

Franchise business has great prospect in Bangladesh

FranGlobal organises international expo on franchising

STAR BUSINESS REPORT

FRANGLOBAL, an Indian franchise consultancy firm, intends to bring more than 50 brands to Bangladesh within the next two years along with investment of \$39 million and 2,500 new jobs, as the country's solid economic growth continues to attract global attention.

For that end, the company yesterday organised a daylong exposition, which was attended by more than 50 brands from 12 countries, including the US, the UK, Italy, South Africa, Australia, Malaysia, Thailand and India.

The exposition was FranGlobal's first official event in the country after setting up shop here.

Speaking at the event, Gaurav Marya, chairman of FranGlobal, said foreign franchisees in Bangladesh are doing very well.

"So, we believe this is the opportune time for FranGlobal to enter the Bangladesh market -- we are positive about the country."

Bangladesh holds tremendous growth potential to global brands as there is a huge

local market.

Every third dollar is spent on a franchise in the US, he said. "The same will happen in Bangladesh and it is going to happen very fast."

Marya conducted a session where he discussed the best ways to expand business through franchising and partnering with global brands.

He went on to cite a PricewaterhouseCoopers study that stated that Bangladesh is poised to be among the top three fastest growing economies of the world by 2030.

The country is home to thousands of businesses and has emerged as one of the largest concentrations of multinational companies in South Asia, according to the study.

"The franchise market will grow faster in Bangladesh than in India. I would not be surprised if Bangladesh's franchise industry stands at about \$6 billion to \$7 billion within six to seven years," Marya said.

In Bangladesh, the biggest impact of the business model would be seen in the education, healthcare and fitness sectors.



FRANGLOBAL

From right, Gaurav Marya, chairman of franchise consultancy firm FranGlobal; Rasheed Mymunul Islam, deputy managing director of Monno Group; Shafiul Islam Mohiuddin, president of FBCCI; Selima Ahmad, president of Bangladesh Women Chamber of Commerce and Industry, and Mirza Nurul Ghani Shovon, president of the National Association of Small and Cottage Industries of Bangladesh, attend a session at the International Franchise and Retail Expo at the Westin hotel in Dhaka yesterday.

The noted franchise expert said his firm would organise four events every year to provide a platform for both local and foreign brands so that they can expand.

He went on to praise the official procedures for setting up a business in Bangladesh. "I was told that getting licence in Bangladesh is very tough. But this is not the reality. I did not face any challenges in obtaining the permissions and setting up an office," he added.

One of the brands that FranGlobal might be bringing to Bangladesh is UClean, India's first organised chain of laundry and home cleaning stores.

"Every neighbourhood of Bangladesh offers tremendous growth opportunity," said Arunabh Sinha, founder and chief executive of UClean.

The company is keenly looking at Bangladesh because the consumption pattern is similar to India's, he added.

The local office of FranGlobal has appointed 16 people to run its operations in the country.

Talking about the operations, Raiyan Zaman, marketing lead of FranGlobal Advisors Pvt. Ltd, said franchising is a new idea in Bangladesh.

But already 30 local brands have contacted the local office to get a better understanding of the business concept.

The participating companies at the event include: STC Wallpaper, Rubix 108, Voylla, Spark Minda, Jetking, Gold's Gym, Regus, Café Udipi Ruchi, and Bradford License India.

"The participating companies are all bullish about the Bangladesh market," Zaman said.

The exposition, held at The Westin Dhaka, showcased the participants' franchise opportunities along with the knowledge-sharing sessions by a number of local

and international experts from food and beverage to retail, e-commerce and education sectors.

Shafiul Islam Mohiuddin, president of the Federation of Bangladesh Chambers of Commerce and Industry; Mirza Nurul Ghani Shovon, president of the National Association of Small and Cottage Industries of Bangladesh; Selima Ahmad, president of Bangladesh Women Chamber of Commerce and Industry, and Rasheed Mymunul Islam, deputy managing director of Monno Group, were present.

FranGlobal plays a vital role in representing local investors and partnering with diverse global companies for the entry and expansion in different topographies and has six international offices in different countries, according to Marya.

The franchise consulting firm has offices in Canada, the UK, Singapore and Greece, among others.



FRANGLOBAL

Visitors interact with representatives of over 50 brands from 12 countries that took part in the exposition to learn about the brands and their prospect in Bangladesh.

Indian exchanges cut ties to foreign bourses after government nod

REUTERS, Mumbai

INDIA'S government fully endorses a dramatic move by domestic exchanges to cut off data to global bourses, sources familiar with the matter said, seeing it as vital to lure foreign investments into the country from Singapore and other financial centres.

It was only after receiving the endorsement that India's three private stock exchanges - National Stock Exchange, BSE Ltd and MSEI Ltd - proceeded with the joint announcement on Feb. 10 to stop providing data to foreign rivals, said two senior officials at the bourses.

The sources declined to be identified because they were commenting on internal deliberations.

A senior finance ministry official said New Delhi had held "wide consultations" on whether to support the exchanges' actions, and concluded it was needed to allow a new international financial centre being set up in India "to compete with Singapore and Dubai."

"We have to balance the needs for domestic interests and our image in the global market," said the official, declining to be identified as he was not authorised to talk to media.

The move by the exchanges, blasted by index provider MSCI Inc as protectionist, reflects long-held wariness by Indian officials about the trading of Indian derivative products overseas, outside the ambit of domestic regulators.

The action is also a tactical move to lure foreign investors to an international financial centre being developed in Gujarat, Prime Minister Narendra Modi's home state.

Called Gujarat International Finance Tec-City, or GIFT City, the financial centre has failed to gain much traction since INX, a unit of the Bombay Stock Exchange, became the first exchange to set up there last year, despite offering close to zero

taxes, dollar contracts, and top-notch infrastructure.

The lack of activity has come even if there is much to appeal to foreign investors, at least on paper.

Located in a sprawling area a 40-minute drive from Gujarat's largest city, Ahmedabad, GIFT City is well equipped.

It boasts of central cooling systems across all buildings and sophisticated IT networks and servers, even though it was eerily deserted when a Reuters team visited earlier this month.

Modi's government envisions a centre with international schools, hotels, restaurants and even its own regulations, including allowing alcohol in a state that bans it.

More importantly, GIFT City has no taxes on capital gains or transactions and no stamp duties. Most derivative contracts are also dollar-based, removing currency risks.

Yet whether the centre can become a top-notch financial hub remains uncertain.

For one, daily trading volumes are currently only at \$300-\$400 million across its equities, currency, debt, and commodity derivatives, a frac-

tion of the tens of billions of dollars at India's main exchanges.

Currently seven domestic banks operate in GIFT City, but no overseas lenders have set up.

The sources who talked to Reuters acknowledged the trading was largely from the banks' trading desks rather than from foreign investors.

Regulatory uncertainty is also a concern. Although the government has sought a unified regulator for GIFT City, India has yet to decide on who, while a history of unpredictable regulations worries foreign investors.

Furthermore, the Singapore Exchange (SGX), having emerged as the biggest trading centre for offshore Indian derivatives and a top threat to India, is not standing still.

It is exploring a tie-up with NSE in GIFT City, but is also working on "successor products" to its Indian equity index derivatives.

Tejas Desai, a partner at Ernst & Young, says foreign interest has increased after India exempted taxes on capital gains and after the action by Indian exchanges, giving GIFT City an opportunity to take advantage.



REUTERS/FILE

A guard walks past the building of India's National Stock Exchange in Mumbai.

Mobile industry promises smarter everything at Barcelona show

REUTERS, Frankfurt

TWO words - artificial intelligence - promise to upstage familiar technology industry themes like 5G, the Internet of Things and virtual reality at next week's Mobile World Congress, Europe's biggest annual technology industry gathering.

Telecom operators are looking to artificial intelligence as a potential money-spinner to combat stagnating mobile service revenues as once-lucrative features like text messaging have become commoditised and customer growth wanes as almost everyone who can afford a phone and a data plan already has one.

Artificial intelligence, or AI, uses computers to perform tasks normally requiring human intelligence, such as taking decisions, recognising text, speech and images, or translating foreign languages.

Several big-name telecom providers are launching own-brand home digital assistants which are two-way speakers such as those used by Amazon's Alexa or Google's Home.

France's Orange has Djingo; Germany's Deutsche Telekom Magenta and Spain's Telefonica Aura, market research firm Ovum said.

Device makers also spot a marketing opportunity for their latest glass-and-metal phones by including AI features inside to help cameras take smarter pictures or to anticipate the interests of their users.

But the industry needs to show it can do more with AI than play buzzword bingo, Ben Wood, a consumer electronics analyst at CCS Insight, said. "Although we're hugely enthusiastic about the technology itself, we're increasingly concerned about the way in which it's being marketed," he said.

Barcelona will feature a series of announcements by mobile operators which want to reinvent themselves as digital 'platforms' - offering apps



REUTERS

A man walks past a typeface sculpture in front of an entrance of the Mobile World Congress in Barcelona.

such as video messaging; music streaming or mobile video on demand on top of their traditional voice- and data-driven services.

Turkcell, for example, aims to offer its Lifecell platform, which includes a range of apps for messaging, entertainment, music, TV and e-commerce, to foreign partners at the event.

The industry also wants to do much more with the data it collects from its users which will give network operators insights into spending patterns. Processing new streams of data from networks of industrial or road sensors also holds promise.

Yet this pits them against the likes of U.S. tech giants Amazon, Google or Facebook that have proven adept at recruiting users and exploiting their data to sell products, services or advertising.

Asian smartphone makers will launch an array of new phones this weekend, but many are international versions of models already on sale in China, which with 1.4 billion subscribers is, by far, the world's biggest mobile market.

The big smartphone launch on Sunday evening by Samsung of its

new flagship phone, the Galaxy S9, ahead of the conference will have a focus on dual camera features, Wood said. Cameras, the more the merrier, are all the rage, with some phone models boasting four to five built-in cameras, said.

The exhibition halls in Barcelona will be full of talk of ultra-fast mobile video, connected cars, factory automation, digital health and smarter cities.

Also, 5G, long the subject of arcane technical debates and an elusive search for concrete applications, is finally getting down to business. The first commercial 5G roll-outs begin this year and next in the United States, Korea and Japan, creating new revenue streams for operators and beaten-down equipment makers.

But 5G remains an abstraction for consumers, Forrester analyst Thomas Husson wrote in a blog post ahead of the show.

Early 5G devices are set to go on show next week after smartphone chip maker Qualcomm earlier this month announced 5G-ready chips with 18 network operators and 19 device makers, analysts said.