Star BUSINESS

Ramadan on the horizon, soybean oil still scarce

SUKANTA HALDER

Consumers say that the supply of bottled soybean oil has not improved significantly, while several players in the local supply chain have expressed mixed reactions regarding the outlook of the edible oil market ahead of Ramadan, when demand for the cooking staple nearly doubles.

On February 10, Commerce Adviser Sk Bashir Uddin stated that the edible oil market would normalise within a week. But five days after that comment, an edible oil wholesaler in Dhaka's key commodity market, Karwan Bazar, said the supply had instead declined.

Another trader in Chattogram's Khatunganj market mentioned yesterday that the supply had remained almost unchanged, while a trader in the capital's Moulvibazar reported an increase.

Consumers are also encountering a similar scenario.

A resident of the capital's West Dhanmondi area told The Daily Star that he couldn't find any bottled soybean oil at the first two retail shops he visited. At the third shop, he managed to find some, but not in the five-litre bottle he wanted. They only had two-litre bottles.

Meanwhile, Laizur Rahman, a resident of Rupnagar in Dhaka's Mirpur, said he was able to buy a five-litre bottle of soybean oil after searching through four different shops yesterday.

"The government says the edible oil crisis is artificial, but the problem is still not being resolved quickly," he said in frustration, referring to the Bangladesh Trade and Tariff Commission's statement on February 9 that the prevailing edible oil crisis was artificial.

Retailers and wholesalers in several markets in major cities, including Dhaka, Chattogram, and Barishal, said supply had been reduced after the government last month rejected refiners' requests to raise prices in the face of increased import costs.

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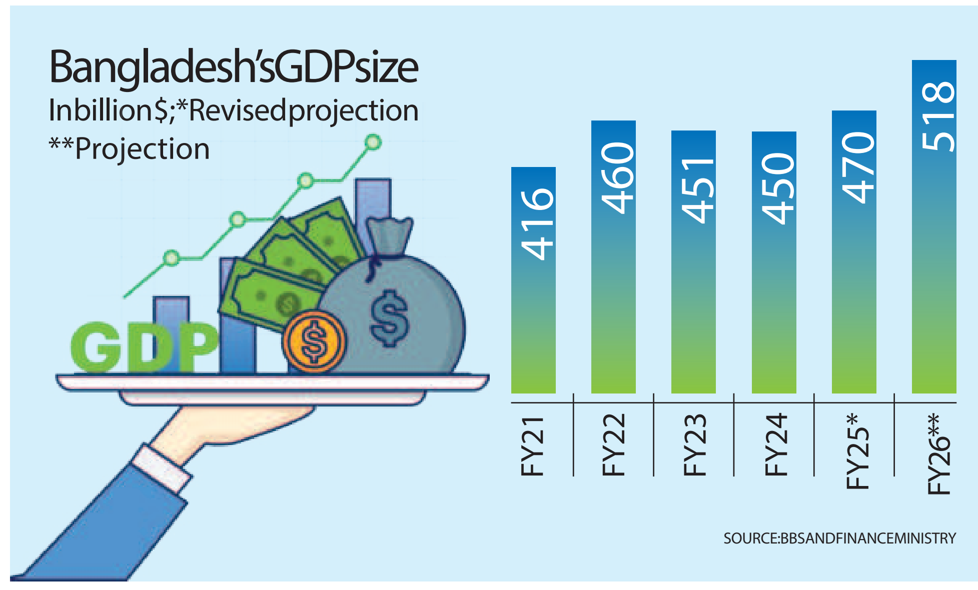
GDP may cross $500b for first time in FY26

Finance ministry estimates

REJAUL KARIM BYRON *and* MD ASADUZ ZAMAN



The finance ministry is likely to project that the country's gross domestic product (GDP) will surpass the $500-billion mark for the first time in the upcoming fiscal year (FY), anticipating an economic rebound in FY 2025-26.

The ministry made the estimate during a recent budget-related meeting attended by Finance Adviser Salehuddin Ahmed, according to finance ministry officials.

The Finance Division estimates that Bangladesh's GDP at current prices will reach $517.7 billion (Tk 6,315,923 crore) in FY26.

For the ongoing fiscal year, the initial GDP projection was $491 billion (Tk 5,597,414 crore) at current prices.

However, it is likely to be revised downward by $21 billion to $470 billion (Tk 5,645,114 crore), according to finance ministry sources.

This means the size of GDP will grow by 10.21 percent at current prices in FY26 than the revised estimate for the ongoing fiscal year.

However, according to the revised estimate, GDP may increase by 4.44 percent in the current fiscal year.

In the last fiscal year of 2023-24, Bangladesh's GDP stood at $450 billion (Tk 50,026,537 crore), according to data released by the Bangladesh Bureau of Statistics (BBS).

The finance ministry expects the economy to rebound in the coming years, with GDP crossing the $500-billion mark.

Similarly, foreign multilateral lenders, such as the Asian Development Bank (ADB), World Bank, and International Monetary Fund (IMF), have projected higher growth in the coming years, despite lowering their economic growth projections for FY25.

For the next fiscal year, the finance ministry may project real GDP growth at 6 percent and inflation at 6.5 percent.

"This is a pragmatic projection, not an unrealistic one," said Ashikur Rahman, principal economist at the Policy Research Institute (PRI) of Bangladesh.

Rahman also expressed doubts about achieving the 6 percent real GDP growth target.

"Because investments have hit a snag with no sign of improvement anytime soon," he said. "Besides, the development spending has also slowed and there is no guarantee that it will bounce back in the next fiscal year."

In its latest monetary policy, the Bangladesh Bank (BB) projected private sector credit growth at 9.8 percent by June this year, which aligns with the finance ministry's revised projection.

"This projection underpins expectations of a modest overall balance of payments surplus, driven by inflows from official multilateral development partners, sustained growth in export revenues, and remittance inflows," said the monetary policy statement (MPS) published last week.

For the upcoming fiscal year, the finance ministry has projected that private sector credit growth will grow to 11 percent.

Along with the rising trend in exports and remittances, the overall volume of imports is expected to increase in the coming years.

Although import volumes were in negative territory before December last year, overall imports rose by 3.53 percent during the July-December period, according to central bank data.

In FY26, the finance ministry also expects imports to reach 10 percent.

"The government expects GDP size to cross the $500 billion mark, considering the above indicators," said a top finance ministry official.

Contacted, Mustafizur Rahman, a distinguished fellow at the Centre for Policy

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29 IIG operators still owe Tk 205cr to BTRC

MAHMUDUL HASAN

A total of 29 international internet gateway (IIG) service providers in Bangladesh still owe the country's telecom regulator about Tk 205 crore collectively even though the monthlong window to clear their dues has long passed.

These dues include regular payments, such as undisclosed bandwidth charges and contributions to the Social Obligation Fund, according to the Bangladesh Telecommunication Regulatory Commission (BTRC).

Official documents, dated December 16 and 17, show that the BTRC had instructed 30 local IIG service providers to clear payments amounting to Tk 220 crore by January 18.

However, just 15 of them have since issued payments amounting to roughly Tk 15 crore.

Level-3 Carrier Limited contributed the most with Tk 10.81 crore while only Coronet Corporation Limited managed to completely clear its dues of Tk 3 lakh.

The top five defaulters account for more than 77 percent of the outstanding sum.

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Bangladesh Telecommunications Company Limited (BTCL) owes the most with Tk 51.58 crore followed by Aamra Technologies with Tk 25.48 crore, Earth Telecom with Tk 32.02 crore, Level-3 Carrier with Tk 11.21 crore, Peerex Networks with Tk 15.99 crore, Windstream Communication with Tk 11.48 crore, and Delta Infocom with Tk 10.59 crore.

The BTCL, a state-run telecommunications service and infrastructure company, has not paid any of its dues and is yet to provide a response for failing to do so.

The other companies that have not sent a reply include Novocom, Bangladesh Submarine Cables, REGO Communications, 1 Asia Alliance Communication, and Planet Internet Gateway.

Seven companies, namely Aamra, BdHub, Mango, Virgo, Global Fair, Intraglobe and Maxnet Online, have applied to pay their dues in instalments.

Aamra Technologies, with an outstanding balance of Tk 15.48 crore, has requested the withdrawal of a cap on their bandwidth sales in exchange for a down payment of Tk 1 crore, with the remaining dues to be paid in 36 monthly instalments.

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PHOTO: QUAMRUL ISLAM RUBAIYAT

Wheat acreage lowest on record

SOHEL PARVEZ *and* QUAMRUL ISLAM RUBAIYAT

Cultivation of wheat has hit the lowest on record in the current season in Bangladesh as many producers opted to grow potato and other high-value crops on land previously used for the second most important staple food after rice.

During the current fiscal year of 2024-25, acreage of wheat fell 8 percent year-on-year to 2.87 lakh hectares of land, according to provisional estimates by the Department of Agricultural Extension (DAE).

That means it was cultivated on 3.11 lakh hectares of land a year ago.

This is the second consecutive year that wheat acreage has fallen, marking a gradual decline since FY16, when total acreage stood at 4.44 lakh hectares, the highest in nearly two decades.

Bangladesh cultivated the cereal on 8.88 lakh hectares in FY99, the highest in 37 years.

Agriculturists and farmers said multiple factors are responsible for the falling appetite of farmers toward wheat cultivation. Lower profits than maize, potato and other high-value vegetables is one of these factors.

Take Sazzad Selim, a farmer in Rosea village of Atwari under the north-western bordering district of Panchagarh, who cultivated wheat on a five-acre plot last year.

During the current year, he allocated all of his land for maize, cultivation of which has expanded rapidly over the past two and a half decades driven by demand from feed mills catering to domestic poultry, aquaculture and livestock farms.

"We can make higher profits than wheat if we grow maize and potato," he said.

The farmer was able to earn Tk 36,000 from each acre of land used for growing maize last year, whereas the amount of profit from the cultivation of wheat on the same area of land was Tk 20,000.

The major difference is the yield between wheat and maize, which brought him higher profit, though prices of wheat were much higher than maize.

Selim said, on an average, 40 maunds to 45 maunds (1 maund = 37.65 kg) of wheat can be harvested from one acre of land. In contrast, the same piece of land can provide a yield of 120 maunds to 150 maunds of maize.

During last year's harvest, each maund of wheat was sold for Tk 1,250 to Tk 1,350, whereas a maund of maize was sold for Tk 800, according to the farmer.

In its Grain and Feed update on Bangladesh in December 2024, the US Department of Agriculture (USDA) said wheat acreage and production have been stagnant for several years.

It cited that this was due to a lack of improved seed varieties, disease and pest infestations during cultivation as well as competition with other profitable crops during the same season.

The DAE's estimate showed that both maize and potato area has increased this fiscal year as farmers switched to the crops.

Winter maize acreage gained 4 percent year-on-year to 5.66 lakh hectares in the current FY25 from the previous year.

And encouraged by record high prices of potato last year, farmers cultivated potato on 5.24 lakh hectares in FY25, the highest on record, up 14 percent year-on-year, according to the DAE estimate.

Amzad Hossain, another farmer of Farabari village in Thakurgaon upazila, another major area for wheat cultivation, said he cultivated potatoes on two bighas of land and maize on three bighas this season.

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