



Small businesses like this one in Mirpur 1 in the capital have seen their expenses go up though their sales are going down amid a drop in demand due to rising inflation.
PHOTO: PALASH KHAN

Plight of small businesses only deepens

SUKANTA HALDER

Mohammad Soheli was dusting off the shelves in his shop at the Muktiyoddha Supermarket in Mirpur 1 on Wednesday afternoon as no shopper was present. In fact, he did not record any sales on the day although some shoppers did turn out.

Before the coronavirus pandemic hit the world in early 2020, his shop used to sell products worth Tk 45,000 to Tk 50,000 every day.

The amount has now come down to Tk 18,000-Tk 25,000 amid a sharp drop in sales caused by a higher cost of living. What is worse, the sales are falling day by day.

"The business has never been this bad," Soheli told The Daily Star.

"Earlier, the people who used to buy clothes spending Tk 3,000-4,000 is not making a purchase of Tk 1,000 now."

The 42-year-old, however, is well aware of the factors behind the lower sales.

"The price of everything has surged. People's expenses have increased but their income hasn't. People are actually buying less now than ever before," he said.

The businessman has unsuccessfully tried to secure loans from two banks to give a boost to his working capital. So, he was forced to let go of three of his employees in a span of two months.

His financial condition has turned so bad that he has decided to shut his shop in April. He would notify the owner of the shop about it when he would go to him to clear the rent for January.

Soheli's story echoes the struggle small

retailers across the country are going through owing to persistently higher inflation and an increase in input costs and energy bills.

The situation is particularly challenging since their expenses have gone up whereas sales have declined.

Allah'r Dan Crockeries at the Chandrima Super Market in the New Market area posted 30-40 per cent lower sales in December compared to normal times.

Zane Alam Jinnah, the owner of the shop, says profit margins have fallen by 10-15 per cent.

"I am worried. I don't know what will happen in the coming days."

He is also not convinced whether it would be wise to run the business with a loan from a bank since paying instalments would be difficult.

"There is no money to save after paying the shop rent, clearing employees' wages and meeting other expenses. Sometimes, I have to borrow from friends and families under the current circumstances."

The limited-income people in Bangladesh have been forced to tighten their belts because of the cost-of-living crisis, driven by escalated prices of essential commodities and a hike in transport costs, both fallout of the Russia-Ukraine war.

Although the inflation rate has maintained a downward trend for the past four months, it is still high enough to affect those living in the middle-income category and below.

On the other hand, the monthly wage growth has remained below the

inflation rate for 11 consecutive months in December, highlighting the erosion in the real income in the face of higher inflation, which stood at 8.71 per cent in December.

During visits to various retail shops in Kallyanpur, Mirpur 10, Farmgate, Moghbazar and several parts of the country over the last couple of days, the presence of customers was found to be thinner compared to normal times.

The businessman has unsuccessfully tried to secure loans from two banks to give a boost to his working capital. So, he was forced to let go of three of his employees in a span of two months

Shop owners and operators say shoppers' turnout has fallen by 40 per cent to 45 per cent.

Shamima Nasrin, the proprietor of Aangon Initiative, a retailer of jewellery items in Sylhet, says the demand for fashion jewellery has declined over the years.

"On the other hand, the cost of operation is increasing."

According to the entrepreneur, the import of jewelry raw materials such as pearls has been impacted because of the high dollar rate, which has pushed up the cost by 20-30 per cent in the last three months.

"As a result, our profits have fallen."

Nasrin plans to secure a loan from banks or financial institutions to keep the

operation of the business up and running.

Amjad Hossain, a cosmetic wholesaler in Aramnagar Bazar in Jamalpur's Sarishabari upazila, says sales have dropped in half.

He says he doesn't know how to cope with the current situation. "Everywhere I look, I see no hope."

Sultan Mahmud, of Nawabganj upazila in Dinajpur, started a printing business five years ago. His sales have dropped by a quarter.

"It has happened as people have tightened their belts and cut down expenses. So, it has become hard to pay wages to staff members," he said.

Jewel Majumder, a grocer in the Banik Para area of Daulatpur in Khulna, used to register sales of Tk 35,000 to Tk 40,000 a day before the current slowdown hit.

"It is now Tk 10,000 to Tk 12,000," he said.

He said several customers had bought products on credit from his shop but they had not paid back yet. Amid lower sales, one of his two employees was laid off six months ago.

Jahangir Khan, a small shoemaker in Shariatpur district town, said that in his 34 years of business, he has never faced such a bad time.

Nearly two months ago, he laid off all of his three workers.

Previously, the factory would sell products worth Tk 3,000 a day, making a profit of Tk 1,200. The profit has slumped to Tk 300-Tk 400 due to the decrease in sales and the increase in the price of raw materials.

READ MORE ON B2

Why we struggle to share credit

MAHTAB UDDIN AHMED

Back in the day when we went to university, it was a common feature in every batch to have a group of friends who would inadvertently have a designated "Khadem" or "assistant" from the same class, an ordinary-looking, kind-hearted male classmate who would take care of their every need at the drop of a hat!

If you look carefully, you can also find these "assistant" figures in the corporate world. It reminds me of a CEO friend of mine who was well-known for driving his big company to a new height with innovative and digital initiatives.

In the process, he masterminded a tech company with the support of a key partner and a prominent stakeholder. One of his loyal and trusted "assistants" who was rejected by other divisional heads of the company for his lack of professional prowess, was luckily placed in the project coordination activity to save his job.

One day, the "assistant" ambitiously approached the CEO to recommend him for the CEO role. Shocked at his proposal, the CEO reminded him of his inadequacies against the heads of competing companies. Despite the CEO's reservations regarding his professional abilities, the "assistant" eventually managed to clinch the top job in the tech company, using his so-called magic.

"Assistants" usually forget their models when they outlive their roles. True to his nature, in a recent interview with a prominent newspaper, the assistant-turned-CEO of the new company claimed full credit for himself for the entire process of conceiving the project idea to its current implementation.

"Sharing is caring is one of the first lessons we get from our parents, but we, like this 'assistant', don't always follow it. And when it comes to sharing credit, we are

even more remiss!

Common reasons behind this tendency include professional insecurity and being exceedingly ambitious. Another reason is the genuine belief that he/she made a greater contribution to the project deserving more credit.

Some are overly concerned about how it would impact their reputation or career prospects. And of course, there are the individualistic types who value personal recognition over team success.

Contrarily, sharing credit has many benefits to its credit – pun intended. For one, it can help foster trust and a sense of teamwork and collaboration, a sure recipe for building strong and effective teams.

Recognition can motivate team members to engage and perform better, strengthening relationships simultaneously. Finally, sharing credit prevents conflicts while building goodwill, which helps ensure recognition. In my long career, I have never found any leaders or managers ever being penalised or deprived of sharing credit with others.

There are many ways that credit can be shared in the workplace. Acknowledge the contribution of others by recognising the efforts of each and every team member. The use of inclusive language also goes the extra mile. For instance, use "we" instead of "I". And give credit, no matter how small, when and where it is due. If someone has made a significant contribution to a project, make sure the due credit is given in public.

Traditional leaders generally have a formula for success: passing all the work to others and taking all the credit when it comes to success. But the leaders of the digital era are quite different. They work together, take pains, share credit, and grow together. Let's all try to make digital-era leaders our role models and create a better working environment.

The author is a telecom and management expert.

Half of German companies report labour shortages

REUTERS, Berlin

More than half Germany's companies are struggling to fill vacancies due to a lack of skilled workers, the German Chambers of Commerce and Industry (DIHK) said on Thursday, in the latest sign of growth headwinds belabouring Europe's largest economy.

The proportion of companies facing difficulties hiring was at its highest ever level, the DIHK found in its survey of 22,000 companies, with 53 per cent reporting shortages.

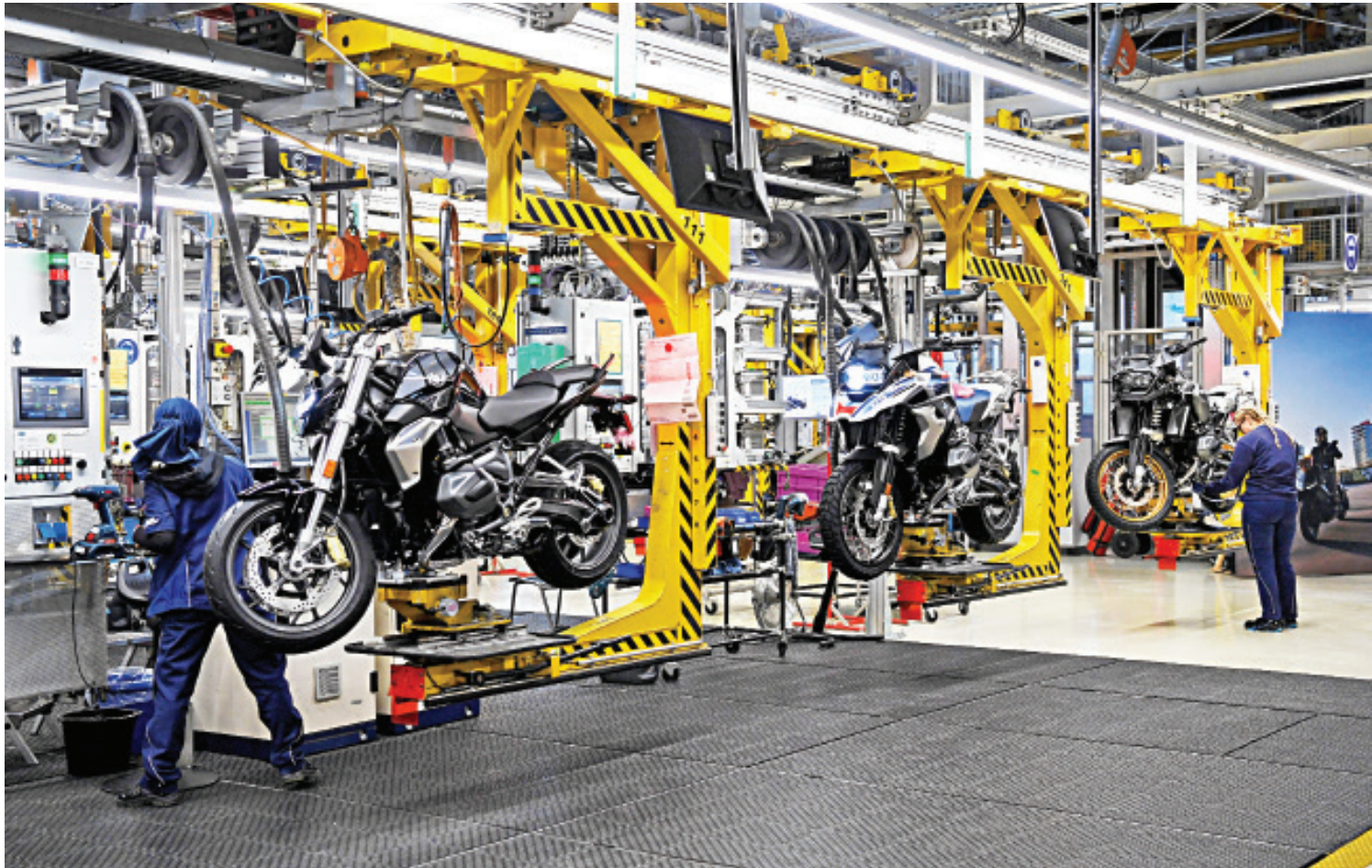
"We can assume that some 2 million vacancies will remain unfilled," Achim Dercks, DIHK's Deputy Chief Executive, said, with the result that companies were foregoing nearly 100 billion euros' worth of output.

The labour market's resilience did not mean companies were doing well, he added. Staff shortages, high energy prices and the shift towards climate neutrality were a "dangerous mix" that could lead firms to move production abroad. UK trade union says 100,000 public sector workers to strike on Feb.

"The skilled worker shortage is not only a burden on businesses, but it also jeopardizes success in important tasks for the future like the energy transition, digitisation and infrastructure build-out," he said.

Workers with the relevant skills were growing ever scarcer, he said, including in the manufacturing sectors that are the engine room of the German exporting powerhouse.

The survey found that 67 per cent of electrical equipment manufacturers were unable to fill vacancies and 67 per cent of mechanical engineering companies. In carmaking, 65 per cent of companies reported labour shortages.



A general view of the BMW Group motorcycle manufacturing unit in Berlin, Germany. The skilled worker shortage is not only a burden on businesses, but it also jeopardizes success in important tasks for the future like the energy transition, digitisation and infrastructure build-out, says an expert.
PHOTO: REUTERS/FILE

US inflation to ease further

Analysts say

AFP, United States

Consumer inflation in the United States is set to ease further in December, analysts say, in an encouraging trend that could bring some reprieve from rising interest rates.

As American households struggle with decades-high inflation, the Federal Reserve hiked its benchmark lending rate at a pace unheard of since the 1980s in hopes of cooling the world's biggest economy.

But analysts expect the consumer price index (CPI), a key inflation gauge, to flatline between November and December in figures due to be released Thursday.

The data point could add to signs that the worst of surging prices may be over.

"The trend is an encouraging one," Moody's Analytics economist Matt Colyar told AFP, noting that figures have come down from a recent peak.

READ MORE ON B2