AI bull case gets its biggest booster

REUTERS, *Hong Kong*

It is telling that the head of the world's most important chipmaker had to talk to his "customers' customers" to make sure demand for artificial intelligence is, in fact, real. But the $1.4 trillion Taiwan Semiconductor Manufacturing's chief executive has done just that to justify a huge increase in capital expenditure for the current year. It's just the type of validation AI bulls have been waiting for.

Speaking on the company's earnings call on Thursday, CC Wei concluded that he was "quite satisfied" after his discussions both with buyers of TSMC's cutting-edge silicon like Nvidia and with users of those products – namely cloud service providers including Alphabet's Google, Amazon and Microsoft. It also helps that the company reported record quarterly earnings of T$505 billion, or $16 billion, a 35 percent year-on-year jump, for the three months to the end of December. That's well above the mean T$467 billion analyst forecast, per Visible Alpha. TSMC also now expects annual top line growth to average 25 percent until 2029, up from a previous guidance of 15 to 20 percent, driven by AI chip demand.

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All of that was enough to convince the company, famed for its financial discipline, to loosen its purse strings. TSMC on Thursday flagged an up to 37 percent jump in its capex spending this year, to an astonishing $56 billion. That's partly due to the rising cost of manufacturing more complex processors. But most of that will fund a massive capacity expansion in both Taiwan and the United States, where TSMC has committed to invest $165 billion in new facilities. Analysts at Fubon Research estimate output of its most advanced 2-nanometre chip will expand fivefold between 2025 and 2027.

Moreover, Friday's trade deal between Washington and Taipei hints that more is on the way. As part of the agreement, Taiwanese companies will invest at least $250 billion in the United States, which

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PHOTO: AHMED HUMAYUN KABIR TOPU

Centre-pivot irrigation at Muladuli farm, Ishwardi, Pabna, where BADC is trialling this mechanised system that mimics rainfall to water non-paddy crops efficiently, saving water, cutting labour and costs, and boosting yields. The photo was taken recently.

New mechanised irrigation promises less water, labour

Trials underway for country's first centre-pivot irrigation

AHMED HUMAYUN KABIR TOPU, *Pabna*

Not all crops require flood irrigation, and using it on wheat, corn, onions, garlic, sugarcane, and other winter crops causes water wastage and may even harm the crop itself. To address this, the Bangladesh Agricultural Development Corporation (BADC) is testing a centre-pivot irrigation system to deliver water precisely to maintain optimal soil moisture.

Widely used in Europe and other developed regions, centre-pivot irrigation involves a long, wheeled pipe rotating around a central pivot to water fields in a circular pattern. Water flows from the central pivot through the lateral pipe, supported by towers on wheels, and sprinklers distribute it evenly over crops, similar to natural rainfall. The distance between two adjacent towers, called the span, is typically 45-60 metres, though it can be longer in larger systems.

The system reduces labour, ensures uniform water application, and can be automated, making it suitable for large-scale farming, with the irrigated area depending on the pivot arm length. However, it is unsuitable for paddy fields, which need flood irrigation.

"Paddy fields need flood irrigation, but crops like onions and wheat need light, regular watering, similar to rainfall," said Faisal Ahmed, executive engineer of BADC in Pabna. "During winter, rainfall is scarce, so farmers often use flood irrigation, wasting water. With the centre-pivot system, we can supply only what the field needs. This is an automated irrigation technology."

BADC installed Bangladesh's first centre-pivot system at Muladuli agriculture farm in Ishwardi, Pabna, with six spans irrigating over 400 bighas, and a second at Bhabanipur sugarcane farm in Natore.

The government-funded trial, using Austrian technology, cost about Tk 4 crore. Austrian engineers first trained BADC engineers, who then jointly trained local farmers. BADC continues to liaise with the Austrian engineers for maintenance support.

WATER AND LABOUR SAVINGS

The BADC anticipates that shifting to mechanised irrigation will reduce water loss, costs and labour while significantly increasing crop yields.

BADC installed the first system at Muladuli agriculture farm in Ishwardi, Pabna, covering over 400 bighas, and a second at Bhabanipur sugarcane farm in Natore. The government-funded trial uses Austrian technology and cost around Tk 4 crore

"The centre-pivot irrigation system uses 20-30 percent less water than traditional methods," said Afnan Azam Rudrho, assistant engineer at BADC Pabna. "For wheat, which normally requires 100,000-200,000 litres per bigha, the system needs only 70,000-160,000 litres, depending on soil and climate."

Anwarul Islam, in charge of the Muladuli sugarcane farm, said the system saves significant time and labour.

"The centre-pivot covers a 350-metre radius and can irrigate 150 acres at a time. With traditional flood irrigation, it would take 25 to 30 days and a large workforce to cover this area. Now we can do it in five to seven days with almost no extra labour."

He added that water use can be controlled from the machine's control board. "From the control panel, we can supply water only to specific parts of the field as needed, so there is no wastage from over-irrigation."

Sumon Chandra Bormon, assistant engineer (irrigation) at BADC Ishwardi, said sugarcane output could rise from 15-17 tonnes per acre to 27-30 tonnes per acre using this system.

Local farmers welcomed the technology. Md Kamruzzaman, an onion farmer from Durgapur village, said, "Onion fields cannot tolerate standing water. We now need three to four labourers just to control water flow and drainage during irrigation. This technology is a blessing because it lets us water from above without harming saplings or hiring extra labour."

Award-winning farmer Md Sajahan Ali Badsha added, "We use the same irrigation method for paddy, wheat and vegetables, even though their needs are different. If this technology reaches farmers at the grassroots level, it will transform production."

The centre-pivot system under testing has six spans for large farms, but can be reduced to one for smaller farms. The official inauguration is expected by the end of the month, after the final power connections are completed.

If tests succeed, BADC plans wider installation to modernise Bangladesh's agriculture. "We plan to expand this technology for both large- and small-scale farmers, depending on their needs," said Faisal Ahmed, executive engineer of BADC in Pabna.

Audit overload in tax system of Bangladesh

MASUD KHAN

A well-functioning tax system rests on three foundational pillars: fairness, predictability and finality. While Bangladesh has made progress in expanding the tax base and modernising legislation, the lived experience of corporate taxpayers shows a persistent failure on the last two counts. Nowhere is this more evident than in the country's regressive and repetitive tax audit practices.

Once a company files its income tax return, the assessment is conducted by the Deputy Commissioner of Taxes (DCT). In theory, this is the stage at which tax liability is determined based on audited financial statements, supporting documents and applicable law. In practice, assessments are often arbitrary. Sales figures supported by statutory audit reports are frequently rejected without credible justification, while large portions of routine business expenditure are disallowed on vague grounds of "lack of documentation", even when such documentation meets established accounting and audit standards.

The predictable outcome is a surge in appeals. Taxpayers, confident in the integrity of their audited accounts, have little choice but to seek redress at higher appellate levels. This process consumes valuable time and resources for both businesses and tax administration, diverting attention from genuinely high-risk cases.

Yet even completion of an assessment does not bring closure. A significant number of cases are later selected for audit by teams of tax officials from other circles within the same tax zone. The selection criteria remain largely opaque. These teams routinely re-examine matters already scrutinised during assessment and often revise the tax position, reopening issues that taxpayers reasonably believed were settled.

The process becomes even more regressive with the involvement of two other wings under the National Board of Revenue: the Department of Inspection and the Central Intelligence Cell. Both conduct independent audits of returns that have already been assessed and re-audited. Each stage introduces new interpretations, new objections and fresh exposure to additional tax demands.

Section 212 of the Income Tax Act 2023 adds another layer of uncertainty. It grants tax authorities the power to select any return they believe involves tax evasion. While such a provision is understandable in principle, its application has often been capricious. When returns have already passed through multiple layers of assessment and audit, a reasonable question arises: how does income continue to "escape" assessment after so many reviews?

The cumulative effect is deep uncertainty. Taxpayers have no clear point at which tax liabilities can be regarded as final. From an accounting and financial reporting perspective, this creates hidden and unpredictable contingent liabilities, complicating balance sheets, investor disclosures and long-term business planning.

At the core of this problem lies a deeper structural weakness: inadequate accounting and financial analysis capacity within tax administration. Many disputes do not come from deliberate non-compliance, but from limited understanding of modern accounting principles, industry-specific cost structures and the distinction between aggressive tax planning and legitimate commercial transactions.

Strengthening accounting competence within tax offices would improve the quality of initial assessments. Properly trained officials would be better equipped to identify genuinely spurious financial statements early, while compliant taxpayers would be spared years of repetitive scrutiny. Such competence would also act as a natural deterrent against fraudulent reporting.

Equally important is the strategic use of artificial intelligence and data analytics. AI-driven tools can analyse large datasets, benchmark financial ratios across industries, identify anomalies and prioritise high-risk cases with greater accuracy than manual selection. This would reduce subjectivity, limit harassment of compliant taxpayers and improve revenue outcomes.

A tax system that repeatedly audits the same compliant taxpayers is not only inefficient; it undermines trust and discourages formalisation. If Bangladesh is to broaden the tax base and improve voluntary compliance, it must replace regressive audit practices with competence, consistency and closure. That is the cornerstone of a credible and modern tax regime.

The writer is chairman of Unilever Consumer Care Ltd

India slaps $2.45m fine on IndiGo

AFP, *New Delhi*

India's civil aviation regulator on Saturday imposed a fine of $2.45 million on IndiGo, the country's biggest airline, for poor roster planning that led to large-scale flight cancellations in December.

Airports across India were thrown into disarray late last year, with the private carrier admitting "misjudgement and planning gaps" in adapting to a new policy of pilot rest.

Over 4,000 mostly domestic flights were either cancelled or delayed for over a week across the country, stranding hundreds of thousands of passengers.

The operational meltdown came even though IndiGo had two years to prepare for the new rules aimed at giving pilots more rest periods in between flights to enhance passenger safety.

The Directorate General of Civil Aviation (DGCA) said it was levying the penalty for several lapses, including "failure to strike (a) balance between commercial imperatives and crew members' ability to work effectively".

The regulator ordered IndiGo to relieve its senior vice president of its operations control centre of his responsibilities, according to a statement released Saturday.

It also issued warnings to senior officials at the company, including CEO Pieter Elbers "for inadequate overall oversight of flight operations and crisis management".

There was no immediate response from IndiGo to the fine. IndiGo, which commands 60 percent of India's domestic market, operates more than 2,000 flights a day.

The crisis was one of the biggest challenges faced by the no-frills airline that has built its reputation on punctuality.

India is one of the world's fastest growing aviation markets. In November 2024, IndiGo reached a daily level of 500,000 passengers for the first time.

American CEOs push back on Trump

REUTERS

Speaking before a darkened ballroom on Thursday, US Chamber of Commerce CEO Suzanne Clark called on executives to be "fearless" in defense of free markets over government control and said the US must remain "open to the world, open to the global exchange of talent and goods and ideas and innovation."

The comments by the head of the most powerful US business lobby group could be seen as mild pushback against President Donald Trump, who has waded into business mechanics like no other US president. He has directed the US to take stakes in tech companies, asserted control of corporate equity structures, imposed tariffs, and advanced immigration policies opposed by the Chamber.

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Even as masked immigration agents confront US citizens in Minneapolis and Trump considers seizing Greenland, which may cut off American businesses from European markets, the response from business leaders has been milquetoast, said Richard Painter, University of Minnesota law professor and chief ethics lawyer for former President George W. Bush.

Trump has adopted an authoritarian approach in contrast to Bush's free-market economic policies, Painter said.

"I'd like to see a lot more aggressive stance from the Chamber here," Painter said of Clark's speech. "A lot of executives may have voted for Trump, but they need to speak out against coercion, whether it's aimed at a protester in the streets or aimed at a CEO who isn't doing what the president wants them to."

Mark Levine, a Democrat who is the new New York City Comptroller overseeing public pension funds with stakes in the largest US companies, said CEOs have taken only "baby steps," speaking up only when Trump's actions directly affect their businesses.

"I don't think capitalism works if we allow a president with autocratic tendencies to dictate the behavior of every company in America," Levine said.

TRUMP GETS LACKLUSTER RATINGS ON ECONOMY

Asked for comment, a Chamber spokesman noted a briefing that Clark held for reporters on Friday in which she said that "We are against government intervention in business, no matter which party is suggesting it." She added that CEOs have been doing "quiet work" to promote sound public policies behind the scenes, and "not rushing to outrage."

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US President Donald Trump (C) speaks during a meeting with US oil companies executives in the East Room of the White House in Washington, DC on January 9. Trump's approval rating on the economy currently stands at a lackluster 36 percent, even as he portrays his economic policies as succeeding.

PHOTO: AFP