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A worker unloads a barrel of palm oil at Khatunganj in Chattogram yesterday. About 60 per cent of the cooking oil used in the country's kitchens is palm oil, 80 per cent of which comes from Indonesia.

PHOTO: RAJIB RAIHAN

Edible oil price shock may soften

Thanks to price fall in global market, Indonesia's withdrawal of palm oil export ban

MOHAMMAD SUMAN, *Ctg*

Indonesia, the world's biggest supplier of edible oils, has decided to lift the ban on palm oil exports, a development that is expected to bring much-needed relief to the consumers in Bangladesh struggling to afford the cooking oil because of skyrocketing prices.

Palm oil exports can resume from May 23, Indonesian President Joko Widodo said in an online briefing yesterday.

The decision came after taking into account the improvements in the local supply and prices in the Southeast Asian nation, as well as the 17 million workers employed in the Indonesian palm oil industry.

On April 28, Indonesia halted shipments of crude palm oil and some of its derivative products to control soaring prices in the domestic market, rattling global vegetable oil markets.

The move had an immediate impact on Bangladesh as about 60 per cent of the cooking oil used in the country's kitchens is palm oil, 80 per cent of which comes from Indonesia.

The supply crunch forced the government to increase the prices of the bottled soybean oil by Tk 38 per litre to Tk 198, loose soybean oil to Tk 180 per litre and palm oil to Tk 172 per litre on May 6.

Yesterday, importers and traders say that the move to withdraw the export restriction will bring much-needed relief to the global market as well as Bangladesh.

Speculation that Indonesia will soon withdraw the ban was doing the rounds. As a result, the price of palm oil has been declining in the international market for the last two weeks.

At the Khatunganj market, the largest wholesale hub in Bangladesh, palm oil was selling at Tk 144-145 per little at the wholesale level yesterday, down from Tk 147-148 a day ago and at Tk 154-155 a week ago.

Similarly, soybean oil price stood at Tk 172-173 per litre, slightly down from Tk 174-175 on the previous day, said a wholesaler.

Abul Hashem, a wholesaler in Khatunganj, said the fall in the price of edible oil is being felt in the domestic market in Bangladesh. The impacts will be further visible thanks to the withdrawal of Indonesia's export ban.

He thinks the price will go down further in the next few days as the businesses that have bought and stocked the supply order slips have begun releasing the cooking oil into the market.

The retail market is yet to see any immediate change despite the drop in the wholesale rate. As a result, cooking oils are being sold at the previous rates.

Loose palm oil was selling at Tk 172-182 per litre yesterday and palm oil (super) was retailing at Tk 180-190 per litre, according to the Trading Corporation of Bangladesh.

Rafiqul Islam, the owner of Bismillah Store at the Hamzarbagh Kitchen Market in the port city, said: "We have to sell cooking oil at the previous price as we bought them a week ago."

Palm oil is being sold at Tk 170-170 a litre and soybean oil at Tk 180.

Tapan Kanti Ghosh, senior secretary of the commerce ministry, said: "It is very good news for us. Indonesia is the biggest source of palm oil and lifting of the ban will increase the availability of edible oil in the domestic market."

"Those who are holding the vegetable oil are likely to release their stocks. There will be some effect on prices. But it may take 15-20 days to see the full impact."

He said the main users of palm oil is the food-processing and cosmetics industries and there will be a positive impact on these sectors as well.

According to the senior secretary, the commerce ministry will review the prices of edible oil every 15 days.

"We will do the revision just after the fresh arrival of palm oil from Indonesia. Even before,

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EDIBLE OIL CRISIS

Punishing millers would have backfired

Says rights body chief

STAR BUSINESS REPORT

The government knew who were responsible for the recent acute shortage of soybean oil but did not enforce the law as it would have made the situation even more volatile, said the chief of the consumer rights body yesterday.

Five to six businesspeople are controlling the whole market and it is important to understand why big companies were not fined during the edible oil crisis, said AHM Shafiquzzaman, director-general of the Directorate of National Consumers' Right Protection.

If one single miller was brought to justice for the offenses they committed at the time, the crisis in Bangladesh would have escalated, he said.

Shafiquzzaman, also an additional secretary of the commerce ministry, said the government knows what the market situation is and who is doing what but it does not react during many major crises because it is a part of its policy.

"The government did what was needed to maintain the supply chain because there was adequate supply of oil in the country but it was not available at the retail level."

The directorate's biggest weakness is the lack of adequate data, having no legal source for it and being unable to scrutinise information received from consumers and personal sources, said

"So, the directorate has decided to work jointly with intelligence and law enforcement agencies."

Irregularities are pervasive in Bangladesh and found everywhere the directorate ever conducted a drive-in, he told a seminar on enforcing the Consumers' Right Protection Act, 2009.

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STOCKS

DSEX ▼	CASPI ▼
0.81%	0.72%
6,258.24	18,439.72

COMMODITIES

Gold ▲	Oil ▼
$1,837.89 (per ounce)	$108.21 (per barrel)

ASIAN MARKETS

MUMBAI	TOKYO	SINGAPORE	SHANGHAI
▼ 2.61%	▼ 1.89%	▼ 1.07%	▲ 0.36%
52,792.23	26,402.84	3,190.71	3,096.96

Bring corporate tax down to 10-15pc for newspapers

Editors urge finance minister

STAR BUSINESS REPORT

Editors yesterday urged the government to bring down the corporate tax for newspapers to 10-15 per cent from the fiscal year of 2022-23 to help the print media survive amid rising costs.

Currently, the newspaper industry has to pay 30 per cent corporate tax.

The editors also demanded a reduction of the tax deducted at source to 2 per cent from the present 4 per cent and the lifting of 5 per cent customs duty on newsprint imports.

They also called for the removal of 5 per cent advance income tax during the imports of newsprint.

They made the appeal at a virtual meeting with Finance Minister AHM Mustafa Kamal, organised by the finance ministry ahead of the placement of the budget for the upcoming fiscal year.

Prothom Alo Editor Matiur Rahman, Chief Editor of Daily Amader Orthoneeti Nayeemul Islam Khan, Bangladesh Pratidin Editor Naem Nizam, Founder Director & Head of News at Channel i Shykh Seraj, Financial Express Editor Shamsul Huq Zahid and bdnews24.com Editor Toufique Imrose Khalidi were present, among others.

Abdur Rouf Talukder, senior secretary of the finance ministry, moderated the session.

At the meeting, Naem Nizam said the newspaper industry in Bangladesh is passing a difficult period. Yet, newspapers have to count 30 per cent corporate income

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Masum Rana, a farmer from Kumira village under Bogura's Nandigram upazila, shows rotten paddy on a field. Recent excessive rains and storms inundated and completely damaged 20 bighas of their Boro paddy fields. The Department of Agricultural Extension says 49 lakh hectares of land were cultivated with paddy around the country this Boro season. Of it, 18,000 hectares had been damaged, causing a loss of 300,000 tonnes of paddy, it said. The photo was taken yesterday.

PHOTO: MOSTAFA SHABUJ

CTG-EU ROUTE

Second direct shipping service kicks off today

DWAIPAYAN BARUA, *Ctg*

The second direct container shipping service from the country's premier sea port in Chattogram to Europe is going to be introduced today.

The new service will reach two new destinations -- Liverpool in the United Kingdom (UK) and Rotterdam in the Netherlands, which is also one of Europe's hub ports.

And this time comparatively bigger vessels will be deployed.

The introduction comes two and a half months after the first direct shipping service between Chattogram and Italy was launched on the first week of February this year.

United Kingdom (UK)-based freight forwarder Allseas Global Logistics is introducing the new service.

It is chartering three

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