

# Sugarcane: now a headache for farmers

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Hamidul Haq, a sugarcane grower in Basantapur village of Rangpur's Badarganj upazila, is fearing huge losses this year as the government has shut down six state-run sugar mills out of 15 just before the harvesting season.

Haq, who has been growing the crop for the last 15 years, said he had invested every penny he had to produce 340 quintals of sugarcane on his one-acre land this year.

But this year he fell into big trouble as Shyampur Sugar Mill turned out to be one of the closed mills, where Haq used to sell his produce at Tk 350 a quintal, or 100 kilograms.

The seasoned farmer said there are nearly 16,000 farmers like him and all of them are struggling to find a mill to crush their produce since the closure of the local one.

"If harvested late, each quintal of sugarcane gets reduced to 40 kg. So, I would be finished if I can't harvest and crush the crop on time."

Following a government order on December 2, the Bangladesh Sugar and Food Industry Corporation informed that production at sugar mills in Pabna, Shyampur, Panchagarh, Setabganj, Rangpur and Kushtia would remain halted until further notice.

"Sugarcane is mainly harvested in December, January and February to crush and extract the highest amount of sugar," Md Shahjahan Ali Badsha, secretary of the Sugarcane Farmers' Association, told The Daily Star.

The crop starts to dry up from the end of February and turns into dry sticks in March and April, he said.

Most of the mills complete sugarcane crushing within February, he said. "So, all are in a



hurry to harvest the sugarcane and crush them as early as possible."

"I may have to discard my plan to cultivate paddy after sugarcane due to the uncertainty over sugarcane harvesting this year," said Ramjan Ali, a farmer of Sara Gopalpur village in Pabna who produced sugarcane on a three-bigha land.

Farmers of the catchment areas of the mills use to prefer cultivating sugarcane because of higher returns compared to other crops, said Md Shahan Hossain, another farmer from Ali's village.

"I cultivated sugarcane by taking a five-bigha land on lease at Tk 40,000 this year on condition that I will make the land free within December."

Hossain said he has already spent Tk 1 lakh with on the expectation to earn Tk 2 lakh.

"Now, I am feeling devastated due to the closure of Pabna Sugar Mill."

The sugar mill authority is yet to start buying sugarcane from the farmers, he said, adding that: "If I can't sell sugarcane within this month, I have to burn the crop."

"Farmers always cultivate one crop after another. We don't stay for one crop. If we don't harvest sugarcane within the next few days, we may miss the next crop cultivation season and count even bigger losses," said Motiur Rahman, another farmer.

Despite the closure, the mills will continue purchasing sugarcane and send those to the closest mills for crushing.

Ashraf Ali, who also lives in Basantapur village, said he came to know that the Shyampur mill would take sugarcane on a small

scale from farmers this year and will crush those at Joypurhat Sugar Mill.

Sugarcanes collected from farmers in Dinajpur, Thakurgaon and Panchagarh will be sent to Thakurgaon for crushing this year.

This year around 1.45 lakh tonnes of sugarcane will be crushed at Thakurgaon sugar mill starting from December 18, and the mill would require at least five months to crush the sugarcanes.

"Over 72,000 tonnes of sugarcane will be produced in Pabna Sugar Mill zone this year, and we will send those for crushing to North Bengal Sugar Mill in Natore," said Md Saif Uddin, managing director of Pabna Sugar Mill.

"We have decided to buy at least 700 tonnes of sugarcane every day to supply to North

Bengal Sugar Mill."

Around 1.42 lakh tonnes of sugarcane will be produced in areas surrounding North Bengal Sugar Mill this year, said Md Humayun Kabir, managing director of the mill.

"We wanted to operate the mill for 114 days from December 11 and crush 1,600 tonnes of sugarcane every day."

Kabir said his mill had been burdened with the pressure of crushing an additional 72,000 tonnes of Pabna Sugar Mill zone, as his mill is the closest one to the Pabna mill.

"To crush all the sugarcane of Pabna and North Bengal mill zones, we need to operate the mill for a minimum of 160 days, which is quite impossible."

So, the North Bengal Sugar Mill has decided to operate the mill for 134 days to crush a total of 2.14 lakh tonnes of sugarcane, he said.

However, the Pabna correspondent of The Daily Star did not find any activity while visiting different purchasing centres of Pabna Sugar Mill zone last Friday, as the mill authority was yet to start purchasing sugarcane from farmers.

"All the matured sugarcane will be damaged if these are not harvested in the next two months," said Hamidar Rahman, general secretary of the Dinajpur chapter of Sugarcane Farmers' Association.

Such a problem could have been avoided easily if the functional mills started crushing at least 45 days earlier, he said.

Rahman, also the leader of the cane farmers, urged the government to resume crushing at the closed six mills for this season at least to save the farmers from incurring huge losses.

"The government should come forward to save the farmers this year. The next year they will be able to switch to other crops."

## Two state-sugar mills begin cane crushing

*Seven others to start production as per plan*

STAR BUSINESS REPORT

Two of the nine state-run sugar mills that are still operational began crushing sugarcane on December 11.

The two mills are North Bengal Sugar Mills and Natore Sugar Mills.

The rest seven will follow suit, according to a gazette notification from the government.

The notification came after the government recently announced that six mills under the Bangladesh Sugar and Food Industries Corporation (BSFIC) would remain closed until further notice as part of a move to modernise the facilities and ensure their future economic viability.

But the remaining seven mills will continue operations as scheduled, BSFIC Chairman Sanat Kumar Saha told The Daily Star.

"We will implement our commitment to procuring sugar from farmers in the catchment areas of the temporarily closed mills. No worker will lose jobs," he said.



However, a vested quarter of workers who oppose the move are trying to block the sugarcane collection from farmers, he observed.

"This is because collective bargaining agent leaders are misleading the workers and farmers to create unstable situations inside the mills," Saha added.

The seven mills to resume operations as scheduled are Zeal Bangla Sugar Mills, Rajshahi Sugar Mills, Carew & Co (Bangladesh), Mobarakganj Sugar Mills, Faridpur Sugar Mills, Thakurgaon Sugar Mills, and Joypurhat Sugar Mills.

The six shuttered mills – Shyampur Sugar Mills, Pabna Sugar Mills, Panchagarh Sugar Mills, Setabganj Sugar Mills, Rangpur Sugar Mills, and Kushtia Sugar Mills – will undergo a Tk 5,000 crore modernisation project, which includes product diversification, according to a statement from the Ministry of Industries.

Workers at these mills would have the opportunity to get employed by the nine remaining mills, while the sugarcane farmers in the catchment areas could supply the other mills as well, it said.

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## 38 NRBs named as CIPs

STAR BUSINESS REPORT

The government has recognised 38 non-resident Bangladeshis as commercially important persons (CIPs) for their outstanding contribution to the economy by investing directly, remitting foreign currencies and importing Bangladeshi products to the country of their residence.

The expatriates' welfare and overseas employment ministry published the names of the CIPs in a gazette on its website on December 10.

One investor has been recognised as the CIP based on his outstanding investment. Thirty NRBs have been honoured for remitting foreign currencies, and the rest seven for importing Bangladeshi products.

The recognition is for 2018. The CIP

cardholders will enjoy a host of privileges for the next two years from the date of the notification of the gazette.

The cardholders, their spouses, and children will get privileges in getting cabins at public hospitals and enjoy free access to the Bangladesh Secretariat.

They will get preference in booking tickets with the national flag carrier, rail and other transports. They are eligible for quick service at the immigration and special luggage handling facilities at airports.

The CIPs will be allowed to use the VIP lounges of airports in Bangladesh, receive consular services in foreign missions, and will be invited as guests to all programmes of Bangladesh missions.

The NRBs will also receive the benefits foreign investors get while investing in the country.

## Govt seeks Spanish investment in agriculture

STAR BUSINESS REPORT

Commerce Minister Tipu Munshi yesterday sought Spanish investment in Bangladesh's agriculture sector.

The government is providing a lot of facilities to encourage foreign investment with 100 economic zones being developed across the country, he said.

Investors from Japan, India, China, and Korea are already investing in these zones, according to a statement from the commerce ministry.

Munshi made these comments during a meeting with Spanish Ambassador to Bangladesh, Álvaro de Salas Giménez de Azcárate, at the secretariat in Dhaka.

Spain is Bangladesh's fourth-largest export destination as local manufacturers supply a lot of apparel items to the European nation.

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The minister also sought cooperation from Spain on the relaxed market access following Bangladesh's graduation from the least developed country (LDC) grouping in 2024.

Since Spain is a member of the EU, Bangladesh will enjoy the zero-duty benefit in the country

until 2027 as the bloc has already announced the decision in this regard.

Apart from business in consumer goods and services, some Spanish companies are working in Bangladesh's steel bridge and railway projects, Azcárate said.

The ambassador also said that bilateral trade would go up if dialogues were launched between the two countries to remove the existing trade barriers.

Azcárate went on to assure that his country would continue its cooperation with Bangladesh even after the LDC graduation.

The balance of trade between the two countries is heavily tilted towards Bangladesh. In fiscal 2018-19, Bangladesh exported goods worth \$2.55 billion and imported goods worth \$180.18 million, data from commerce ministry showed.



GLOBAL BUSINESS

## 'Turning the tide': Frankfurt attracts London banks

AFP, Frankfurt

Hubertus Vaeth was considered crazy when he launched a Frankfurt initiative to lure banks there after Brexit. "Are you nuts? What did you smoke?," his critics asked according to the managing director of Frankfurt Main Finance (FMF) in an interview with AFP.

No one is laughing now.

More than four years after the vote that took Britain out of the European Union, Frankfurt is emerging the winner among EU financial capitals in attracting London's much-coveted banking business, ahead of Paris, Milan and Amsterdam.

The Bundesbank estimates that non-German banks could move 675 billion euros (\$817 billion) to Europe's largest economy. That is just over half the total amount of assets (1.3 trillion euros) that the ECB had estimated would be transferred to the eurozone from Britain ahead of Brexit.

Since the vote, banking giants Morgan Stanley, JP Morgan and Goldman Sachs have said they will shift more than 350 billion euros in combined assets from London to Germany. More than 60 international banks have also signed up with the German financial regulator BaFin. Brexit, as Vaeth said, marks an "opportunity to turn the tide" of "30 years of continuously losing business to London."

Vaeth's campaign for Londoners went live the day after the vote.

"At seven in the morning after the referendum we pressed the button and the campaign ran," he said, promoting themselves as a "new London Bridge".

FMF's estimates of up to 10,000 finance jobs being created in Frankfurt have so far proved overconfident however, with local bank Helaba now predicting 3,500. But bankers who have already moved to Frankfurt believe others will join them because come January 1, UK-based financial firms would lose their "passporting rights" to do business with clients in the EU.

Martin Campbell, risk manager at a major Japanese bank, who moved from London in 2019, said the slow influx so far is just because

customers haven't yet migrated across to using EU subsidiaries rather than London operations. "Under EU rules it's possible for staff in London to execute transactions in the European subsidiary from their desk in London. That ceases to be possible on January 1," he said.

Banks are also wary of announcing their movements because "the discourse around Brexit is so horrifically toxic that there's nothing to be gained by a commercial organisation making things public," he said.

"Privately all these banks are telling their customers we are in Frankfurt and we are ready for you. Carsten Loll, a partner at the consultancy Linklaters, believed

that if no trade deal is reached, international firms will rent more office space in Frankfurt. He estimates that an influx of post-Brexit bankers would drive up prices "crazily" for residential properties.

Already, the switch has been visible in the type of business being done in the city, which is also home to the European Central Bank.

Before Brexit, Frankfurt's large financial community -- around 65,000 bankers -- were focused on commercial banking, not investment banking, according to Campbell. "The idea of a big international investment bank in Frankfurt didn't exist," he said. "So Brexit created an investment banking industry in Frankfurt from as good as nothing. Vaeth believes that once they've made the move, the bankers won't look back.

While some dismiss Frankfurt as boring compared to vibrant London, others enjoy the city of 700,000 people for its manageable size, easy-going vibe and its close access to nature. "I used to commute over an hour into London.

That's how far I had to live out in order to get a place to live that I could afford that was the size I wanted," said Campbell. "Here in Frankfurt I live in a flat that's 20 minutes either by bike or public transport to my office," adding that his wife can pop by for lunch. "When you are posted to Frankfurt you cry twice," Vaeth chuckled. "Once you're posted there, and once you're posted out."



REUTERS/FILE

The skyline with its financial district is photographed during sunset in Frankfurt, Germany.

## AstraZeneca to buy Alexion for \$39b

REUTERS, Frankfurt

Britain's AstraZeneca has agreed to buy US drugmaker Alexion Pharmaceuticals for \$39 billion in its largest ever deal, diversifying away from its fast-growing cancer business in a bet on rare-disease and immunology drugs.

The deal comes in a week that AstraZeneca said it was conducting further research to confirm whether its COVID-19 vaccine could be 90% effective, potentially slowing its rollout, and as a rival shot from Pfizer was launched in Britain and approved for use in the United States.

The British company said on Saturday that Alexion shareholders would receive \$60 in cash and about \$115 worth of equity per share - either in AstraZeneca's UK-traded ordinary shares or in dollar-denominated American Depositary Shares.

Based on a reference average ADR price of \$54.14, that implies a total price of \$175 per share. Alexion shares closed at around \$121 apiece on Friday.

"It is a tremendous opportunity for us to accelerate our development in immunology, getting into a new segment of disease, a new segment of physicians, and patients we haven't been able to cover so far," AstraZeneca Chief Executive Pascal Soriot told a media call.

Alexion's best-selling drug is Soliris, used against a range of rare immune-disorders including paroxysmal nocturnal hemoglobinuria (PNH), which causes

anaemia and blood clots, and whose revenue rose 3.6% in the first nine months to \$3 billion.

AstraZeneca hopes that an improved version of Soliris called Ultomiris has an even larger market potential. It expects more growth from introducing the target's rare-disease treatments to China and other emerging markets.

The British firm said the boards of both companies had approved the deal, which is expected to close in the third quarter of 2021.

AstraZeneca was once seen as leading the race to develop a COVID-19 vaccine, but has fallen behind Pfizer and its partner BioNTech, as well as Moderna, whose shots have shown greater efficacy in late-stage clinical trials.

With a planned capital increase of about \$25 billion after the deal closure, Soriot is looking to harness a strong advance by AstraZeneca stock, driven by the stellar growth of new cancer drugs.

The shares have climbed about 70 per cent through the past three years. A precursor cash call, on a much smaller scale, was a \$3.5 billion issue last year to fund the purchase of rights to cancer drug Enhertu from Daiichi Sankyo.

Despite generating billions in cash from treatments such as Soliris, one of the most expensive drugs in the world costing hundreds of thousands of dollars per patient, Alexion shares have struggled in recent years as investors have worried about competition heating up.