

# Chinese firms moving into India's e-commerce sector

THE STRAITS TIMES, New Delhi

India seen as huge growth market driven by increasing internet connectivity among youth.

China's online travel company Ctrip.com invested \$180 million in popular Indian online travel company MakeMyTrip in January.

Six months earlier, Chinese e-commerce giant Alibaba Group and its affiliate invested in India's shopping website Snapdeal and online payment firm Paytm in separate deals. The Paytm deal alone was put at \$680 million to \$890 million.

These two deals are part of more than half a dozen investments by Chinese companies into India's e-commerce sector over the last 18 months, in what many analysts believe is growing Chinese interest.

Sandeep Ladda, leader of the technology and e-commerce sector practice at consultants PWC, said: "Chinese investors are looking at globalising and there have been quite a few instances of investments in India. They see India as a big opportunity." The Chinese typically buy into existing companies to gain a foothold in India, he said. "This is because of several differences in how business works (in India); they would rather rely on existing set-ups."

Investments by Chinese companies into India totalled only \$1.2 billion between April

2000 and September last year partly because of security concerns and political distrust of India caused by a festering border row with China.

This jumped to more than \$2.3 billion between June and August this year alone, according to calculations by CCircle Network, a financial data services group. The new data includes a \$900 million buyout by a Chinese consortium led by Beijing Miteno Communication Technology of advertising tech start-up media.net.

India's e-commerce industry is growing fast because of increasing Internet connectivity. The industry is forecast to grow in revenue from \$38 billion this year to \$120 billion by 2020, according to a report by the Associated Chambers of Commerce of India and research outfit Forrester.

The surge in Internet usage is driven by a young demographic profile. Over 400 million Indians in a population of 1.25 billion are estimated to be online, with 25 million new Internet users added every year.

The injection of funds into India has been spurred by the Modi government, which this year allowed 100 per cent foreign investments in its e-commerce sector, which has already attracted companies such as online retail giant Amazon and Japan's SoftBank, a global Internet and telecommunications company.

Alibaba, which is trying to grow its own busi-

ness in India, said it saw "tremendous opportunities" here.

"We see the Indian market as a natural progression of our strategy to expand Alibaba's global footprint, and believe that it offers tremendous opportunities for expansion of our ecosystem," Alibaba said in response to a query on its presence in the Indian market.

While mutual political distrust between the two giant Asian neighbours will remain, analysts predict that more Chinese investments will come into India, particularly in e-commerce.

Mrigank Gutgutia, engagement manager at Redseer Consulting, an advisory firm focusing on e-commerce, said: "We see lot of investor interest coming in from China. The Chinese have a lot of capital to spend. India is a relatively new e-commerce market."

Analysts say another boost to India's e-commerce sector is the industry's shake-up since last year that has weeded out the non-performing companies. Said Gutgutia: "Chinese companies were not willing to commit capital and were waiting for the sector to stabilise and it has happened this year."

"So the next wave of money should be coming in from China."

Copyright: The Straits Times/Asia News Network

# Grameen America hits half a billion dollar lending mark

STAR BUSINESS REPORT

Grameen America has hit the milestone of half a billion dollars in loan disbursement, Yunus Centre said in a statement.

The milestone was reached in the third quarter of 2016, and was announced at Grameen America's board meeting in New York on October 24, with Prof Muhammad Yunus in the chair.

Since its launch in 2008, Grameen America has provided \$535 million in loans to 81,100 women, which they have invested in their small businesses. Grameen America operates across 11 cities in the US, from New York to California.

So far, 242,445 loans have been approved and consequently, 75,155 jobs have been created through these ventures. Nobel Laureate Prof Yunus is the chairman of Grameen America.

During his visit to the US, Prof Yunus also attended the tenth anniversary gala of Sing for Hope.

In his speech, he praised Sing for Hope for the work it has done over the decade, and highlighted the important role that art and music plays in solving the problems of society.

Renée Fleming, American opera singer,

enthralled the audience by her breathtaking performance.

Since 2006, Sing for Hope, co-founded by Yunus's daughter Monica, has carried out arts outreach programmes that have brought hope and inspiration to thousands of individuals in under-resourced schools, public hospitals, hospices, veterans' centres, after-school programmes, neighbourhood centres, nursing homes, and disability networks.

To date, Sing for Hope has partnered with over 220 nonprofit organisations, involved over 3,500 artists in community volunteerism, and placed over 330 artist-created Sing for Hope Pianos throughout NYC's parks and public spaces for everyone to play.

Yunus also delivered a public lecture at the George Washington University. The university awarded the prestigious Presidential Medal to the founder of Grameen Bank for his pioneering work in creating economic development through microcredit.

The medal recognises individuals who have exhibited courage, character and leadership in their chosen fields and exemplified the ability of all human beings to improve the lives of others.



Dhruba Jyoti Banerjee, managing director of ACI Godrej Agrovet Private Ltd, and Abrar A Anwar, CEO of Standard Chartered Bank, Bangladesh, attend a programme at the Westin Dhaka hotel on October 20 when the bank arranged a Tk 650 million Zero Coupon Bond for ACI Godrej Agrovet.



M Fakhru Alam, managing director of One Bank; Dave Smit, senior investment officer of FMO, a Dutch development bank; and Sameer Ahmad, founder of RSA Capital, attend a deal signing ceremony where One Bank entered into a green and SME syndicated term loan agreement worth \$44 million with FMO, OFID and OEB for a five-year term. The loan will assist One Bank to grow its US dollar balance sheet, SME book and green financing portfolio.

# Walton launches eco-friendly fridges

STAR BUSINESS REPORT

Walton Electronics has launched eco-friendly fridges which would not use harmful gases, the company said.

Abdullah Al Islam Jakob, deputy minister of the environment and forest ministry, launched the products at a ceremony at the company's factory in Gazipur on Saturday.

"Bangladesh is producing fridges that are based on latest technology. It's a matter of joy and pride for us," said the deputy minister.

SM Ashraf Alam, managing director of Walton Hi-Tech Industries Ltd, said, "Walton doesn't use a single gram of chemical harmful for the environment. We give the highest importance in this regard."

Ashraf Alam, executive director of

Walton Electronics, said the company has stopped using hydrochlorofluorocarbons (HCFCs) in fridges since 2012.

Instead, the company uses R600A, a refrigerant gas also known as green gas, to make its products environment-friendly.

These new fridges will now save 30-40 percent electricity, she said.

The project for manufacturing the eco-friendly fridges at Walton was implemented with the partial funding from the USAID and the assistance from the environment and forest ministry.

Md Raisul Alam Mondal, director general of the environment department, Khurshid Alam, assistant country director for UNDP Bangladesh, and Walton Group's executive directors SM Zahid Hasan, Md Humayun Kabir and Sirajul Islam were also present on the occasion.

# BTRC to probe illegal business of sharing fibre optic cables

FROM PAGE B1

Although, there are five NTIN licences, only two are active, it said in the letter.

The mobile operators asked the NTIN operators several times to maintain the quality of service, but the effort went in vain as there was a lack of competition in the area, according to the letter. There are 54,228 kilometres of fibre optic cable in Bangladesh, with the NTIN operators having the major share.

Summit Communication has 20,670 kilometres, Fiber@ Home 15,468 kilometres, Bangladesh Telecommunications Company Ltd 4,935 kilometres, Power Grid Company of Bangladesh 4,402 kilometres and Bangladesh Railway 2,105 kilometres.

Among the mobile phone operators, Banglalink has 3,001 kilometres, Grameenphone 2,490 kilometres and other operators 1,157 kilometres, according to BTRC.

# Direct shipping line needed with Myanmar, says chamber

FROM PAGE B1

"We need formal transaction channel and direct shipping connectivity with Myanmar urgently. This is the right time to settle these," SM Nurul Hoque, president of Bangladesh-Myanmar Chamber of Commerce and Industry, told reporters at a city hotel yesterday.

"Trade relations between Bangladesh and Myanmar will reach new heights once the coastal shipping line is launched," Hoque said.

Other countries which are far away from Myanmar compared to Bangladesh are doing good business with Myanmar but Bangladesh, being a close neighbour, is yet to utilise the opportunity, said M Musleh Uz Zaman, executive director of the chamber.

"We can do very good business with Myanmar. We just need to address the issues on a priority basis. I think it is right time to give a big push," he added.

A coastal shipping line between the two countries will help Bangladesh send goods, including garment items, to Myanmar directly.

Now Myanmar's customers buy garment items made in Bangladesh from Thailand, according to the chamber.

"A draft standard operating procedure has already been finalised," Zaman said.

Hoque said there should be coordinated efforts from the relevant ministries to put required facilities in place for smooth business operation between the two countries.

"We also need some measures to build confidence."

He said Myanmar is the current chair of

Asian Clearing Union (ACU), which is a payment arrangement whereby the participants settle payments for intra-regional transactions among the participating central banks on a net multilateral basis.

"This is the right time to formalise the payment channel in line with international standards. Few foreign banks have also opened up branches in Myanmar," Hoque said.

He said border trade ceiling needs to be increased to a proposed amount of \$100,000 from the current ceiling of \$50,000 until the execution of banking channel transaction.

Hoque said issues related to cultural exchange, agriculture knowledge transfer, investment issues and signing free trade agreement between the two countries can be discussed.

He said Bangladesh can export garment, garment accessories, pharmaceuticals, electrical and electronic items and building materials to Myanmar.

There is a huge flow of tourists into Myanmar from around the world and Bangladesh can be added as an extended destination for the tourists, Hoque said.

"Bangladesh can take the advantage by allowing easy visa and access."

Bangladesh imports spices, lentil, fish, onion, garlic and ginger from Myanmar at cheap rates.

Myanmar is rich in wood; once the coastal shipping line agreement is in place, Bangladesh can import wood from this country to meet the demand of the local furniture sector.

# Tax fair pulls in huge responses

FROM PAGE B1

This year, the NBR organised the fair in all divisional cities for seven days and 64 districts for four days and 29 upazilas for two days, to encourage compliance and expand the tax net from its existing narrow base.

At present, about 13 lakh taxpayers submit returns, which is less than 1 per cent of the population.

However, taxmen said the number of registered taxpayers has been rising since the beginning of the current fiscal year because of various measures taken by the NBR to bring more people under the tax net.

At the beginning of the fair, Finance Minister AMA Muhith said the number of registered taxpayers would rise by about 11 per cent to 25 lakh by the end of the fiscal year.

The total number of registered taxpay-

ers stood at 19.8 lakh at the end of June, according to the NBR.

In Dhaka, the NBR organised the event at its under-construction headquarters in Agargaon.

The new taxpayer identification numbers shot up to 36,853, a 70 per cent rise year-on-year.

To help the taxpayers file and submit tax returns online, the NBR launched the e-filing system last week and started issuing access ID to those who visited the fair with a copy of the taxpayer identification number and their national ID.

So far, 5,780 taxpayers collected user IDs and passwords for access to the e-filing system from the fair.

Some 20,000 taxpayers received services from the e-filing booths at the fair.

# Trade show important for apparel branding

FROM PAGE B1

He said five major exhibitions for the textile industry will be organised by Messe Frankfurt in Paris between February 6 and 9 next year.

Of the five, Apparel Sourcing is the top European trade show for global sourcing for clothing production and accessories.

Avantex is the first show to unite fashion and new technology, and Avanprint is the show for digital printing of textiles, Shawls&Scarves is the accessories fair and Texworld is the show for fabrics, trimmings and accessories, he said.

Omer Salahuddin, Nazneen Salahuddin and Rummana Afroze of Messe Frankfurt of Bangladesh, Pakistan, Afghanistan, Bhutan, Maldives and Sri Lanka were also present.

# VimpelCom officials visit startups at Janata Tower

FROM PAGE B1

Jon Eddy, head of emerging markets at VimpelCom, the parent company of Banglalink, said this centre is a part of their group's global corporate responsibility.

"VimpelCom believes digital growth not only drives a nation towards advancement but also contributes to the country's economic development," Eddy added.

"I'm truly inspired by the initiative taken for empowering the young startups and I am proud to be a part of such a significant initiative. I wholeheartedly support this digital progress and I am confident that these startups can create wonders as Bangladesh moves to build a digital nation."

Erik Aas, chief executive officer of Banglalink, said he will not be surprised if the next level of Facebook or search engine like Google comes from Bangladesh.

Palak said the government will allocate another 40,000 square feet space at Bangabandhu Hi-Tech City in Gazipur and 15,000 sft in Jessore for IT startups.



From left, Tawqif Islam, deputy manager for marketing of Laugfs Gas; Nazeer Latiff, general manager for sales and marketing; Saidul Islam, director and CEO, and Kumar Sangakkara, the icon player of the Dhaka Dynamos, pose at a programme where Laugfs Gas became one of the major sponsors of Dhaka Dynamos for this year's edition of Bangladesh Premier League.



MA Rouf, chairman of Mutual Trust Bank, opens the 107th branch of the bank at Malibagh Chowdhury Para in Dhaka. Anis A Khan, managing director, was also present.