the interim government.



Ashik Chowdhury, executive chairman of the Bangladesh Investment Development Authority (Bida), said he met over 300 chief executive officers over the past 50 days to identify the challenges faced by businesses and was focusing on addressing the barriers.

"Basically, I am doing this to bring necessary changes and reforms to create a business-friendly environment," he said.

According to Chowdhury, everybody acknowledges that corruption occurs at the NBR, posing a major obstacle to doing business transparently and smoothly.

Zaved Akhter, president of the Foreign Investors' Chamber of Commerce and Industry (FICCI), said although no reform commission has been formed regarding investment, all the reforms that have been taken will ultimately support investment and business.

Bangladesh is the only country in the world where investors raise capital for investment from the money market, he said, while investors in other countries raise capital from the stock market. Reforms are needed in this area, he suggested.

However, he said initiatives taken to change the structure of the stock market would undoubtedly support the investment.

Investment reforms should come mainly from the Bida, where everything can be done under one umbrella, he said, adding: "If the initiatives taken by the BIDA can be implemented, the confidence of investors will increase."

He added: "I am extremely confident that these changes will help create an environment for doing business."

Mohammad Hatem, president of the Bangladesh Knitwear Manufacturers and Exporters Association, said a zero-tolerance policy must be formulated immediately and implemented to improve the state of law and order.

Additionally, he advocated for trade associations to be free of politics.

M Masrur Reaz, chairman and chief executive officer of the Policy Exchange of Bangladesh, said think tanks have already conducted a lot of research on how to build an investment-friendly environment and attract FDI.

"All the barriers have been detected. We just need the Bida or another high-powered government entity to address the issues by implementing the recommendations," he said.

In order to boost the confidence of foreign investors, he emphasised the importance of improving the ease of doing business.

Building generational wealth through startups

ADNAN IMTIAZ HALIM

For too long, Dhaka's high-earning professionals, non-resident Bangladeshis, prominent businessmen, and corporate leaders have been watching the startup revolution from the sidelines. To many, the word "startup" still sounds unsustainable—a playground for inflated valuations, unproven founders, and a high risk of losing money. It's no surprise—fraudsters exist, and not every opportunity is a good one. But what if I told you there's a way to navigate this ecosystem smartly, mitigate risks, and make investments that could redefine your legacy?

The problem isn't startups—it's the lack of understanding about how to choose the right one. Many in Dhaka's financially strong circles hesitate because they don't trust the valuations or the people behind the ventures. But let's look at it this way: isn't it more risky to sit on the sidelines while global investors start recognising the potential in Bangladesh and take the lion's share of opportunities right in our backyard?

Startups don't have to be a risky venture if you approach them strategically. The key is learning how to identify the right ones—those with a strong product-market fit, ethical leadership, and scalable models. It's not about blindly trusting valuations or pitches; it's about doing your homework, leveraging local networks, and partnering with founders who are building solutions that matter.

Investing in startups doesn't mean diving in recklessly. It means making informed decisions, spreading your investments to minimise risk, and focusing on businesses that are not just hyped but backed by fundamentals. Remember, even with some losses, one successful investment can yield exponential returns that far outweigh the risks.

Here's how you can identify the right opportunities while ensuring resilience and alignment with your goals:

Find founders who love what they do

Look for founders who are deeply passionate about their product or solution. These are the individuals who are driven by a sense of purpose, who believe in their idea so strongly that they're willing to endure sleepless nights and personal sacrifices to see it succeed. When tough times come—and they always do—these are the seasoned sailors who will navigate the storm, not abandon ship.

Focus on doers, not dreamers

A good idea is worthless without execution. Choose founders who are already delivering results—those with traction, not just talk. Look for startups that have moved beyond the ideation phase and have tangible proof of their product's market fit, even if it's just in its early stages.

Align with your interests

Consider startups that align with your personal interests or learning goals. The investment journey should be intellectually and emotionally rewarding. Ask yourself: Is this a solution you wish you could build yourself but haven't had the opportunity? If the answer is yes, then investing allows you to be a part of that journey as a passenger on the bus.

Transformational partnerships for businesses

If you're a business leader, think beyond financial returns. Consider how the startup can complement or transform your business. Could their product or solution give you a competitive edge, improve efficiency, or open new markets? Partnering with the right startup can be a strategic move that accelerates your own growth while supporting innovation.

Redefine ROI

Returns on investment (ROI) aren't always about valuations, exits, or dividends. The true ROI could be multifaceted. The impact you create can extend far beyond your balance sheet.

With the right approach, investing in startups can be a strategic move—not just for wealth creation, but for fostering innovation, building Bangladesh's economy, and leaving a legacy that extends beyond profit.

The writer is the founder and CEO of Sheba Platform Limited

Why are farmers protesting again in India?

REUTERS, *New Delhi*

Indian police used tear gas and pepper spray on Friday to stop dozens of farmers who were trying to reach Delhi from the northern breadbasket state of Punjab to press a series of demands.

Here is a look at why farmers are marching to the capital again.

WHAT ARE FARMERS DEMANDING?

Farmers are seeking legally-backed guarantees of more state support or a minimum purchase price for crops.

Prime Minister Narendra Modi's government, following a year-long protest, repealed some farm reform laws in 2021 and committed to setting up a panel to find ways to ensure support prices for all produce.

Farmers now accuse the government of going slow on that commitment.

Protesters also want the government to ensure at least a 50 percent profit margin and waive their debts, as well as to honour a promise to double their incomes.

HAVE THE SAME DEMANDS BEEN MADE BEFORE?

Thousands of farmers launched a "Delhi Chalo" (Let's go to Delhi) protest convoy in February to make the same demands but were stopped by security forces about 200 km (125 miles) north of the capital, where a number have remained since.

Farmers at the time said at least one protester had died in clashes with police, who used tear gas and water cannon.

Farmers' leaders and the government had held multiple rounds of talks but failed to reach an agreement.

HOW IS THIS PROTEST DIFFERENT?

While in February thousands sought to head for Delhi simultaneously, many on trucks and tractors, farmers' leaders said this protest would be on foot, and initially involve only 100 farmers.

READ MORE ON B2

India central bank holds rates despite growth dip

AFP, *Mumbai*

India's central bank left interest rates unchanged Friday after judging inflation risks to outweighed concerns over a growth slowdown in the world's fifth-largest economy.

The Reserve Bank of India said the benchmark repo rate, the level at which it lends to commercial banks, would stay at 6.50 percent, where it has been since February 2023.

Major central banks around the world have kicked off a global easing cycle in response to lower inflation -- including the US Federal Reserve, which in September cut rates for the first time in four years.

Retail inflation has stubbornly remained above monetary policymakers' four percent target, reaching a 14-month high of 6.21 percent in October.

RBI governor Shatikanta Das said the bank's monetary policy committee had taken note of the "recent slowdown in the growth momentum" but judged India's outlook to be "resilient". "The increasing incidence of adverse weather events, heightened geopolitical uncertainties and financial market volatility pose upside risks to inflation," Das said.

The RBI did cut its minimum cash reserve ratio for lenders to deposit with the central bank from 4.5 to four percent. A lower cash reserve ratio is a liquidity-boosting measure as it gives banks more money on hand to lend.

The central bank's decision to hold interest rates steady comes despite signs of a slowdown in economic growth.

India's GDP growth came in at 5.4 percent in the September quarter, hurt by a sluggish manufacturing sector and muted urban consumption.

US Fed officials warn of ongoing risks from elevated inflation

AFP, *Washington*

The United States continues to face risks from underlying inflation despite recent progress in stabilizing prices, two senior Federal Reserve officials said Friday, with one indicating support for just one interest rate cut over the next two rate decisions.

The Federal Reserve has a dual mandate from Congress to keep both inflation and unemployment under control, and recently began rolling back high interest rates in order to better support the labor market.

After two rate cuts since September totalling three quarters of a percentage-point, the Fed's benchmark lending rate now sits between 4.50 and 4.75 percent.

At least one policymaker on the Fed's rate-setting committee has suggested cautious support for a quarter-point rate cut later this month, while others have maintained a wait-and-see approach, refusing to show their hand ahead of time.

"I continue to see greater risks to the price stability side of our mandate, especially when the labor market continues to be near full employment," Fed governor Michelle Bowman told a virtual event hosted by the Missouri Bankers Association.

"I think we're still seeing that the US economy is strong," added Bowman, a permanent voting member of the Fed's rate-setting committee.

"But core inflation continues to be elevated," she said, referring to the underlying measure of inflation which strips out volatile food and energy costs.

The Fed's favored inflation gauge ticked up slightly in October to 2.3 percent, slightly above the Fed's long-term target of two percent.

But the so-called core inflation figure remained stubbornly high at 2.8 percent, indicating that underlying price pressures remain.

A customer shops at a Safeway store in San Francisco, California. After two rate cuts since September totalling three quarters of a percentage-point, the Fed's benchmark lending rate now sits between 4.50 and 4.75 percent. PHOTO: AFP/FILE

"In my view, upside risks to inflation remain prominent due to possible disruptions in supply chains from labor strikes and from geopolitical tensions that we're seeing more frequently around the world," Bowman said.

She added that "increased trade tensions and expansionary government spending," were also putting pressure on prices, and that fresh inflation data published next week would help support her decision at the rate decision on December 17 and 18.

Speaking in Cleveland, Ohio, later on Friday, Cleveland Fed President Beth Hammack said resilient growth, a healthy labor market, and elevated inflation suggested it "remains appropriate to maintain a modestly restrictive stance for monetary policy for some time."

Her comments indicate a cautious approach to rate cuts, underscoring the division of opinions about the best path forward among members of Fed's rate-setting committee.

Hammack, who has a vote on the Fed's rate decision later this month, added that the bank "may not be too far from a neutral setting today," referring to the short-term rate that ensures both full employment and stable prices.