

Consumer goods firms harness online data to tap SE Asia e-commerce boom

REUTERS, Singapore/Bangkok
When diaper maker DSG International (Thailand) wants to know what its customers are thinking, it often turns to Lazada, an e-commerce firm majority-owned by Alibaba Group Holding.
"From (their) data, we know mothers sometimes browse at night, so we can offer flash sales when we know customers are browsing," says Ambrose Chan, the Thai company's CEO.

Southeast Asia is the world's fastest-growing internet market, home to 600 million consumers from Vietnam to Indonesia via Singapore, many of them tech- and social media-savvy. They are rapidly spending more time and money online. A Nielsen study in 2015 estimated Southeast Asia's middle-class will hit 400 million by 2020, doubling from 2012.

Gross merchandise value of e-commerce in Southeast Asia will balloon to \$65.5 billion by 2021, from \$14.3 billion last year, predicts consultancy Frost & Sullivan.

Research firm Euromonitor forecasts internet retailing in Indonesia, for example, will more than double to \$6.2 billion by 2021, and Thailand will increase 85 percent to \$2.8 billion.

Consumer goods firms, such as Unilever and Japanese cosmetics firm Shiseido, say the e-commerce boom allows them to push deeper into markets that can otherwise be difficult to understand and tough to penetrate due to poor retail networks and infrastructure.

"Data from Lazada has been used to position certain products where consumer preferences are different. For example, Thai customers like to buy diapers in special cartons, while Malaysians prefer multiple packs," says Chan.

To reach more customers and get a better handle on their online behaviour, consumer goods companies are forging partnerships with e-commerce firms like Lazada and fashion website Zalora.

A customer who clicked on a 50 millilitre product may instead buy a smaller 30 ml product, said Pranay Mehra, vice president, digital and e-commerce at Shiseido Asia Pacific, noting that data and online selling experience can help firms bundle offers, decide on packaging and distribution, and influence where to set up a physical presence.

"This data is very powerful and very insightful, if used properly," Mehra added.

Unilever, whose products range from Hellmann's mayonnaise to Dove soap, said it is seeing more demand from rural consumers in developing markets like Indonesia and Vietnam.

"With all our e-commerce partners, we're using data to help us find innovative solutions to unlock key barriers of high cost delivery and poor credit card penetration in remote areas," said Anusha Babbar, e-commerce director at Unilever Southeast Asia and Australasia.

The conglomerate, which works with the likes of Singapore online grocer RedMart, Indonesia's

Bibli and Vietnam's Tiki, said it introduced its St Ives skincare brand on Lazada after seeing a trend towards natural products and shopper search data.

"Traditional retailers will struggle to see customer behaviour," said Lazada Thailand's CEO, Alessandro Piscini. "We can tell if a customer is pregnant from their search behaviour."

Lazada, he said, plans to use data science to help its merchants customize offers for specific customer groups based on age, gender and other preferences.

Zalora, which sells clothing and accessories online in markets including Singapore, Malaysia and Indonesia, said it was working on ad-hoc projects with some brands to help them understand their customers based on data.

Lazada and Zalora are among the few e-commerce platforms that operate in multiple Southeast Asian countries. But the region is becoming a new battleground as Amazon and JD.com make beachheads in Singapore and Thailand.

Lazada Thailand will focus on partnering with fast-moving consumer goods companies to maintain its lead, Piscini said, and is expanding its logistics footprint across a region that has poor roads, clogged cities and thousands of often remote islands.

To be sure, online still contributes a tiny portion to consumer goods companies' sales, but some local firms are going beyond partnerships and investing in their own e-commerce capabilities.



Md Abdul Halim Chowdhury, CEO of Pubali Bank, attends the second "Managers' Conference-2017" for its Dhaka central branches at the head office of the bank in the capital.

Review Holcim share price valuation

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World's leading cement makers, France's Lafarge and Switzerland's Holcim, merged in July 2015 to form LafargeHolcim, which owns the majority stake in Holcim Bangladesh.

LafargeHolcim and Cementos Molins, a Spanish cement manufacturer, own through their joint venture with Surma Holding, a majority of the shares of Lafarge Surma Cement.

In November last year, the board of Lafarge Surma announced that it was

exploring the opportunity of combining the businesses of Holcim Bangladesh and Lafarge Surma. The acquisition was approved by the board a month later.

Subsequently in January this year, Lafarge Surma Cement changed its name to LafargeHolcim Bangladesh Ltd.

Upon completion of the transaction, Lafarge will become a major player in the local cement market with an annual production capacity of 4.2 million tonnes, according to the company.



Md Mehmood Husain, CEO of NRB Bank, and SK Saydur Rahman, managing director of Sonargaon Royal Resort, exchange documents after signing a deal at a programme at the resort in Narayanganj. Debit and credit cardholders of the bank will enjoy 30 percent discount on room rent and 15 percent discount at the resort's restaurant.

Oil keeps gains

REUTERS, Amsterdam
Oil prices largely held on to last week's gains on Monday, supported by supply disruptions in Iraq and a drop in US drilling.

However, the reduction in drilling rigs in the United States could be temporary, analysts said, as activity had been restrained by hurricane threats.

The number of US rigs drilling for new oil fell by seven to 736 in the week to Oct. 20, the lowest level since June, energy services firm Baker Hughes said on Friday.

Global benchmark Brent crude LCOc1 was trading at \$57.56 a barrel at 0957 GMT, down 19 cents.

US West Texas Intermediate (WTI) crude CLC1 was up 2 cents at \$51.86.

"The market is in a tug of war between short-term bullish drivers which are very true, very visible and very strong versus real concerns for the oil market balance for 2018," said Bjarne Schieldrop, chief commodities analyst at SEB Markets.

One bullish factor is supply disruptions in northern Iraq, where tensions have been running high since the Kurdistan region's vote in favor of independence last month.

As of Sunday, oil exports from Iraq's Kurdistan via the Turkish Mediterranean port of Ceyhan were still flowing at sharply reduced rates between 200,000 and 250,000 barrels per day, two shipping sources said.

Flows had increased slightly to 255,000 bpd by Monday, one source said.

Sell pressure pulls Dhaka stocks down

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All sectors but two closed negative. Among the major large cap sectors, only telecom closed positive with a 0.22 percent gain.

Bank and non-bank financial institutions lost 1.87 percent and 0.75 percent respectively.

"The market started the session on a negative note and witnessed a free fall amid sell-off all across the sectors," UCB Capital Management said in its daily market commentary.

BBS Cables was the highest traded share with a turnover of Tk 20.85 crore followed by Aamra Networks with Tk 18.46 crore.

The banking sector led the market yesterday by contributing 23.33 percent of the total turnover.

Financial reporting act to bring transparency

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Roughly, there are 1.5 lakh companies in Bangladesh, of which about 300 companies are listed.

There were questions about the accounting standards as many companies got listed on the bourses showing high earnings per share, which declined in the preceding months and years making investors disheartened.

Investors blamed auditors and accountants for setting artificial EPS for those firms to lure investors into buying their shares.

Ahmed said there are many regulations in the country but their proper implementation is crucial.

"To achieve the middle-income country status, we need to avoid the bad practice of bankruptcy," the FRC chairman said.

There will be representation from the business community for proper functioning of the council, he added.

DCCI President Abul Kasem Khan said the act has been enacted to ensure transparency and accountability in the accounting and auditing profession.

Adequate resource allocation and availability of experts in the area of audit and other tools are needed for proper functioning of the council, he added.

Aftab Ul Islam, former president of DCCI and a director of the Bangladesh Bank, said transparent auditing is necessary for reliable investment.

Adeeb Hossain Khan, president of the Institute of Chartered Accountants of Bangladesh, said accountability in Bangladesh is now of international standards.

Jamal Ahmed Choudhury, president of the Institute of Cost and Management Accountants of Bangladesh, said the main focus of FRC is to monitor the auditors, but it should be consistent with the other financial regulatory policies.

The financial reporting act originated in the US 20 years back. At present, the act is present in 51 countries.

Businessmen, accountants, tax lawyers and academicians also spoke on the occasion.

Aramco IPO on track for second half of 2018: CEO

AFP, Riyadh
Saudi Aramco's initial public offering will take place in the second half of 2018, CEO Amin Nasser said Monday, dismissing reports that the oil giant's plans could be shelved.

"We have always said that we will be listing in 2018, and to be more specific, in the second half of 2018," Nasser said in an interview with CNBC television.

"The IPO is on track. The listing venue will be discussed and shared

in due course," Nasser told the channel in Riyadh.

The Aramco chief also said Saudi authorities were not in talks with Chinese or other investors to sell a stake in the firm, estimated to be worth around \$2 trillion.

Aramco, which controls Saudi Arabia's massive energy assets, plans to list nearly five percent of its shares in the stock market.

The IPO is expected to be the largest in history, raising around \$100 billion in much-needed revenue for the kingdom, which has

posted \$200 billion in deficits in the past three fiscal years.

The listing is a cornerstone of an ambitious economic reform programme launched by powerful Crown Prince Mohammed bin Salman last year.

The programme, known as Vision 2030, aims to balance the Saudi budget after the OPEC kingpin lost hundreds of billions of dollars due to the slump in oil prices.

Doubts have been swirling around the viability and ambitious timeline of the Aramco IPO.

Consensus reached over handing Accord's charge to Bangladesh

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A joint committee comprising brands, global unions, the BGMEA, the International Labour Organisation and the government will continue to monitor the readiness of the government programme to take over the responsibility from the Accord. Further reviews will continue on a six-month basis.

Once the conditions are met, there will be a further handover period for six months.

Jenny Holdcroft, assistant general secretary of the IndustriALL, said the Accord had remedied thousands of safety issues for workers in

Bangladesh's garment industry and was instrumental in protecting workers.

"It has also created a model that can be adopted by a national regulatory body to ensure compliance with safety standards into the future."

Holdcroft said building capacity to meet the conditions for a handover of Accord functions was vital. "We will continue to work with the Accord to support the Bangladesh government in this task and ensure that the requirements are met for a safe and sustainable garment industry."

Christy Hoffman, deputy general secretary of the Uni Global Union,

said the goal of the Accord had always been to transition to a credible regulatory regime by the Bangladesh government.

"The talks with the government show that it recognises the importance of a safe readymade garment industry, and we will continue to work with regulators to help enhance their capacity."

"We have an agreement that the 2018 Accord will operate until the Bangladeshi government is prepared to take over the responsibilities, as measured by agreed criteria. We will review progress every six months," Hoffman said in the statement.

Boro harvest drops 5pc

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"The condition of Aman crop is very good. We expect higher yield this year than the previous year," said Alhaz Uddin Ahmed, additional director for monitoring and implementation at field services wing of the DAE.

He said increased production of Aus and Aman can help recover 40 to 50 percent of the loss of rice from floods in haor areas. On recent heavy rainfall, Ahmed said the yield would not be affected because of the sunny weather in the last two days.

Between July 1 and October 18, public and private sector import of rice stood at 12.96 lakh tonnes. The amount of rice imported in 2016-17 was 1.33 lakh tonnes.

Ispahani, new chief of global cotton assoc

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It was formed in 1841 in Liverpool UK, when a group of cotton brokers created a set of bylaws and rules to help regulate the sale and purchase of raw cotton, according to the statement. About 90 percent of the world's cotton is traded internationally under the bylaws and rules of ICA, which has over 550 members across the globe.

The ICA—operated on a not-for-profit basis—offers a range of services, including arbitration, training, trade and networking events, plus cotton testing and research via international testing centre ICA Bremen.

Services sector exports go up 23.67pc

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The sales proceeds for the refrigerator would be calculated as earnings from goods export. The government has taken the decision as per the rules of the World Trade Organisation as services are also considered a product.

During the period, earnings from the export of transportation services stood at \$86.72 million, sea transport \$41.50 million and financial services \$54.77 million.

The telecom and information services sector fetched \$89.62 million, construction services \$26.03, and computer services \$29.12 million.



NRBC Commercial Bank directors Loquit Ullah and Tamal SM Parvez open the bank's 54th branch at Imamganj in Dhaka yesterday.



SAM Hossain, vice chairman of Standard Bank, cuts a ribbon to open the bank's 116th branch at Hili Land Port in Dinajpur yesterday. Mamun-Ur-Rashid, CEO, was also present.