

Farmers warned of rain on Dec 20-22

STAR BUSINESS REPORT

The Bangladesh Agro-Meteorological Information Service (BAMIS) has suggested farmers in Khulna, Barishal, Chattogram, Dhaka and Sylhet divisions to take measures to protect their in-field products as the areas could be hit by medium to heavy rainfall on December 20-22 this year.

The BAMIS also recommended farmers collect Aman paddy before and after the rainfall and remove additional water from the seed beds of Boro paddy along with other paddies, potatoes and lentils.

It also suggested farmers collect matured vegetables quickly and cover milk cows and calves with sacks during the mornings and evenings when it rains to protect them from Pneumonia.

The BAMIS made the recommendations by analysing the data produced by the Bangladesh Meteorological Department.

The agro-meteorological information service also said mustard could be affected by a fungal disease of Alternaria blight in the given condition, for which, if needed, insecticide should be applied.

Oil drops

REUTERS, Singapore

Oil futures eased from their highest levels in weeks as traders took profit while waiting for a Federal Reserve meeting later this week for clues on further rate cuts.

Falls were limited, however, by concerns of supply disruptions in the event of more US sanctions on major suppliers Russia and Iran.

Brent crude futures fell 29 cents, or 0.4 percent, to \$74.20 a barrel by 0746 GMT after settling at their highest level since November 22 on Friday.

US West Texas Intermediate crude dropped 36 cents, or 0.5 percent, to \$70.93 a barrel after reaching its highest settlement level since Nov. 7 in the previous session.

Made in Bangladesh foods tied to diasporas

Limited to typical offerings and low interest in new markets

SUKANTA HALDER

Bangladesh has been exporting agro-processed foods for over three decades, but the sector has not grown much and still remains highly concentrated within a few countries where Bangladeshi diasporas are the primary buyers.

Exporters say that food habits and cultural preferences play a key role in food export. They also admit the sector's failure to introduce new items in the export basket, altogether resulting in the stalling of market expansion.

According to Bangladesh Agro-Processors Association (BAPA), the major buyers of Bangladeshi agro-processed foods are the United Arab Emirates, Saudi Arabia, India, the UK, the US, Malaysia, the Philippines, Singapore, Canada, Oman, Qatar, and the Netherlands.

In these countries, Bangladeshi expatriates, as well as Indian and Pakistani citizens, form the primary consumer base for products like spices, dry foods, snacks, puffed rice, fruit juices, noodles, parathas, candy, curry powder and mustard oil.

The BAPA says that 75 percent of the country's processed food exports over the past five fiscal years were concentrated within just 13 countries.

In fiscal year 2023-24, Bangladesh exported \$341.73 million worth of agro-processed foods to 100 countries, down from \$383.26 million to 103 countries in the previous year.

The UAE accounted for 25.06 percent of the market share, followed by Saudi Arabia (15.54 percent), the UK (6.88 percent), the US (6.36 percent) and Malaysia (4.34 percent).

PRAN-RFL Group, a leading food processor and exporter, ships spices, juices, puffed rice, snacks, and confectionery items to 140-145 foreign markets.

Eleash Mridha, managing director of PRAN Group, said 80 percent of their exports are sold through small individual outlets, while the remaining 20 percent are distributed via superstores.

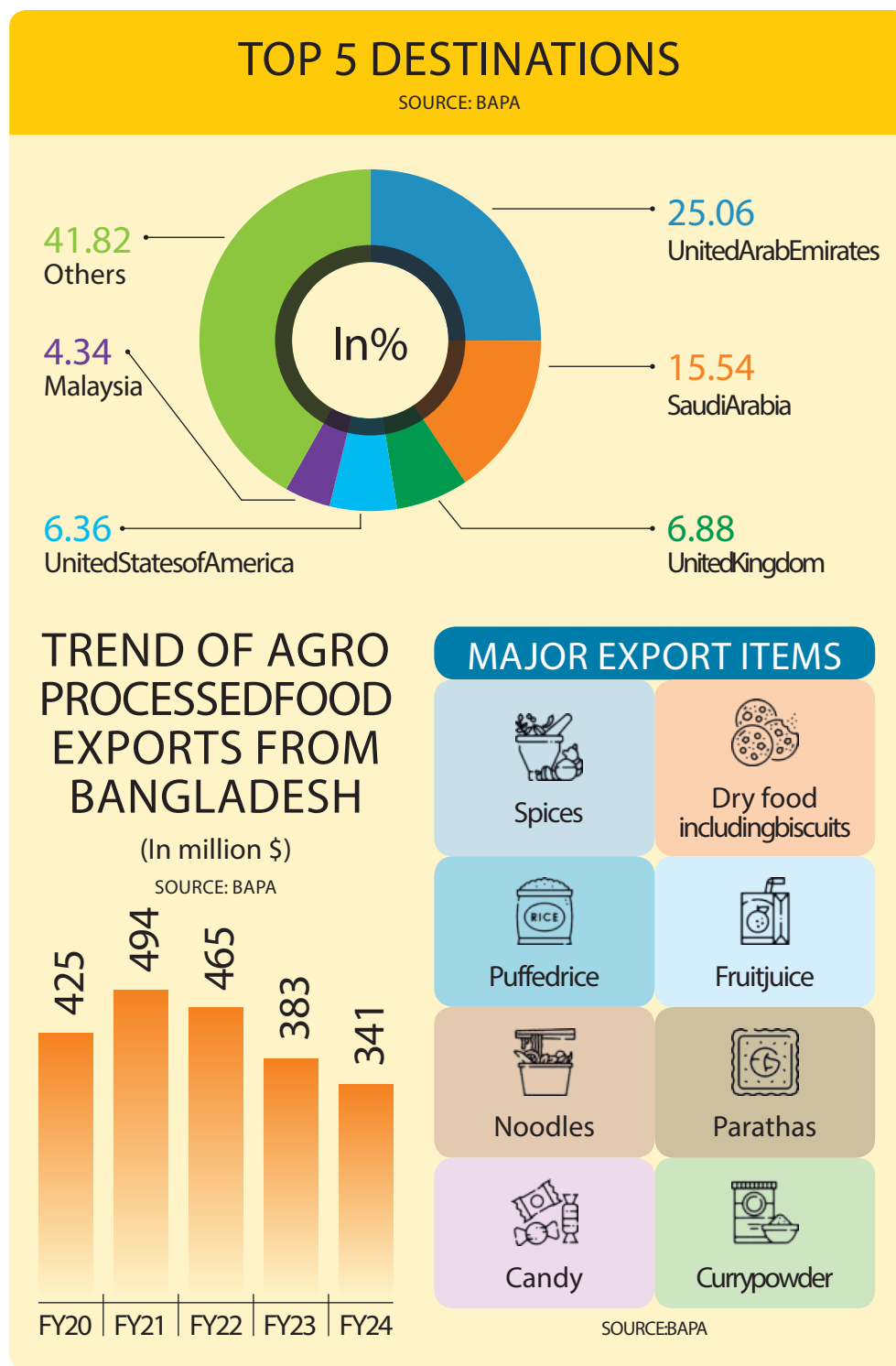
Mridha said Bangladesh's recent ban on aromatic rice exports and rising costs of sugar and flour have negatively impacted agro-export earnings.

However, he was hopeful about expanding the market to the countries in the Association of Southeast Asian Nations, taking advantage of low freight costs and similar food habits in countries like the Philippines, Thailand, Cambodia, and Vietnam.

"We are focusing on this and expect to improve our position in the next two to three years," he said.

However, Khurshid Ahmad Farhad, general manager for international business and corporate affairs of the Bombay Sweets and Company Limited, was critical of the capacity and sincerity towards market expansion by local players.

"Bangladesh doesn't produce any universal item that could give the country a competitive edge in the global food market," he told The



Daily Star.

"The foreign food market is highly dynamic, with rapid improvements in food packaging, machinery and research and development," said Farhad, adding that local exporters have so far shown little interest in keeping up with the fast-changing market.

Bombay Sweets ships 50 items to 41 countries, with the export basket mainly consisting of chips and a savoury snack called "Bombay mix" or "chanachur" in Bangla for the Middle Eastern market.

Parvez Saiful Islam, chief operating officer

of Square Food & Beverage Ltd, shared similar views about the highly competitive food market, mentioning that their primary exports include spices, mustard oil, "chanachur" and snacks.

"These products are popular among Bangladeshis but less so in other communities," he said.

Islam said aromatic rice once accounted for 23 percent to 25 percent of the total exports of the company. However, the export ban has largely impacted their performance.

READ MORE ON B2

US case against Adani strong but extradition unlikely

REUTERS, New York

The US fraud case against Indian billionaire Gautam Adani appears to be backed by documents that will help prosecutors make a strong case, legal experts said, but the tycoon is unlikely to be extradited to stand trial anytime soon.

Federal prosecutors in Brooklyn last month unsealed an indictment accusing Adani of bribing Indian officials to convince them to buy electricity produced by Adani Green Energy, a subsidiary of his Adani Group conglomerate, and then misleading US investors by providing reassuring information about the company's anti-corruption practices.

Adani, his nephew Sagar Adani, and another Adani Group executive were charged with securities fraud and conspiracy. Five people affiliated with Azure Power Global, a formerly-US-listed company also allegedly involved, were charged with conspiracy to violate the Foreign Corrupt Practices Act (FCPA).

Azure has said it had cooperated with the investigation and that those charged were no longer with the company. Adani Group has called the allegations "baseless" and vowed to seek "all possible legal recourse."

Gautam Adani is not in custody. He has made at least two public appearances in India since the indictment, including at a Dec. 9 event also attended by Prime Minister Narendra Modi.

According to the indictment, prosecutors found ledgers of the alleged payments on Sagar Adani's cellular phone, which they called "bribe notes." Prosecutors also said Gautam Adani emailed himself a copy of a search warrant and grand jury subpoena the FBI had served on his nephew on March 17, 2023.

Those electronic records could be important pieces of evidence for prosecutors to try to prove that Sagar Adani and Gautam Adani knew they misled investors by failing to disclose the investigation and insisting they had strong anti-corruption practices when in fact they had paid bribes, experts said.

"The allegations include references to corroborating material, and that always provides for a stronger case," said Stephen Reynolds, a former federal prosecutor and current partner at law firm Day Pitney.

To be sure, prosecutors may face challenges. Gautam Adani could argue that he was not personally involved in crafting the statements the company made to investors about its anti-bribery practices, said Paul Tuchmann, a former federal prosecutor in Brooklyn and now a partner at law firm Wiggan & Dana.

Prosecutors may also struggle to secure live testimony from witnesses in India because the process could require assistance from New Delhi, and the government may be reluctant to facilitate testimony that could paint Indian officials in an unfavorable light, said Mark Cohen, a former federal prosecutor in Brooklyn and current partner at law firm Cohen & Gresser.

India's foreign ministry on Friday referred to a Nov. 29 statement in which it said it had not received any request on the case from Washington, and called the case a matter between private firms and the US Justice Department. READ MORE ON B2

India sugar output to rebound to record next year, could revive exports

REUTERS, Solapur, India

India is likely to produce a record amount of sugar in the next marketing year from October after millions of farmers expanded cane cultivation, encouraged by ample water supplies and declining prices of competing crops, farmers and industry officials told Reuters.

The rebound in production would allow the world's second-largest sugar producer to resume exports in 2025/26, they said, after a lack of rain cut cane yields and led to two years of restrictions.

Indian exports could cap global sugar prices, traders said, by increasing supplies in the world market at a time when dry weather is widely expected to reduce shipments from top producer Brazil.

"Last year, we couldn't plant cane because water wasn't available for irrigation. This year, we have ample water since the rainfall was good," said farmer Amar Chavan, who planted cane across 2.4 hectares (6 acres) in the Solapur district of the western state of Maharashtra.

Solapur farmers depend on the Ujjani dam, which is at 100 percent of capacity, compared with just 25 percent last December.

Reservoirs in Maharashtra and neighbouring Karnataka, which together provide water for nearly half of India's sugar production, are holding much more water than in 2023, government data showed.

India's annual monsoon rains are crucial in determining the plantation area for the water-intensive sugarcane crop. This year, cane-growing regions of Maharashtra and Karnataka received up to 39 percent more rain than average.

"Farmers are planting sugarcane in full swing. This planting activity is setting the stage for a record-breaking sugar harvest next season," said Prakash Naiknavare, managing director of the National Federation of Cooperative Sugar Factories.

India's sugar production to fall below local consumption in 2024/25 as farmers reduced area.

He noted that the cane planted this year will be ready for harvest in the next marketing year.

The country's sugar production in the current season is set to fall to 28 million metric tons, down from 31.9 million tons in the last year

READ MORE ON B2

US-China tech war will hold Asian allies hostage

REUTERS, Hong Kong

China will turn Washington's technology weapons on its Asian neighbours in 2025. US curbs on imports of semiconductors and other goods have hobbled advances in artificial intelligence in the world's second-largest economy. The People's Republic is starting to retaliate. Its leverage over corporate giants in Japan and South Korea makes them prime hostage targets.

In 2022, outgoing US President Joe Biden introduced sweeping measures to block China's access to cutting-edge chips and chipmaking technology. Since then, Washington has expanded the controls to cover a broader array of equipment and materials, including machines and tools made by Dutch giant ASML and Japan's Tokyo Electron. In December, the Biden administration added more than 100 Chinese entities to its trade restriction list as part of its new package of controls.

Beijing holds far more leverage over US allies in Asia. A Japanese government white paper found that the country relies on China for nearly a third of its imports, compared to 13 percent for the United States

The tightening restrictions have prompted Beijing to respond. In mid-2023, the government started requiring export licences for gallium, germanium, graphite and antimony - materials vital for making batteries, semiconductors, fibre optics and weapons. But a closer look at the trade flows did not show Chinese authorities systematically denied export licences, according to Cory Combs, a researcher from analysis firm Trivium



An employee works at a semiconductor chip factory in Binzhou, in eastern China's Shandong province.

PHOTO: AFP/FILE

China. That is about to change. In response to Washington's latest controls, the Chinese government announced an outright ban on some of these materials being exported to the United States - its strongest tit-for-tat measure yet.

Further retaliation is likely as China falls further behind in AI. Local technology giants like Tencent and Baidu are running down their stockpiles of now-banned Nvidia chips and will have no choice but to turn to domestic alternatives to train their AI models. But the latest chip designed by local semiconductor darling Huawei, the country's best answer to Nvidia's coveted graphics processing units, is three generations behind the \$3.3 trillion US market leader, Bloomberg reported.

Against this backdrop, Beijing has been quietly laying the groundwork to weaponise its near monopoly on rare earths and critical minerals. In June, the government unveiled a raft of regulations

aimed at protecting the country's rare earth supplies; these rules cover mining, smelting and trading and establish state ownership of rare earths resources.

The latest export ban from China's Ministry of Commerce follows an overhaul of existing rules. Whereas past curbs on gallium and germanium have been piecemeal, the new unified regime grants stricter government oversight on technologies and goods that can be used for civilian and military purposes. Businesses selling certain types of graphite, used in electric vehicle batteries, must first disclose details about their overseas customers and the end use of the materials. Taking a page out of Washington's sanctions playbook, China will also have a "control list" of foreign companies which are subject to extra restrictions and licences.

Yet targeting American firms like Micron Technology or Tesla at a time when

the struggling Chinese economy needs trading partners, foreign investment and tech know-how could be self-defeating. In 2023, Chinese infrastructure companies were banned from buying certain memory chips from Micron. Even so, a year later, the Idaho-based firm's ties to China have strengthened, with Chief Executive Sanjay Mehrotra meeting with the Minister of Commerce and breaking ground on a new factory in the country in 2024. Meanwhile, carmaker Tesla's China sales are on track to grow by 14 percent to \$23 billion in 2025, per Visible Alpha forecasts.

Instead, Beijing holds far more leverage over US allies in Asia. A Japanese government white paper found that the country relies on China for nearly a third of its imports, compared to 13 percent for the United States. These goods range from machinery to organic chemicals to electrical equipment. And despite official efforts to diversify supply chains away from China, a separate study found South Korea's dependence on the People's Republic for five out of six raw materials necessary for chipmaking actually increased in 2023.

That puts Tokyo and Seoul's corporate champions in a vulnerable position. Toyota has privately voiced concerns that China would cut off the \$220 billion carmaker's access to critical minerals, Bloomberg reported in September, citing sources. In addition to supply chains, it also has factories on the mainland. South Korea's memory chip giants SK Hynix and Samsung Electronics, as well as battery specialists LG Chem and SK On, are in a similar boat.

Just a threat of export controls might be sufficient for those countries to think twice about joining the tech war against China. Beijing has plenty of weapons to fight back. In 2025 it will train them on US allies.