

Farm, rural loans drop significantly

STAR BUSINESS REPORT

Farm and rural loan disbursements by banks fell by more than one-fifth in the first four months of fiscal year (FY) 2024-25, owing to a dip in the flow of credit mainly from foreign and private banks.

Banks lent Tk 9,391 crore in the July-October period of this fiscal year, according to data of Bangladesh Bank (BB).

It was Tk 11,960 crore in the same period a year ago.

The BB attributed the downturn to a reduction in loan disbursements by foreign commercial banks.

In figures, their disbursements were down by 76.5 percent year-on-year.

Meanwhile, disbursement by private banks declined 29 percent.

State banks' agricultural and rural credit disbursement also fell.

Only state-owned specialised banks expanded lending to the farm and rural economy.

The banks as a group disbursed 12 percent more loans, said the BB, adding that it had no significant impact as the overall fall was high.

The BB data showed that farm and rural credit disbursement was one-fourth of the lending target of Tk 38,000 crore for the banks in FY25.

This target was 8.57 percent higher than that of the previous year.

The central bank report said nearly half—46 percent of farm loans given in the first four months of this fiscal year—went to facilitate crop production.

The share of the total credit disbursed for the crop sector was 45 percent a year ago.

The livestock and poultry sector increased its share from 24 percent to 25 percent, alongside the fisheries sector



Farmhands cater to saplings of vegetables and flowering plants at Fulgach village in Lalmonirhat sadar upazila last week. Nearly half or 46 percent of the Tk 9,391 crore of farm loans given out by banks in the July-October period of fiscal year 2024-25 went towards the facilitation of crop production, according to data of Bangladesh Bank (BB) in its October issue on agriculture and rural finance.

PHOTO: DILIP ROY

from 15 percent to 17 percent.

Conversely, the share for poverty alleviation initiatives decreased from 7 percent to 4 percent.

"These changes indicate a growing focus on crops, livestock & poultry, and fisheries, with a corresponding reduction in the emphasis on the poverty alleviation sector," said the BB, in its October issue of agriculture and rural finance.

The central bank said despite the decline in lending, recovery of agricultural credit grew 12.55 percent year-on-year to Tk 12,322 crore during July-October of

FY25, buoyed by increased recovery by private banks and state-owned specialised banks.

The BB said at the end of October FY25, the outstanding balance of agricultural credit for all scheduled banks was Tk 55,084 crore, reflecting only a 0.40 percent increase from that a year ago.

However, the overdue amount of agricultural credit soared 40 percent to Tk 11,931 crore at the end of October 2024 from that a year ago.

The BB said the disbursement of agricultural and rural finance shows a stronger focus on crops, livestock, and

fisheries.

"But the reduced emphasis on poverty alleviation programmes signals the need for a balanced approach," said the central bank.

It said overall credit recovery showcased an improvement, but the sharp rise in overdue loans, particularly in state banks, highlights challenges in repayment and recovery.

"Microfinance disbursement and recovery saw marginal declines, with overdue balances rising due to external shocks and operational inefficiencies," it said.

Ibn Sina posts Tk 21cr Q2 profit

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The Ibn Sina Pharmaceutical Industry's profit grew marginally in the second quarter of fiscal year 2024-25.

The company's profit stood at Tk 21.08 crore in Q2. Shares of the company went up 0.24 percent to Tk 292.30 as of mid-day trading yesterday at the DSE.

As a result, its consolidated earnings per share (EPS) rose slightly to Tk 6.75 in the October-December period of 2024 from Tk 6.70 in the same period the previous year, according to a disclosure on the Dhaka Stock Exchange (DSE) website.

However, its EPS for July-December 2024 declined to Tk 9.47 from Tk 11.92 in the corresponding period of 2023.

The company's consolidated net operating cash flow per share improved significantly to Tk 17.25 for the July-December period, compared to Tk 11.05 in the same period the previous year.

Embrace quantum technology and AI for global competitiveness

Experts urge at lecture

STAR BUSINESS REPORT

Bangladesh must harness the potential of quantum technology and artificial intelligence (AI) to ensure cost-effectiveness and remain competitive in an increasingly interconnected world, said Sam Samdani, interim chief executive officer of QuantumCT and external adviser to American consulting firm McKinsey & Company.

Speaking at a lecture titled "Leveraging Quantum Phenomena: Reimagining a New World", organised by the Metropolitan Chamber of Commerce and Industry (MCCI) at the Anis Ud Dowla Conference Hall in the capital yesterday, Samdani called for greater focus on foundational sciences to prepare for the technological revolution.

"The world is connected now. So, work done in Bangladesh can be useful in other countries and developments in other places can also help in Bangladesh," he said.

"Our students and business executives must be equipped to understand foundational sciences like quantum physics and find ways to apply them in real-world contexts."

Samdani emphasised that quantum physics opens the doors to innovation across sectors. Drawing attention to existing breakthroughs like lasers and magnetic resonance imaging (MRI), he urged students and researchers to explore the "strange

This is the best time to be alive. AI helps us learn faster, better, and in more detail. It is no longer necessary to master English to access knowledge. AI makes learning available native languages.

Sam Samdani
interim chief executive officer of QuantumCT

phenomena" of quantum effects and repurpose them for local applications.

For instance, he mentioned the potential of quantum-based sensors to revolutionise medical imaging with unprecedented resolution, enabling early detection of diseases.

Some of these advancements are already in late-stage development and could hit the market within the next few years, he noted.

According to him, Bangladesh needs a talent pipeline that is well-versed in quantum physics, mathematics, and AI to leverage these technologies effectively.

Vietnam set to become regional manufacturing tech hub this year

ANN/VIETNAM NEWS

Việt Nam has the potential to become a manufacturing hub in the region this year, especially in fields involving technology, as global companies have expressed interest in expanding operations in the country.

Foreign direct investment (FDI) into Việt Nam reached nearly US\$31.4 billion in the first 11 months of 2024, with disbursed FDI estimated at about \$21.7 billion, an increase of 7.1 per cent compared to the same period in 2023. The year 2024 was the third consecutive year that the country disbursed over \$20 billion in FDI.

Việt Nam is among the top 15 developing countries attracting the most FDI globally.

The northern province of Bắc Ninh led the country with total registered investment capital of nearly \$5.04 billion, accounting for 16 per cent of the total national investment capital, more than three times higher than the same period in 2023. The coastal province of Quảng Ninh ranked second with \$2.29 billion of registered capital, followed by HCM City with \$2.28 billion, then Hải Phòng, Hà Nội and Bình Dương.

Among the 110 countries and territories investing in Việt Nam in the first 11 months, Singapore led with a total investment capital of nearly \$9.14 billion, accounting for over 29 per cent of the total investment, a 53.7 per cent increase compared to the same period in 2023.

How China can keep pace in the global AI race

REUTERS, Hong Kong

In 2023, smartphones-to-silicon conglomerate Huawei quietly released its flagship Mate 60 Pro handset. The launch, while muted, was worth celebrating in the People's Republic: the device featured a made-in-China chip that had previously seemed out of reach amid crippling US sanctions.

Late last month, Hangzhou-based startup DeepSeek added the latest technological surprise by claiming to have trained a large language model on a par with the offerings of OpenAI and Meta Platforms at a fraction of the cost.

Those accomplishments underscore the ways in which the People's Republic is finding workarounds as the West tries to curb its progress on artificial intelligence. At stake is a potential economic boost that could be worth \$6 trillion a year, using McKinsey estimates.

President Xi Jinping has also prioritised making the People's Liberation Army a world-class military force, including by developing AI capabilities in areas like unmanned weapons and data processing. It's still early days, but the evidence so far suggests China could just about keep pace with the West.

Consecutive US administrations, along

with the country's allies, have imposed investment and trade restrictions on the grounds that chip and AI advances in the People's Republic pose a security risk.

The latest blow came earlier this month, when the US government restricted the

flow of advanced graphics processing units (GPUs) for AI data centres, in a move that looked partly intended to stop China getting its hands on prized Nvidia kit through third countries.

Beijing has responded to the years-



People check Huawei's new Mate 70 mobile phone inside a shop at the Wangfujing shopping area in Beijing, China.

PHOTO: AFP/FILE

Bangladesh badly needs economic reforms: Salehuddin

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Bangladesh badly needs economic reforms at this moment, said Finance Adviser Salehuddin Ahmed yesterday.

"We are talking about reforms in areas like political reforms, economic reforms, and the electoral process. All are important. But at this moment, we badly need economic reforms," he said.

He made these remarks while speaking at an event marking International Customs Day at the National Board of Revenue (NBR) headquarters in the capital's Agargaon.

Acknowledging the "complexity" of implementing economic reforms, Ahmed said while the task was difficult due to numerous procedural laws and regulations, their proper and transparent application was critical for progress.

"We have some updated systems, but we can't use them properly," he said, pointing to inefficiencies in governance.

The adviser also expressed dissatisfaction with the delayed implementation of the National Single Window, a project initiated in 2017 but only partially launched last month.

He also urged businesses to actively cooperate in enabling revenue collections.

"We don't expect any illogical or illegal demands from you (businesses). You just pay your taxes. I assure you, no one will make unjustified or illegal demands, either officially or through unofficial means under the table," he said.

Ahmed called on the NBR officials to strengthen their efforts to meet revenue collection targets.

"This year is a challenging one, so we want to move forward," he said.

Addressing criticism over rising commodity prices, Ahmed said, "When rice prices increase, it is as if people think they have reached Tk 1,000."

"Prices of some items go up while others decrease. The government is putting in the efforts to address these issues," he said.

Ahmed urged for balanced criticism, adding, "Critique our shortcomings, but also acknowledge the good work we do."

NBR Chairman Md Abdur Rahman Khan highlighted the agency's use of customs as a trade facilitation tool.

Khan pointed out the reluctance of businesses to maintain proper transaction records to avoid paying the full amount of taxes.

"While rural people and RMG workers have swiftly adopted mobile financial services, businesses are avoiding automation to evade value added tax (VAT) and tax by not keeping transaction records," he said, criticising businesses for their reluctance to adopt automation.

Addressing import-related challenges, Khan highlighted concerns over widespread misdeclaration at the import stage, describing it as a persistent issue.

"Misdeclaration during imports is a significant problem, and we are determined to eliminate this malpractice," he said.

Khan also acknowledged reports of misconduct among some revenue officials and assured that strict measures would be taken to address such behavioural issues.

"We are committed to ensuring accountability, and any misconduct by officials will be met with firm action," he added.

The event was attended by Md Hafizur Rahman, administrator at the Federation of Bangladesh Chambers of Commerce and Industry, and Finance Secretary Khairuzzaman Mozumder.

