

How ByteDance's CEO balked at selling TikTok's US business

REUTERS

ByteDance founder and CEO Yiming Zhang's decision to drop his pursuit of a sale of TikTok's US operations to Microsoft Corp MSFT.O in favor of a partnership with Oracle Corp was the culmination of pressure from the Beijing-based firm's investors as it searched for a deal to appease the United States and China, according to people familiar with the deliberations.

Concerns among major ByteDance backers such as Sequoia and General Atlantic over the financial hit of selling the popular short-video app in the United States for less than what it is worth led Zhang to opt for the sale of only a stake to Oracle, rather than an outright divestment, the sources said.

It is a risky strategy. President Donald Trump has made it clear he wants to see an outright sale of TikTok to a US technology company, amid concerns among national security officials that US user data could be passed on to China's Communist Party government. He has threatened to ban TikTok in the United States as early as Sept. 20 if ByteDance does not comply.

China also got involved in the process last month, updating its export control rules to give it a say over the transfer of technology,

such as TikTok's recommendation algorithm, to a foreign buyer. Chinese officials have said ByteDance should not be coerced by the United States into a deal.

Microsoft executives grew frustrated over the course of the past week as ByteDance became unresponsive to the Redmond, Washington-based company's \$20 billion-plus bid for TikTok's US business, three of the sources said. The bid also allowed for future payments based on TikTok's performance, one of the sources added.

This offer fell short of ByteDance investors' expectations, the sources said. In arguing for its bid with the Trump administration and US lawmakers, Microsoft upset Zhang, because it referred to TikTok as a security risk it could fix, the sources added. ByteDance has maintained that its ownership of TikTok presents no such risk.

All the while, Sequoia and General Atlantic were working with Oracle on an alternative deal that would avert an outright sale, according to the sources.

Concerned over ByteDance's lack of engagement, Microsoft asked the Chinese company whether it had lost out in the race for TikTok's US business, one of the sources said. Microsoft also asked if it could change the deal structure to match Oracle, the source added.



REUTERS/FILE

Zhang Yiming, founder and global CEO of ByteDance, poses in Palo Alto, California.

ByteDance responded it would choose Oracle even if Microsoft offered the same structure and terms, the source said. Oracle had been working on the potential deal with the ByteDance investors for several weeks, and had made them and Zhang more comfortable about their partnership, according to the source.

On Sunday, Microsoft announced ByteDance had rejected its bid to acquire TikTok's US business.

This account of how ByteDance picked Oracle as its partner for the

TikTok deal is based on interviews with six people with knowledge of the discussions who requested anonymity to disclose details. ByteDance and Microsoft did not immediately respond to requests for comment.

Oracle declined to comment and pointed to its statement earlier on Monday that confirmed its participation in the proposed deal. General Atlantic and Sequoia also declined to comment.

ByteDance has worked feverishly in the last few days on a deal proposal that would allow the Chinese company to retain a

minority stake in TikTok while addressing US security concerns, the sources said. Zhang is referring to this deal in discussions with other ByteDance executives as a restructuring, the sources said. One of the sources called the proposed arrangement akin to a joint venture.

Oracle is in negotiations to take a sizable minority stake in TikTok's US business, with the remainder owned by some large ByteDance investors, including General Atlantic and Sequoia, the sources said. Oracle would also take over the management of TikTok's user data in the United States and be responsible for its safety, according to the sources.

It is not clear what valuation this deal would infer for TikTok's US business, which has as many as 100 million users.

The proposal calls for the Committee on Foreign Investment in the United States (CFIUS), the US government panel overseeing the deal talks, to approve board directors at TikTok US, as well as relationships with major vendors, the sources added. The arrangements would be similar to those CFIUS put in place when Lenovo acquired IBM's personal computer business in 2005 and SoftBank Group Corp 9984.T acquired US wireless carrier Sprint in 2013, according to the sources.

Flipkart to hire 70,000 in India ahead of big shopping event

REUTERS, Bengaluru

Walmart Inc's Flipkart said on Tuesday it would create 70,000 new jobs and employ many more as delivery partners and in other roles as it prepares for a surge in online shopping during the busy Indian festive season.

Flipkart, Amazon.com Inc's Indian unit and Reliance Industries Ltd's fledgling e-commerce business are vying for a share of the booming online retail market, which received a big boost from the COVID-19 pandemic as more Indians used their smartphones to shop for groceries and other items.

Flipkart's "Big Billion Days", styled on the lines of Amazon's Prime Day, rakes in its biggest sales for the year. The four- or five-day long sale usually starts around October to tap India's festive season, which ends with Diwali. The company said it would also sign up more than 50,000 kiranas, or small grocery stores, for last-mile delivery.

"While creating direct job opportunities across Flipkart's supply chain, that include delivery executives, pickers, packers and sorters, there will also be additional indirect jobs created at Flipkart's seller partner locations and (local corner stores)," the company said in an emailed statement.

India's August trade deficit in goods at \$6.77b

REUTERS, New Delhi

India posted a trade deficit of \$6.77 billion in goods in August, data released by the government showed on Tuesday.

Merchandise imports contracted 26.04 per cent in August to \$29.47 billion from a year ago while exports fell 12.66 per cent to \$22.70 billion, data released by the Ministry of Commerce and Industry showed.

Total merchandise imports fell by 43.73 per cent to \$118.38 billion during April-August while exports were down 26.65 per cent from the year-ago period to \$97.66 billion, the data showed.

Recovering bad loans is top priority: new BASIC Bank chair

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A former professor of the Department of Accounting & Information Systems at Dhaka University, Hashem also served the University Grants Commission of Bangladesh as a member.

He was the chairman of the Dhaka Stock Exchange from 2017 to February 2020.

During his tenure, the Shenzhen Stock Exchange-led Chinese consortium, comprising Shenzhen and Shanghai stock exchanges, became the strategic partner of the bourse in September 2018 by purchasing 25 per cent stake.

"When the Chinese consortium was made the strategic partner, I came under pressure from many quarters, but I did not back down. Now, I will start to reform BASIC Bank."

The bank, which had been profitable for 20 consecutive years, will be a cash cow of the government once again, he said.

China's industrial engine gathers speed, consumers open wallets in boost to recovery

REUTERS, Beijing

China's industrial output accelerated the most in eight months in August, while retail sales grew for the first time this year, suggesting the economic recovery is gathering pace as demand starts to improve more broadly from the coronavirus crisis.

An annual decline in fixed-asset investment over January-August also moderated thanks to expanded stimulus from Beijing, but authorities remain wary about the outlook given heightened external risks, including from intensifying Sino-US tensions.

After the pandemic paralysed the economy, China's recovery has been gaining momentum as pent-up demand, government stimulus and surprisingly resilient exports propel a rebound. Floods across southwestern China that disrupted production in July have receded.

"Strong external demand, a further recovery from the pandemic and pent-up demand from the floods all contributed

to the robust activity data in August," Ting Lu, chief China economist at Nomura, said in a note to clients.

"We expect a further, albeit gradual, recovery of the services sector, a steady improvement in retail sales and elevated fixed-asset investment growth."

Industrial output growth quickened to 5.6 per cent in August from a year earlier, the fastest in eight months, data from the National Statistics Bureau showed on Tuesday. Analysts polled by Reuters had expected a 5.1 per cent rise from 4.8 per cent in July.

Retail sales also beat analysts' forecast with a 0.5 per cent rise on-year, snapping a seven-month downturn and bettering expectations for zero growth. In July, sales dropped 1.1 per cent, but consumer confidence has been picking up lately, from spending on automobiles and duty-free shopping.

Auto sales rose 11.8 per cent in August year-on-year while sales of telecoms products jumped 25.1 per cent, the data showed.

The decline in fixed-asset investment slowed, falling 0.3 per cent in January-August from the year-ago period, compared with a forecast 0.4 per cent slide and a larger 1.6 per cent decline in the first seven months of the year.

Private sector fixed-asset investment, which accounts for 60 per cent of total investment, fell a less steep 2.8 per cent in January-August, compared with a 5.7 per cent decline in the first seven months. Property investment, a crucial growth driver, also jumped the most in 16 months in August. In commodities, China posted record output in both crude steel and aluminium last month thanks to robust demand from the construction sector and recovery in automobile sales.

"We think that China's economic recovery is on a reasonably firm footing now and should continue through Q4 and into 2021, with solid investment growth, gradually recovering consumption momentum and resilient exports," said Louis Kuijs at Oxford Economics.

BIDA improves services for investors

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After launching the OSS centre in February, 2019, BIDA penned deals with 20 organisations till date with 16 of those signing coming over the last one month alone.

Meanwhile, with a goal to integrate as many as 154 services from 35 agencies, BIDA is in the process of adding another 38 dedicated services in a bid to facilitate investment in the country.

Bangladesh is moving towards becoming a developed nation under the leadership of Prime Minister Sheikh Hasina, said Md Sirajul Islam, executive chairman of BIDA.

"It is possible to do that only by attaining international quality investment services. We need to make our investment services easier, more transparent, and faster so that potential investors can easily get the services from one place," he said. BIDA is committed to provide these services not just by signing memoranda of understanding (MoU), but also implementing these initiatives quickly.

As a result of the integration of this MoU, domestic and foreign investors will get new electricity connections very quickly, Islam added.

Previously, it could take up to several months to secure a power supply for newly established factories but thanks to the new arrangement, investors will now have their operations hooked up with the national electric grid within 30 days.

Economy on path to gradual recovery

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In response to the pandemic, Bangladesh announced a stimulus package amounting to Tk 103,117 crore, which is equal to 3.7 per cent of GDP.

They include support for health care, cash and food transfers for the vulnerable, comprehensive support for agriculture, wage support for export industries, subsidies on interest payments for working capital loans, strengthened export facilitation, and liquidity support for refinancing schemes. Most stimulus package spending will occur in FY2021.

Growth in agriculture is projected to rise to 3.5 per cent in FY2021, aided by government subsidies for seed, fertiliser, innovation, farm mechanisation and irrigation, and by central bank refinancing facilities to provide working capital for small and medium-sized farms affected by the pandemic.

Growth in the industry is forecast at 10.3 per cent, assuming improved consumer demand, strong export growth following recovery in major export markets, and expected growth in private investment. Supported by sustained growth in agriculture and industry, services are expected to grow by 5.5 per cent.

Inflation is projected steady at 5.5 per cent in FY2021, as forecast in the April report, considering a good crop outlook and favourable international commodity prices.

"Consumer caution and underutilised production capacity should calm any fear that fiscal and monetary stimulus may drive up prices," the ADB said.

Monetary policy will continue to be expansionary and accommodative in FY2021 toward achieving the government growth target while containing inflation. As in the past, the

central bank will adjust sector-specific support policies and programmes as needed.

The main risks to the achievement of monetary goals are uncertainty surrounding Covid-19, natural calamities, any worsening of nonperforming loans, and unexpected inflationary pressure.

With the focus shifting to economic recovery, the FY2021 budget aims to raise revenue collection to the equivalent of 11.9 per cent of GDP and spending to 17.9 per cent.

Current spending is targeted to grow by 13.2 per cent over the FY2020 revised budget mostly for higher pay and allowances, interest payments, and subsidies—and development spending by 6.3 per cent, primarily for high-priority development projects to enhance growth.

"While the revenue target is more measured than in previous years, fully achieving it will still be a challenge, considering the impact of Covid-19 on tax revenue," said the ADB.

As most stimulus packages will be implemented through this budget, along with large priority projects, government expenditure must rise. Consequently, the budget deficit is likely to be somewhat higher, equal to 6.2 per cent of GDP, requiring greater reliance on external lines of credit, which are ample.

Exports are expected to grow by 8 per cent in FY2021, with a gradual recovery in the first half accelerating in the second along with the expected upturn in the global economy.

Export recovery will be aided by government stimulus measures and efforts to improve the business climate, as well as using duty-free trade opportunities extended by China. Potential exists for signing other free or preferential trade agreements.

Imports are expected to grow by 5 per cent as the readymade garment industry returns to normal operations and requires substantial imports of input materials. Also, the accelerated implementation of large infrastructure projects should boost imports of capital equipment and materials.

Despite government subsidies to agriculture this year and efforts to expand arable area and mechanisation, rice imports may need to be larger than earlier expected to replace the harvest that may be lost to floods.

Growth in remittances is likely to moderate to 4.5 per cent in FY2021 as job opportunities for migrants shrink in traditional job markets in the Persian Gulf and Southeast Asia. Besides, net repatriation of workers may continue as host countries adapt to changed economic circumstances.

DEVELOPING ASIA'S PROSPECTS WORSEN The ADB said economic prospects in developing Asia have worsened. As the Covid-19 pandemic continues to disrupt global economic activity, GDP forecasts have been downgraded from the Asian Development Outlook 2020, which was released in April.

The region is now expected to contract by 0.7 per cent in 2020, the first regional recession in nearly six decades. GDP is projected to grow by 6.8 per cent in 2021.

Thus, the regional recovery will be L-shaped or "swoosh-shaped" rather than V-shaped, it said.

An L-shaped recovery is characterised by a slow rate of recovery, with persistent unemployment and stagnant economic growth. A V-shaped recovery is characterised by a quick and sustained recovery in measures of economic performance after a sharp economic decline.

Housing finance, another victim of Covid-19

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First of all, a proper plan should be taken and efforts should be given on its accurate implementation. Some funding is necessary for mortgage securities, affordable housing and overall infrastructural development.

To reduce the effect on lower and lower-middle income group and keep the housing finance market functioning, housing

finance authorities must have prioritised the benefit of end-users i.e. borrowers and tenants as they are the direct victim of this crisis.

Forbearance initiatives which include temporary suspension of both principal and interest credit repayments will be a great help for borrowers.

The global coronavirus pandemic has put its

claws on the economy of developing countries like Bangladesh in a perilous way. To recover from the crisis, the policymakers must ponder the measures positively to boost the promising housing sector and its backlinks.

Rahman is a deputy general manager of Bangladesh House Building Finance Corporation while Shahriar is a senior officer of the organisation.

Government of the People's Republic of Bangladesh

WTO Cell, Ministry of Commerce
Bangladesh Regional Connectivity Project-1
Level-12 (West side), Probashi Kollayan Bhaban
Eskaton Garden, Dhaka-1000

Memo No. 26.00.0000.066.07.027.20-317

Date: 15/09/2020

Request for Expressions of Interest (Consulting Firm)

Name of the service: Selection of Consulting Firm (National) for Conducting Diagnostic Studies to Assess Female Traders and Entrepreneurs Export Potential in the Cut Flower Sub-sector

Name of the Project: Bangladesh Regional Connectivity Project 1, Ministry of Commerce

Credit No.: 60020; Project ID No.: 154580

Reference number: BRCP/MOC/SD-09

Government of the People's Republic of Bangladesh has received an SDR 150 million Credit from the International Development Association (IDA) - a member of the World Bank Group - for financing the cost of the Bangladesh Regional Connectivity Project 1 (BRCP-1), being jointly implemented by the Bangladesh Land Port Authority (BLPA), National Board of Revenue (NBR) and Ministry of Commerce. The second component of this umbrella project is being implemented by the Ministry of Commerce as a separate technical assistance project. The overall objective of this technical assistance project is to strengthen trade-related institutional capacity in order to ensure active and sustainable cooperation between multiple trade-related stakeholders and economic empowerment of women traders.

This technical assistance project intends to apply part of the IDA Credit for procuring consultancy services from qualified research/consulting firm (national) to conduct Diagnostic Studies to Assess Female Traders and Entrepreneurs Export Potential in the Cut Flower Sub-sector to have in-depth understanding about the present situation, export potential and support required for promotion of exports by the women traders in this sub-sector. The diagnostic study will also examine the regulatory regime and suggest necessary adjustments for facilitation of export by women traders. This diagnostic study will enable the government to take appropriate measures for enhancing the capacity of women traders through facilitating and promoting their export potential in regional and international markets.

The Project Implementation Unit BRCP-1-MOC on behalf of the Ministry of Commerce invites eligible consultants to indicate their interest in providing the services. Interested consultants must provide information indicating that they are qualified to perform the services (brochures, general qualifications, description of similar assignments, general experience in similar conditions, financial capability, number of key staff and **so forth as per TOR**). Consultants may associate to enhance their qualifications. Details of the qualification requirements and responsibilities are available in TOR.

The attention of interested consultants is drawn to paragraphs 3.14 to 3.18 of the World Bank Group's Procurement Regulations for IPF Borrowers, Procurement in Investment Project Financing, Goods, Works, Non-Consulting and Consulting Services, July 2016 ("Procurement Regulations"), setting forth the World Bank Group's policy on conflict of interest. A Consultant will be selected in accordance with the Quality and Cost Based Selection (QCBS) method set out in the Procurement Regulations.

Terms of Reference (TOR) will be available in the office of the undersigned and also at www.mincom.gov.bd and <http://brcp-1.gov.bd/>. Further information can be obtained at the address below during office hours (i.e. 09.00 to 17.00 hours). Expressions of interest must be delivered in a written form 2 (two) copies (one original and one copy) and one soft copy (in MS Word) in sealed envelope to the address below (in person, or by mail) **by 12.30pm on October 04, 2020**.

The authority reserves the right to accept or reject any or all EOIs without assigning any reason, whatsoever.

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