



Furniture sales are far below expectations for this winter, traditionally a period of increased demand due to weddings and other occasions.

PHOTO: STAR/FILE

## Inflation, political uncertainty eat through furniture recovery

Overall sales decline 40% since August

## JAGARAN CHAKMA

After two years of sluggish business, local furniture makers saw a slight improvement in sales in June, only to meet with nationwide student protests culminating in a fierce anti-government campaign that ultimately ousted the Awami League regime in early August.

Since then, industry insiders said their overall sales have declined at least 40 percent, with businesses with government offices and corporate clients becoming the worst hit.

While households have somewhat recovered from the initial shock of stubbornly high inflation, they are now mainly purchasing essential furnishings. However, sales are far below expectations for this winter, traditionally a period of increased demand due to weddings and other occasions.

Although the political landscape shows some stability lately, price pressures still remain high, hovering above 9 percent since March 2023. Besides, the weakening Taka against the greenback has further eroded furniture sales, as rising raw material costs drive up product prices.

"Our overall sales have declined this year due to plummeting consumer purchasing power and their diminishing disposable incomes," said Selim H Rahman, chairman and managing director of Hatil Furniture, one of the leading local brands established in 1989.

According to Rahman, government agencies and the corporate sector have reduced their purchases by at least 80 percent since the political changeover.

"Normally, the government procures



furniture worth Tk 120 crore annually, but there are no signs of new work orders anytime soon."

The corporate sector has also halted purchases of office furniture over the past five months, Rahman added.

Although household furniture sales have increased recently due to the ongoing selling season, the Hatil Furniture chairman said their overall sales in 2024 have declined by over 30 percent.

The impact of the dollar on furniture prices is another factor contributing to the sales decline.

As the US dollar gained against Taka, Rahman said they had to raise furniture prices to keep pace with rising raw material costs and duties.

Rahman, also the chairman of the

Bangladesh Furniture Industries Owners Association, added that their revenue in last year was around Tk 468 crore, but it may decrease to Tk 330 crore this year.

While Regal Furniture -- a sister company of the Pran-RFL Group -- did not experience a massive sales decline, it also did not achieve the anticipated growth for the outgoing year.

"Sales did not increase as much as we had expected. Especially in the last five months after the political changeover in August, sales have decreased," said Touhiduzzaman, deputy general manager of public relations at the Pran-RFL Group.

After two years of sluggish demand, he claimed that their business was quite good before June, with increased sales of home furnishings.

The business of Regal Furniture has three segments: office furniture for corporate sectors, office furniture for public agencies and home furnishings for regular consumers.

Since August, sales to government and business institutions have declined sharply due to political instability and economic gloom, said Touhid.

He, however, said that sales of home furniture remained relatively strong because they cater to the middle-class market.

As a result, their household furniture sales have not fluctuated much, making the impact of the economic downturn less visible in this segment compared to others that have logged massive declines.

Despite the current market downturn, Touhid sounded optimistic about a rebound in the next six months as the economy and overall conditions have started to show some improvements.

Another leading brand Partex Furniture saw its sales falling by nearly half in the past five months following the political shift, according to its Head of Marketing Shohan Akon Sunny.

"We had just started to recover from a two-year slowdown, but office furniture sales have once again entered a dull period," he said.

Sunny said the economic downturn has discouraged wealthy individuals from buying new furniture. Besides, last year's increase in furniture prices due to the rising US dollar discouraged consumer spending.

While Partex expected an industry growth in recent years, this has not materialised, Sunny added.

## Truth not to be told

MAHTAB UDDIN AHMED

A Moulana shared a viral story about his childhood friend, an eloquent speaker who became the Imam of a modern mosque in Dhaka. Excited, the Moulana visited the mosque but was shocked to find no Bangla discussion before the Khutba – just prayer and sermon. Disappointed, he asked, "Why waste your speaking talent?" The friend replied, "I learned the hard way not to speak on sensitive topics."

On his first Friday, he preached against interest, only to be confronted by the furious mosque President, accusing him of personal attacks. The next week's topic, bribery, angered the Secretary. By the third Friday, the Imam decided to play it extra safe. No money-related topics, no sensitive issues – just a classic moral lesson on alcohol. Big mistake. This time, the mosque's Cashier confronted him. "You've gone too far! How did you find out I drink occasionally? Do you have spies following me? If I stop your salary for two months, and we'll see how long you keep this up!". Frustrated by the constant backlash, he stopped speaking in Bangla. "Now I stick to Arabic," he quipped. "No one understands me, but they all say 'MashaAllah'. Problem solved!"

When the truth highlights a personal weakness, it threatens an individual's self-image and triggers a defence mechanism to protect their ego. This phenomenon, known as ego defence, often leads to denial, rationalisation, or anger to deflect the discomfort. In corporate or other environments, where reputation and perceived competence are crucial, people may feel exposed or vulnerable when confronted with uncomfortable truths. This reaction is amplified by the fear of judgment, loss of status, or accountability.

As a result, many struggle to accept constructive criticism or truths that challenge their self-perception or professional identity. Studies show individuals prefer affirming their views (67%) over considering opposing ones (33%). Early experiences of criticism as rejection

can create defensive reactions in adulthood. In workplaces, feedback acceptance depends on its credibility and the perceived intentions of the provider. Credible, learning-oriented feedback enhances receptivity and creativity, while less credible feedback diminishes motivation. Overall, resistance stems from self-preservation instincts, fear of judgment, and distrust in feedback sources, influencing behaviours in personal and professional settings.

In the corporate world, truth-telling is an art best served with diplomacy's generous help. Most of my bosses appreciated my finesse – except for that one time it backfired spectacularly. Turns out, if the boss on the receiving end is incompetent, even the most sugar-coated truth can taste bitter. This is why delivering truth is like tailoring a suit – it needs to fit the audience. But let's be honest, like the Moulana's friend, avoiding the truth isn't an option either, especially when your paycheck's at stake. The trick? Speak the truth – wrap it nicely and hope the wrapping doesn't offend!

Dealing with sensitive truths in the workplace requires tact without compromising integrity. First, understand your audience. Frame your message constructively, focusing on solutions rather than pointing out flaws. Timing is crucial – choose a private, calm moment to convey difficult truths. Offer data or examples to make your feedback objective. Finally, maintain a respectful tone and show empathy, reinforcing that your intent is to help, not criticise. Honesty delivered thoughtfully preserves both relationships and integrity.

In the end, whether in a mosque or a corporate boardroom, the truth is like spicy biryani – everyone claims to love it, but too much heat and someone's bound to choke. The real skill lies in serving it with just the right blend of flavors so it's hard to resist.

The author is president of the Institute of Cost and Management Accountants of Bangladesh and founder of BuildCon Consultancies Ltd

## OpenAI plans to become for-profit company

AFP, Washington

ChatGPT-maker OpenAI laid out plans Friday for a new corporate structure shifting away from control by a non-profit – an issue of contention for the artificial intelligence trailblazer.

OpenAI was founded as a non-profit in 2015 and has since switched to a "capped" for-profit enterprise allowing for a limited level of money making.

But it has been seeking to become a for-profit public benefit corporation (PBC), which could attract more investment.

In a blog post, the company said it plans to restructure as a PBC, which "requires the company to balance shareholder interests, stakeholder interests, and a public benefit interest in its decision making."

"It will enable us to raise the necessary capital with conventional terms like others in this space," OpenAI added.

It said that it needs to raise more capital than imagined, citing the hundreds and billions of dollars that major firms are now putting into artificial intelligence development.

"Investors want to back us but, at this scale of capital, need conventional equity and less structural openness," OpenAI said.

Currently, its structure does not allow the board to directly consider the interests of those who would finance its mission.

The structure also "does not enable the non-profit to easily do more than control the for-profit," the company said.

REUTERS, London

Major European energy companies doubled down on oil and gas in 2024 to focus on near-term profits, slowing down – and at times reversing – climate commitments in a shift that they are likely to stick with in 2025.

The retrenchment by oil majors comes after governments around the world slowed the rollout of clean energy policies and delayed targets as energy costs soared following Russia's full-scale invasion of Ukraine in 2022.

Big European energy companies that had invested heavily in the clean energy transition found their share performance lagging US rivals Exxon and Chevron, which had kept their focus on oil and gas.

Against this backdrop, the likes of BP and Shell this year sharply slowed their plans to spend billions on wind and solar power projects and shifted spending to higher-margin oil and gas projects.

BP, which had aimed for a 20-fold growth in renewable power this decade to 50 gigawatts, announced in December it would spin off, opens new tab almost all its offshore wind projects into a joint venture with Japanese power generator JERA.

Shell, which once pledged to become the world's largest electricity company,

largely stopped investments in new offshore wind projects, exited power markets in Europe and China and weakened carbon reduction targets.

Norway's state-controlled Equinor also slowed spending on renewables.

"Geopolitical disruptions like the invasion of Ukraine have weakened CEO incentives to prioritise the low-carbon

transition amid high oil prices and evolving investor expectations," Rohan Bowater, analyst at Accela Research, told Reuters. He said BP, Shell and Equinor reduced low-carbon spending by 8 percent in 2024.

Shell told Reuters it remained committed to becoming a net zero emissions energy business by 2050

and continues to invest in the energy transition.

Equinor said: "The offshore wind segment has been through demanding times in the last couple of years due to inflation, cost increase, bottlenecks in the supply chain, and Equinor will continue to be selective and disciplined in our approach."

BP did not respond to a request for comment. The oil companies' retrenchment is bad news for efforts to mitigate climate change. Global heat-trapping carbon emissions are forecast to climb to a new high in 2024, which will be the warmest year on record.

And 2025 is shaping up to be another tumultuous year for the \$3 trillion energy sector, with climate-sceptic Donald Trump returning to the White House. China, the world's biggest crude oil importer, is trying to revive its faltering economy, potentially boosting oil demand.

Europe faces continued uncertainty over the war in Ukraine and political turmoil in Germany and France.

All those tensions were laid bare at the annual United Nations climate conference in Baku in Azerbaijan in November, when the host country's President Ilham Aliyev, hailed oil and gas as "a gift from God".



An aerial view of an oil factory of Idemitsu Kosan Co in Ichihara, east of Tokyo. Governments around the world slowed the rollout of clean energy policies and delayed targets as energy costs soared following Russia's full-scale invasion of Ukraine in 2022.

PHOTO: REUTERS/FILE

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