

# Amazon boss Bezos to face protests from traders during India trip

REUTERS, New Delhi



Amazon Founder Jeff Bezos

Thousands of small-scale traders in India are planning to organize protests against Amazon.com Inc founder Jeff Bezos, who will visit the country next week for a company event and potential meetings with government officials.

Bezos will participate in an Amazon event in capital New Delhi aimed at connecting with small and medium-sized enterprises, three sources told Reuters.

He has also sought meetings with the prime minister and other government officials, with conversations expected to center around e-commerce, one of the sources familiar with the matter said.

Details of Bezos' visit, including his arrival date and the duration of his stay are not known.

Amazon did not respond to a request to confirm the visit. The prime minister's office also did not respond to requests for comment.

The Confederation of All India Traders (CAIT), a group representing roughly 70 million brick-and-mortar retailers, said it will protest across 300 cities during Bezos' stay in the country.

CAIT has since 2015 waged a battle

cities such as Delhi, Mumbai, Kolkata as well as smaller towns and cities," Praveen Khandelwal, the group's secretary general told Reuters.

"We expect to mobilize at least 100,000 traders in the protests."

With its 1.3 billion population and the world's second-biggest smartphone user base that relies on cheap data for social media and online shopping, India is a key market for U.S. retailers Amazon and Walmart to grow their business.

Discounts on their platforms have helped lure Indians to shop online for everything from groceries to large electronic devices, a phenomenon which traders say has unfairly hurt their business.

New Delhi introduced rules last year to protect nearly 130 million people dependent on small-scale retail — a key voter base — by deterring large online discounts.

The rules forced e-commerce firms to change their business structures, drawing criticism from the United States and straining the two countries' trade ties.

The federal commerce ministry is reviewing complaints and evidence filed by CAIT against Flipkart and Amazon, Reuters reported previously.



Social Islami Bank Directors Md Jahangir Hossain, Jebunnesa Akbar and Mohammed Mizanur Rahman, and Managing Director Quazi Osman Ali attend the bank's Annual Business Conference-2020 at the Grand Sultan Tea Resort & Golf at Sreemangal in Moulvibazar.

# Mercedes-Benz to build smart brand cars with Geely in China's Xi'an

REUTERS, Beijing/Shanghai

Mercedes-Benz will build smart-branded electric cars with Zhejiang Geely Holding Group in the Chinese city of Xian from a base with annual capacity of around 150,000 vehicles, a senior official from its German parent Daimler AG said on Saturday.

Daimler's Executive Vice President in China Leng Yan made the comments to Reuters on the sidelines of China's EV100 forum in Beijing, an annual event where senior auto industry executives meet to discuss policies and the market.

Geely and Mercedes-Benz said on Wednesday they would each invest 2.7 billion yuan (\$388.8 million)

in a China-based venture to build "premium and intelligent electrified" vehicles under the Smart brand.

Like Mercedes-Benz, Smart is a Daimler marque. The firms said at the time that the venture, which will be based in the eastern Chinese city of Ningbo, will have manufacturing capacity in China and sales operations in China and Germany.

# Tannery estate needs quick upgrade for better leather prices

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"If all the 155 tanneries, housed at the leather industrial park in Savar, can obtain the certification, they will be able to receive proper prices from international buyers," said Saiful Islam, president of the Leathergoods and Footwear Manufacturers and Exporters Association of Bangladesh.

He spoke at the launch of a report styled "Building Competitive Sectors for Export Diversification: Opportunities and Policy Priorities for Bangladesh", published by the International Finance Corporation (IFC), the private sector lending arm of the World Bank Group.

The event took place at the Amari Hotel in Dhaka.

The CETP is not fully functional yet to get the LWG certification. As a result, local leather and leather goods manufacturers have to sell goods to some limited non-compliant Chinese manufacturers at cheaper rates.

"So, the target to export \$5 billion worth of leather and leather goods by 2021 might not be possible," Islam said.

Currently, the sector is the second largest foreign currency earner after ready-made garment. It fetched \$1.02 billion in exports in the last fiscal year.

"We must do something for value-addition. Bangladesh has comparative advantage as the leather and leather goods sector has its own raw materials," Islam said.

Bangladesh's competitors such as

Vietnam, Indonesia and Cambodia have the advantages of diversified products, the entrepreneur added.

### KEY POINTS

Leather goods exporters get 40pc less price from buyers for poor compliance

Only three leather goods companies have LWG certifications

Given the current scenario, the export target of \$5b by 2021 seems unattainable

Lack of funds stalls innovation

Plastic goods have huge export potential

Some \$600m worth of plastic goods exported a year

For instance, per capita consumption of plastics in Bangladesh is five kg against the Asian average of 36kg. Domestic demand can help expand the market and ultimately boost exports, Razzaque also said.

Some \$600 million worth of plastic goods are exported from Bangladesh every year mainly as dimmed export items like hanger. Plastics has good potential at both home and abroad, he said.

To the researcher, it does not make any sense why the government does not allow bonded warehouse facility to the companies that manufacture products both for local and international markets.

"This is really a challenge for some sectors," he added.

The government is working to develop particular products in the areas of leather and leather goods, plastic, footwear and light engineering under a special scheme so that the goods can be exported in the near future, Commerce Secretary Mohammad Jafar Uddin said.

As part of an initiative to diversify markets, Bangladesh is trying to grab more market shares in Latin American countries like Brazil, Mexico and Argentina.

Moreover, Bangladesh has targeted the central Asian countries for market diversification, apart from traditional markets, namely the EU, the US and Canada, he said.

"However, Bangladesh will need to diversify skills along with market and product diversification," he said.

A diversified export portfolio comprising competitive sectors, such as leather and footwear, plastics, and light engineering, will help create greater access to international markets for Bangladeshi products, the report said.

It recommended policymakers develop strategies in order to integrate priority sectors with the global value chain.

"To sustain its growth trajectory and reduce overdependence on any single item, Bangladesh needs to build a strong manufacturing ecosystem and develop new products, while paving the way for large scale job creation and poverty reduction," said Wendy Werner, country manager of the IFC for Bangladesh, Bhutan and Nepal.

The IFC publication compared Bangladesh's export performance with several comparator countries, including Vietnam, Cambodia, Malaysia, China and India, to identify areas for the country to improve.

Economic factors such as employment generation, women's employment, growth of small and medium enterprises, and foreign direct investment are needed in seven potential sectors for export diversification, it said.

"Bangladesh's economy is moving forward at a stable pace," said Mashiur Rahman, adviser to the prime minister on economic affairs.

The government has initiated a concerted effort to diversify exports, he said.

# Alphabet legal head Drummond exits

REUTERS

Alphabet's new Chief Executive Sundar Pichai on Friday gained the opportunity to reshape the leadership of Google's parent with the exit of Chief Legal Officer David Drummond, whose outsized strategic role was overshadowed by employee concerns about his personal relationship with a subordinate.

Drummond, also senior vice president of corporate development, had been with Google since its start in 1998. He incorporated the company as outside counsel, winning the business of co-founders Larry Page and Sergey Brin. He later spent nearly 18 years as the company's top lawyer and one of its few black executives.

Scrutiny centered on Drummond as the board last year investigated the company's handling of sexual misconduct complaints throughout its workforce, and he became a lightning rod for criticism about what some employees viewed as tolerance for poor behavior.

Pichai now has his first big chance to make his mark on Alphabet leadership since Page and Brin left him day-to-day reins of the company last month. Drummond's last day is Jan. 31, and a replacement has not been decided yet, Alphabet said.

"With Larry and Sergey now leaving their executive roles at Alphabet, the company is entering an exciting new phase, and I believe that it's also the right time for me to make way for the next generation of leaders," Drummond said in an email to employees shared by Google.

Some employees had questioned Drummond's role at the company after the New York Times in 2018 reported on an extramarital affair he had with subordinate, Jennifer Blakely, starting in 2004.

# Logistics companies grinning

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"We have no study but I think only during sales would the total number of deliveries reach one lakh."

However, the e-CAB general secretary is also very optimistic that the number of deliveries will hit few lakhs a day within the next couple of years.

Rahath Ahmed, director and chief marketing officer of the country's top delivery solution company Paperfly, echoed the same as Tamal.

On a good day the delivery number might be more than one lakh, but on an average the number would be about 80,000.

Of the total number, the traditional courier companies are delivering a big chunk, with SA Paribahan Courier and Sundarban Courier leading the pack.

Some other courier companies like Karatoa and Dreamland are also carrying products from Dhaka to other cities and towns.

The Post Office too has started carrying products of online business orders and handling more than thousand orders a day. Previously, they just delivered individual parcels between friends and families.

Thanks to mushrooming of e-commerce and f-commerce businesses, about 300 logistic companies have set up shop. But a few such as Paperfly, e-courier, Pathao and Biddyut have cornered about 90 percent of the market.

Paperfly is new to logistics but has already become the market leader, according to Ahmed.

The company processes more than 20,000 orders a day.

Currently, the company employs about 1,000, but it estimates more than 8,000 would be earning from the industry at present through full- or part-time arrangements.

e-Courier, which has a few hundred employees, also has experience of handling more than 10,000 orders, but its average delivery number is little less than that, according to Rahul.

Online grocery store Chaldal is delivering orders through their own logistic channel.

Normally, the company delivers about 3,000 orders a day.

"When we run offers on the site, we have to hire other companies," said Omer Sharif Ibney Hai, head of growth at Chaldal.

Chaldal has partnership with obhai, a ridesharing platform, for delivery of their products during sales, when the order number crosses 5,000 a day, he added.

Daraz, the country's top e-commerce company, is delivering its orders in cities by itself, said an insider. The number might be more than 10,000 a day, he said requesting anonymity as he is not authorized to speak to the media.

The industry just started to roll and it has huge potential, said AD Ahmad, CEO and co-founder of HungryNaki, a leading online food delivery company.

"Personally, I will not be surprised if this market grows 50 times more from the current

situation in five years," he added.

Apart from Dhaka and Chattogram, HungryNaki has wider service range in Narayanganj, Sylhet, Cox's Bazar, Khulna and Barisal.

Within a short time it will introduce food delivery service in Rajshahi and some other cities, Ahmad said.

Apart from HungryNaki there are also a good number of global and local companies -- Uber Eats, Foodpanda and Shohoz -- engaged in food delivery.

At the same time, brands like Pizza Hut, Pizza Inn, KFC and some others have their own delivery systems and their numbers are also huge.

A Facebook-based entrepreneur Kakoli Tanvir is running her Saverie's Clothing Line for the last three years without enlisting the services of any logistic company.

"I have appointed a delivery person and at the same time my driver also delivers products when needed," said Kakoli, who is quite happy with the arrangement.

Logistics companies are also deploying technology in the delivery channel so that partners can easily monitor their products through mobile apps.

Different Logistics companies are now offering same day delivery in the capital and next day in the adjacent part of the city. It takes two to three days to deliver to the district level and four to five days at the union level.

# Foreign companies at DITF see Bangladesh as a potential market

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Craft and Creation, a Srinagar-based household decoration item manufacturer, has been participating in the fair for the last few years.

The company has won customer's confidence on the back of the quality of products, said Manish Garg, an owner of the company.

"We do not take part in any fair except the DITF."

Craft and Creation exports products to Bangladesh in a limited scale and is looking to expand its footprint in the country.

"That's why I take part in the DITF," Garg said.

Although more than 50 companies are taking part in the fair, the correspondent did not find direct participant of foreign companies except those from India, Pakistan, and Turkey.

Executives selling products at stalls showcasing products of companies from Thailand, Iran and Korea say representatives from the countries did not take part as local agents can run the stalls.

One of them is Aove Saha, who is running Korea Collection, a stall at the Korean pavilion, as a director.

"Korean products in areas of household, cookeries and beauty are becoming popular in Bangladesh."

His company takes part in various fairs

in Dubai, Europe and North America as there is a good demand there.

According to Ahmed, the EPB is very cooperative and he has not faced any problem in taking part in the fair.

Some foreign participants, however, alleged that they have to pay higher customs duties to bring in products to showcase them at the DITF compared with fairs in other countries.

Companies mainly take part in fairs to display products and sales are not the main target, they say.

Garg brings in products by air and is charged customs duties depending on weight. "Ultimately, customers have to bear the duties as we include the tax with price," he said.

Although he has shipped in products through sea routes, Shibli Shamsi also had to pay a large amount of custom duties, Shoaib said.

Ozkurt's company has paid \$30,000 in customs duty to bring a consignment of products from Turkey.

Customs levy duties on the products sold at the DITF as per declaration of the participating companies, said Mohammad Abdur Rouf, secretary of the fair organising committee.

If the participants write to them about the higher duties, they would look into it, he said.



ONE BANK

M Fakhru Alam, managing director of One Bank, cuts a ribbon to open the bank's sub-branch and ATM booth at South Pirerbag in the capital's Mirpur yesterday.

# 146 educational institutions get govt Wi-Fi

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Students will get unique passwords, allowing one device to connect at a time. After the first two years, the institutions will have to pay nominal bandwidth charges.

Initially every institution will get 10 Mbps of bandwidth, said Rafiqul Motin, managing director of state-owned Bangladesh Telecommunication Company Limited (BTCL), which is running the project.

However, Sajeeb Wazed Joy, ICT affairs adviser of Prime Minister Sheikh Hasina, asked to increase it within a short time, he said.

Inaugurating the service at the Posts and Telecommunications Division in Bangladesh Secretariat, Joy said,

"We have taken the project for the betterment of the students as they have demanded it to create a Digital Bangladesh."

Only 1.3 percent of the population had internet access when the Awami League government came to office in 2009 and now the figure stands at about 60 percent, he said.

"My dream is to ensure internet for all, the 16-crore people of the country, and we are also working to achieve that vision," he added.

A meeting was held afterwards when the BTRC informed of the Supreme Court directing Grameenphone to pay Tk 2,000 crore and High Court directing Robi Axiata to pay Tk 138 crore in audit-based dues.

The orders came against the BTRC's claims of Tk 12,580 crore and Tk 867.23 crore respectively.

Joy directed the BTRC not to go for any further negotiation, such as out of court settlements, which was being worked on before the courts came up with the directives.

"As we already got some court orders, we need to follow that and we will not move for any out of the court settlement negotiation," a top BTRC official who attended meeting quoted Joy as saying.

Telecom Minister Mustafa Jabbar presided over the meeting while Telecom Secretary Md Nur-Ul-Rahman and top brass of different government organisations were also present.