Stop mobile court 'harassment'

Restaurant owners demand

STAR BUSINESS REPORT

There are around four lakh restaurants across the country employing around 30 lakh people, according to Bangladesh Restaurant Owners' Association. PHOTO: STAR

Restaurant owners yesterday demanded a stop to "unnecessary harassment" in the name of running mobile courts to ensure standards and compliance with regulations.

"Restaurant owners are threatened unnecessarily by law enforcing agencies when mobile courts are conducted. We would like to urge the authorities to conduct mobile courts as per the rules of business of mobile courts," said Imran Hassan, secretary general of Bangladesh Restaurant Owners' Association (BROA).

"We don't have any intention to provide adulterated food to customers as restaurant owners do business with essential products," he told a press briefing at the Pan Pacific Sonargaon Dhaka.

According to Hassan, there is a provision enabling fines to be paid within five working days but mobile courts compel restaurant owners to pay fines then and there over allegations centering adulteration and food safety. He urged for a shift from such an arrogant mindset against restaurant owners. Rather, the authority should aim to ensure safe food for all, he said.

The BROA also demanded a level playing field for all by ensuring that value added tax (VAT) is mandatorily paid by all restaurants.

While registered restaurants are realising VAT for the National Board of Revenue, others are yet to be registered, it said. Non-air conditioned restaurants realise VAT at 5 per cent and aired-conditioned ones at 7.5 per cent. According to the association, there are around four lakh restaurants across the country employing around 30 lakh people.

Hassan said these restaurants were directly aiding the agriculture and tourism sectors.

The BROA also demanded that the government recognise the restaurant business as an industry.

Besides, it demanded that licenses and all others official documents be required to be renewed every three years instead of every year.

The BROA secretary general alleged that they have to renew such documents by going round 11 entities every year, which is time consuming and a hassle.

Restaurant owners proposed to impose income tax considering profit and expenditure to be 20 per cent and two thirds of their annual turnover respectively.

The BROA also demanded that electronic fiscal devices be provided free of cost while a supplementary duty be lifted, saying it discouraged restaurant owners form collecting VAT on gross profits. Presided over by Hazi Md Usman Gani, president of the BROA, the event was also addressed by Taufiqul Islam, treasurer, and Laboni Hassan Chowdhury, managing director of Nawabi Voj.

Virtual marketplace: Big opportunity awaits RMG

FARUQUE HASSAN

Technology is proving to be a game-changer in the fashion industry. From manufacturing to marketing, the touch of technology is no longer a luxury, it is a necessity. That is why a technological transformation is taking place at great speed both at organisational and industry levels not only in Bangladesh, but across the globe.

An increasing number of readymade garment (RMG) factories in Bangladesh are embracing digitisation and automation in the manufacturing process to increase productivity, reduce costs and lead time etc., which are prerequisites to stay competitive in the global sourcing supply chain.

But it is an irony that Bangladesh, feted as the world's second largest apparel exporter, is yet to develop a virtual marketplace to showcase its products, and connect global buyers and consumers with local manufacturers. In absence of such a common platform, apparel manufacturers are solely dependent on a traditional brick and mortar system; that too in a time when we as a country boast of building "digital Bangladesh".

The internet has significantly changed our lives as well as businesses. One after another, companies have been going online since the inception of this technology and then Covid-19 accelerated the pace of digital transformation, leading to a boom in the digital and e-commerce sectors.

In fact, it has become so popular that the online transition will stay even after the pandemic is over.

The penetration of online technology is going to grow and at one point the entire global population will use the Internet.

The greater the penetration, the bigger will be the size of e-commerce, which is bound to have lasting impacts on our apparel business for which we must prepare.

In the US, online sales accounted for 46 per cent of its total apparel sales in 2020.

Brands and retailers had experienced a big jump in digital sales and revenue collection with GAP reporting that in the second quarter of 2021, their online sales grew by 65 per cent and now represents 33 per cent of its total revenue.

Similarly, Inditex reported that online sales now account for 77 per cent of their total sales and throughout 2020, online visits to the brand reached 5.3 billion, up 50 per cent compared to the previous year.

Zalando also reported 32 per cent to 34 per cent growth in its gross merchandise value during the second quarter of 2020.

UK retailer Boohoo claimed a 45 per cent increase in revenue across all of its (primarily online) fashion brands during the same period.

Myntra, an Indian fashion marketplace, saw a record 19 million visitors on its website just on the first day of its annual sales festival in 2021.

Therefore, it would not be an exaggeration to say that online sales helped the fashion industry stay afloat during the devastating period of Covid-19 and will determine the sector's future growth momentum.

OPINION

Thanks to the mass vaccination programme, normalcy has returned across much of the world. Interestingly though, a portion of consumers have become so accustomed to the "new normal" that they still favour shopping online rather than physically visiting the stores.

Apparently, the convenience and comfort of online shopping is driving them towards this choice. Fashion is the largest business-to-consumer e-commerce market segment with a global value of \$664.5 billion which is projected to reach \$1003.5 billion by the end of 2025.

Bangladesh being the second largest apparel exporter in the world has huge untapped potential in that chunk.

There is no denying that our apparel industry has come a long way since its inception. What began with a meagre yearly export income of \$10,000 has now reached the milestone of fetching \$34.13 in FY2018-19.

READ MORE ON B2

CXO summit in Dhaka on Dec 11

STAR BUSINESS REPORT

The CXO Summit 2021 is scheduled to be organised at the Radisson Blu Dhaka Water Garden on December 11 to enable skills and efficiency enhancements to create chief experience officers.

Officials of corporate organisations will participate in several sessions of the daylong summit, said Najmus Ahmed Albab, executive director of organiser the Valor of Bangladesh, at a press conference at The Daily Star Centre yesterday.

Each discussion at the fourth edition of the summit will feature six corporate leaders as panelists and a moderator.

"The pace at which development is taking place in Bangladesh is not the same as the pace at which corporate leadership is growing," said Albab.

"A vacuum is also being created at the same time. But what are we doing to fill it up? We are bringing the head of the organisation from abroad," he said.

"As a result, a large amount of our foreign currency is moving out of the country. And there is no recognised platform for CEO development in Bangladesh. There is no academy," he said.

That is why this summit is being organised, he said, adding, "We expect homegrown managers, leaders or CEOs to come forward and take charge."

The event is presented by Eastern Bank and powered by Btrac Technologies. The Daily Star is the media partner.

GLOBAL BUSINESS

Telenor and CP Group discuss \$7.5b Thailand telecom merger

REUTERS, *Oslo*

Norway's Telenor and Thailand's Charoen Pokphand Group (CP Group) are exploring a merger of their telecom units in Thailand that could form a new market leader in the Southeast Asian country.

A deal, if completed, would merge the telecom operations of Telenor's Total Access Communication (Dtac) and CP Group's True Corporation (True), Oslo-based Telenor said in a statement on Friday.

Dtac is currently valued at around \$3 billion, according to Refinitiv Eikon data, while True has a value of \$4.5 billion. CP Group did not immediately respond to a request for comment.

It would be the Norwegian firm's second tie-up in Southeast Asia this year, following a June deal with Axiata Group Bhd to merge mobile operations in Malaysia in a \$15 billion transaction, creating a new market leader there.

Mobile operators are facing pressure on profits in a challenging industry environment and mounting investment costs as new technologies such as 5G emerge.

"There are open issues outstanding and there is no certainty that the discussions will result in a final agreement. Telenor will not provide any further comments at this stage of the process," the Norwegian company said.

To battle inflation, Biden targets supply chains, gas, meat packers

REUTERS

President Joe Biden is trying to attack US inflation that recently hit a 31-year high and is eroding his popularity by blasting supply chain logjams and going after what the White House calls "pandemic profiteers."

Biden has an uphill battle, because there is simply no magic bullet a president can use to cure inflation, economists say.

And the longer prices stay high, the greater the chance that inflation fears become "de-anchored," or untethered from reality, making them harder to fight.

Supply chain experts said measures like keeping ports running 24 hours a day will help get more goods onto retailers' shelves, but warn that disruptions could last well into 2022.

Treasury Secretary Janet Yellen and the Federal Reserve have repeatedly said this year that they believe inflation is transitory.

Frustrated by the refusal of the Organization of the Petroleum Exporting Countries and Russia to boost production, the Biden administration is urging China and other oil-consuming nations to consider releasing crude stockpiles to lower global energy prices.

China and other governments are looking at releasing oil from their strategic reserves in response, but Japan and South Korea said they cannot do so simply to deal with rising prices.

REUTERS/FILE

A branch of Cosmo Energy Holdings' Cosmo Oil service station is seen in Tokyo.

Japan considers releasing oil reserves to curb prices

REUTERS, *Tokyo*

Japanese Prime Minister Fumio Kishida said on Saturday his government is considering releasing oil from its reserves in response to rising crude oil prices, Kyodo news agency reported.

It would be the first time for Japan to release oil reserves for the sake of lowering prices, although the country has previously tapped its reserves to cope with natural disasters and geopolitical risks, Kyodo said.

The government of US President Joe Biden, who faces falling approval ratings and higher gasoline prices, has pressed some of the world's biggest economies to consider releasing oil from their strategic reserves to quell high energy prices.

The requests include asking China for the first time to consider releasing stocks of crude.

"We're proceeding with consideration as to what we can do on the premise that Japan will coordinate with the United States and other countries concerned," Kishida told reporters, according to Kyodo.

Chief Cabinet Secretary Chief Cabinet Secretary Hirokazu Matsuno said on Thursday that Tokyo was closely watching the impact of rising oil prices on the world's third-biggest economy.

"While urging oil-producing nations to ramp up oil output, we will strive to stabilise energy markets by coordinating with major consumer nations and international organisations," such as the International Energy Agency, Matsuno said.

Resource-poor Japan gets the vast majority of its oil from the Middle East. Recent surging oil prices and a weakening yen are driving up the cost of imports, dealing a double blow to a trade-dependent nation.

Kishida's government on Friday unveiled a record \$490 billion stimulus plan including measures to counter higher oil prices.

It plans to subsidise oil refiners in the hope of capping wholesale gasoline and fuel prices to ease the pain to households and firms from rising oil costs.

"What's important is to urge oil-producing countries to ramp up oil production," Kishida said last month after discussions with cabinet ministers.

"We will arrange concrete measures after confirming what industry sectors are being affected."

US again presses Opec+ as it weighs reserve release

REUTERS, *Washington*

The White House on Friday pressed the Opec producer group again to maintain adequate global supply, days after US discussions with some of the world's biggest economies over potentially releasing oil from strategic reserves to quell high energy prices.

The Biden administration has asked a wide range of countries, including China for the first time, to consider releasing stocks of crude.

President Joe Biden faces slipping approval figures as Americans cite inflation as a growing problem.

White House spokeswoman Jen Psaki said the administration wants to "ensure that the Opec member countries and Opec as an organization meets the demand needs that are out there with the adequate supply. That is something we've pressed them on in the past."

Oil prices were down sharply after Austria announced it would impose a full lockdown due to rising Covid cases, with Germany likely to follow.

Members of the Organization of the Petroleum Exporting Countries and allies have said the world economic recovery is fragile.

This week, Secretary General Mohammad Barkindo said Opec expects an oil supply surplus to begin building next month. International benchmark Brent crude was down 3.3 per cent on Friday to \$78.62 a barrel, lowest since early October.

The market has been weakening as investors have anticipated an increase in global supplies.

Opec+ plans to meet on December 2.

The group has been raising output by 400,000 barrels per day (bpd) per month, gradually unwinding record production cuts made in 2020 when the pandemic dissipated fuel demand.

Biden faces political pressure ahead of midterm congressional elections next year.

A Reuters poll in October showed 67 per cent of US adults agreed inflation is a major concern.

Biden recently directed the US Federal Trade Commission (FTC) to look into the growing disparity between unfinished wholesale gasoline futures, which have dropped sharply in recent weeks, and retail prices, which have barely budged.

The average cost per gallon is \$3.41 nationwide, according to the American Automobile Association.

Other countries have been pressing Opec, including China and India.

Opec+ in April 2020 cut output by more than 10 million barrels a day as pandemic lockdowns crushed fuel demand. The producer group still has about 3.8 million bpd in supply cuts that it has not yet returned to the market.

Several members have been unable to meet production targets due to years of under-investment.

The group fell short of its targets again in October, as several nations had difficulty reaching proposed output levels.