



Workers unload stacks of paper at a warehouse in Nayabazar in Old Dhaka. Earning Tk 500 to Tk 600 a day, they say work is no longer as readily available as it had been prior to the pandemic lockdowns, which they believe resulted from a slowdown in sales. The photo was taken recently.

PHOTO: AMRAN HOSSAIN

Rice bran now a hot commodity as India scours for edible oil

REUTERS, Mumbai

Rice bran has become a sought-after commodity in India as the world's biggest importer of vegetable oils tries to overcome an edible oil shortage caused by global supply disruptions.

A by-product in rice milling, rice bran has been traditionally used for cattle and poultry feed. In recent years, oil mills have started extracting rice oil, which is popular among health-conscious consumers but historically more expensive than rival oils.

Rice bran oil accounts for a small portion of overall vegoil consumption in India but is one of the fastest-growing among edible oils, industry officials say, and production and imports are set to increase to meet the demand.

The recent rally in global edible oil prices fuelled by Indonesia's restrictions on palm oil exports and disruptions to sunflower oil shipments from Ukraine has wiped out rice bran oil's traditional premium over rival oils. That has triggered a surge in demand for bran oil which has similar taste properties to

sunflower oil.

As sunflower oil imports plunged from Ukraine, consumers started replacing it with rice bran oil, said BV Mehta, secretary general of the International Association of Rice Bran Oil (IARBO). India usually fulfills more than two-thirds of its sunflower oil requirements through imports from Ukraine.

"Because of Covid-19, I was looking for healthier food options. I first used rice bran oil for health benefits six months ago and since then I've been using it," said Aditi Sharma, a Mumbai-based homemaker, who switched to rice bran oil from sunflower oil.

"It tastes good and is good for health as well," Sharma said, referring to the oil's cholesterol-lowering and anti-oxidative properties.

In India, rice bran oil is now trading at 147,000 Indian rupees (\$1,879) per tonne compared with sunflower oil at 170,000 rupees.

Rice bran oil usually commands around a 25 per cent premium over other oils, but in recent months has

been cheaper than imported vegetable oils, making it more affordable for the masses, according to data compiled by Solvent Extractors' Association of India (SEA).

Competitive prices boosted rice bran oil consumption since March and has encouraged companies to extract more oil.

Sharma said that even if premiums returned, she would still buy rice bran oil for her family of four.

The demand for rice bran oil has become so strong that it has flipped the economics for rice millers, who are now prioritising bran oil output.

"For rice mills, instead of by-product, now rice bran has become a main product," said Puneet Goyal, chief executive officer at Ricela Group, the country's biggest producer of rice bran oil.

To meet rising demand Ricela is planning to increase oil refining capacity to 750 tonnes per day in the next two months from 600 tonnes, Goyal said.

With a vegetable oil shortage, oil mills

are ready to pay record high prices for bran, said BV Krishna Rao, president of the All India Rice Exporters Association.

Rice bran prices have jumped to 30,000 rupees to 36,000 rupees per tonne compared with paddy prices of around 19,000 rupees, which is milled for rice extraction.

However, a shortage of oil processors in all rice milling areas remains a key limiting factor on bran oil supply, as rice bran must be processed into oil within 48 hours of being separated from chaff in order to be fit for human consumption.

Only 55 per cent of bran is currently processed, with the remainder going to the lower priced feed market.

Even so, with several oil processors maximising output, the country is on course for record bran oil production of 1.05 million tonnes this year, up from around 950,000 tonnes in 2021, which should help India reduce imports of rival oils. Edible oil consumption in India trebled over the past two decades as the population rose, incomes increased and people started to eat out more.

US consumer confidence falls to record low

AFP, Washington

Surging US inflation has eroded consumer confidence, sending a closely-watched measure of how Americans feel about the economy to a record low, according to a survey released Friday.

The University of Michigan's consumer sentiment index fell to 50 in June, the lowest in the 45-year history of the survey, a more than eight-point drop from May and more than 41 per cent below last year's level.

Strong consumer demand has undergirded the robust recovery in the world's largest economy from the Covid-19 downturn, but families are now feeling squeezed by painful price increases for housing, gasoline and food, worsened by the fallout from the Russian invasion of Ukraine.

Singapore eases movement curbs for migrant workers

AFP, Singapore

Migrant workers in Singapore no longer need special permission to leave their dormitories from Friday, after two years of coronavirus curbs, but campaigners criticised the decision to maintain some "discriminatory" restrictions.

Around 300,000 migrant workers, many of them from South Asia, live in dorms in the prosperous city-state, where they are typically packed into shared rooms and sleep on bunk beds.

The vast complexes were hit by Covid-19 and locked down at the start of the pandemic, casting a rare spotlight on what rights activists said were the poor living conditions of the low-paid workers. For most people in Singapore, strict movement curbs were only in place for a short period, but migrant workers remained largely confined to their dorms, except to go to work or run errands.

German business mood sours

AFP, Frankfurt

The German business climate worsened in June, a key survey published Friday showed, as Europe's largest economy faced up to a possible Russian gas stop.

The closely watched index fell to 92.3 from 93 in May, after rising for the last two months, according to the Ifo think tank.

Managers were "markedly more pessimistic" about the outlook for Germany, said Ifo president, Clemens Fuest.

Their surveyed expectations of future economic conditions fell to 85.8 in June from 86.9 in May.

"Rising energy prices and the threat of gas shortages are of great concern to German business," Fuest said.



Abdul Hai Sarker, chairman of the board of Dhaka Bank Ltd, virtually presides over the bank's 27th annual general meeting recently. The meeting declared 12 per cent cash dividend for the year that ended on December 31, 2021. Jashim Uddin, vice-chairman of the bank, ATM Hayatuzzaman Khan, former chairman, Emranul Huq, managing director, and Md Shahjahan Miah, company secretary, were present.

PHOTO: DHAKA BANK

Transcom Beverages and Guardian Life Ins sign deal

STAR BUSINESS DESK

Guardian Life Insurance Ltd has recently signed an agreement with Transcom Beverages Ltd over group insurance.

Sheikh Rakibul Karim, chief executive officer of Guardian Life Insurance, and Mohammed Ismail, chief financial officer of Transcom Beverages, inked the deal at the former's head office in Dhaka, a press release said.

Under the agreement, all the employees of Transcom Beverages will be entitled to life insurance coverage and hospital benefits.

Syed Akthar Hasan Uddin, director of the insurer, Mahmud Afsar, executive vice-president, Faisal Alim, head of group sales, Ifakher Ahmed, head of customer relationship management, SM Mukit Chowdhury, team leader, Mirza Rashed Nawaz, business development manager, Mohammad Arif Hossain, business relationship manager, and AKM Atiqur Rahman, general manager for human resources and corporate affairs at Transcom Beverages, and Gopal Ghosh, executive for sales and human resources, were present at the signing ceremony.



Sheikh Rakibul Karim, chief executive officer of Guardian Life Insurance Ltd, and Mohammed Ismail, chief financial officer of Transcom Beverages Ltd, exchange the signed documents of an agreement over group insurance benefits at the former's head office in Dhaka recently.

PHOTO: GUARDIAN LIFE INSURANCE



Abdul Kadir Molla, chairman of South Bangla Agriculture and Commerce Bank Ltd, virtually presides over the bank's ninth annual general meeting recently. The meeting approved 1 per cent stock and 3 per cent cash dividend for the year that ended on December 31, 2021. Mizanur Rahman, vice-chairman of the bank, Mosleh Uddin Ahmed, managing director, and Md Mokaddess Ali, company secretary, were present.

PHOTO: SOUTH BANGLA AGRICULTURE AND COMMERCE BANK



Ruhul Alam Al Mahbub, chairman of Fair Electronics, Arif Quadri, managing director of United Commercial Bank, Tanzim Alamgir, managing director of UCB Investment, Md Ahsan-uz Zaman, managing director of Midland Bank, Golam Awlia, managing director of NRB Commercial Bank, Md Monzur Mofiz, managing director of One Bank, and Md Khalid Mahmood Khan, deputy managing director of Mutual Trust Bank, pose for a photograph at the closure of Fair Electronics's preference share worth Tk 200 crore at the Sheraton Dhaka in Banani recently.

PHOTO: UCB INVESTMENT

Strict laws, not higher benefits

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In the last few years, it was heard that a national savings scheme will be rolled out but there has been no progress to this effect.

In the private sector, the Provident Fund and the Gratuity Fund are not available mostly. As a result, they leave their jobs empty-handed during retirement. How will they survive after retirement?

When it comes to savings, there should be an emphasis on private-sector employees so that they can have more money when they retire.

A few proposed areas will create fear in the mind of people. In a few cases like maintaining savings deposits and fixed deposits

with banks or financial institutions, applying for loans exceeding Tk 5 lakh and opening a postal savings account of Tk 5 lakh, depositors will have to show the proof of submission of the income tax return.

Banks and financial institutions will deduct the tax at 15 per cent instead of 10 per cent if the depositor fails to submit the proof of return filing. Currently, the depositor enjoys the reduced tax at source if he or she provides the taxpayer identification number (TIN). This move will create additional compliance for the general people.

Mainly, housewives deposit money in their savings deposit account

on a monthly basis after meeting the monthly family expenses. And if the saving amount reaches a good amount after a few years, they invest in a government-issued savings certificate or deposit in a postal savings account. Now, the proposed strict laws will negatively impact the savings of these people.

The proof of filing tax returns will create confusion for the employees in the private sector. The salaried persons holding managerial, administrative and supervisory positions in the private sector and the government employees with a basic salary of Tk 16,000 or more at any time of an income year will have

to submit the proof of the return filing.

Except in the manufacturing industry, in an office, most are included in the management or administrative function. So, the employer may instruct all of its employees to file returns irrespective of their yearly income from salary just to be on the safe side.

The ceiling, like government employees, would be a good decision for the private sector.

The requirement to file tax returns for the individuals who sell goods or services through digital platforms to consumers will generate confusion as well. University students sell products on digital

platforms on a seasonal basis by opening a page. Their income from these activities is not high.

Bangladesh has a lower tax-to-GDP ratio compared to other countries. But the government should not push for more compliance to raise the ratio because this will negatively impact the new taxpayers.

Rather, the government should simplify the tax return submission process so that taxpayers are assured that the filing is not complex and will not create any problems in future.

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