



Tailors are passing busy times catering to orders ahead of Eid-ul-Fitr, one of the biggest religious festivals of Muslims that is marked by a rise in sales of clothing in Bangladesh. One tailor can make four to five three-piece clothes in a day. The pay varies -- Tk 90 for a three-piece, Tk 190 for a pair of trousers and Tk 112 for a t-shirt. The photo was taken at Chitrali Super Market in Khalishpur of Khulna city on Wednesday.

PHOTO: HABIBUR RAHMAN

ID FOR ONLINE BUSINESSES

Only 14% of applications granted

SUKANTA HALDER

Only around 14 per cent of applications filed by e-commerce companies have been granted digital business identification (DBID) certificates since the registration process was initiated over a year ago.

On February 6, 2022, Commerce Minister Tipu Munshi launched the DBID system. Every e-commerce company has to obtain the DBID to do business. The Office of the Registrar of Joint Stock Companies and Firms (RJSC) issues the DBID certificate.

A total of 599 e-commerce companies have received the DBID certificates although 4,231 had applied, said the RJSC, adding that another 148 applications were being scrutinised.

Many entrepreneurs do not give accurate information in the application and do not follow instructions, for which many applications get rejected, explained an RJSC official, requesting anonymity.

One of the most common reasons for the rejection was that the e-commerce companies do not provide customers their

terms and conditions on their online sites in Bangla, he told The Daily Star yesterday.

He believes that many entrepreneurs do not understand the DBID's benefits, for which they were not applying for one.

"Awareness needs to be raised," he said.

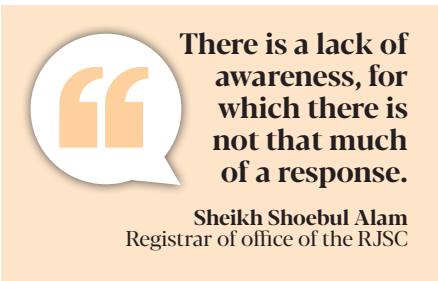
Currently, many e-commerce companies are applying for the DBID whenever they need a trade licence or bank loan as it is a prerequisite.

For the past couple of months, 1,000 to 1,200 applications have been submitted every month on an average. This number is very low compared to the number of e-commerce companies in the country, added.

The e-Commerce Association of Bangladesh (e-CAB) says it currently has 2,011 members doing business online, be it through any social media platform such as Facebook or a dedicated website.

And they estimate that there were more than 50,000 active Facebook pages running businesses.

When the minister had launched the initiative, it was just based on a simple website and there were no specific instructions for the registration process,



the RJSC official said.

However, on August 13, a revamped website was launched while specific steps taking customers through the registration process step by step were published through a gazette.

The commerce ministry launched the system with a view to checking irregularities in the sector and bring back customers' trust following widespread fraud that unfolded in 2021.

Over 25 e-commerce platforms had offered hefty discounts against advance payments but only to cheat customers out of huge sums of money.

Initially, there were some technical

problems in the platform, including not being user-friendly, for which it took time to get the process up and running, Sahab Uddin Shipon, vice president of the e-CAB, told The Daily Star on Sunday.

Awaiting a DBID certificate for his own organisation, Shipon believes there should be more awareness among the businesspeople about both the advantages and disadvantages of the DBID.

"There is a lack of awareness, for which there is not that much of a response," said Sheikh Shoebul Alam, registrar of the office of the RJSC, adding that they were working on it.

The online industry has now largely recovered from its 2021 crisis, said BM Mainul Hossain, professor of the Institute of Information Technology at the University of Dhaka.

Bringing all e-commerce entities under government monitoring so as to prevent fraudulence cannot be attained overnight. They first have to be onboarded and then the conditions slowly imposed, he added.

Tapan Kanti Ghosh, senior secretary to the commerce ministry, could not be reached for comment yesterday.

Unique Group to open two Indian chain hotels in Dhaka

STAR BUSINESS REPORT

Borak Real Estate Ltd (BREL), a concern of local business entity Unique Group, will open in Bangladesh two Indian chain hotels -- Taj and Vivanta.

Borak Real Estate will also operate the hotels along with top Indian hospitality company Indian Hotels Company Limited (IHCL).

IHCL will not invest in the projects directly, rather it will only be the partner for operation of the hotels, Hamayet Hossain Rasel, general manager for project management at BREL, told The Daily Star.

However, he declined to disclose the amount of total investment in the project.

In the two hotels located in Dhaka's Gulshan 2, Taj will have 220 keys and Vivanta 130 keys, he said.

Construction of the hotels is done and the two hotels will be open for public after the completion of the internal decoration, which will take another 36 months, Rasel said.

In this regard, Suma Venkatesh, executive vice president for real estate and development at

Borak Real Estate will also operate the hotels along with top Indian hospitality company Indian Hotels Company Limited

IHCL; Rajendra Mishra, executive vice president and general counsel of BREL, and Md Noor Ali, managing director of BREL, inked a hotel management agreement for 30 years, at Sheraton Dhaka on April 17.

Rohan Ranade, associate vice president for real estate and development of the IHCL, and Salina Ali, chairperson of BREL, were also present.

Unique Hotel and Resorts PLC, a leading hotel and hospitality management company in Bangladesh, currently operates Marriott International's 5-star hotels -- The Westin Dhaka, Sheraton Dhaka and a 4-star rated boutique hotel HANSA.

Inside Taj hotel, a Taj Club will accommodate 60 signature brand shops, celebrity shops with celebrity restaurants where the international branded product will be available for local and international consumers, Rasel said.

"We are delighted to debut in Dhaka, adding an important international destination to our portfolio. Bangladesh, one of the fastest growing economies in the world, is also the second largest economy in South Asia," said Puneet Chhatwal, CEO of IHCL.

Bangladesh's close proximity and cultural affinity to West Bengal with significant IHCL presence makes it a strategic association, he said.

Mahbub Ali, state minister of civil aviation and tourism; M Mahdur Rahman, chairman of Civil Aviation Authority of Bangladesh; Abdul Matlub Ahmad, chairman of Nitol Niloy Group, and Shubham Yadav, second secretary of the Indian High Commission in Dhaka, also attended the signing ceremony.

Landline use down drastically

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had been issued PSTN licenses that year. In this context, spectrum from code-division multiple access 800MHz and 1900 MHz bands had been assigned to the organisations as per their demands, according to documents of the BTRC.

Apart from the rapid expansion of handsets, the government crackdown on PSTN operators and their failure to expand the network are other reasons for the downfall of landlines, according to industry insiders.

After obtaining the license, RanksTel launched its service in some parts of the country in April 2005, reaching one lakh subscribers by 2007.

Other companies, such as Bangla Phone, WorldTel, PeoplesTel and National Telecom, also rolled out their services in 2005.

In 2010, when private PSTN operators had 6 lakh subscribers collectively with RanksTel accounting for about half, the telecom regulator cancelled the licenses of these five private land phone companies for their alleged involvement in illegal internet telephony, commonly known as VoIP.

As such, the BTRC's crackdown on illegal VoIP operations between March 14 and 23 shut down the operations of Bangla Phone, WorldTel, RanksTel, PeoplesTel and National Telecom.

Some of the operators, including

RanksTel, went to court to challenge the decision.

RanksTel finally won back approval from the telecom regulator to resume operations on Sunday following a 16-month shutdown after the private operator withdrew its case against the government.

Subsequently, National Telecom and WorldTel also got back their licenses.

RanksTel, a concern of Rangs Group, had invested several hundred crores of Taka for expanding the network of its landline service, a former official of RanksTel told The Daily Star on condition of anonymity.

The private PSTN companies' combined investment loss due to the BTRC's crackdown amounted to Tk 1,500 crore.

The BTRC could have punished officials of PSTN operators if they were involved with VoIP but shutting down operations entirely was a very drastic action. After that, PSTN services by private companies could not survive, the official added.

According to BTRC documents, PSTN operators were involved in different illegal activities and due to the lack of financial investment and failure to expand network coverage, many of them shut down completely.

In fiscal 2018-19, PSTN services were only provided by the BTCL, RanksTel and Bangla Phone. And in the following fiscal year, operations of RanksTel had stopped as well.

To ensure the effective use of unused spectrum, the BTRC has already cancelled the frequency in favour of all PSTN operators except BTCL, according to the annual report of the BTRC for fiscal 2019-20.

Despite being the lone operator, the BTCL still was not able to increase its customer base, which stood at 5.64 lakh as of 2019.

Asaduzzaman Chowdhury, managing director (additional charge) of the BTRC, said if people are asked why they disconnected landline connections, they would say that using a cell phone is more convenient. "So, the number of landline users is decreasing," he added.

Abu Saeed Khan, a senior policy fellow at IIRNEasia, said mobile phones started to replace landlines only after they became more affordable.

From the beginning, fixed phones were used by very limited consumers and were a necessary tool when the internet was accessed by dial-up modem.

But after internet service providers gradually migrated to optical fibre, fixed phones lost their utility.

Also, while mobile phones can be availed from neighbourhood shops, fixed phone connections require visiting offices, which is a hassle.

"So, fixed phones no longer add any value to the life and lifestyle of consumers. That's why they have lost relevance," Khan added.

MCCI donates Tk 1.42cr to traders

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The Bangabazar fire, which burned down nearly 500 small shops, exposed lack of an adequate fire-safety protection system. This means many businessmen were doing business without fire protection measures.

Although no casualties were reported, almost all businessmen, especially the cottage, micro, small and medium ones, have lost almost everything from inventories and cash to furniture owing to the blaze.

Before Ramadan and Pahela Baishakh, businessmen were supposed to enjoy peak sale seasons. But unfortunately, they have missed the season and are going to lose nearly 80 per cent of their expected retail sales, Islam said.

The MCCI chief suggested installing fire extinguishers at markets and hiring trained fire-fighters to maintain safety standards.

Twelve major fire incidents hit the country in 16 days, pushing many

businessmen out of their businesses. Helal Uddin said there was almost no compliance at Bangabazar.

"However, we hope the affected businessmen will make a turnaround very soon as they have already started their business."

He said the country needs markets like Bangabazar so that low-income consumers can shop there and buy low-cost goods. Shahin Ahmed Khan, chief executive officer of the SNC, also spoke.

Eid shopping hits full steam



PHOTO: FIROZ AHMED

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Nizam Uddin, a garment retailer in Jamalpur's Sarishabari upazila, says sales shot up in the seven days to Eid.

"Sales have been good so far. It would have been even better if the temperatures would not have gone up sharply."

Apart from clothing and footwear, high prices have affected demand for mobile phones, wellness items and other luxury items as many budget-conscious consumers are opting for cheaper items.

Mobile, laptops and accessories

were sold in large numbers ahead of Eid-ul-Fitr in the previous years, but sales have dropped as much as 40 per cent this year, said Taskin Hossain, head of marketing at Gadget and Gear, a smart device seller with 24 outlets.

"People are not buying gadgets, especially high and medium-range mobile phones. Either they are saving money for essential items or they have no money at all."

Sabbir Hasan Nasir, executive director of ACI Logistics Ltd, the operator of top grocery chain Shwapno, described the sales of

commodities as good.

"But the sales of more expensive items such as cosmetics and lifestyle items are low. We are seeing an aversion in consumers and they are becoming more price-sensitive. Their confidence is low and they are mostly buying very essential products."

The heatwave has, however, been a boon for home appliance retailers as demand for air coolers has surged.

"We have received some relief from the slow sales that we experienced at the beginning of Ramadan. AC sales have gone up significantly in the past one week," said Ritesh Ranjan, head of business at Transcom Digital, adding that sales are particularly good in the Rajshahi division.

Augustin Sujon, deputy operative director of Walton Hi-Tech Industries PLC, said the sales of ACs have increased by around 200 per cent in the last 15 days.

Helal Uddin, president of the Bangladesh Shop Owners Association, they had hoped that the overall retail sales of goods would stand at Tk 250,000 crore this Eid.

"But due to the increase in the cost of living, the fire incidents in several markets and the heatwave, the overall sales may be Tk 125,000 crore."

Retailer Nizam added: "The presence of customers drops sharply between 1pm and 7pm owing to higher temperature."

90% RMG factories paid festival bonus

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Likewise, 553 out of 700 factories that are members of the Bangladesh Knitwear Manufacturers and Exporters Association (BKMEA) gave bonuses to their workers, accounting for 79 per cent of the total.

Some 240 out of 358 member mills and factories of the Bangladesh Textile Mills Association (BTMA) paid bonuses to workers.

Of the 345 factories located inside the industrial estates under the Bangladesh Export Processing Zones Authority, 330 cleared bonuses, representing 95.65 per cent of the total units.

Forty-four jute mills paid bonuses to workers, which is 53 per cent of the 83 such mills in the country, industrial police data showed.

Another 3,973 factories representing other sectors made bonus payments to workers. This constituted 61.13 per cent of the 6,499 factories belonging to this group of industries.

About 95.58 per cent of factories of the BGMEA, 95.85 per cent members of the BKMEA, and 96.65 per cent members of the BTMA paid the salary for March as of yesterday.

Some 99.71 per cent of BEPZA

factories, 100 per cent jute mills and 94.09 per cent factories in other sectors cleared payments to workers for March.

State Minister for Labour and Employment Begum Monnujan Sufian in a meeting on April 5, urged the garment factory owners to clear workers' salaries for March and festival bonuses before the beginning of the Eid-ul-Fitr holidays.

As per rules, factory owners will also have to pay the salary of the first seven working days of April before the holiday begins, the labour ministry said in a statement earlier.