Paytm, other Indian startups vow to fight 'big daddy' Google's clout

Reuters, *New Delhi*

Dozens of India's technology startups, chafing at Google's local dominance of key apps, are banding together to consider ways to challenge the US tech giant, including by lodging complaints with the government and courts, executives told Reuters.

Although Google, owned by Alphabet Inc, has worked closely with India's booming startup sector and is ramping up its investments, it has recently angered many tech companies with what they say are unfair practices.

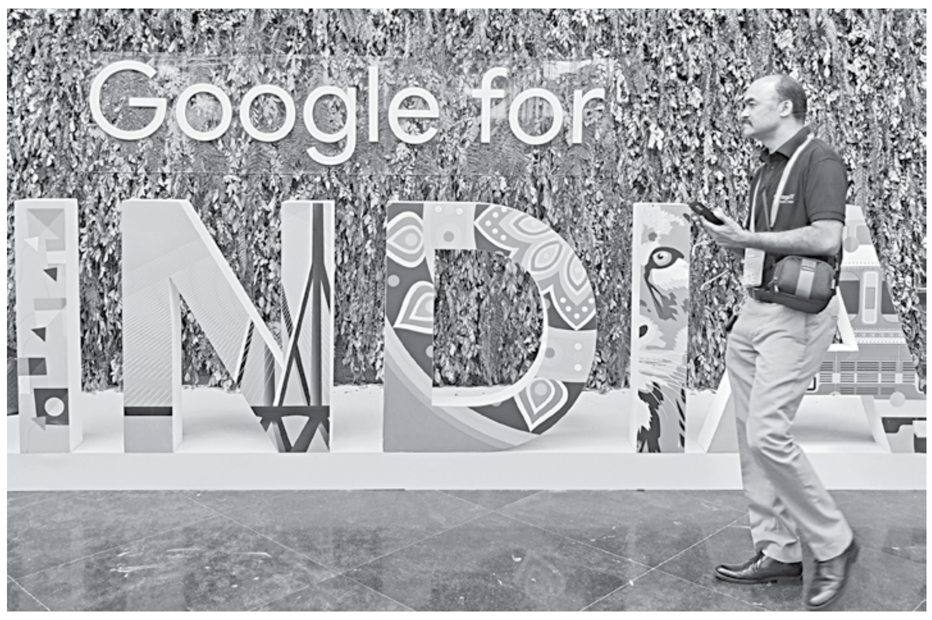
Setting the stage for a potential showdown, entrepreneurs held two video conferences this week to strategise, three executives told Reuters.

"It's definitely going to be a bitter fight," said Dinesh Agarwal, CEO of e-commerce firm IndiaMART. "Google will lose this battle. It's just a matter of time."

He said executives have discussed forming a new startup association aimed chiefly at lodging protests with the Indian government and courts against the Silicon Valley company.

Nearly 99 per cent of the smartphones of India's half a billion users run on Google's Android mobile operating system. Some Indian startups say that allows Google to exert excessive control over the types of apps and other services they can offer, an allegation the company denies.

The uproar began last month when Google removed popular payments app Paytm from its Play Store, citing policy violations. This led to a sharp rebuke from the Indian firm's founder, Vijay Shekhar Sharma, whose app returned to the Google platform a few hours later, after Paytm made certain changes.



REUTERS/FILE

A man walks past the sign of "Google for India" in New Delhi, India.

In a video call on Tuesday, Sharma called Google the "big daddy" that controls the "oxygen supply of (app) distribution" on Android phones, according to an attendee. He urged the roughly 50 executives on the call to join hands to "stop this tsunami."

"If we together don't do anything, then history will not be kind to us. We have to control our digital destiny," Sharma said.

One idea raised was to launch a local rival to Google's app store, but Sharma said this would not be immediately effective given Google's dominance, one source said.

Sharma and Paytm, which is backed by Japan's SoftBank Group Corp, did not respond to requests for comment.

Google declined to comment. It has previously said its policies aim to protect Android users and that it applies and enforces them consistently on developers.

This week the US company angered some Indian startups by deciding to enforce a 30 per cent commission it charges on payments made within apps on the Android store.

Two dozen executives were on a call on Friday where many slammed that decision. They discussed filing antitrust complaints and approaching Google's India head for discussions, said two sources with direct knowledge of the call.

Participants included sports technology firm Dream Sports, backed by US hedge fund Tiger Global, social media company ShareChat and digital payments firm PhonePe, the sources said. None of those companies responded to requests for comment.

Google defends the policy, saying 97 per cent of apps worldwide comply with it.

Google already faces an antitrust case related to its payments app in India and a competition investigation into claims it abused Android's dominant position. The company says it complies with all laws.

These spats strain Google's strong ties to Indian startups. It has invested in some and helped hundreds with product development. In July, its Indian-born CEO Sundar Pichai committed $10 billion in new investments over five to seven years.

The conflict "is counterproductive to what Google has been doing - it's an odd place for them to be," said a senior tech executive familiar with Google's thinking. "It's a reputation issue. It's in the interest of Google to resolve this issue."

Google looms over every aspect of the industry.

Paytm on Saturday told several startup founders, in a communication seen by Reuters, that it was collating input on challenges to Google Play Store and its policies to submit to the authorities.

To craft their attack, they are using a shared Google document.

E-commerce firm Shopee in Thai twitter storm for banning anti-government store

Reuters, *Bangkok*

E-commerce firm Shopee has reversed a ban on a store linked to a dissolved opposition party in Thailand, a spokeswoman said, after online criticism of its perceived pro-government stance.

#BanShopee became the third highest trending hashtag with over 57,000 uses on Saturday and many Twitter users saying they've deleted the app.

"Double standards @ShopeeTH," wrote Twitter user @ chanson_2013. "You need to explain why you banned the stores of those advancing democracy but allow businesses who are pro government to sell on your platform."

Shopee, a unit of Tencent-backed Sea Ltd, is the latest business in Thailand to be targeted by pro-democracy campaigners for appearing to support the government of Prime Minister Prayuth Chan-ocha.

The campaign also comes a week ahead of the crucial online shopping event, 10.10.

"Our platform is neutral, and everything is up to company policy," a Shopee Thailand spokeswoman told Reuters, adding that its policies were applied equally to all sellers.

Companies in Thailand are finding it increasingly difficult to navigate political division. In August, after calls for a boycott, Burger King and others pulled advertisement off the Nation television, which activists branded as pro-government. Shopee says Democstore had violated its terms several times before the ban for posting "politically sensitive" material.

Democstore is run by the Progressive Movement, a group founded by banned politicians from upstart opposition Future Forward party, which was dissolved in February.

"We were selling urban camping equipment for the protesters and we were banned," Progressive Movement spokeswoman Pannika Wanich told Reuters.

In September, ten thousand protesters joined an overnight demonstration calling for amendments to the constitution and reform of the monarchy.

DemocStore said it would continue selling t-shirts and mugs with the group's logo on the chat app, Line.

Anti-government memorabilia are fast becoming hot items online.

Trump's diagnosis fuels uncertainty for skittish US stock market

Reuters

Investors are gauging how a potential deterioration in President Donald Trump's health could impact asset prices in coming weeks, as the US leader remains hospitalized after being diagnosed with COVID-19.

So far, markets have been comparatively sanguine: hopes of a breakthrough in talks among US lawmakers on another stimulus package took the edge off a stock market selloff on Friday, with the S&P 500 losing less than 1 per cent and so-called safe-haven assets seeing limited demand. News of Trump's hospitalization at a military medical center outside Washington, where he remained on Saturday, came after trading ended on Friday.

Many investors are concerned, however, that a serious decline in Trump's health less than a month before Americans go to the polls on Nov. 3 could roil a US stock market that recently notched its worst monthly performance since its selloff in March while causing turbulence in other assets.

The various outcomes investors currently envision run the gamut from a quick recovery that bolsters Trump's image as a fighter to a drawn-out illness or death stoking uncertainty and drying up risk appetite across markets.

Should uncertainty persist, technology and momentum stocks that have led this year's rally may be particularly vulnerable to a selloff, some investors said. The tech-heavy Nasdaq fell more than 2 per cent on Friday, double the S&P 500's decline.

US President Donald Trump

"If people ... get nervous right now, probably it manifests itself in crowded trades like tech and mega-cap being unwound a bit," Delwiche said A record 80 per cent of fund managers surveyed last month by BofA Global Research said that buying technology stocks was the market's "most crowded" trade.

The concentration of investors in big tech stocks has also raised concerns over their outsized sway on moves in the broader market.

The largest five US companies – Google parent Alphabet, Amazon, Apple, Facebook, and Microsoft – now account for almost 25 per cent of the S&P 500's market capitalization, according to research firm Oxford Economics.

Trump's diagnosis has intensified the spotlight on the fiscal stimulus talks in Washington, with investors saying agreement on another aid package could act as a stabilizing force on markets in the face of election-related uncertainty.

US House of Representatives Speaker Nancy Pelosi, a Democrat, said on Friday that negotiations were continuing, but she is waiting for a response from the White House on key areas.

Fresh stimulus could speed economic healing from the impact of the pandemic, which has put millions of Americans out of work, and benefit economically-sensitive companies whose stock performance has lagged this year, investors said.

For those who are underweight stocks, "we would be using this volatility as an opportunity to increase equities because we think we're in an early-stage economic recovery," said Keith Lerner, chief market strategist at Truist/SunTrust Advisory.

Market action on Friday suggested some investors may have been positioning for a stimulus announcement in the midst of the selloff.

The S&P 500 sectors representing industrials and financials, two groups that are more sensitive to a broad economic recovery, rallied 1.1 per cent and 0.7 per cent, respectively, while the broader index declined.

Even with worries over Trump's condition, "the fiscal program has been the loudest noise in the market," said Arnim Holzer, macro and correlation defense strategist at EAB Investment Group.

Investor hedges against election-related market swings put in place over the last few months may have softened Friday's decline and could, to a degree, mitigate future volatility, said Christopher Stanton of hedge fund Sunrise Capital Partners LLC.

Despite Trump's illness, futures on the Cboe Volatility Index continued to show expectations of elevated volatility after the Nov. 3 vote, a pattern consistent with concerns of a contested election.

Nagging doubts over whether the Republican president would agree to hand over the keys to the White House if he loses have grown in recent weeks.

During his first debate with Democratic challenger Joe Biden on Tuesday, Trump declined to commit to accepting the results, repeating his unfounded complaint that mail-in ballots would lead to election fraud.

"If Trump's health does not recover ... then he might give up on contesting the election," said Michael Purves, chief executive of Tallbacken Capital Advisors. But "markets are not shifting off the contested election thing right now."

US oil refiners look to leapfrog Canadians in making renewable diesel

Reuters, *Winnipeg, Manitoba/New York*

US oil refineries are moving aggressively to produce renewable diesel, partly to cash in on Canada's greener fuel standard before Canadian refiners modify their own plants.

Canadian Prime Minister Justin Trudeau's government intends to present its Clean Fuel Standard this year, aiming to cut 30 million tonnes of emissions by 2030.

Renewable diesel, made by processing spent cooking oil, canola oil or animal fats, can be used in high concentrations or without blending in conventional diesel engines.

So far, Canadian companies have been slow in preparing to make the fuel, with only three projects publicly announced, said Ian Thomson, president of the Advanced Biofuels Canada industry group.

At least five US refiners have announced plans to produce renewable diesel or said they are considering it, including Phillips 66 and HollyFrontier Corp.

"This is Canada's to lose," Thomson said. "If Canada's refiners want to get left out of the game, they will dig their heels in and oppose the standard. Meanwhile, the Americans will build."

Renewable diesel is a niche market, making up just 0.5 per cent of the 430-billion gallon per year global diesel market, according to investment bank Morgan Stanley.

Greenhouse gas emissions from renewable diesel and traditional biodiesel are typically 50% to 80% lower than conventional diesel.

US states such as Colorado and Washington are moving toward such standards and along with Canada's fuel standard, a sufficient market is developing, said HollyFrontier executive Tom Creery, on the company's second-quarter earnings call.

Suncor Energy Inc, Canada's second-biggest oil producer, has been considering a renewable diesel plant in Montreal, but the pandemic slowed its progress, said Chief Sustainability Officer Martha Hall Findlay.

Canadian refiners face longer regulatory delays than competitors in the United States,

REUTERS/FILE

Parkland Corp's refinery, which includes production of renewable diesel, is seen in an undated aerial photograph in Burnaby, British Columbia, Canada.

setting them at a disadvantage, she said.

"The timelines would force investment in facilities outside Canada because of the sheer fact that we can't build them that fast," Hall Findlay said. "That seems a little backward."

New supply could far overshoot demand if all announced projects are built, Morgan Stanley said. Parkland Fuel Corp is producing renewable diesel and renewable gasoline in its Burnaby, British Columbia refinery, and is considering expanding capacity, said Senior Vice-President Ryan Krogmeier.

India and South Africa ask WTO to waive rules to aid Covid-19 drug production

Reuters, *Vienna*

India and South Africa want the World Trade Organization (WTO) to waive intellectual property rules to make it easier for developing countries to produce or import COVID-19 drugs, a letter here&Open=True to the WTO shows.

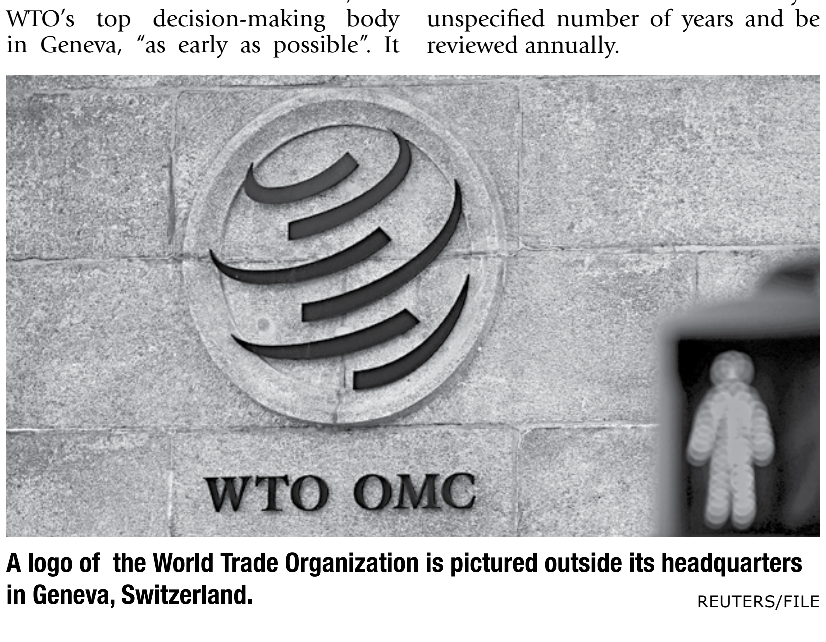
In their letter dated Oct. 2 the two countries called on the global trade body to waive parts of the Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which governs patents, trademarks, copyright and other intellectual property rules globally.

"As new diagnostics, therapeutics and vaccines for COVID-19 are developed, there are significant concerns (over) how these will be made available promptly, in sufficient quantities and at (an) affordable price to meet global demand," the letter posted on the Geneva-based WTO's website says.

The two countries said that developing nations are disproportionately affected by the pandemic and that intellectual property rights, including patents, could be a barrier to the provision of affordable medicine.

The letter asks that the WTO's Council for TRIPS recommends a waiver to the General Council, the WTO's top decision-making body in Geneva, "as early as possible". It does not say how much support India and South Africa have from other countries.

A draft General Council decision text submitted with the letter says the waiver should last an as yet unspecified number of years and be reviewed annually.



A logo of the World Trade Organization is pictured outside its headquarters in Geneva, Switzerland.

REUTERS/FILE