

THE FLAVOUR OF CHANGE

Edible Oils in Bangladeshi Kitchens

According to the Bangladesh Bureau of Statistics (BBS) Household Income and Expenditure Survey, per capita consumption of edible oil increased from 27 grams per day in 2016 to 31 grams per day in 2022, indicating a steady upward trend in food consumption.

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Food experts generally view the growing consumption of edible oil as a positive development, noting its crucial role in addressing nutritional deficiencies, particularly among lower-income and impoverished populations. For many, edible oil is vital for meeting dietary requirements and enhancing overall nutrition.

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“The edible oil market consists of both branded and unbranded segments. While the unbranded market remains dominant, particularly in rural areas, branded oils are gradually gaining popularity due to their quality assurance. The demand for fortified edible oils,

such as those enriched with Vitamins A and D, has risen significantly, driven by government regulations and health awareness campaigns,” notes Md. Abdulla Al Mamun Fahim, Deputy Brand Manager at City Group.

Unpackaged palm and soybean oils continue to dominate the market, largely due to their more affordable prices compared to bottled alternatives. However, food experts warn that these unpackaged oils often fail to meet essential health and safety standards, whereas bottled oils offer better quality assurance.

In a recent study, Dr. Nazma Shaheen, Professor and former Director of the Institute of Nutrition and Food Science at Dhaka University, found that palm oil is often mixed with soybean oil and sold as pure soybean oil in the unpackaged market. This deceptive practice leads to financial losses for consumers, though it becomes less common during the winter months, when palm oil solidifies at lower temperatures.

Dr. Shaheen

also highlights the significant difference between unpackaged and bottled soybean oils. While bottled soybean oil is authentic and meets universal fortification standards, including the mandatory addition of Vitamin A, unpackaged oils face major issues. Exposure to light and heat in the open market causes degradation of Vitamin A, increases peroxide values, and accelerates oxidation, all of which reduce the shelf life of unpackaged oils. Despite its larger market share, unpackaged oil is less healthy.

Approximately two decades ago, mustard oil was the dominant choice among consumers. However, the landscape shifted significantly as soybean oil gained popularity. According to industry insiders, the local edible oil market is now predominantly reliant on two major imports—palm oil and soybean oil—which together account for approximately 85-90% of total demand.

Recently, mustard oil has been experiencing a resurgence in demand, with several leading companies now offering branded bottled mustard oil alongside their soybean oil products. Additionally, other types of edible oils, such as sunflower, canola, and olive oil, are gradually gaining traction. However, their market share remains minimal, as they are mainly preferred by health-conscious, higher middle-class consumers.

Bangladesh’s annual edible oil requirement currently stands at approximately 30 lakh tonnes. Soybean, mustard, groundnut, sunflower, and sesame seeds are cultivated locally for edible oil production, but domestic production meets only a modest demand of 2 lakh tonnes.

Edible oil imports are predominantly sourced from Southeast Asian, North American, and Latin American countries. With both import and local distribution concentrated among a few companies, the process requires substantial financial resources, often necessitating



90 percent of the country’s demand is met through imports.

A food expert emphasises that reducing import duties on edible oil is merely a short-term solution to make prices more affordable for the public.

Professor Shafiun Nahin Shimul from the Institute of Health Economics at Dhaka University emphasises that the

government should engage regularly with importers, carefully monitoring their pricing strategies. This should be done by comparing local prices with international market rates, as global price data is readily accessible. Such scrutiny will help identify any discrepancies in pricing.

One issue often raised by importers is shipment delays of two to three months, which they claim justify price increases. However, these claims must be carefully scrutinised to ensure their legitimacy. If any fraudulent activities are discovered, appropriate corrective actions should be taken to protect consumers.

At the same time, Professor Shimul warns that the government must be cautious not to exert excessive pressure on importers. Overbearing tactics could discourage them and disrupt the market’s supply chain, leading to unintended consequences.

Looking towards the long-term, he suggests that opening the market to more importers would help foster healthy competition. This could contribute to price stability, as seen in the past when the importation of sufficient quantities of eggs led to a noticeable drop in prices. Similarly, maintaining a steady and consistent supply of edible oil would help mitigate the frequent fluctuations in its price.



BANGLADESH EDIBLE OIL MARKET

Annual Demand:
30 lakh tons

Local Production:
2 lakh tons



Major Importers

(accounting for 80% of total imports)

City Group

TK Group

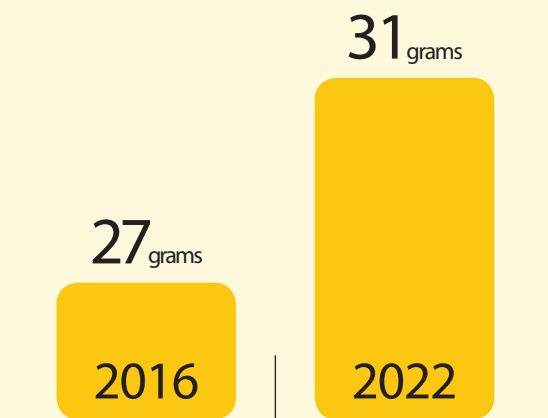
S Alam Group

Meghna Group

Major Sources of Edible Oil

Southeast Asian, North and Latin American countries

Per Capita Consumption of Edible Oil



SOURCE: BANGLADESH BUREAU OF STATISTICS (BBS) REPORT

DID YOU KNOW?



03

Reheated oil begins to break down into toxins because of the absorbed fat—it’s a health hazard best avoided.



02

Refined oils can stay fresh for up to 2 years unopened or 8 months after opening if stored in cool, dry place, and away from direct sunlight.



01

Edible oils provide essential Omega-3 and Omega-6 fats which your body cannot produce, making them vital for health—just watch out for excess intake from sugary and baked goods.



04

Smoking point of your cooking oil, the temperature when the oil starts to smoke—which it will reach before its boiling point—is crucial thing to consider. Overheat your cooking oil past its smoke point, and you risk burnt flavors and harmful carcinogens sneaking into your meals.

Olive oil is perfect for garnish or salad dressing, but swap it for high-smoking point, fortified oils when it’s time to cook because olive oil has low-smoking point and it breaks down when subjected to high-heat.

05

