

The photo shows an entry point outside Queen Sirikit National Convention Center on the opening day of the annual meetings of the International Monetary Fund and the World Bank in Bangkok yesterday. PHOTO: AFP

IMF-WORLD BANK MEETINGS

Policymakers take on energy shock, rising debt

AFP, *Bangkok*

Finance ministers and central bankers meet in Bangkok this week for the annual gatherings of the International Monetary Fund and World Bank, with the global economy buffeted between the US-Iran war's energy shock, rising debt pressures and the AI boom.

The meetings run from Monday through Saturday in the Thai capital, and will see policymakers tackle some stark choices, with the IMF calling on governments to rein in spending even as vulnerable citizens' needs may be growing in the face of surging inflation and climate risks.

The week will see a combination of high-level closed-door meetings, public events and policy announcements from the world's top economic officials.

On Tuesday, the IMF will unveil its global economic forecast, along with detailed regional outlooks through the week, as policymakers set about tackling the challenges darkening the economic horizon. In Bangkok, IMF chief Kristalina Georgieva highlighted how the world economy was being pulled in opposite directions by the negative energy supply shock caused by the US war on Iran and the positive demand shock of the artificial intelligence technology boom.

"That shift into higher gear (from AI) is what is keeping the world economy growing at three percent," she told an event on the first day of the meetings, adding the growth was "despite the fact we are being dragged down by the energy supply shock."

At a press briefing, World Bank President Ajay Banga told AFP his message to developing countries on AI was to focus on building "small AI" applications, rather than trying to compete on capital-intensive models.

"Don't try and compete with America and China on frontier models and large data centres," he said. "You don't have the computing power. You don't have the electricity. You don't have the people."

Banga said AI-powered applications could run on less powerful smartphones and be used in healthcare, education, agriculture and other fields that are development priorities for low-income countries.

Chief among concerns in Bangkok will be the economic fallout of the US war on Iran, which has seen energy prices skyrocket as Tehran's retaliatory action has targeted Washington's Gulf allies and curtailed global oil and gas supplies.

The IMF has warned that the effects of the shock have been unequal, with developing countries reliant on imported energy hit the hardest. Despite the crisis, the Fund has called on countries to curb spending on subsidies and instead build their fiscal buffers after years of shocks since the pandemic.

Critics say that approach is just not feasible for low-income countries, and that multilateral lenders need to do more.

"The poorer member states of the IMF and World Bank are in distress from spillovers of the Iran war, rising interest rates in the West, and a climate crisis exacerbated by El Nino," said Kevin P. Gallagher, director of Boston University's Global Development Policy Center.

"The IMF and World Bank are not meeting this moment. They need an ambitious response that provides short-term emergency liquidity alongside longer term financing to make their economic growth paths less vulnerable to these shocks." And the needs are great, according to the United Nations Development Programme (UNDP).

The combined shocks "could leave millions more in poverty as developing countries struggle to sustain support for households," the UNDP warned in a report on Sunday. "We are witnessing a perfect storm that could throw tens if not hundreds of millions of people back into poverty," said UNDP Administrator Alexander De Croo.

In the developing world, he added, governments are being forced to make the "impossible" choice between cutting support for their poorest citizens or risking their entire development agenda.

Advanced economies in Europe and the United States have weathered the storm from the rising energy prices better, but have not been immune to surging inflation fuelled by those price increases, which have begun to bleed into other goods.

That inflation has seen central banks around the world raise interest rates in an effort to curb rising prices, tapping the brakes on economic activity.

Still, advanced economies have seen a boom in investment in artificial intelligence technology drive stock markets to new highs and bolster economic growth.

The week will also see several key meetings on the sidelines, including of G20 finance ministers, where spiking bond yields will be high on the agenda.

A notable absence at that meeting will be US Treasury Secretary Scott Bessent, who will skip due to "domestic engagements", a department official said on Friday.

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Can farmers break free from seed market dependence?

M JAMAL UDDIN

Bangladesh has made remarkable progress in food production, but a stronger seed system could take this success further. Millions of farmers face rising seed costs and growing dependence on commercial suppliers. Empowering them to produce, save and exchange quality seeds is vital to reduce market dependence and build a more resilient agricultural system.

Bangladesh's seed demand for the 2025-26 season is about 1,209,050 tonnes, of which formal agencies are expected to supply around 347,286 tonnes (29 percent). The private sector accounts for 201,151 tonnes (16.6 percent), BADC 145,635 tonnes (12.1 percent) and the BMDA 500 tonnes (0.04 percent).

The seed sector also remains heavily dependent on imports, especially for commercially important crops. The Business Standard reported that Bangladesh imports around 80 percent of its jute seed and 90-95 percent of its maize seed, while hybrid rice, vegetables, oilseeds and pulses also rely substantially on foreign supplies.

The risk emerges when domestic research, production and distribution cannot offer competitive alternatives. Farmers are then left exposed to exchange rate shifts, international disruptions and uncertain delivery schedules, particularly smallholders in remote and climate-vulnerable areas.

Farmers' dependence is not only about imports. It also concerns who controls seed availability, price, quality and choice. An International Rice Research Institute (IRRI) report published by CGIAR in September 2024 noted that fewer than half of Bangladeshi farmers use certified seed, while many depend on informal sources.

A 2024 study of 1,196 rice farmers in northern Bangladesh likewise identified limited access to quality seed and low seed replacement as persistent challenges. Moreover, buying packaged seed does not guarantee quality unless certification and enforcement work.



Farmers are left exposed to exchange rate shifts, international disruptions and uncertain delivery schedules, particularly smallholders in remote and climate-vulnerable areas.

The first policy priority should be stronger domestic seed production, not simply a blanket campaign against imports. Public research institutions such as BRRI, BARI and BINA need predictable funding for breeding, breeder-seed production and rapid multiplication of climate-resilient, high-yielding varieties.

BADC should concentrate on foundation seed, strategic crops and underserved regions, while contracting capable farmer groups, cooperatives and private producers for multiplication. Clear purchase agreements, timely payments and transparent quality standards would encourage growers to invest. Second, community-based seed enterprises must be made commercially viable. Farmers' groups, women-led enterprises and local entrepreneurs can multiply suitable open-pollinated rice, pulses, oilseeds and vegetable varieties. They need training in isolation distances, rouging, harvesting, drying, storage, testing, packaging and record-keeping, as well as affordable credit and shared processing facilities.

Third, distribution and regulation need reform. In a 2025 initiative, IRRI, BADC and the PARTNER project convened more than 130 public- and private-sector stakeholders to identify gaps in forecasting, varietal replacement, seed movement and quality assurance. The government should publish crop-wise, season-wise seed demand, stocks, prices and delivery locations in accessible formats, linking research, dealers, extension officers and farmer organisations. The Seed Certification Agency needs adequate laboratories, field inspectors and risk-based market surveillance. Complaints and counterfeit-seed cases should trigger traceable investigations and penalties.

Finally, seed policy must distinguish strategic autonomy from self-sufficiency at any cost. Bangladesh should reduce avoidable dependence where domestic production is feasible, while allowing responsible imports when they provide superior genetics or fill genuine shortages.

Public procurement, research grants and tax incentives should reward locally bred, tested and climate-adapted seed, not merely domestic packaging. Variety registration should be scientifically rigorous but timely, and small firms should receive practical guidance rather than face disproportionate compliance costs. Farmers will break free from excessive market dependence when they have real choice: reliable seed they can save where appropriate, trusted local suppliers, fair prices and varieties suited to their fields.

The writer is principal scientific officer at BARI

Global poverty index rises for first time since its 2010 creation

AFP, *Washington*

A UN global poverty index has risen for the first time since its creation in 2010, bringing the number of people affected to 1.2 billion, the United Nations Development Programme reported Monday.

In the 2026 edition of their annual report, the UNDP and the Oxford Poverty and Human Development Initiative research center counted 51.5 million more people living in "acute" poverty compared to the previous year.

UNDP Administrator Alexander De Croo said the increase in poverty should be a "wake-up call for the world." "Behind these figures are 1.2 billion people facing hardships that reinforce one another: hunger, missed schooling and a lack of clean water or electricity. This is unacceptable," he said in a press release. More than half of those in acute poverty were children.

However, UNDP said a major factor in the recorded increase was population growth, and new data was only available for 13 of the 108 developing countries covered by the report.

While the total number of people in poverty has increased, the report provides a mixed picture. Some 33 nations have halved the percentage of their people living in poverty as defined by the index in the past 15 years.

Those included six countries in sub-Saharan Africa. Among the countries that have made the most rapid progress were countries in Asia -- China and Vietnam -- UNDP said. As in the previous year, the report found that the majority of the poorest people live in sub-Saharan Africa and South Asia, specifically the Indian subcontinent, the most densely populated region on Earth.

"In Egypt, Nepal, and Tajikistan, both the poverty rate and the number of people experiencing multidimensional poverty have decreased significantly," the press release said.

In Angola and Zambia, the poverty rate has also declined, but population growth has more than offset this decrease, resulting in an increase in the number of people living in poverty.

The poverty index used in the report includes indicators such as the lack of adequate housing, sanitation, electricity, cooking fuel, food and education.



PHOTO: AZAHAR UDDIN

A pilot project will initially be launched in three districts, allowing farmers to sell their paddy to the government without hassle. The photo was taken from Bagmara upazila of Rajshahi recently.

Govt plans to buy paddy directly from farmers

STAR BUSINESS REPORT

The government is planning to procure paddy directly from farmers, bypassing middlemen, to ensure fair prices for growers, Food Minister Afroza Khanam said yesterday.

A pilot project will initially be launched in three districts, allowing farmers to sell their paddy to the government easily and without harassment.

If successful, the programme will be expanded nationwide in phases, she said.

The minister made the remarks as the chief guest at a views-exchange meeting with food department officials at the Chattogram Circuit House conference room. The meeting was organised by the district administration and the food department.

She said farmers often face difficulties selling paddy directly to the government, including opening bank accounts and completing other formalities. The government is taking steps to remove these hurdles and simplify the process.

If necessary, it will also consider paying farmers through mobile financial services such as bKash and Nagad, she added.

The government's election manifesto pledges to ensure fair prices for farmers and deliver safe food to households on time, the minister said.

To achieve these goals, food department officials must perform their duties with honesty, dedication and accountability, she added.

The country currently lacks sufficient mini laboratories for food testing, but the government plans to supply them to all 64 districts soon, she said.

This would improve field-level sampling and strengthen efforts to ensure food safety, she added.

Dollar firm near 18-month highs

REUTERS, *London*

The dollar traded around its highest in a year and a half on Monday, as an escalating Middle East conflict kept investors wary ahead of key US inflation data later this week.

That could shape the outlook for interest rates. Oil prices were volatile after Yemen's Iran-backed Houthis stepped up strikes on Saudi Arabia, while two tankers were attacked over the weekend.

Brent crude futures were down 0.5 percent at $104 a barrel, under a touch of pressure after Sunday's announcement from US President Donald Trump about an energy ceasefire between Ukraine and Russia.

The futures price is still nearly 45 percent above where it was before the war started, while prices on some physical markets are double those levels.

The dollar index, which tracks the US currency against six others, was slightly down at 102.16 but remained within sight of last week's 18-month highs.

Weekly data from the US markets regulator shows investors have been adding to their bullish positions in the dollar.

The positions rose to around $36 billion in the week to October 7, from just $8.4 billion three weeks ago, largely at the expense of the euro.

"The US dollar has strengthened recently on the back of negative developments overseas that have boosted its appeal even as market participants have pared back expectations for Fed rate hikes," MUFG currency strategist Lee Hardman said.

Wednesday's US consumer inflation report, one of the last major economic releases before the Federal Reserve's policy meeting this month, could be critical in determining the near-term direction of the dollar.

Data last week showed US consumer sentiment deteriorated further in early October, as the rising cost of living because of the Middle East conflict soured households' views of the economy.