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Bangladesh

Oilseeds and Products

Annual

2000

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Report Highlights:

Bangladesh edible oil imports are expected to climb six percent to 450,000 tons this year, including 350,000 tons of soybean oil.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
New Delhi [IN1], BG

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OILSEEDS

Production

Bangladesh produces about 350,000 metric tons of oilseeds per year, with rapeseed accounting for more than two-thirds of the total. Other oilseeds grown in Bangladesh are peanut, linseed and cotton seed. Soybean production is negligible. Oilseed crushing capacity is about 1.5 million tons, but utilization is less than 40 percent due to non-availability of oilseeds.

Trade

Bangladesh imports roughly 200,000 tons of oilseeds annually, depending upon the prices of oilseeds and crude edible oil in the international market. Crushers have been exposed to unprecedented competition with crude oil refineries during the current vegetable oil supply glut on the world market. Also, the recent tariff policy change under which the import duty on crude vegetable oil has been lowered has further reduced the competitiveness of crushers. With the exception of 20,000 - 30,000 tons of copra imported from the Pacific Islands, oilseed imports consist almost entirely of rapeseed from Australia, France, Poland, Canada and the CIS.

Policy

Oilseed imports face a 5 percent duty and 9.5 percent tax for "miscellaneous fees and charges"; there is no value added tax.

OILMEAL

Trade

With the poultry sector booming, imports of soybean meal are rising. This year's meal imports (official plus unofficial border trade) are estimated at 100,000 tons. Almost all soybean meal is sourced from India. In FY1999, USDA donated 1000 tons of soybean meal to Bangladesh under the Food for Progress program. While Bangladesh poultrymen recognize the higher quality of US meal, it cannot compete pricewise with Indian meal.

OIL

Production

Local vegetable oil production, including oil extracted from domestic seed (65 percent) and imported seed (35 percent) is estimated at 180,000 tons in FY1999/00, down four percent from last year due to lower oilseed imports. Domestically-produced oil (mainly rape/mustard seed) provide about 30 percent of Bangladesh's total edible oil consumption, which is estimated at 635,000 metric tons in FY1999/00.

Trade

Given the soft world market and continued growth in demand, imports are estimated to increase by six percent in FY1999/00 to 450,000 metric tons. Imports of 475,000 tons are anticipated in FY2000/01. Imports of soybean oil are estimated to increase by about eight percent to 350,000 tons in FY1999/00, and are forecast to reach 375,000 tons in FY2000/01. Palm oil imports are expected to remain unchanged both this year and next from last year's level of about 100,000 tons.

The U.S. plans to donate 85,000 tons of soybean oil to Bangladesh in US FY2000 under Section 416B. The oil is expected to arrive during Bangladesh FY2000/01. Brazil and Argentina have been dominating the Bangladesh soybean oil market (crude, degummed) at 80 and 20 percent, respectively, as US exports have been unable to match the \$10-15/ton lower prices offered by the South Americans. Usually, 7-12 refiners pool their resources to purchase a 20-30,000 ton cargo. Bangladesh also imports limited quantities of refined soyoil from Singapore.

Palm oil imports have been stable in recent years. The smaller refineries import crude palm oil as a group in 3-5,000 ton vessels from Malaysia. Due to Malaysia's proximity, importers enjoy a freight advantage over crude soyoil. Also, the small refineries take advantage of the temperate summer during which palm oil is frequently marketed as soy (as the palm oil crystals disappear, most consumers are unable to differentiate it from soy oil).

Policy

Since April 1, 2000, all edible oils have been assessed an import duty based on actual C&F costs which are certified by pre-shipment inspection (PSI) agencies appointed by the government. The PSI system replaced the fixed tariff price (FTP) system introduced to prevent dishonest importers from evading taxes. Under the PSI system, refineries are paying duties based on international market prices which currently are very low. Also, they are enjoying the downward adjustment in tariffs on crude from 25 percent to 15 percent, effective December 1, 1999. Imported refined oils are assessed a 37.5 percent duty. Imports of all edible oil (crude and refined) are subject to a 15 percent value added tax and a 9.5 percent tax covering "miscellaneous fees and charges."

Commodity, Oil Soybean, PSD

PSD Table							
Country:							
Commodity:	Oil, Soybean						
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/1998		07/1999		07/2000	(MONTH/YEAR)
Crush	0	0	0	0	0	0	(1000 MT)
Extr. Rate	0	0	0	0	0	0	
Beginning Stocks	52	52	77	77	0	92	(1000 MT)
Production	0	0	0	0	0	0	(1000 MT)
MY Imports	325	325	400	350	0	375	(1000 MT)
MY Imp. from U.S.	26	26	0	0	0	85	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	377	377	477	427	0	467	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum	45	45	60	60	0	70	(1000 MT)
Food Use Dom. Consump.	255	255	325	275	0	330	(1000 MT)
Feed Waste Dom. Consum.	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	300	300	385	335	0	400	(1000 MT)
Ending Stocks	77	77	92	92	0	67	(1000 MT)
TOTAL DISTRIBUTION	377	377	477	427	0	467	(1000 MT)
Calendar Year Imports	300	300	380	330	0	360	(1000 MT)
Calendar Yr Imp. U.S.	26	26	0	0	0	85	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Commodity, Oil Palm, PSD

PSD Table							
Country:	Bangladesh						
Commodity:	Oil, Palm						
		1998		1999		2000	UOM
	Old	New	Old	New	Old	New	
Market Year Begin		07/1998		07/1999		07/2000	(MONTH/YEAR)
Area Planted	0	0	0	0	0	0	(1000 HA)
Area Harvested	0	0	0	0	0	0	(1000 HA)
Trees	0	0	0	0	0	0	(1000 TREES)
Beginning Stocks	29	29	19	19	0	9	(1000 MT)
Production	0	0	0	0	0	0	(1000 MT)
MY Imports	100	100	50	100	0	100	(1000 MT)
MY Imp. from U.S.	0	0	0	0	0	0	(1000 MT)
MY Imp. from the EC	0	0	0	0	0	0	(1000 MT)
TOTAL SUPPLY	129	129	69	119	0	109	(1000 MT)
MY Exports	0	0	0	0	0	0	(1000 MT)
MY Exp. to the EC	0	0	0	0	0	0	(1000 MT)
Industrial Dom. Consum.	10	10	5	5	0	5	(1000 MT)
Food Use Dom. Consump.	100	100	55	105	0	75	(1000 MT)
Feed Seed Waste Dm.Cn.	0	0	0	0	0	0	(1000 MT)
Total Dom. Consumption	110	110	60	110	0	80	(1000 MT)
Ending Stocks	19	19	9	9	0	29	(1000 MT)
TOTAL DISTRIBUTION	129	129	69	119	0	109	(1000 MT)
Calendar Year Imports	90	90	50	95	0	100	(1000 MT)
Calendar Yr Imp. U.S.	0	0	0	0	0	0	(1000 MT)
Calendar Year Exports	0	0	0	0	0	0	(1000 MT)
Calndr Yr Exp. to U.S.	0	0	0	0	0	0	(1000 MT)

Commodity, Oil Soybean, Import Trade Matrix

Import Trade Matrix			
Country:		Units:	Metric Ton
Commodity:		Oil	
Time period:	Jul - Jun		
Imports for	1998		1999
U.S.	0	U.S.	0

Others		Others	
Brazil	250,000		290,000
Argentina	65,000		40,000
Singapore	10,000		20,000
Total for Others	325000		350000
Others not listed			
Grand Total	325000		350000

Commodity, Oil Palm, Import Trade Matrix

Import Trade Matrix			
Country:		Units:	Metric Ton
Commodity:			
Time period:	Jul - Jun		
Imports for	1998		1999
U.S.	0	U.S.	0
Others		Others	
Malaysia	90,000		90,000
Singapore	10,000		10,000
Total for Others	100000		100000
Others not listed			

Grand Total	100000		100000
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