China has no plan to devalue currency: forex chief

REUTERS

China has no intention and no need to carry out competitive currency devaluations, the head of the country's foreign exchange regulator said.

In a weekend piece in the Chinese magazine Modern Bankers, Pan Gongsheng said the People's Bank of China's supplying of liquidity to the market was to prevent excessive fluctuations of the exchange rate and prevent a "herd effect", to maintain market stability.

"China has no intention of raising competitiveness via currency devaluation. It does not have this wish, and it also does not have this need," Pan, who runs China's State Administration of Foreign Exchange, wrote.

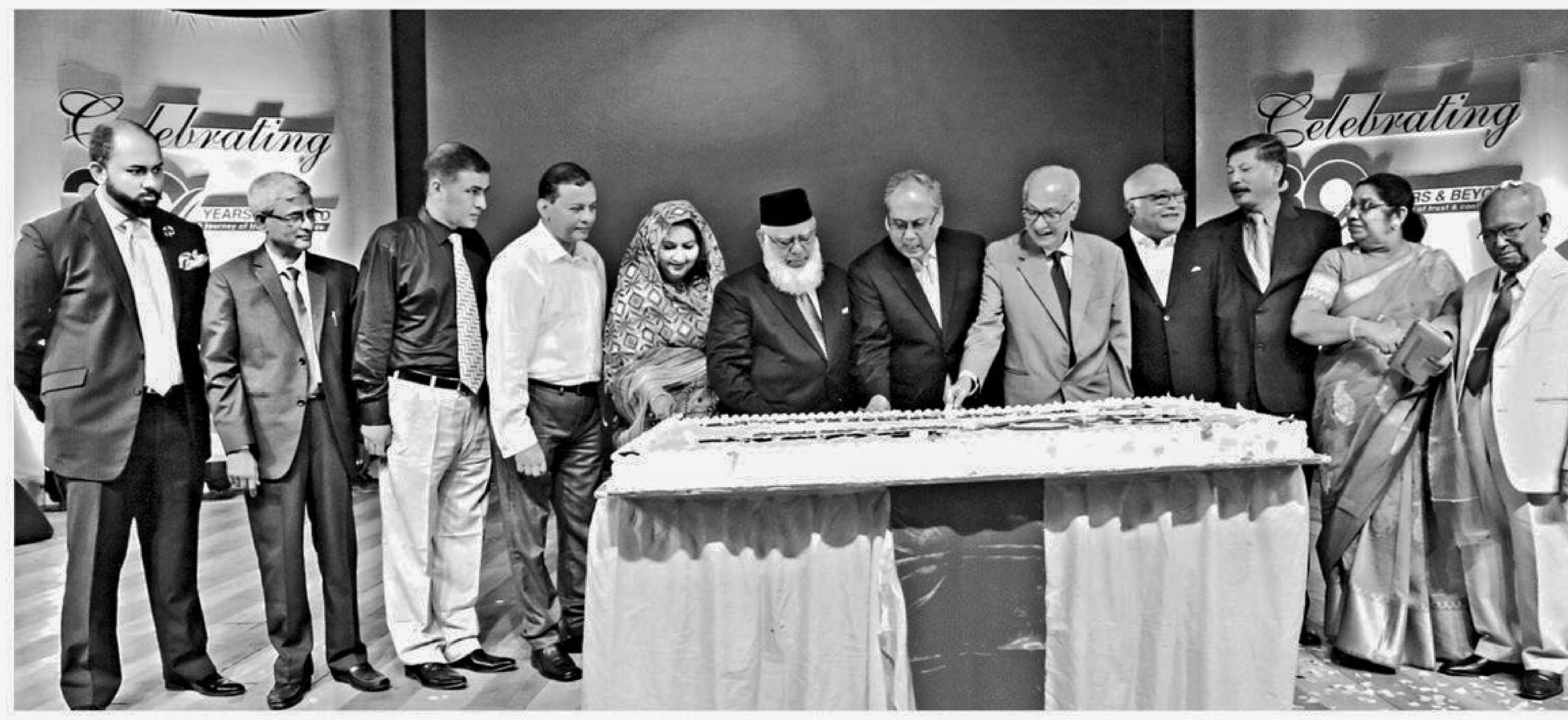
China was working hard to raise the exchange rate's flexibility and to maintain its stability, he added.

This was good for the international community and would avoid negative spillover effects from a disorderly exchange rate adjustment or competitive devaluations by other currencies, Pan wrote.

Pan is also a vice governor of the People's Bank of China.

China's yuan is up just around 0.6 percent so far this year, having lost nearly 7 percent in 2016. In November, the yuan hit an eight-year low following Donald Trump's shock election as U.S. president. In a Reuters poll last week, the yuan was forecast to weaken to 7.07 per dollar in a year.

Despite harsh rhetoric about China on the campaign trail, Trump has recently had warm words for his Chinese counterpart Xi Jinping, praising him for trying to rein in nuclear-armed North Korea.



EASTLAND INSURANCE

Anisul Islam Mahmud, water resources minister, and Mahbubur Rahman, chairman of Eastland Insurance, cut a cake at the 30th founding anniversary of Eastland, at Army Golf Club in Dhaka on May 6.

Tablet market extends slide as consumer habits shift

AFP, *Washington*

The tablet craze from a few years ago showed more signs of fading this year, with most major producers reporting sales declines, market surveys showed Thursday.

IDC reported an 8.5 percent drop in global tablet shipments to 36.2 million. This was the 10th straight quarterly decline for tablets, IDC said.

A separate survey by Strategy Analytics pegged the decline for the quarter at 10 percent.

IDC analyst Ryan Reith said the sizzling growth in tablets from 2010 to 2013 following the launch of the first iPad is now history, and that many consumers are finding they can do without tablets, relying instead on smartphone or new slimmer laptop PCs. "The rate at which the tablet market grew from 2010 to 2013 was unlike many other consumer-oriented device markets we've seen before," Reith said.

"However, it appears for many reasons consumers became less eager to refresh these devices, or in some instances purchase them at all. We continue to believe the leading driver for this was the increased dependency on smartphones, along with rather minimal technology and form factor progression."

IDC said Apple led the market with a 24.6 percent share in first quarter despite a 13 percent sales drop. Samsung sales fell 1.1 percent but retained the number two spot at 16.5 percent.

China's Huawei was the only major vendor to show growth -- reporting a 31.7 percent jump, garnering a 7.4 percent share, after introducing new "detachable" tablets powered by Microsoft Windows, IDC said.

IDC estimated that Amazon, which does not report detailed sales figures, sold 2.2 million tablets for a six percent market share, a drop of 1.8 percent. Lenovo held the number five spot with a market share of 5.7 percent for the Chinese electronics giant, according to IDC.

Strategy Analytics, which reported similar market shares, said the growth had evaporated for Microsoft and its Surface tablets after a number of strong quarters. "Sales performance for Windows tablets has been fantastic over the last several years but the hero of this segment is missing in action," said Eric Smith of Strategy Analytics.

The Strategy Analytics survey found that sales of Windows tablets, which include Microsoft Surface devices, fell two percent from a year ago to 6.3 million units, which gave the operating system a market share of 15 percent.

EMIRATES

Khalid Hassan, area manager in Bangladesh for Emirates, and M Khorshed Anowar, acting head of business at Eastern Bank, exchange the signed documents of a deal at a programme. The bank's cardholders will enjoy 12 percent discount on business class and 10 percent on economy class tickets for bookings made online from June 30 for travel on or before November 30 this year.

Japan's SoftBank takes driving seat in Indian online shake-up

REUTERS, *Mumbai*

After plowing about $2 billion into minority stakes in Indian e-commerce businesses over the past few years, Japan's SoftBank is upping the stakes, looking to play consolidator and take a more active role at a trio of leading start-ups.

According to sources with direct knowledge of the matter, the solar-to-tech conglomerate is seeking to secure a piece of India's industry leaders in everything from payment systems to online shopping and groceries, in a series of deals that would shake up the $65 billion sector.

Among the most high-profile plans is SoftBank's push to engineer a merger between Snapdeal, the No. 3 player in one of the world's most competitive online markets and one of its biggest Indian investments to date, and market leader Flipkart.

The deal could be finalised as soon as next week, one of the sources said.

SoftBank has poured roughly $1 billion into Snapdeal since 2014, but competition in e-commerce has risen dramatically with U.S. giant Amazon cranking up its presence and taking the No. 2 spot from Snapdeal.

Besides Snapdeal, SoftBank is also close to finalizing a cash infusion of more than $1 billion into Alibaba-backed digital payments firm Paytm - another leader in a highly competitive sector - giving it a more direct say in that group too, according to one source familiar with discussions.

Media reports have separately linked SoftBank to a tie-up between grocery delivery group Grofers, in which it has invested roughly $70 million, and market leader and rival BigBasket.

SoftBank, Snapdeal, Paytm and BigBasket did not respond to requests for comment. A spokesman for Grofers said the company did not comment on merger speculation.

At the heart of the push is the charismatic Masayoshi Son, SoftBank's founder and chairman, the sources said. Son has taken a more active role in the group globally since last year, when he pushed aside his heir apparent, Nikesh Arora.

SoftBank is best-known for its hugely lucrative early stage bet in Chinese e-commerce giant Alibaba Group, in which it is still the single largest investor.

But it has also been a long-time supporter of India - and with some success.

"Son is thinking India is the place where he will create one or two Alibabas," said one of the sources familiar with SoftBank ambitions, adding Son sees the country right now as the "land of golden opportunity".

SoftBank is the biggest investor in India's leading ride-share player Ola, which competes with Uber, and its top hotel aggregator Oyo.

Son and other partners have also pledged to pour $20 billion into solar projects in the energy-hungry South Asian nation.

"They are getting into sectors where the big differentiator, firstly, is going to be technology, of course," said the same source.

"Secondly, also sectors that need large amounts of capital, so you can browbeat or elbow out people with your capital."

A Flipkart-Snapdeal combination would create just such a e-commerce behemoth.

Flipkart, though battling Amazon, has maintained its pole position and last month it raised $1.4 billion from a trio of cash-rich and tech savvy players that include eBay, Tencent and Microsoft.

It also bought eBay's Indian operations as part of the deal.

Meanwhile, SoftBank poured cash into Snapdeal, but Son began to lose patience as it was outpaced by Amazon, said a source at Snapdeal and the source familiar with SoftBank's aspirations.

SoftBank has already begun talks with Flipkart's largest investor, Tiger Global, to buy a stake, the two sources said.

To push through the tie-up, SoftBank was likely to invest about $1 billion in Flipkart, both via a direct cash infusion and by buying equity stakes in investors such as Tiger Global, another source said, adding that Snapdeal investors were expected to get one Flipkart share for every 10 Snapdeal shares.

Flipkart did not respond to requests for comment, while a spokeswoman for Tiger Global said the hedge fund did not speak to the media about its investments.

Forging all these deals could prove to be a challenge.

One source familiar with the Grofers-BigBasket talks said a deal, while being considered, looked unlikely as BigBasket has a cash-burn rate significantly higher than that of Grofers, making it hard to justify a deal. Moreover, even if the deals do click, there is no guarantee bets like a Flipkart-Snapdeal combine will pay off.

"In the short-term, yes," said Gartner analyst Sandy Shen. "But things move quickly in e-commerce and Amazon is a strong player with global scale, technology and operational expertise."

Still, a Flipkart-Snapdeal combine is likely to revive hopes of a broader consolidation in Indian e-commerce.

Alibaba had explored the possibility of combining Snapdeal and Paytm's e-commerce business with Flipkart about a year ago, one of the sources said, but talks broke down over price.

Industry watchers believe that Paytm's marketplace and Tiger Global-backed ShopClues could eventually fold into Flipkart if the tie-up and Paytm investment goes through.

India's green car plan prioritises electric vehicles over hybrids

REUTERS, *New Delhi*

India's most influential government think-tank has recommended lowering taxes and interest rates for loans on electric vehicles, while capping sales of conventional cars, signalling a dramatic shift in policy in one of the world's fastest growing auto markets.

A draft of the 90-page blueprint, seen by Reuters, also suggests the government opens a battery plant by the end of 2018 and uses tax revenues from the sale of petrol and diesel vehicles to set up charging stations for electric vehicles.

The recommendations in a draft report by Niti Aayog, the planning body headed by Prime Minister Narendra Modi, are aimed at electrifying all vehicles in the country by 2032 and will likely shape a new mobility policy, said government and industry sources.

The report's focus solely on electric vehicles marks a shift away from the current policy that incentivises both hybrid vehicles - which combine fossil fuel and electric power - and electric cars, and is worrying some automakers.

"India's potential to create a new mobility paradigm that is shared, electric and connected could have a significant impact domestically and globally," said a draft version of the report, titled Transformative Mobility Solutions for India, which will be made public this week.

India's plan to leapfrog hybrid technology comes after China announced aggressive measures last year to push sales of plug-in vehicles including subsidies, research funding and rules designed to discourage fossil-fuel cars in big cities.

It would also mark a radical response by India as it looks to cut its oil import bill to half by 2030 and reduce emissions as part of its commitment to the Paris climate treaty.

Officials acknowledge the blueprint faces challenges. High battery costs would push up car prices and a lack of charging stations and other infrastructure means car makers, who have been consulted on the proposals ahead of publication, would hesitate to make the necessary investment in the technology.

"If we accelerate electric vehicle growth it will be a disruption for the auto sector and would require investment, but if we're not able to adapt quickly we risk being net importers of batteries," said a government source involved in the plans. "There has been resistance from car makers."

India's top-selling carmaker Maruti Suzuki has invested in so-called mild-hybrid technology, which makes less use of electric power than full hybrids, while Toyota Motor Corp sells its luxury hybrid Camry sedan in the country.

Mahindra & Mahindra is the only manufacturer of electric vehicles in India.

India, in 2015, launched a scheme called Faster Adoption and Manufacturing of Hybrid and Electric Vehicles under which it offered incentives for clean fuel technology cars to boost their sales to up to 7 million vehicles by 2020.

Despite incentives as high as 140,000 rupees ($2,175) on some cars the scheme has made little progress, with the sales of electric and hybrid cars making up only a fraction of the 3 million passenger vehicles sold in India in 2016.

The scheme, which expired on March 31, has now been extended by six months while future policy is worked out, two government officials said. Lack of clarity on policy risks delaying investment in the auto sector, one official added.

The new Niti Aayog report, co-produced with US consultancy Rocky Mountain Institute, outlines a 15-year plan, broken into three phases starting in 2017.

"Limit registration of conventional vehicles through public lotteries and complement that with preferential registration for electric vehicles, similar to that in China," the report said, in one of its most radical proposals.

REUTERS/FILE

Indian Actor Shah Rukh Khan poses with Hyundai's 'i 10 electric' car at India's Auto Expo in New Delhi.

China stresses steady planning for new economic zone

REUTERS

Chinese Vice Premier Zhang Gaoli has stressed the need for "steady" planning in an ambitious new economic zone the government has touted as a driver of growth in northern China, state news agency Xinhua said on Sunday.

The zone, in Hebei province's Xiongan around 100 km (60 miles) southwest of Beijing, will house some of Beijing's relocated "non-capital functions". It is currently 100 sq km (39 sq miles) in area but will eventually be expanded to 2,000 sq km.

News last month of the scheme to set up the zone that would be modeled on the Shenzhen Special Economic Zone that helped kickstart China's economic reforms in 1980 sent land prices soaring and prompted government warnings against speculation.

Visiting the Xiongan New Area on Saturday, Zhang said the government should "plan well before taking action and make steady efforts in planning construction", Xinhua reported.

Zhang "stressed tight control of land, property development and neighboring regions as well as protecting historical and cultural heritage and the ecological environment", the report added.

Zhang called for "world vision, international standards, Chinese characteristics and high goals" in planning and building new area, Xinhua said.

Green development will be given priority when selecting industries to move into the new area, with the high-tech and service sectors encouraged, Zhang said.

China is currently implementing a plan aimed at integrating the economies of Hebei, Beijing and Tianjin, a heavily polluted region known as Jing-Jin-Ji.

The development of separate "fortress economies" in the region was blamed for widening income disparities and causing a "race to the bottom" when it came to environmental law enforcement.