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In this photo taken on Sept 11, 2019, a firefighter extinguishes a fire in a forest near Rambutan village in Ogan Ilir in Indonesia's South Sumatra province. — AFP

Indonesia fires put palm oil under scrutiny

A brutal Indonesian forest fire season that left Southeast Asia choking in smog has renewed scrutiny of major palm oil and paper companies, with activists accusing them of breaking promises to halt logging. The monster blazes sent a pall of acrid smoke over the region for weeks, closing schools and airports and causing a spike in respiratory ailments. Mostly lit to clear land for agriculture, they were the worst seen in the country since 2015.

Leading companies have in recent years pledged not to log any more pristine rainforest, not to use burning to clear land and to cut ties with smaller suppliers who don't abide by their rules-but critics say such vows now ring hollow. "They do not live up to the commitments, and are not addressing the fact that we are now in a climate crisis," Annisa Rahmawati, a senior forest campaigner at Greenpeace, told AFP. "They are still doing business as usual."

Industry players however insist they have gone to great lengths to stop burning and trees being cut down in their operations. Singapore-listed Wilmar International, the world's biggest palm oil trader, committed in 2013 to a no-deforestation policy and says it has stopped sourcing from 17 suppliers that did not comply with their rules. Production of palm oil - used in numerous everyday goods from shampoo to biscuits - has been blamed by environmentalists for driving massive deforestation.

Consumer goods companies are paying more attention to where they source palm oil and other materials. Some of the world's largest brands - including Nestle and Unilever - pledged in 2010 to reach net zero deforestation within a decade through "responsible sourcing" of cattle, palm oil, soya and other commodities. But after that pledge was signed, the pace of tree-felling linked to commodities increased dramatically and at least 50 million hectares of forest worldwide has been destroyed Greenpeace said - an area about the size of Spain.

Firestarters

Fires are used as a cheap way to clear agricultural land in Indonesia every year during the dry season. Experts say it is hard to know who is responsible for the blazes in the hardest hit areas - Indonesia's Sumatra island and the Indonesian part of Borneo - which are home to myriad companies of varying sizes and numerous small-scale farmers. Big firms insist they have "no-burn" policies in place and often blame smallholders for starting fires they say then spread to their plantations.

Indonesia has made some arrests over the blazes but in many cases it remains unclear who started the fires - and who ordered them. While larger companies have vowed not to source from smaller ones that break strict environmental rules, critics say they are not monitoring their supply chains carefully. "The biggest challenge is the industry-wide lack of traceability of the origins of palm fruit," said Nur Maliki Arifiandi, from WWF Indonesia.

"This has allowed continuing deforestation, often caused by real smallholders as well as land speculators and rich, powerful people to open more natural forest areas and plant illegal oil palm plantations." Some industry watchers say commitments by big firms have helped and official figures show the rate of forest loss in Indonesia declined in recent years.

Burning issue

But critics say problems persist - this week Greenpeace said in a new report that palm oil and pulpwood companies with links to land burned between 2015 and 2018 rarely faced serious government sanctions. And last year the NGO accused palm-oil giant Wilmar, as well as other consumer brands including Colgate-Palmolive, Hershey, Nestle, and Unilever, of continuing to buy from groups that were destroying the rainforest.

At the end of 2018 Wilmar, Unilever and Mondelez committed to a mapping and monitoring platform for the palm oil sector, which Greenpeace supported at the time as a potential breakthrough in cleaning up supply chains. But the NGO pulled out of the project last month, saying the companies were not serious about the project. Wilmar insists it sticks to its commitments and says it continues to work towards a supply chain free from deforestation from 2020. Activists however doubt such goals are within reach. "We are asking companies to be more serious in implementing their targets on the ground," WWF Indonesia's Arifiandi said. — AFP

Web giants woo festive shoppers

E-commerce giants Amazon and Walmart-backed Flipkart kicked off a crucial battle for shoppers yesterday ahead of India's massive festive season as retailers search for a much-needed boost to sales amid a slowing economy. October and November - when much of India's 1.3 billion population celebrates several major Hindu festivals and consumers traditionally go on spending sprees - are critical for retailers, with some raking in almost half of their annual sales during the period.

But sales this year have been hit by falling consumer demand as a liquidity crunch crimps personal loans and unemployment soars to its highest level since the 1970s. "Things are difficult," Rakesh Kumar Yadav of the Federation of Sadar Bazar Traders Association, which represents some 40,000 wholesale traders in the capital New Delhi, told AFP. Even aggressive pitches by Amazon and Flipkart, which have heavily invested in India's budding e-commerce market, did not stop online consumer spending from slipping by around 20 percent in the six months to June compared to last year, the Economic Times reported citing market research firm Kantar.

"The festival season is around the corner... and a lot of these corporates are coming up with various schemes to prop up demand and woo the consumers," India Ratings principal economist Sunil Sinha told AFP. "But my own sense is that despite all the efforts, overall consumer sentiment is so down-and-out that we won't see similar kinds of spending that we have seen in the past."

With their deep pockets, Amazon and Flipkart are taking on India's local family-run stores, known as "kirana" shops, that have dominated streets for decades. Less than five percent of India's $600 billion retail market is online, but the sector is expected to expand to 8-9 percent of the market by 2022 thanks to smartphone adoption and a rising middle class, according to RBC Capital Markets.

Amazon - which recently opened a massive campus for 15,000 employees in the southern city of Hyderabad - has taken out full-page newspaper ads to promote its "Big Indian Festival" sales and is offering discounts of up to 90 percent. Flipkart has Indian mega-star cricket Virat Kohli as the face of their "Big Billion Days" sales campaign and has slashed prices on fashion items and home appliances.

The two platforms - which have almost 75 percent market share of the e-commerce market - hope to attract cash-strapped shoppers with financing options, and have hired hundreds of thousands of temporary staff to cope with expected increased demand. Their six-day festive sales are estimated to reach $3.8 billion, up from $2.9 billion last year, despite the wider economic slowdown, Forrester Research senior forecast analyst Satish Meena said. — AFP

In Kosovo, Roma's recycling work is unsung, underpaid

As the sun rises over Pristina, the Maksutis and their six children fan out across the capital to scour garbage bins for bits of plastic and metal, part of an invisible army doing the dirty work of recycling in Kosovo. "We start at 7:00 am and we are out by the containers all day," says Bujar Maksuti, the Roma family's head, as he stands by a bin swarming with wasps.

Kosovo's patchy, haphazard waste management is one of several environmental threats piling up in this impoverished corner of Europe, with illegal dumpsites littering the countryside and hazardous landfills leaking into the groundwater. Yet the issue gets little attention in the run-up to Oct 6 elections, where the environment does not top any party's list of priorities.

Similarly forgotten are the poorest of the poor who do the bulk of waste sorting in Kosovo, work that is low-paid, dangerous and thankless. Most hail from the marginalized Roma, Ashkali and Egyptian communities who make up around two percent of Kosovo's mainly ethnic Albanian population. An absence of formal contracts - coupled with discrimination that often locks Roma out of other job opportunities - leaves the scrap collectors open to exploitation by companies who purchase what they collect and export it abroad. Most collectors earn between €50-100 ($55-110) a month, a fifth of the average wage in Kosovo, according to a 2018 survey carried out by the European Centre for Minority Issues Kosovo (ECMI Kosovo). But in an industry that generates around 40 million euros annually in exports, the recycling firms' profits are much larger, according to the NGO, who said at least some of that money could be used to help lift the waste collectors out of poverty.

Poverty trap

Dirty and dangerous, the work also keeps Roma and other minorities marginalized. "Working in recyclables is not an honour job... you work with garbage," said Bashkim Ibishi from the NGO Advancing Together, which advocates for social inclusion in Kosovo. It also feeds prejudice against the communities, he said. Many children help their parents, missing out on school and perpetuating the cycle of poverty.

According to UNICEF, 17 percent of Kosovo's Roma, Ashkali and Egyptian children work, 60 percent live in absolute poverty, and nearly a third of girls do not complete primary education. The recycling also poses health risks as the workers lack the proper protective gear to handle waste that it sometimes hazardous.

The Maksutis, who spend most of the year in neighboring Albania but come to Kosovo to work for the summer, send their older children to dig through bins in other locations while their youngest son and daughter trail behind them, watching from a distance. "We keep the (young) children away so they do not get sick," explained Muksuti, who uses a wheelbarrow to move their scraps home until they have enough to sell. Like most of their colleagues, the Maksutis don't own a motorized vehicle and must hire a truck to transport their finds to a private recycling firm, which can eat up nearly half of their weekly profits. — AFP

Bujar Maksuti arranges items that he found in the containers as his children look on in Pristina on Sept 10, 2019. — AFP

Tax woes for Japan retailers

Cash register shortages, differing tax levels and a complicated points system: From October 1, Japan will have a new consumption tax and its complex regulations have left some retailers baffled. The long-awaited and twice delayed consumption tax hike will move Japan's VAT from eight percent to 10 percent - a key revenue source to fund government plans including free preschool. But a raft of exceptions and government efforts to use the hike to encourage cashless payments have left retailers fearing a meltdown.

In a bid to smooth out the impact of the hike on consumers, Japan has agreed to certain exemptions, including for food purchases, unless they are being eaten onsite. That rule puts a range of retailers, from fast-food outlets and bakeries to Japan's ubiquitous convenience stores, in a bind. A bento box bought to be eaten outside qualifies for the old tax rate, but if the customer decides to eat in the small seating areas in many convenience stores, they face the new rate.

"Customers don't necessarily know at the moment when they're buying something what they're going to eat here and what they're going to take home," said one frustrated bakery owner in Tokyo's Shinagawa neighborhood. "We're not going to monitor where they eat," she added, speaking on condition of anonymity. As a result, she has decided to simply apply the old eight percent tax rate to all her products and report all her sales as takeaway. "It would have been better to tax everything at 10 percent or leave all food at eight percent," she said.

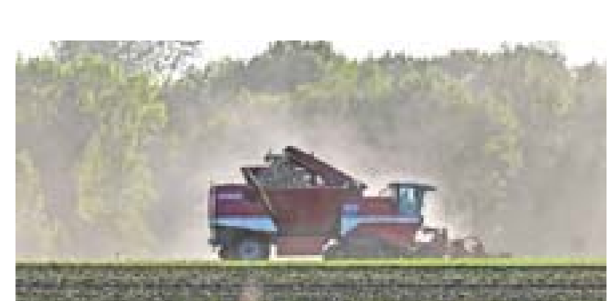
In Tokyo's famed Tsukiji outer market, another retailer said he too would simply be recording all purchases as takeaway, even if customers consumed them onsite. "Our cash register is capable of ringing up the different rates, but it's too complicated, so we'll leave everything at eight percent," he said. Other retailers are taking a different approach and will charge varying base prices for food items depending on whether they are eat-in or takeaway. — AFP

Bracing for Brexit: French food firms fear cost of 'no deal'

White smoke billows from a chimney at a sugar beet factory in northern France, where a tanker truck is filling up on the region's "white gold". As the sugar beet harvesting season enters full swing, the Lillers plant of the world's third-biggest sugar producer Tereos is a hive of activity, with trucks bearing consignments of sugar departing every hour for markets around Europe. Many are headed to Britain through the nearby port of Calais, Tereos' fifth biggest market, where it supplies sugar to United Biscuits as well as the Whitworths baking sugar brand.

But that custom, which is crucial for Tereos' 14 French plants, could turn sour if, as remains a danger, Britain leaves the EU on October 31 without a divorce deal, prompting the return of a hard border. Britain has set out plans to make 87 percent of its imports tariff-free in the event of a no-deal Brexit. But food producers on either side of the Channel are expected to feel the bite.

Tereos says that the cost of its sugar to British clients could jump by 50 percent. "Today, we're looking at (import tariffs of) 150 euros per tonne of sugar. Given that a tonne of sugar is worth 400 euros, when you factor in the extra cost of customs and logistics, we could reach additional costs of 200 euros, or 50 percent," Paul Jacquelin, Tereos' business transformation manager, told AFP. "It's very worrisome for our British clients who will suffer big (price) increases."



A tractor harvests sugar beet on Sept 20, 2019 in Vendin les Bethune, north of France. — AFP

Syrups turning to solids

The cooperative, which groups 12,000 French beet growers, also fears its shipments being held up by tailbacks caused by the return of border controls in Calais. This week, French customs staged their third dress rehearsal for a no-deal Brexit in as many weeks, subjecting a selection of trucks travelling between Calais and the English port of Dover to simulated export and import checks. "I think we're ready," Jean-Michel Thillier, deputy director of the French customs service, told AFP, pointing to new "smart border" technology aimed at easing traffic across the world's busiest shipping route in the event of a return of a hard border.

But a delay of even a day or two in Calais could jeopardize some of Tereos' business, causing its glucose syrups to solidify and British biscuit-makers working on a just-in-time production basis to run out of sugar. "We're still hoping that a deal (between the EU and Britain will be found), or that the UK will unilaterally reduce all its import tariffs to zero," Jacquelin said.

'Absolutely no information'

Concern over Brexit is also palpable at Rungis Market south of Paris, the world's biggest wholesale market for fresh produce. Marie Rivenez, head of GRG, one of France's biggest meat wholesalers, which imports 600 lambs each day from Britain, told AFP she had received "absolutely no information" about what kind of sanitary checks, if any, might apply after Brexit. She is equally concerned about the import tariffs that would apply to lamb in the event of no-deal Brexit and which she estimated at "nearly 50 percent of the price".

"If that's the case we will no longer be able to source our lamb in Britain," she said, warning that the relationships built up by GRG with British suppliers since the 1970s could be at risk. "It's very, very complicated," she said. Some 100,000 French companies trade with Britain, France's sixth-biggest trading partner. — AFP