

Cattle trade ban in India to halt beef exports, lead to job losses



Rescued cattle are seen at a "goushala", or cow shelter, run by Bharatiya Gou Rakshan Parishad, an arm of the Hindu nationalist group Vishwa Hindu Parishad, in Maharashtra, India.

REUTERS, New Delhi
THE Indian government's ban on the trade of cattle for slaughter threatens \$4 billion in annual beef exports and millions of jobs if the government does not revoke the stoppage decreed last week, according to two industry officials.

In the latest setback to the Muslim-dominated meat industry, Prime Minister Narendra Modi's government decreed animal markets will only be able to trade cattle for agricultural purposes such as ploughing and dairy production.

The ban is likely to further alienate Muslims, who make up 14 percent of India's 1.3 billion people, and raise communal and religious tensions. Hindu hardliners and cow vigilante groups have been increasingly asserting themselves since Modi's Hindu nationalist government came to power in 2014.

Most of India's beef comes from water buffalo rather than cows, which

are considered holy by Hindus, but local cattle traders and slaughterhouses have repeatedly come under attacks from activist groups that oppose the meat trade.

"In the garb of the order that prohibits the trading of cattle at organised markets, the government has tried to impose a ban on the meat industry," Abdul Faheem Qureshi, head of the Muslim All India Jamiatul Quresh Action Committee, told Reuters.

"Meat supplies will very soon grind to a halt in India and abroad if either the government does not repeal this draconian order or a court does not step in," Qureshi said.

Government officials were not available for comment.

Indian meat traders, under the aegis of the Quresh Action Committee and other trade and industry associations, plan to petition India's Supreme Court in the next couple of days to get the government order rescinded.

"Exports will come to a halt

because slaughterhouses will find it extremely difficult to buy cattle and we also apprehend widespread job losses in the sector, which supports millions of people," said Qureshi.

Abattoirs across India on March 31 called off a strike after four days when the most populous state of Uttar Pradesh, ruled by Modi's party, gave assurances that it would renew the licences of slaughterhouses and protect them against the attacks from cow vigilante groups.

The slaughter industry stabilised after the strike but the latest order has unsettled trade again, said Priya Sud, partner at Al Noor Exports, which operates abattoirs in Uttar Pradesh.

The impact on exports will be more evident after a couple of months when the supply chain dries up, Sud said.

India exported 1.33 million tonnes of buffalo meat in the 2016/17 fiscal year to March 31, worth about \$3.9 billion. The exports were slightly up from the 1.31 million tonnes exported in the previous year.

British Airways battles third day of disruption, image blow after IT meltdown

REUTERS, London

BRITISH Airways was battling its third day of disruption on Monday after a global computer system failure stranded thousands of passengers over a holiday weekend and turned into a public relations disaster.

The airline said it was running a full schedule at London's Gatwick airport on Monday and planned to operate all its long-haul flights from Heathrow, although some short-haul flights had been canceled.

BA had been forced to cancel all its flights from Heathrow, Europe's busiest airport, and Gatwick on Saturday after a power supply problem disrupted its operations worldwide and also hit its call centers and website.

The disruption continued on Sunday. Some stranded passengers curled up under blankets on the floor or slumped on luggage trolleys, images that played prominently in the media at the start of a week when schools were on holiday.

"Apologizes all well and good but

not enough. BA has lost another loyal customer #disgraceful," tweeted Tom Callway, who had been due to fly to Budapest.

Spanish-listed shares of parent company IAG, which also owns carriers Iberia, Aer Lingus and Vueling, dropped 2.7 percent on Monday after the outage.

Davy analyst Stephen Furlong said the cost to the carrier of cancelling one day of operations was around 30 million pounds (\$38.5 million) in revenue and 4 million in operating profit.

On top of that, the airline will pay compensation to customers for the delays, though he added it looked likely to be a one-off cost which would be limited given the resumption of flights on Sunday and Monday.

BA has been cutting costs to respond to competition on short-haul routes from Ryanair and easyJet and recently faced criticism for starting to charge passengers for their in-flight snacks.

Ireland's Ryanair was quick to seize on the marketing opportunity, tweet-

ing "Should have flown Ryanair" with a picture of the 'Computer says no' sketch from the TV series "Little Britain" to poke fun at BA. The GMB union said that BA's IT systems had shortcomings after they made a number of staff redundant and shifted their work to India in 2016.

"This could have all been avoided. BA in 2016 made hundreds of dedicated and loyal IT staff redundant and outsourced the work to India," Mick Rix, GMB National Officer for Aviation, said.

In response, BA said its IT services were provided by a range of suppliers and that this was common practice. "We would never compromise the integrity and security of our IT systems," a BA spokeswoman said.

Several passengers complained about a lack of information from BA staff at the airport. Others said their luggage had been lost.

The airline said it was working to get reunite passengers with their luggage after many items were left at Heathrow over the weekend, although staff on Twitter warned this "could take some time".



Check-in information boards are displayed at Heathrow Terminal 5 in London.

Lenovo's struggling mobile business sets sight on high-end market



Lenovo tablets and mobile phones are displayed during a news conference on the company's annual results in Hong Kong.

REUTERS, Hong Kong

AFTER a bruising fall from its spot as the world's third-largest mobile phone maker following its acquisition of Motorola three years ago, China's Lenovo Group Ltd is counting on a push upmarket to stop the bleeding in its smartphone business.

While the company, which vies with HP as the world's largest PC maker, returned to profit in the year to March, losses in its smartphone business worsened as marketing expenses for new products and key component costs increased.

The group's phone problems started after it acquired Motorola Mobility from Google for \$2.9 billion in 2014 but struggled to integrate the assets. That, combined with fierce competition from lower-end manufacturers in its home base of China such as Xiaomi and Oppo, saw its global position fall to eighth in 2016.

A recently announced reorganisation of its China business aimed at sharpening the PC brand's consumer focus comes amid an ongoing effort to tighten its mobile branding and shift the focus to pricier models under its Moto brand.

"Our strategy is to prioritise mature markets ... which need brands and innovative products, whereas emerging markets need efficiency," Chairman Yang Yuanqing

said of Lenovo's mobile business at a press conference in Hong Kong on Thursday.

"So we will have two teams catering to the two kinds of markets with different product lines."

Lenovo faces its toughest battle in its home base of China, where it has slipped out of the top 10 smartphone vendors. Shipments domestically declined 80 percent year-on-year or 55 percent quarter-on-quarter in the first quarter of 2017, according to data from Canalys.

The company currently has three phone brands in China - the premium Moto brand, the cheaper Lenovo series, and an online-focused ZUK brand launched in 2015. A Lenovo spokeswoman said its global mobile strategy would focus on the Motorola brand, although it would continue to support its other lines, such as ZUK.

Moto products, including a premium series of modular phones designed with detachable components that can be replaced or upgraded, helped propel Lenovo to be the second-biggest vendor in Brazil, after Samsung Electronics Co Ltd, Yang said.

Shipments in Brazil rose 56 percent in the first three months of the year according to Lenovo, overtaking India as its biggest market, where volume grew 34 percent.

China's slam dunk 'sharing economy' booms, but can it last?

REUTERS, Beijing

FANCY shooting some hoops, but don't have a basketball? Caught in the rain with no umbrella? Smartphone run out of juice?

China's rapidly expanding "sharing economy", which already provides car rides and bicycle hire on demand, can help.

For just 2 yuan (\$0.30) an hour, Nate Liu, a student at the Beijing Language and Culture University, rents a basketball from a court-side vending machine by scanning a barcode on his smartphone.

"I didn't want to ask around and borrow a ball after losing mine, so I decided to give it a try," Liu told Reuters.

Far away, in China's wetter south, some 20,000 umbrellas have been released on to the streets of Shenzhen, and can be rented - unlocked by another smartphone barcode scan - for just half a yuan (\$0.07) for 30 minutes.

The umbrellas can be dropped off "wherever convenient", though users are encouraged to keep them, says Zhao Shuping, founder of E Umbrella Sharing, one of a handful of start-ups offering the service.

China's government has taken notice, and expects the "sharing economy" to grow about 40 percent this year to 4.83 trillion yuan (\$705 billion). By 2020, it should account for around one-tenth of GDP, illustrating China's aspiration to become a sharing economy leader on a global scale.

PricewaterhouseCoopers predicts five sharing sectors - car sharing, travel, finance, staffing, and music and video streaming - have the potential to increase global revenue to \$335 billion by 2025 from \$15 billion today.

Most of the money behind China's ballooning sharing economy comes from angel investors and venture capital firms. At least 1.69 billion yuan (\$247 million) in mostly series-A, or early stage, funding was invested in April-May in over two dozen start-ups offering sharing services, according to Reuters calculations based on data from Chinese data firm IT Juzi.

Twelve firms renting out power banks - typically compact, mobile battery chargers - secured 1.13 billion yuan, while newer businesses such as basketball and umbrella-sharing took in about 25 million yuan (\$3.65 million) combined.

While mobile-savvy, convenience-obsessed

Chinese welcome the innovations, some critics question whether the demand is real, or sustainable. They say the low-revenue, capital-intensive model means profitability can be elusive.

"Young people are embracing renting as a way of life instead of possessing things," said Emma Zhu, investment director at Beijing-based Innoangel fund, who has held off investing in any of these start-ups. "But the sharing model won't work in every situation. In some cases, they're trying to meet genuine demand, while in others they're not."

Some investors say the funding frenzy recalls the spectacular boom and bust of hundreds of Chinese Groupon apps in vogue in 2010-12, noting that most ultimately collapsed after fierce price wars, with losses of around \$1 billion.

"In China, the only barrier to entry is who can raise the most capital - that's good and bad," said Xu Miaoqiang, an investment manager at Unity Ventures in Beijing.

"The upside is, there are funds available to launch a bunch of companies. You may not need a lot of specialization or new technology. The downside is a lot of money could be elusive."

Cai Min, founder of basketball rental firm Zhulegeqiu, says he wants to expand nationwide, and quickly, offering the service at all of

China's estimated 100,000 basketball courts, and growing into a multi-billion yuan business, eventually offering all "sharable" products.

The Zhejiang-based start-up received 10 million yuan (\$1.46 million) in early funding from Shanghai-based Modern Capital on May 5, less than two months after Cai came up with the idea.

"We are expanding at all cost, because speed is everything," Cai told Reuters. "Of course this means costs have been very high at the early stage because we have to make everything in a month."

He declined to give specific figures, but each of the solar-powered basketball rental machines - currently in Beijing, Shanghai, Hangzhou, Tianjin and Chengdu - costs "a few thousand yuan."

"The key to success is to get more money than your competitors and to expand faster than them," he said.

Even some keen players, though, have their doubts, saying balls are only used occasionally, so the need to rent is marginal.

All sharing services require a one-time deposit - from 99 yuan (\$14.45) for a shared basketball - that gives sharing companies a one-off financial buffer that critics say won't be sufficient in the longer run if profits are slow to take off.



A man uses a court-side basketball vending machine at the Beijing Language and Culture University in China.