North Bengal Sugar Mills shuts early amid cane shortage

AHMED HUMAYUN KABIR TOPU

The sugarcane crushing operations for the 2025-26 season at the state-owned North Bengal Sugar Mills in Lalpur, Natore, ended on Tuesday -- two weeks ahead of schedule -- due to a shortage of sugarcane.

"We could not secure enough sugarcane supply, so we had to stop operations and close the mill," said Md Ashab Uddin, general manager (agriculture) of the mill.

According to mill sources, the target for the season was to collect 200,000 tonnes of sugarcane from 18,000 acres of land and crush it over 122 days -- from November 10, 2025, to March 12, 2026 -- to produce 13,000 tonnes of sugar.

However, the mill collected around 172,000 tonnes of sugarcane and produced about 9,600 tonnes of sugar this season, down from 195,981 tonnes of sugarcane crushed in 2024-25 -- a decline of nearly 24,000 tonnes compared with the previous season.

The mill authorities said the decline in production was mainly due to lower-than-targeted cultivation and supply shortages, as large quantities of sugarcane were diverted to other mills and molasses producers.

"Cultivation did not meet expectations, even though farmers were given incentives to grow sugarcane," Ashab Uddin said.

Around 15,000 farmers have received their payments through mobile banking, with a total of Tk 15 crore distributed this season.

Moreover, to encourage growers, the price of sugarcane was increased by Tk 25 per maund (about 37kg), raising it from Tk 600 to Tk 625.

Despite this, many farmers shifted to other crops that they consider more profitable than sugarcane.

This created supply gaps, reduced the extraction rate and made it impossible for the mill to achieve its production target.

Officials warned that failing to meet the target is likely to result in significant financial losses this season.

North Bengal Sugar Mills in Lalpur, Natore ended its 2025-26 season early as cane cultivation fell short and supplies were diverted to other mills and molasses producers.

PHOTO: COLLECTED

Per capita income rises 1% to $2,769

STAR BUSINESS REPORT

The per capita income in Bangladesh rose by 1 percent year-on-year to $2,769 in the fiscal year 2024-25 (FY25), according to final data from the Bangladesh Bureau of Statistics.

The per capita income was $2,738 in 2023-24.

In local currency, the figure stood at Tk 334,511 in 2024-25, up from Tk 304,102 in the previous year.

In FY25, the size of Bangladesh's economy increased to $456 billion from $450 billion a year earlier, although it was lower than the earlier estimate of $462 billion.

Gold ticks up

REUTERS

Gold prices edged up on Thursday as uncertainty over US tariff policy boosted the metal's safe-haven appeal, while investors awaited further details on US-Iran talks later in the day.

Spot gold was up 0.4 percent at $5,190.01 per ounce, as of 0816 GMT. Bullion had hit a more-than-three-week high on Tuesday.

US gold futures for April delivery were down 0.4 percent at $5,206.80.

The US dollar eased, making dollar-denominated commodities more affordable for holders of other currencies.

"Iran-US persisting tensions and the uncertainty surrounding the global economy with (President Donald) Trump's tariffs are a bullish catalyst," said Carlo Alberto De Casa, external analyst at banking group Swissquote.

Deal or no deal: What's the state of Trump's tariffs?

AFP, *Washington*

US President Donald Trump's push to reimpose tariffs after his Supreme Court setback has raised questions about his trade deals and future plans, while fueling a rush for refunds.

Here is the state of play as Trump moves to rebuild his trade agenda:

WHERE DO HIS TARIFFS STAND?

Trump's new 10-percent tariff on imports took effect Tuesday and will last for 150 days. It is widely viewed as a bridge towards more lasting action.

This does not apply to sectors targeted by separate investigations such as steel, aluminum and autos, nor does it hit the swath of goods entering the United States under the US-Mexico-Canada Agreement.

Trump has pledged to raise this tariff to 15 percent. But US trade envoy Jamieson Greer maintained Wednesday on Fox Business that Washington seeks continuity in its trade policy.

"We have the 10-percent tariff. It'll go up to 15 for some, and then it may go higher for others," he said. "I think it will be in line with the types of tariffs we've been seeing."

A uniform tariff hike to 15 percent will strike partners like Britain, who faced a lower level previously.

WHY ARE COUNTRIES NOT RETALIATING?

US trading partners who have struck deals with Washington have so far been seeking clarity but avoided clashes over the new tariffs.

"A lot of the issue is the sector-specific exemptions that they got," said former US trade official Ryan Majerus, now a partner at King & Spalding.

The European Union, Japan and South Korea all struck deals that lowered US tariffs on their car exports, from 25 percent to 15 percent.

As sectoral tariffs were not affected by the high court ruling, Majerus told AFP that countries would be wary of giving up their gains.

If they violate their trade pacts, Washington could also further penalize them under well-established laws.

WHAT ARE TRUMP'S PLANS?

The Trump administration has signaled plans to reimpose more lasting tariffs -- citing national security concerns or unfair trading practices as a justification.

These are areas where Washington can have "very durable tariffs where necessary," Greer told Fox Business. "They've stood up to legal scrutiny in the past, and they will again."

Trump's existing sector-specific tariffs for example were imposed under Section 232 of the Trade Expansion Act, which allows the president to roll out levies over national security risks.

Another authority, Section 301 of the Trade Act, allows Washington to address unfair foreign trade practices. It was Trump's main instrument to target China in his first presidency.

Trump's future tariffs could cover industries like large-scale batteries, cast iron and iron fittings, plastic piping, industrial chemicals and power grid and telecom equipment, The Wall Street Journal reported. These would be issued under Section 232.

This picture shows cars for export before being loaded at a port in Lianyungang, eastern China's Jiangsu province on February 25. Trump's new 10-percent tariff on imports took effect Tuesday and will last for 150 days.

PHOTO: AFP

Besides these, trade lawyer Dave Townsend of Dorsey & Whitney expects to see "exceedingly broad" investigations under Section 301 that would allow Trump "to impose tariffs on many, if not most, countries."

"By the end of the year, we would be back pretty close to where we were last week," he said.

WHO GETS REFUNDS?

Separately, US importers are battling for tariff refunds, an issue the Supreme Court ruling did not cover.

Greer maintained that "those claims are proceeding," adding that lower courts will deal with that.

"They'll tell us the time, place and manner of any type of refund," he said.

But there could be further complications.

"Firms are unlikely to pass on the benefit of these refunds to consumers," said Bernard Yaros of Oxford Economics. "Most of the tariff cost has already fed through to core consumer goods prices."

The mechanics and timing of returns are also unclear.

The refunds process to importers may not be messy. But purchasers of goods, if they are not importers themselves, could have to litigate further to get their money back, Townsend told AFP.

Global debt rose to a record $348tn in 2025

REUTERS, *New York*

Global debt climbed to a record $348 trillion at the end of 2025, after nearly $29 trillion was added over the year in the fastest yearly build-up since the pandemic surge, a banking trade group reported on Wednesday.

The increase was driven primarily by governments, which accounted for more than $10 trillion of the rise, with the United States, China and the euro area responsible for roughly three-quarters of the jump, the Institute of International Finance said in its latest Global Debt Monitor.

The data point to a global debt cycle now driven less by households or companies and more by persistent fiscal deficits in major economies, as bond markets have absorbed record debt sales at the start of the year.

With global growth expected to remain steady but moderate, the question for investors is whether borrowing can keep accelerating without pushing debt ratios higher again or testing demand for sovereign paper.

As a share of output, global debt edged lower to about 308 percent of GDP in 2025, the report said, driven mainly by advanced economies. Debt ratios in emerging markets continued to climb, hitting a record above 235 percent of GDP.

"A powerful mix of fiscal expansion, accommodative monetary policy, and 'lighter-touch' regulatory simplification could drive further debt accumulation — while heightening concerns about rising leverage and overheating in parts of the market," the IIF said, pointing to persistent fiscal deficits across major economies.

Economy logs

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"This is certainly due to both internal and external factors," said Prof Selim Raihan, executive director of the South Asian Network on Economic Modeling (Sanem). "One of the biggest reasons was the political transition. Because of that, and the related developments in the banking sector, business confidence dropped sharply."

He noted that the erosion of confidence discouraged fresh investment while banks turned cautious on lending. "Credit growth declined considerably. Altogether, this reflects a downward shift in investment."

Exports also underperformed, even weakened, he said. "Only remittances have performed somewhat consistently."

Describing the macroeconomic picture as unusual, the Sanem executive director noted, "The economy is depressed, while inflation remains high."

High inflation has eroded purchasing power, weakening consumer demand across all components of GDP -- household consumption, public spending, investment and exports, he explained.

Although a new government has taken office, Raihan warned that FY26 may follow a similar pattern and that recent turbulence at the Bangladesh Bank could further dampen investor sentiment. "I do not expect a major surge in investment at this moment."

The economist noted that public spending has remained subdued.

"February has already ended, and only about four months remain in the fiscal year. It is unlikely that public spending will pick up significantly within this period," Raihan said.

"Even if investor confidence begins to return, it will take time for that to be reflected in actual economic indicators," he added.

Md Deen Islam, a professor of economics at the University of Dhaka, said businesses and investors may delay commitments until they see how policy priorities evolve.

Such caution, he warned, could weigh on short-term activity. "That can slow economic activity in the short run, even if the government implements sound policies."

He stressed that clarity and stability will be critical going forward.

"To support stronger growth, policy clarity, macroeconomic stability, and investor confidence will be essential. This means steady fiscal management, predictable regulatory frameworks, and efforts to improve credit flow and export performance," he said.

"If these areas are strengthened, growth could accelerate in the medium term. Conversely, if uncertainty persists, growth may remain subdued despite changes in political leadership," he added.

To revive growth, Islam stressed the need to restore macroeconomic stability and rebuild investor confidence.

There are tentative signs of a pickup. The economy expanded 4.5 percent in the first quarter of FY26, up sharply from 2.58 percent in the same period a year earlier, driven mainly by industrial and agricultural activity.

Economic risk rises

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Strong remittance inflows, which grew 32 percent year-on-year during November to January, have offered partial support to households, although medium-term flows remain vulnerable to Gulf economic conditions and oil price movements.

EXTERNAL PRESSURES MOUNTING

The export sector, heavily reliant on ready-made garments, has faced renewed headwinds.

After a temporary rebound in the third quarter of 2025, exports declined sharply in the fourth quarter as earlier order frontloading in the United States faded and demand in Europe weakened.

Shipments to both the United States and Germany, each accounting for more than one-fifth of total exports, contracted notably.

While lower US tariffs and a new trade deal could provide short-term relief, Bangladesh's upcoming graduation from least developed country status in November 2026 presents a major medium-term challenge.

The European Union and the United Kingdom together absorb roughly 60 percent of Bangladesh's merchandise exports, most of which currently enter duty-free under the Everything but Arms (EBA) arrangement.

Following graduation, exports could face tariffs of between 9 percent and 12 percent, potentially eroding competitiveness.

Oxford Economics warns that while some export frontloading may occur ahead of the transition, the eventual loss of trade preferences poses a significant risk to medium-term export prospects.

EXTERNAL BALANCE MAY WEAKEN AGAIN

The current account returned to surplus in 2025, supported by strong remittances and reduced profit outflows.

However, Oxford Economics expects it to revert to a narrow deficit in 2026 as imports recover and export growth slows.

Foreign exchange reserves have improved to around $22 billion from roughly $17 billion in 2024, aided by tight monetary policy and IMF support.

Even so, reserves still cover only about four months of imports, leaving the economy exposed to external shocks.

Bangladesh repays more foreign loans

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Tax collection by the National Board of Revenue, the main generator of revenue for the state, increased 13 percent in the July-January period of this fiscal year from a year ago. However, the NBR missed its target by 27 percent, a shortfall of Tk 60,110 crore, for the period, according to provisional data.

During the period, the government's net borrowing from the banking sector crossed Tk 48,800 crore, nearly five times the Tk 10,558 crore it borrowed in the same period a year earlier, according to Bangladesh Bank's provisional data.

"The borrowing for debt repayment increased significantly," said Towfiqul Islam Khan, additional director (research) at the Centre for Policy Dialogue (CPD), in a paper on macroeconomic benchmarks for the new government presented at a briefing of Citizen's Platform for SDGs.

He said the government's fiscal space -- the ability to provide resources for a desired purpose without jeopardising the sustainability of its financial position or the stability of the economy, and the ability to spend for unforeseen events -- is diminishing.

Bangladesh's foreign debt repayment has been increasing for the last several years. It paid $7 billion to multilateral and bilateral lenders in FY25, up from $6 billion a year ago.

Rahman said structural economic reforms are no longer optional.

"Enhancing Bangladesh's international competitiveness, diversifying exports, improving the investment climate, and mobilising domestic resources more effectively are fundamental to building a stable and resilient economic architecture," he said.

"Without these reforms, external vulnerabilities will continue to resurface, constraining growth and macroeconomic stability."

BD Thai Food factory robbed

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using an excavator, but they stopped after police were alerted.

In the letter to DSE, the company said the factory had previously been robbed in December 2024 and January 2025. Despite police complaints being filed on both occasions, no suspects were arrested and no stolen goods recovered.

Hamid claimed that police refused to register a case after the first robbery, but accepted one this time.

The company's Accounts and Admin Officer Tariful Islam filed a First Information Report at Dhamrai Police Station on February 11.

Inspector (Investigation) Md Shahidul Islam of Dhamrai Police Station confirmed that a case has been filed and is currently under investigation.

"So far, no one has been detained in connection with the incident," he told The Daily Star.

The company, in its letter, said apart from stolen equipment and cash, the factory has suffered extensive losses in product manufacturing and marketing operations as a result of the incident.

Asked how the company plans to recover from its losses, Hamid noted that while the factory carries fire insurance, there is no coverage for robbery.

"If such repeated robberies continue, it will be difficult to keep the factory operational," she said. "Even so, we have arranged electricity through one line again, so that at least some operations can resume."

Apart from Hamid, her son Ryan Hamid and her nephew Rahat Maleque are also on the company's board.

BD Thai Food shares fell 0.57 percent to Tk 17.50 at the Dhaka Stock Exchange yesterday.