

Govt plans smart cards for farmers

The move will ensure delivery of subsidies, other benefits

SUKANTA HALDER

The government is formulating a policy with the aim of distributing smart cards among farmers to ensure the delivery of subsidies and other government support, such as that for coping with natural disasters.

The draft "Farmer Smart Card Policy 2025" proposes adopting data technologies and creating a national database of farmers featuring profiles and registration IDs by 2030.

The process of creating and distributing smart cards for farmers is similar to that for national ID cards, Mohammad Emdad Ullah Mian, secretary to the Ministry of Agriculture, told The Daily Star.

The project was taken up by the previous government and was reviewed by the interim government prior to the formulation of the draft policy, he said.

This card will help farmers avail agricultural inputs such as seeds, fertilisers and pesticides. They will also be afforded assistance in crop cultivation, storage and sale.

It will also be used for the expansion of financial inclusion, such as through loan disbursements, promotion of sustainable agricultural practices and delivery of services such as weather forecasts, agricultural advice and market data.

Overall, the cards will increase productivity and food security, enable economic empowerment, improve farmers' quality of life and ensure sustainable development.

"This is a good initiative. However, there is always a concern about proper implementation," said Mohammad Jahangir Alam, a professor of the Department of Agribusiness and Marketing at the Bangladesh Agricultural



The government is formulating "Farmer Smart Card Policy 2025" that proposes adopting data technologies and creating a national database of farmers.

PHOTO: HABIBUR RAHMAN

University.

This database will store crucial information and when a farmer needs access to government support or subsidies, this card will be used, he said.

"Another reason why this initiative is necessary is, for example, when there are government programmes to procure rice or paddy, many farmers use cards to sell

their produce at procurement centers in order to secure better prices than the market rate," he added.

He said the problem here is that the card alone may not be sufficient. For the system to function effectively, stakeholders and implementation officials must ensure transparency.

The purpose of this card is to

address that issue by ensuring proper identification -- whether a person is a small farmer, large farmer, original farmer, or medium-scale farmer, he said.

He added that those involved in implementing this system must manage it properly and work with the administration transparently and honestly.

READ MORE ON B3

Titas Gas suffers Tk 523cr loss in Q2

STAR BUSINESS REPORT

Titas Gas Transmission and Distribution Company, the state-owned gas distributor, reported a significant loss in the second quarter of fiscal 2024-25, driven by a sharp increase in system losses.

System losses refer to the amount of natural gas lost during transmission and distribution.

The company posted a loss of about Tk 523 crore for the October-December quarter.

Titas shares closed at Tk 19.20 yesterday on the DSE, losing 3.52 percent from the previous day.

According to its financial statements, Titas Gas reported a loss per share of Tk 5.28 for the quarter, a stark contrast to the earnings per share (EPS) of Tk 0.40 a year earlier.

For the first half of FY25, the company's loss per share stood at Tk 7.19, compared to an EPS of Tk 0.47 a year earlier.

Titas Gas attributed the losses to system losses of 10.63 percent in the July-December period, significantly higher than the allowable limit of 2 percent. This led to substantial purchase liabilities without corresponding revenue.

The company also mentioned the removal of a significant tax exemption as a contributing factor. This exemption previously allowed gas transmission and distribution companies to claim refunds on excess tax deducted at source.

With the exemption removed, Titas Gas had to recognise the full deducted amount as a current tax expense, resulting in a net loss of Tk 711.43 crore for the first six months of the fiscal year.

Despite the losses, the company's net operating cash flow per share increased to Tk 5.53 in July-December, up from Tk 0.60 a year earlier.

Alibaba releases AI model it says surpasses DeepSeek

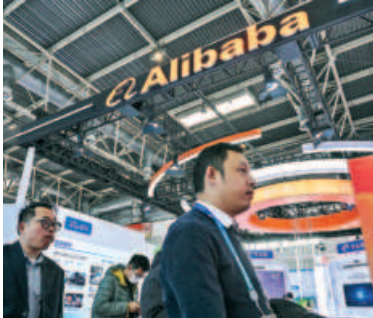
REUTERS, Beijing

Chinese tech company Alibaba on Wednesday released a new version of its Qwen 2.5 artificial intelligence model that it claimed surpassed the highly-acclaimed DeepSeek-V3.

The unusual timing of the Qwen 2.5-Max's release, on the first day of the Lunar New Year when most Chinese people are off work and with their families, points to the pressure Chinese AI startup DeepSeek's meteoric rise in the past three weeks has placed on not just overseas rivals, but also its domestic competition.

"Qwen 2.5-Max outperforms ... almost across the board GPT-4o, DeepSeek-V3 and Llama 3.1-405B," Alibaba's cloud unit said in an announcement posted on its official WeChat account, referring to OpenAI and Meta's most advanced open-source AI models.

The January 10 release of DeepSeek's AI assistant, powered by the DeepSeek-V3 model, as well as the January 20 release of its R1 model, has shocked Silicon Valley and caused tech shares to plunge, with the Chinese startup's purportedly low development and



usage costs prompting investors to question huge spending plans by leading AI firms in the United States.

But DeepSeek's success has also led to a scramble among its domestic competitors to upgrade their own AI models.

Two days after the release of DeepSeek-R1, TikTok owner ByteDance released an update to its flagship AI model, which it claimed outperformed Microsoft-backed OpenAI's o1 in AIME, a benchmark test that measures how well AI models understand and respond to complex instructions.

This echoed DeepSeek's claim that its R1 model rivalled OpenAI's o1 on several performance benchmarks.

What we strive to do is to show to the world that flying V is a viable alternative to the Cuban wing airplane that we're flying with now and it can be as safe but much more energy efficient.

DEEPSEEK VERSUS DOMESTIC COMPETITORS

The predecessor of DeepSeek's V3 model, DeepSeek-V2, triggered an AI model price war in China after it was released last May.

The fact that DeepSeek-V2 was open-source and unprecedentedly cheap, only 1 yuan (\$0.14) per 1 million tokens - or units of data processed by the AI model - led to Alibaba's cloud unit announcing price cuts of up to 97 percent on a range of models.

Other Chinese tech companies followed suit, including Baidu, which released China's first equivalent to ChatGPT in March 2023, and the country's most valuable internet company Tencent.

Liang Wenfeng, DeepSeek's enigmatic founder, said in a rare interview with Chinese media outlet Waves in July that the startup "did not care" about price wars and that achieving AGI (artificial general intelligence) was its main goal.

Rupee weakens

REUTERS, Mumbai

The Indian rupee weakened on Wednesday on the back of strong dollar bids related to importers' month-end payments, while a decline in the cost of hedging against the currency's decline added to the persistent headwinds troubling the currency.

The rupee was at 86.5850 against the US dollar as of 10:00 a.m. IST, down about 0.1 percent on the day. The currency is hovering within touching distance of its all-time low of 86.6475 hit earlier in the month.

The heightened demand to buy dollars at the daily reference rate published by the Reserve Bank of India (RBI), called the fix, troubled the rupee in early trading, traders said.

Meanwhile, a fall in dollar-rupee forward premiums due to the Reserve Bank of India's measures to inject liquidity into the banking system could magnify pressure on the rupee amidst persistent portfolio outflows and jitters about US President Trump's tariff policies.

The 1-month dollar-rupee forward premium hit a more-than-one-month low of 15.50 paise on Wednesday, nearly halving from the over-two-year peak of 28.25 paise hit earlier in the month.

Similarly, the 1-year dollar-rupee implied yield has declined about 60 basis points from a peak of 2.74 percent hit earlier in the month. Lower forward premiums can spur a pick up in hedging demand from importers and also cuts the cost of betting against the rupee, traders said. I think there was an overreaction yesterday and now we're getting a really nice bounce.

The currency has declined 1.1 percent over January so far, the most among major regional peers.

Later in the day, the focus will turn to the Federal Reserve's policy decision, due during US market hours. The Fed is widely expected to keep rates unchanged and investors will keep a close eye on commentary from Fed Chair Jerome Powell.

REUTERS, New Delhi

Indian Prime Minister Narendra Modi may seek to arrest slowing economic growth in the world's fifth-largest economy and prepare for an uncertain year of global trade when his government presents the federal budget on February 1.

Economists expect policy changes aimed at strengthening consumption and tariff cuts to encourage local manufacturing as ways to boost growth.

Below are some of the key economic indicators that will be considered by Finance Minister Nirmala Sitharaman while presenting the budget.

SLOWING GROWTH

A weaker manufacturing sector and slower corporate investments are seen dragging India's growth to 6.4 percent in 2024/25, the slowest pace in four years.

Private investment is seen rising by 6.4 percent in 2024/25, lower than 9 percent growth in the previous year, while consumption, which accounts for nearly 58 percent of GDP, is estimated to expand by 7.3 percent year-on-year compared to 4 percent in the previous fiscal year.

The chart shows the difference between projections in the economic survey and the actual GDP growth rate. The chart shows the difference between projections

in the economic survey and the actual GDP growth rate

Weak growth in wages has impacted discretionary spending of urban middle-class Indians, according to large consumer companies on their quarterly earnings calls, even as rural demand has improved due to a strong monsoon in 2024.

The growth slowdown amid global volatility has wiped out a recent stock market rally.

INFLATION

India's retail inflation in December eased to a four-month low of 5.2 percent, raising hopes the country's central bank would start cutting interest rates in February.

But inflation in food items, which account for nearly half of the consumption basket, continued to remain high at 8.39 percent in December, with vegetable prices rising at an eye-watering pace of 26.56 percent.

The Dow gained about three-tenths of a percent, the S&P 500 added over nine-tenths and the tech-heavy Nasdaq climbed more than 2 percent.

UNEMPLOYMENT

Modi continues to face criticism for not creating enough jobs in the world's most populous country. Government estimates of India's unemployment rate and those by private forecasters vary widely.

Government estimates show, opens new tab the unemployment rate for persons aged 15 years and above fell to 3.2 percent in 2023-24 from 6 percent in 2017-18.

Private forecaster Centre for Monitoring Indian Economy (CMIE) pegs the unemployment rate in the same category at a much higher 8.05 percent in 2023-24 compared to 7.56 percent in the previous year.

FISCAL DEFICIT

Modi's administration is looking to contain its fiscal gap under 4.9 percent for 2024-25 as initially targeted, and aims to bring it down below 4.5 percent in the next financial year. The country's fiscal gap had ballooned to 9.3 percent in 2020-21 during the pandemic.

Saint Martin's businesses seek shorter travel ban

MOKAMMEL SHUVO

All tourist vessels to Saint Martin's island will cease operations from the start of February, with travel to the country's only coral island prohibited from February to October as per government directives.

The decision, announced in October last year, sparked concerns among local businesses, who are dependent on tourism for their livelihoods.

The Ministry of Environment, Forest, and Climate Change restricted tourist visits to just three months of the year -- November, December, and January -- in order to reduce pollution and protect the island's environment and biodiversity.

Previously, tourist vessels operated from October to March, leaving the island residents to contend with severe financial strains due to the shortened season.

As such, they have been urging the authorities to extend the tourism period until the end of February to mitigate financial losses.

Nilufa Yasmin Chowdhury, convener of the committee regulating tourism to Saint Martin's Island and upazila nirbahi officer (UNO) of Cox's Bazar Sadar, confirmed the government's decision.

"As per directives, tourists can visit Saint Martin's until January 31. After that, all tourist vessels will stop operating," she said, adding that no further instructions had been received regarding an extension.

MA Rahim Jihadi, president of the Hotel, Motel, and Resort Owners' Association of the island, lamented the decision.

"This is an unprecedented crisis for the island. If tourists are barred, thousands of people who rely on tourism will suffer."



Hossain Islam Bahadur, general secretary of the Sea Cruise Operators Owners Association of Bangladesh, urged the government to reconsider.

"At least keep Saint Martin's open to tourists for February. This will help mitigate the financial losses faced by the island's residents and businesses," he said.

Taiub Ullah, owner of St Martin Mermaid Resort, said, "It is impossible for the people on Saint Martin's to survive for 10 months of the year with just two months of income. We urge the government to keep the island open until February."

He added that tourism would naturally decline in March due to Ramadan.

Tourist travel to Saint Martin's resumed on December 1 from the BIWTA jetty at Nuniachhara in Cox's Bazar, with six vessels currently operating on the Cox's Bazar Saint Martin's route.

In previous years, tourist vessels operated from October to March, with services suspended during the monsoon due to rough seas.

However, new restrictions have also imposed limits on overnight stays -- banning them outright in November and capping them at 2,000 tourists per night in December and January.

Starting February, all tourist visits will be banned.

Previously, tourist ships also operated from Teknaf, but sediment accumulation in the Naf River and border skirmishes in Myanmar have halted vessel operations along that route.

With the ban set to take effect from February, business owners and residents are anxiously awaiting a government response to their appeals for an extension.

India's economy faces slowing growth ahead of new fiscal year



PHOTO: AFP/FILE

A vendor arranges spices and dry fruits at a spice market in New Delhi. Economists expect that policy changes aimed at strengthening consumption will boost growth.