India's Future Group ties up with Amazon

REUTERS, *Mumbai*

Future Group and Amazon India have formed a partnership by which the retailer will sell its merchandise exclusively online, the companies said on Monday, the latest in a series of such moves by traditional Indian merchants.

Future Group is controlled by Kishore Biyani, known as the father of Indian retail. The group operates some of India's biggest retail chains including Big Bazaar, eZone, Brand Factory and Home Town.

The alliance with Amazon is further evidence that traditional retailers in India have decided to join hands with e-commerce players rather than resist them. Croma, the electronics chain owned by the Tata Group, signed a similar agreement with Snapdeal.com last month.

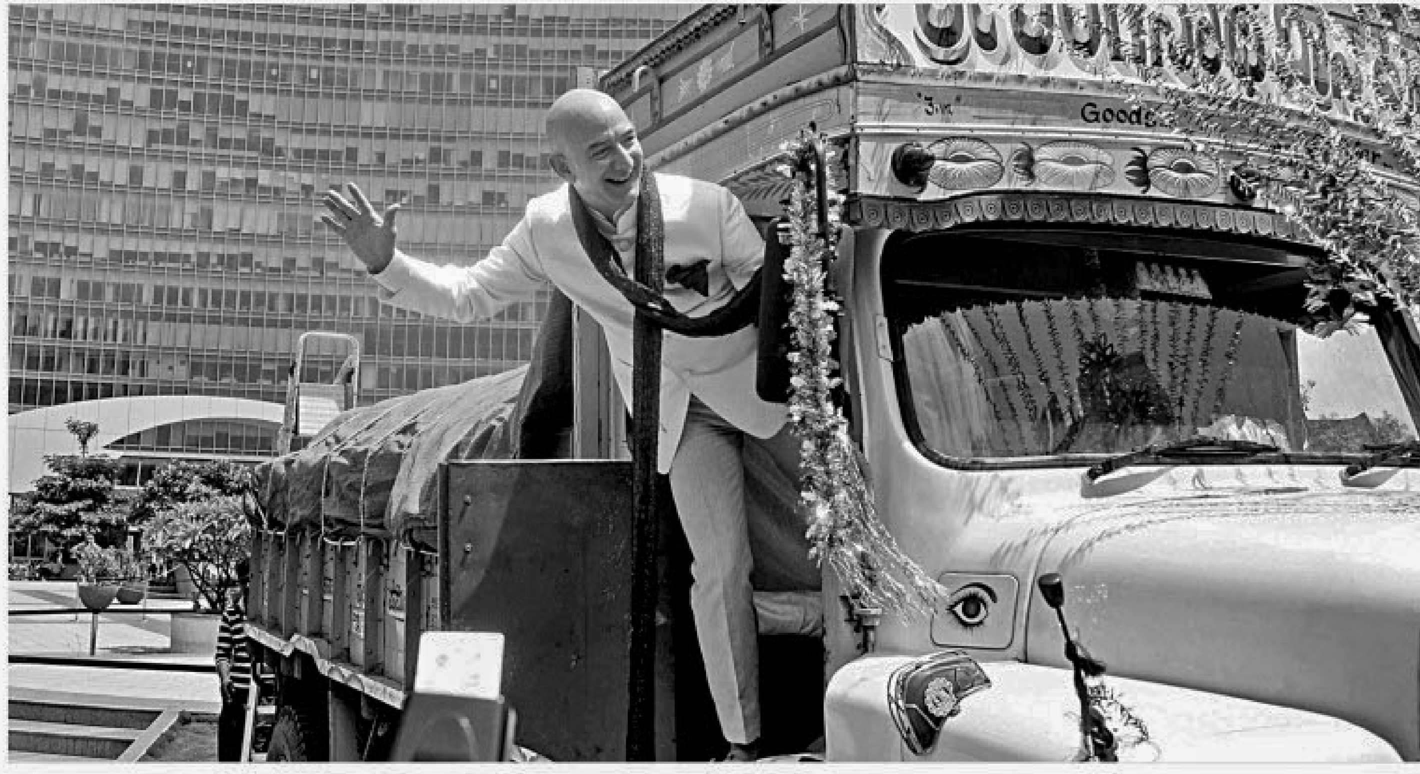
Under the partnership, Future Group's current portfolio of over 40 brands will be retailed exclusively online through the Amazon.in platform, the companies said in a statement.

Biyani has criticised Flipkart and other e-commerce retailers in India for the deep discounts they offered during a promotional sale for the festival of Diwali, saying it would hurt other retail channels.

Amazon.in started its Diwali sale on Oct 10, but did not go with the kind of heavy discounts that Flipkart and Snapdeal.com did last week.

Future Group's partnership will extend to categories beyond fashion, and the companies will explore synergies in areas such as distribution, customer acquisition and cross-promotions, the statement said.

Indian media reported Biyani met Amazon.com chief executive Jeff Bezos when he was visiting India. Amazon's India website, set up in June last year, operates a marketplace which allows other vendors to sell their products to customers.



REUTERS

Jeff Bezos, founder and CEO of Amazon, poses as he stands on a supply truck during a photo opportunity at the premises of a shopping mall in the Indian city of Bangalore on Sept 28.

US banks ramp up credit card lending but margins may suffer

REUTERS, *New York*

As traditional Wall Street moneymakers like stock and bond trading suffer, banks are growing increasingly willing to invest in less glamorous operations: their credit card businesses.

JPMorgan Chase & Co, Citigroup Inc and other big banks are making more credit card loans, after years of focusing mainly on customers who paid off their balances each month. Lenders hope that in an era when consumers are conducting more of their banking online and less in branches, an increased emphasis on credit cards will help them sell more products to their customers.

The shift underscores how seemingly staid businesses have become increasingly attractive on Wall Street as tougher capital rules and lower trading volume have cut into profits at trading units. Bank of America and Citigroup now make about 25 percent or more of their income from credit cards, after excluding businesses they are shedding. That is up from about 15 percent before the financial crisis.

Analysts will be closely watching credit card results as banks post earnings this week. They are primed after seeing Citigroup, for example, take in more revenue from cards last year than from stock and bond trading, and after seeing card loan balances increase this year in national banking data.

Bank executives have noticed a change in how rivals are pushing for more card business.

"A lot of companies are getting back to marketing their products aggressively," said Eileen Serra, chief executive for cards at JPMorgan, which was earlier than others with a bigger push into the cards business.

Banks cut back on advertising, mailings, and rewards programs during the financial crisis, when losses jumped. But the marketing is now increasing again. According to Mintel, a market research firm, banks are on track to mail out about 17 percent more offers for credit cards this year compared with 2010.

So far, the big banks have shown no sign of seeking more subprime borrowers, industry experts say, but some expect banks will gradually ease credit standards as increased competition and the drive for higher profits pushes them to look harder for new borrowers.

In the years after the financial crisis, banks focused on credit card customers who were big spenders, charging upwards of $15,000 a year on their cards, but who also generally pay down their balances in full every month. They make little money directly from these customers, but they earn high fees from merchants: every time a consumer spends using a credit card, the merchant pays fees of roughly 2 percent to the banks and the processors of the transactions. That fee income is stable and low risk.

BANK ASIA

Aminul Islam, additional managing director of Bank Asia, poses with participants of a 19-day foundation training course at its training institute in Tejgaon, Dhaka on Sunday. Sazzad Hossain, executive vice president, was also present.

Britain launches process to sell Eurostar stake

AFP, *London*

Britain's government officially launched on Monday an attempt to sell its 40-percent stake in Eurostar, the high-speed rail service connecting London with Paris and Brussels. It forms part the state's plan to recoup £20 billion ($32.2 billion, 25.4 billion euros) from asset sales by 2020 to help bring down the country's debt pile.

The government announced its intention to privatise its stake in Eurostar late last year.

"I am determined that we go on making the decisions to reform the British economy and tackle our debts. So we will proceed with the potential sale of the UK's shareholding in Eurostar today," finance minister George Osborne said in a statement.

BEPZA

Sayed Nurul Islam, member (investment promotion) of Bangladesh Export Processing Zones Authority, and Miran Ali, director of Baridhi Garments Ltd, attend the signing of an agreement for establishment of a garment factory worth $8.54 million in Comilla Export Processing Zone recently. The plant will create 3,000 jobs.

Uber-heated battle as mobile apps rattle Asia's taxis

AFP, *Singapore*

Southeast Asia's notorious taxi market is undergoing a shakeout as Uber and home-grown mobile booking applications gain popularity in a region that has long endured inefficient cartels and price-gouging drivers.

San Francisco-based Uber, which allows customers to hail taxis or private vehicles via smartphones and pay with a credit card, is expanding rapidly in the region while fending off legal and regulatory challenges in various markets across the world.

Founded in 2009 and backed by Google Ventures, the investment arm of the Internet giant, Uber now operates in Malaysia, Indonesia, Thailand, the Philippines and Vietnam after first entering Southeast Asia in Singapore last year.

The firm, whose valuation was placed at $18.2 billion after an investment drive in June, employs smartphone and satellite technology to match taxi supply and demand.

A list of the world's 10 worst cities to hail a taxi compiled by industry website tourism-review.com in March included Jakarta, Kuala Lumpur, Manila, Phnom Penh and Bangkok.

In Singapore, locals grumbled in pre-Uber days about vanishing taxis during peak periods, with cabbies refusing to pick up roadside passengers while waiting to earn extra fees from reservations made via antiquated phone-in booking systems.

In some cities, it was not uncommon for cabbies to demand exorbitant fares before taking passengers at peak periods, during heavy rain and floods, or at times of day when taxis are scarce.

Uber executives say they welcome competition and are more than ready to go head to head with the likes of Malaysia-based GrabTaxi, Indonesia's Blue Bird, and Easy Taxi, a regional player backed by German startup incubator Rocket Internet.

"As long as people are giving people options, that's a good thing," Michael Brown, Uber's Southeast Asia general manager, told AFP in an interview.

"What makes Uber bristle is when special interests try to protect monopolies and keep new entrants and new competitors out," said Brown, who is based in Singapore.

Despite threats to have it banned in Jakarta and Kuala Lumpur, Uber continues to operate there.

The firm is also facing legal threats in San Francisco and other major cities including New York and Frankfurt.

It is has also run into opposition in Seoul, where officials believe it should follow South Korean laws regulating taxi or rental car companies.

"Uber insists that it is acting as an online broker connecting drivers and customers rather than acting as a rental car company," a Seoul city official told AFP.

"We do not agree with their characterisation of their business."

Authorities in Kuala Lumpur and Jakarta also say its car-hailing service makes use of private vehicles that do not comply with strict regulations that traditional taxi operators come under.

Uber has vehemently denied the accusations.

The firm does not own its own limousine or taxi fleet. Instead, its app allows customers to summon cars in its network, usually from a private car company.

China trade data eases slowdown fears, more stimulus may still be needed

REUTERS, *Beijing*

China's surprisingly strong trade performance in September may reduce the chances of aggressive policy action such as an interest rate cut, but the prospects of a prolonged property slump suggests more measures are still needed to shore up the economy.

With the euro zone and Japanese economies floundering, a bounce in China's exports and imports would be welcome news for the world economy and investors increasingly worried about flagging global growth.

But economists said it was too early to tell if China's trade sector has turned the corner, noting that its unexpectedly buoyant imports last month could be due to one-off factors, such as factories taking advantage of sliding global commodity prices to replenish inventories of iron ore, copper and oil.

"Today's data is less good news than it appears," said Louis Kuijs, chief China economist at Royal Bank of Scotland in Hong Kong.

"It suggests that China's export growth is holding up. However, the important caveat coming from the breakdown of the import data suggests that demand growth in China's own economy remains weak."

Exports rose 15.3 percent in September from a year earlier, beating a median forecast in a Reuters poll for a rise of 11.8 percent and quickening from August's 9.4 percent rise, data showed on Monday.

Imports rose 7 percent in terms of value, compared with a Reuters estimate for a 2.7 percent fall, which would have marked their third consecutive decline. Iron ore imports rebounded to the second highest this year and monthly crude oil imports rose to the second highest on record.

As a result, China posted a trade surplus of $31.0 billion in September, down from $49.8 billion in August.

Most analysts expect China's exports to stay relatively robust in the coming months as the U.S. economy strengthens.

But they say it is too early to see a pick-up in China's domestic demand as its property market continues to cool, weighing on the broader economy.

"We expect the surge in import growth to prove short-lived," Julian Evans-Pritchard, China Economist at Capital Economics, said in a research note.

Other September activity and investment data and readings on third-quarter gross domestic product (GDP) on Oct. 21 are all expected to point to an economy that is still wobbling.

The latest Reuters poll, conducted before the trade data, showed the economy likely grew at its weakest pace in more than five years in the third quarter as the property downturn weighed on demand for everything from glass to cement and steel.

The number of earth excavating machines sold in China fell by nearly 28 percent in August from a year ago, according to a note from Bank of America Merrill Lynch last month.

"An ongoing slowdown in domestic demand would be likely to add to pressures for further stimulus measures - and, in turn, policymakers' response will be a key indicator for the medium-term economic direction," Fitch Ratings said on Monday.

"Fitch continues to believe that the authorities' strategy is to allow for a gradual correction in the housing market by supporting consumer demand through targeted measures, for example to boost mortgage lending."

The property downturn is widely seen by analysts as the biggest single threat to China's economy, and the extent of the slowdown there could well determine the shape and scope of any more stimulus measures that Beijing rolls out in coming months.

Facing falling house prices in a record number of cities, a growing number of bad loans and fears that cash-strapped property developers could be pushed into default, the government relaxed lending rules for home buyers in late September.

But it is not yet clear if that move will be enough to stabilise prices. Economists cite huge inventories of unsold homes and state media report that banks are reluctant to offer big discounts on mortgages for fear of hurting their earnings.

Buffeted by unsteady exports and the housing downturn, China's economy has had a bumpy ride this year, prompting a flurry of government stimulus measures aimed at the most vulnerable sectors.

However, policymakers have stressed they will not launch another massive stimulus spending programme like the one employed during the 2008/09 global financial crisis. That credit spree fueled rampant speculation, especially in the property market, and left many local governments saddled with debt.

Many economists believe the long-awaited bounce in exports, if sustained, could encourage the central bank to avoid cutting interest rates - widely seen as the last resort policy measure if growth slows sharply.

"Probably we won't be able to see any cuts in interest rates or bank reserves across the board within the year," said Wen Bin, senior economist at Minsheng Bank in Beijing.

Instead, the government is likely to step up infrastructure investment in selected areas such as public housing and railways, he said.

NCC BANK

Golam Hafiz Ahmed, managing director of NCC Bank, speaks at the business review meeting of the bank on Sunday. Akhtar Hamid Khan, deputy managing director, was also present.

Islamic banks set to boost Gulf market share: S&P

AFP, *Dubai*

Islamic banks are set to boost their market share in the energy-rich Gulf states to nearly 30 percent in the next five years, ratings agency Standard & Poor's said on Monday.

"We think Islamic banks' market share of overall banking system assets in the Gulf Cooperation Council (GCC) countries could gradually inch closer to 30 percent over the next five to six years, from just under 25 percent currently," Standard & Poor's credit analyst Timucin Engin said.

S&P said it expected total GCC banking assets, both conventional and Islamic, to rise to $2 trillion by the end of 2015, from $1.7 trillion at year-end 2013.

MARCEL

Amin Khan, brand ambassador of Marcel, inaugurates the company's exclusive showroom, Unique Electronics, in Savar recently. SM Zahid Hasan, an executive director at RB Group, was also present.