

Farmers cultivate and harvest sugarcane to supply state-owned mills, where the crop is processed into sugar amid challenges from ageing machinery and low recovery rates. PHOTO: COLLECTED

Nine sugar mills to begin crushing by Dec 18

STAR BUSINESS REPORT

The country's nine state-owned sugar mills are beginning their crushing seasons in phases, with the government setting December 18 as the deadline for all nine to start operations.

The development comes as the loss-making industry continues to struggle with low sugar recovery, outdated machinery and inadequate sugarcane supplies.

North Bengal Sugar Mills in Gopalpur, Natore, has already started crushing, producing around 400 tonnes, said Md Shamsuzzaman Suruz, chairman of the Bangladesh Sugar and Food Industries Corporation (BSFIC).

Natore Sugar Mills and Rajshahi Sugar Mills are scheduled to begin on November 13, he said. According to a Ministry of Industries notification published in the Bangladesh Gazette on November 2, Zeal Bangla Sugar Mills in Dewanganj, Jamalpur, will start operations on November 27, followed by Thakurgaon Sugar Mills on December 4.

The remaining four mills -- Joypurhat Sugar Mills, Carew & Co (Bangladesh) in Darshana, Chuadanga, Mobarakganj Sugar Mills in Naldanga, Jhenaidah, and Faridpur Sugar Mills in Madhukhali -- are scheduled to begin crushing on December 18.

The notification replaces the schedule set by a government notification issued in August 1994 and takes effect immediately.

Suruz said BSFIC was monitoring crushing and sugar production daily. Recovery at the beginning of the season is around 5 percent, but the corporation hopes to raise it to 6 percent or more as crushing progresses.

"We are taking special initiatives to improve recovery. There are some technical and other factors behind the low rates, and we are looking into those issues," he said. Officials have also been deployed to ensure mills receive clean, good-quality sugarcane.

The corporation is testing improved sugarcane varieties in Madhukhali and Natore before considering their introduction elsewhere, he added.

BSFIC reported an overall loss of Tk 554.36 crore in FY2024-25, up from Tk 508.24 crore a year earlier, according to its annual report. The losses cover the corporation's establishments, not just its nine operational sugar mills.

Only Carew & Co (Bangladesh) Ltd among the nine mills posted a profit, earning Tk 97.08 crore during the year.

Sugar production cost stood at Tk 260.14 per kilogramme, including interest, and Tk 181.73 excluding interest, while the government's fixed selling price was Tk 125 per kilogramme.

The nine mills crushed 839,211 tonnes of sugarcane and produced 46,187 tonnes of sugar in FY2024-25, against annual domestic demand of around 20 lakh tonnes. The average recovery rate rose to 5.50 percent from 5.07 percent a year earlier.

BSFIC attributed the industry's losses to inadequate sugarcane supplies relative to crushing capacity and declining efficiency caused by ageing factories and machinery. Six of its 15 mills have remained closed since FY2020-21.

Like cars, Chinese motorcycles out to conquer Europe

AFP, *Rho, Italy*

Just as with electric cars, Chinese motorcycle brands are roaring into European markets, with high-performance, cut-price models starting to make a name for themselves.

At EICMA in Milan, Europe's biggest motorcycle show, visitors were jostling on Friday around the stand of CFMoto, one of the main Chinese brands sold in Europe.

The firm from Hangzhou has gained attention by producing engines and assembling models for Austria's KTM, then by winning two Moto3 (250cc) championships in 2024 and 2026.

Fans of BMW, Honda and Ducati came to Milan to admire a powerful model fitted with winglets, as well as the off-road machine ridden by the brand's new ambassador, Spanish rider Mario Roman.

"They're beautiful. They may not have exactly the same materials... as the Japanese manufacturers, but at this price, it works," said Renato Polistene, a 64-year-old Italian craftsman, who was looking at the stand.

Currently riding a KTM, Polistene said he could consider choosing Chinese for his next bike, especially because prices for other brands "have gone up a lot" and they tack on "too many options" to the base price.

In 2025 China became the EU's second-largest supplier of motorcycles, behind Japan, accounting for 27.1 percent of imports with sales at one billion euros, according to a report published Thursday by the European Association of Motorcycle Manufacturers (ACEM).

The growth has been spectacular in the most powerful models, a segment traditionally dominated by European and Japanese manufacturers.

In six years, China has gone from a marginal supplier to a key player in the European market: it now accounts for nearly one-third of imports of motorcycles over 250cc, compared with just seven percent in 2019.

The European press, which first looked at the bikes with scepticism, now tests them like any others in its comparison reviews.

For British magazine Motorcycle News, 2026 is "the year where we see a switch."

At the Cyclone brand's stand, a band was belting out "Volare" at full blast while hostesses threw T-shirts bearing the name of the brand of the Zonsen group from Chongqing, China's two-wheeler industry capital.

Another Chinese giant, Qianjiang Motorcycle (QJ Motor), has itself become a little Italian by buying in 2005 one of the country's national prides, Benelli.

New startups are joining the big established names, like ZXMoto, founded by Zhang Xue, a former mechanic and rider.

Thanks to his participation in the Dakar Rally, he propelled another brand, Kove, onto the international stage before founding his own.

Alessia, 27, a police officer from Turin who did not wish to give her last name, had come to look at her next Triumph model but stopped at the ZXMoto stand.

"I was really impressed by the design," she told AFP, noting that new brands on the market can "spark curiosity".

In the French market, it's "a true revolution coming from the East," wrote Bertrand Mace, president of the two wheel division of French automotive association Mobilians, in a press release.

CFMOTO established itself in October as the fifth brand on the French market, overtaking long-standing players such as Triumph, Suzuki, KTM, and Yamaha.

In its wake, Zontes has doubled its sales in a year, and QJMotor and Voge are booming, according to Mobilians.

"Aggressive pricing, combined with an undeniable move upmarket, is hitting the mark with customers whose purchasing power is under pressure," said Mace.

At the CFMoto stand, executives from a major Italian brand stopped by on Wednesday to have a look at the high-speed sport bike.

"We'll have to see its price, but in the long run it could hurt us," commented one of them, who asked to remain anonymous.



This picture shows workers preparing to test assembled motorcycles at the ZXMOTO factory in Chongqing, China. PHOTO: AFP/FILE

GSMA pushes

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However, citing its 2025 study titled The Impact of Spectrum Pricing in Bangladesh, the association said spectrum costs account for around 15.7 percent of mobile operators' recurring revenues in the country. This compares with a median of 10.4 percent in Asia-Pacific and 7.7 percent globally.

It also found that inflation-adjusted revenue per MHz fell 69 percent between 2014 and 2023.

"Renewal costs should therefore leave operators with enough capacity to keep investing in network quality, capacity and coverage, including in rural and underserved areas," the letter said.

The GSMA acknowledged that it had not yet reviewed the BTRC's pricing study. However, based on media reports, it said the proposed rates might be higher than the lower end of the consultant's valuation range for all three bands.

The association made four recommendations to the regulator.

First, it urged the BTRC to use the 700 MHz spectrum price only as an upper benchmark for valuing the 900 MHz band.

The proposed rates appear to draw on the January 2026 assignment of 700 MHz spectrum, which offers better coverage, particularly indoors, the GSMA said.

It also pointed out that the 700 MHz spectrum was sold at the reserve price, providing little evidence of competitive bidding.

Moreover, spectrum renewal is different from a fresh assignment, as operators are already using these frequencies to serve consumers. The annual price per MHz for the 900 MHz band should therefore be lower than that for 700 MHz, it argued.

Second, the association said the proposed 20-year renewal term should be valued separately rather than by simply extending the 15-year valuation in proportion to the longer period, as media reports suggest may have been done.

"Spectrum value does not necessarily rise in line with licence duration," the letter said.

It added that the later years of a licence carry greater market, technological and investment uncertainty and should therefore have lower present values.

Third, the GSMA proposed equal annual instalments over the 20-year licence period. This would give the government a predictable revenue stream while allowing operators to maintain their investment capacity.

Fourth, it called for a review of VAT on spectrum payments and annual spectrum charges.

The association argued that recurring charges on spectrum already acquired at market prices add another layer of costs for mobile operators.

Foreign debt

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COSTLIER LOANS AHEAD

Prof Mustafizur Rahman, a distinguished fellow at local think tank Centre for Policy Dialogue (CPD), said the debt-to-GDP and debt-to-export ratios are rising gradually, but the most important indicator is the ratio of net exports to debt servicing.

He said that about 85 percent of export earnings come from readymade garments, where domestic value addition is 60-65 percent. The ratios would therefore be significantly higher if net exports were used.

Recent loans carry relatively high interest rates and shorter repayment and grace periods, so the ratios will rise rapidly in the coming years, said Mustafizur, as Bangladesh already faces growing debt pressure.

Government debt servicing was $4.9 billion in the last fiscal year and is projected to reach $7.6 billion by 2029, as interest rates climb while grace and repayment periods shrink. The interest rate in Japan, for example, has risen from below 1 percent in 2021 to above 3 percent, he said.

He said Bangladesh needs to raise exports and domestic value addition, improve domestic resource mobilisation and reduce its reliance on foreign borrowing to finance the Annual Development Programme.

"Global financing conditions are tightening. Bangladesh will still need foreign loans, but should negotiate better terms and secure more concessional financing," he said, adding, "It could also consider raising funds through bond issuance."

According to the World Bank report, foreign debt of developing countries rose 5.5 percent to a record $9.4 trillion in 2025, the fastest growth since 2021 and about four times the average pace of 2022-24.

Debt-service pressure remained severe amid elevated global interest rates. Low and middle-income countries paid $1.4 trillion in principal and interest in 2025, up 1.9 percent and the fifth consecutive annual rise.

Between 2022 and 2025, developing countries paid $436 billion more in debt service than they received in new financing.

New rules set

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A seven-member committee, headed by a CPA member, will scrutinise licence applications, prepare a shortlist and interview the owners or authorised representatives of shortlisted firms. It will also include representatives from the University Grants Commission, the Ministry of Shipping and the Ministry of Law, Justice and Parliamentary Affairs.

The committee will submit its recommendations to the CPA chairman for placement before the authority's board for approval.

Applicants must submit documents including trade licences, income tax clearance certificates and other prescribed papers. Those seeking berth and ship-handling licences must demonstrate their capacity to provide the manpower, machinery and equipment needed for cargo handling, loading, unloading, storage and delivery.

The application fee is Tk 1 lakh and is non-refundable. Successful applicants must deposit Tk 50 lakh as security with the authority. The government may revise the security amount through a gazette notification.

Licences must be renewed every five years, subject to compliance with the prescribed conditions.

INTERNATIONAL OPERATORS

The rules also provide for the appointment of international terminal operators at Chattogram port.

Subject to government approval, the CPA may appoint such operators under the Invest Bangladesh Act, 2026, or through the Public Procurement Act, 2006, and its associated rules.

The rules state: "Notwithstanding anything contained in these Rules, the Authority may, with the approval of the appropriate authority, appoint an international terminal operator in accordance with the provisions of the Invest Bangladesh Act, 2026 (Act № 104 of 2026), or the Public Procurement Act, 2006 (Act № 24 of 2006), and the rules or policies made thereunder."

An operator's appointment will generally be for a maximum of five years, although the government may approve a longer term.

Terminal operators must provide the equipment, machinery, technology and skilled manpower needed to handle containers and cargo. They will also be responsible for their efficient movement, loading, unloading and storage.

Operators must comply with the CPA's regulations, standard operating procedures and other directives. They must protect port property, ensure workplace safety and comply with labour laws, including provisions on workers' wages, benefits and safety.

The authority may suspend or cancel licences for violations, including failure to meet operating standards, irregularities in cargo handling, employing unauthorised workers, fraud and other misconduct.

The rules provide operators with an opportunity to respond to allegations before their licences are cancelled, as well as avenues for review and appeal against the authority's decisions.

The new rules will take precedence over any inconsistent existing regulations, policies, guidelines, office orders or board decisions of the CPA.



Chittagong Port Authority can issue licences to the required number of berth, terminal and ship-handling operators for cargo and container handling. PHOTO: STAR/FILE

Businesses should

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Simple. So, if you want to sell to the US, you need to compete on speed," he added.

Fahmida Khatun, distinguished fellow at the Centre for Policy Dialogue (CPD), said discussions about the ART had been limited since it was first introduced. Many people still lacked basic information about the agreement, she added.

Tariffs are among the most important and widely discussed parts of the deal, she said.

However, she said its success should be judged by the results, including how much revenue it generates, how many jobs it creates, how much investment it attracts and whether it raises productivity.

Productivity is particularly important as Bangladesh competes with countries such as Vietnam, China and Cambodia, which are more productive, she added.

Shams Mahmud, managing director of Shasha Denims, said although Bangladesh had signed the deal nearly a year ago, there had been little discussion about how its value addition formula would work.

"While we have discussed how to benefit from the deal, there has been hardly any discussion about the mechanism through which Bangladeshi exporters can actually gain from it," he said.

Ali Arsalan, country representative of Cotton USA, said the tariff-rate quota for duty-free garment exports to the US using imported American cotton under the ART was still unclear.

He said Bangladesh needed to make industry experts and businesses more aware of the opportunity so they could factor the potential advantage into their pricing.