Soybean oil consumption grows fast

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Rising health consciousness, income and government rules requiring processors to fortify edible oil with vitamin A were driving demand for soybean oil, said industry insiders.

Sohel Parvez

Soybean oil consumption is growing faster than that of palm oil, buoyed by increasing preference among families to prepare foods.

Rising health consciousness, income and government rules requiring processors to fortify edible oil with vitamin A were driving demand for soybean oil, said industry executives.

Bangladesh consumed 13.10 lakh tonnes in the year 2020-21, registering a compound annual growth rate (CAGR) of nearly 5 per cent since the year 2017-18.

On the other hand, palm oil consumption grew 0.5 per cent during this period, according to the US Department of Agriculture.

Bangladesh's palm oil consumption was 16.10 lakh tonnes in the year 2020-21 up from 15.78 lakh tonne three year ago, said the US agency in its "Oilseeds: World Markets and Trade" report released recently.

The report said Bangladesh was the fifth palm oil importing nation after India, China, the European Union and Pakistan in marketing year 2020-21 while it was the third largest soybean oil importer the same year.

Md Shafiul Ather Taslim, director for Finance of TK Group, one of the leading edible oil importers and processors, said increased consumption of soybean oil reflect consumers' gradual shift from buying loose oil to packaged or bottled oil which was mainly soybean oil.

Bottled oil today accounts for up to 40 per cent of the total edible oil consumption. The ratio was as much as 15 per cent two decades ago, he said.

"Health consciousness is growing and middle class people, including many families in rural areas, are consuming soybean oil," he said, expecting that consumption of soybean oil would increase further.

The USDA said Bangladesh annually consumes 30 lakh tonnes of vegetable oil and palm accounts more than half of the total. Today palm oil is used mainly for industrial purposes such as for bakery.

Biswajit Saha, director for corporate and regulatory affairs of City Group, another major operator in the sector, said the Covid-19 pandemic induced economic slowdown affected industrial demand for palm oil. And that affected its consumption.

At the same time, crushing of soybeans increased, he added.

The private sector doubled its capacity to crush oilseeds over the last four years to meet growing demand for soymeal from the feed industry and demand for soybean oil for human consumption.

Mohd Didarul Islam, head of finance and accounts of Bangladesh Edible Oil, said the government policy requiring fortification of edible oil and other rules increased packaging of oil for human consumption.

Today, most of the edible oil sold in packaged or bottled form are soybean oil and sales of loose oil will decline gradually, he added.

BGMEA wants more shipping lines for timely export

STAR/FILE

A BGMEA leader said export containers loaded with garment products had to face additional delays at the Chattogram port due to nomination of select shipping lines and off-docks by buyers.

Star Business Report

BGMEA president said buyers should make optimum use of the capacity of available shipping lines

The Bangladesh Garment Manufacturers and Exporters Association (BGMEA) has requested global apparel buyers to nominate more shipping lines and off-docks to facilitate timely shipment of export containers.

BGMEA President Faruque Hassan made the call during a meeting with representatives of global brand C&A Sourcing International and shipper Hapag-Lloyd at the BGMEA office in Dhaka on August 12.

The discussion was a part of the BGMEA's continuous efforts to ensure smooth shipment of export and import goods, the association said in a statement.

Hassan also said export containers loaded with garment products had to face additional delays at the Chattogram port due to nomination of select shipping lines and off-docks by buyers.

He also said buyers should make optimum use of the capacity of available shipping lines to handle garment export, which would increase in the coming months.

Earlier, the BGMEA in a letter requested global apparel buyers through Buyers' Forum, a group of the representatives of major apparel buyers, to nominate as many freight forwarders as possible to deliver shipments on time.

GLOBAL BUSINESS

US consumer sentiment plummets in early August

Reuters, *Washington*

US consumer sentiment dropped sharply in early August to its lowest level in a decade, in a worrying sign for the economy as Americans gave faltering outlooks on everything from personal finances to inflation and employment, a survey showed on Friday.

The unexpected reading could give Federal Reserve policymakers pause if it translates in the months ahead to a dent in economic activity. The central bank has been getting closer to a decision on when to begin pulling back the extraordinary stimulus it put in place to shield the economy from the Covid-19 pandemic.

The University of Michigan said its preliminary consumer sentiment index fell to 70.2 in the first half of this month from a final reading of 81.2 in July.

That was the lowest level since 2011, and there have been only two larger declines in the index over the past 50 years. Those were at the depths of the 2007-2009 recession and during the first wave of shutdowns in April 2020 at the beginning of the pandemic.

The losses were widespread across income, age, and education subgroups and spanned all regions. Economists polled by Reuters had forecast the index would remain unchanged at 81.2.

US stock market indexes slipped immediately after the report was released, while the price of gold gained ground. US Treasury bond yields hit session lows.

"The renewed plunge suggests the latest wave of virus cases driven by the Delta variant could be a bigger drag on the economy than we had thought," said Andrew Hunter, an economist at Capital Economics.

Economic growth is still expected to grow this year at its fastest pace in four decades after falling into a brief recession in 2020 caused by the coronavirus pandemic. But the recovery is showing some indication of cooling off.

Covid-19 cases have doubled in the past two weeks to reach a six-month peak as the more transmissible Delta variant spreads rapidly across the country. Labor shortages across the service sector also persist while supply chain disruptions have continued.

"The pandemic's resurgence due to the Delta variant has been met with a mixture of reason and emotion...mainly from dashed hopes that the pandemic would soon end," Richard Curtin, the survey director, said in a statement. The survey's gauge of current economic conditions also declined to a reading of 77.9 from 84.5 in July while its measure of consumer expectations slid to 65.2 from 79.0 in July.

The survey also showed consumers raising their expectations for medium term inflation, another measure the central bank is closely monitoring to ensure that inflation expectations remain anchored.

The survey's one-year inflation expectation edged lower to 4.6 per cent, down from 4.7 per cent, but its five-year inflation outlook ticked up to 3.0 per cent from 2.8 per cent in July.

REUTERS/FILE

People shop for clothes at Target retail chain in Westbury, New York, US on May 20.

EU exports to Britain rise in June

Reuters

European Union exports to Britain rose solidly in June from May, data released by the European Union statistics office showed on Friday, contrasting with a slight drop in the bloc's exports to the rest of the world.

Eurostat said that EU's seasonally adjusted exports to Britain, which left the EU's single market at the start of the year, increased by 4.7 per cent in June on the month, whereas imports from the UK were "nearly unchanged". The EU's growth in exports to Britain coincided with a 0.6 per cent drop in the bloc's exports to the rest of the world on the month, Eurostat said.

On the year, non adjusted figures showed that the 27-country bloc recorded in June a 22.3 per cent increase in exports for a total volume of 188.3 billion euros ($221.1 billion), and a 29.6 per cent rise in imports resulting in a trade surplus of 14.8 billion euros, down from 20 billion euros in June 2020.

The smaller euro zone, which comprises 19 of the 27 EU members, recorded a nearly 22 per cent increase of exports and a rise of almost 17 per cent in imports on the month which resulted in a 18.1 billion euros surplus in June from 7.5 billion euros in May. In June 2020, the euro zone surplus was 20 billion euros.

In the first half of the year, EU imports of goods from Britain were nearly 20 per cent below their levels in the same period of 2020 and in June and May were also lower than volumes recorded at the end of last year, Eurostat data showed.

The figures were at odds with data released on Thursday by the UK Office for National Statistics (ONS) which showed British exports to the European Union in May and June exceeded their levels immediately it left the single market at the start of this year, excluding volatile trade in precious metals.

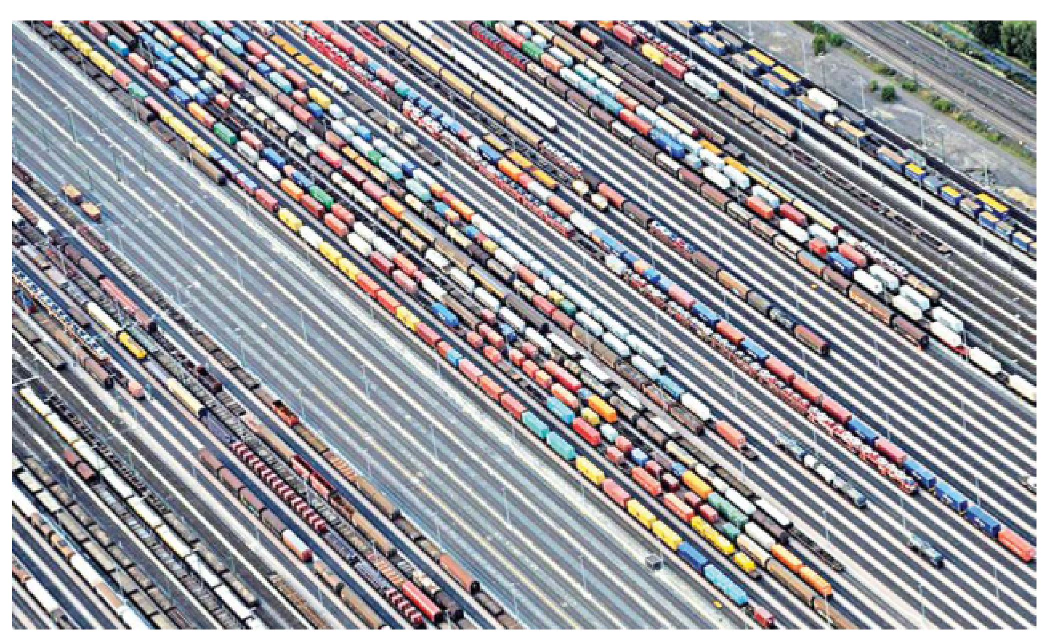
The discrepancy is partly due to a change in the way Eurostat calculates trade with Britain after Brexit. When Britain was still part of the EU's single market, all goods which moved from Britain to an EU member state were treated as British exports.

But since the start of the year, goods which had an origin outside Britain – for example, goods made in China which are shipped into Britain and then on to the Netherlands – are now treated as imports from China rather than from Britain.

"Statistics Eurostat publishes for 2021 are not on the same basis as statistics for previous years," the ONS said last month.

"The larger falls seen in the Eurostat data over this time period will reflect not only changes in trade, but also the fact that imports are being recorded as being from different countries than was previously the case," it added. Eurostat agreed with this interpretation of its data.

Partly due to this change in the methodology, non seasonally adjusted figures published by Eurostat on Friday showed EU countries imported from Britain in the January-June period goods worth 65.9 billion euros, 18.2 per cent less than the imports recorded in the same period last year.



Containers and cars are loaded on freight trains at the railroad shunting yard in Maschen near Hamburg, Germany.

REUTERS/FILE

China cranks up carbon-intensive projects

Reuters, *Shanghai*

China announced scores of new carbon-intensive coal and steel projects in the first half of 2021, research showed on Friday just days after a key UN report urged immediate global action to curb use of fossil fuels and prevent runaway climate change.

The push comes as climate experts exhort governments around the world to take drastic action amid increasingly widespread extreme weather events, like deadly wildfires, drought and even central China's highest rainfall in 1,000 years events that experts say are directly linked to human impact on the environment via carbon emissions.

"The rest of the world is getting the message that it's time to move away from coal, but coal interests in China are dragging their feet, and the central government is not reining them in," said Christine Shearer, coal programme director at Global Energy Monitor (GEM), the US think-tank that jointly authored the report on China's first-half carbon projects with the Helsinki-based Centre for Research on Energy and Clean Air (CREA).

During the first half, China, the world's biggest coal consumer and source of climate-warming greenhouse gases, announced plans to build 18 new coal-fired blast furnaces, more than in the whole of last year, according to the CREA-GEM research. Another 43 coal-fired power plant units were also proposed, the research showed.

China has promised to cut carbon emissions to net zero by 2060, but faces growing calls to set more ambitious targets and act faster.

The United Nations' Intergovernmental Panel on Climate Change (IPCC) warned in a nearly 4,000-page report this week that climate change had "affected every inhabited region across the globe" and was in danger of spiralling out of control.

UN Secretary General Antonio Guterres described the report as a "code red for humanity" that should "sound a death knell for coal and fossil fuels".

However, according to the CREA-GEM study, China started construction on 15 gigawatts (GW) of new coal-fired power capacity in the first half.

That's a slower pace than last year, but still amounts to one plant per week, and is enough to power roughly 4.5 million homes - more than in cities the size of London or New York.

China's greenhouse gas emissions surged after Covid-19 lockdowns ended last year, and growth rates only started to slow in the second quarter this year, the CREA-GEM study said.