Google ties up with Indian lenders in bid to woo new users

REUTERS, New Delhi

Alphabet Inc's Google said on Tuesday it is partnering with a handful of Indian banks to bring quick loans to the masses, as it aims to woo tens of millions of new internet users in the country to its digital payments services.

At an annual Google event in New Delhi, Caesar Sengupta, the Vice-President of Google's Next Billion Users initiative and its Payments said the move would make banking services accessible to tens of millions of Indians.

Google launched payments app Tez, meaning fast in Hindi, in India last year integrating it with the statebacked unified payments interface (UPI) as it sought to gain a foothold in the South Asian nation's digital payments space which, according to Credit Suisse, will grow five-fold to \$1 trillion by 2023.

On Tuesday, Google rebranded the app as Google Pay and said it was partnering with four Indian banks, Federal Bank, HDFC Bank, ICICI Bank and Kotak Mahindra Bank to provide instant loans to the app's users.



REUTERS/FILE

Caesar Sengupta, Google's general manager of payments and vice president leading the Next Billion Users initiative, poses for a picture after an interview with Reuters in New Delhi.

"We're talking to a lot of banks, we're completely open with who we work with in terms of banking partners," Sengupta said in an interview on the sidelines of the homegrown Paytm, backed by

"Banks bring their financial capabilities, their understanding of the user, their customers. We bring our user experience, our ability to

make complex processes extremely simple and very fast."

Google's ambitions could potentially pose a challenge for Japan's SoftBank and China's Alibaba and US conglomerate Berkshire Hathaway Paytm's founder Vijay Shekhar Sharma and its parent One97 Communications

run a payments bank and the payments firm also plans to expand to selling financial products such as insurance and mutual funds in India - the world's fastest growing internet services market.

Sengupta said Google was open to collaborating with other Indian payments firms.

"We are huge of fans interoperability ... when a product like Tez does well it creates more value in the network for everyone," he said.

Tez has over 22 million monthly active users, according to Google.

Sengupta said Google also expects the KaiOS mobile operating system, in which the company has invested \$22 million, to do well in Africa and parts of South East Asia.

KaiOS is a low-cost phone operating system which, among others, has been used by Indian billionaire Mukesh Ambani to sell his Jio telecom venture's low-cost internet enabled phones.

"Countries like India, which are mobile first have so many people coming online for the first time, just generate an incredible amount of opportunity for innovation," Sengupta said.

Emirates revamps offerings in premium classes

STAR BUSINESS DESK

...... Emirates has refreshed its premium offerings with new luxury products in first and business classes for a more comfortable travel experience.

The new products stem from collaborations with Byredo skincare, Bowers & Wilkins and Emirates' longstanding partnership with Bulgari for its refreshed amenity kits, the airline said in a state-

ment yesterday.

First class customers will find the Byredo travel wellness range of skincare in their private suites. The allergen-free and Chamomile collec-

tions were exclusively created for Emirates for a relaxing and hydrating inflight experience. Products included in the Byredo for

Emirates Wellness kit are Cleansing Face Towelette, leaving a clean base to enjoy the maximum benefit from skincare.

India's Mahindra says Fiat Chrysler files patent complaint in US

India's Mahindra and Mahindra Ltd said on Wednesday Fiat Chrysler Automobiles US LLC filed a patent violation complaint with the US International Trade Commission against the company. As per the complaint, certain design features of Mahindra's offroad utility vehicle ROXOR infringed intel-

lectual property rights of Fiat's Jeep design, Mahindra said in a statement. Mahindra said the complaint was "without merit."

The company and its unit Mahindra Automotive North America have filed a public interest statement with the trade commission and have begun proceedings in a Michigan court to enforce a design agreement that it had executed with Fiat in 2009.

IT firms seek time to relocate

FROM PAGE B1

Because of the different time zones, many companies have to provide round-the-clock service, but commercial spaces won't allow them to work 24/7, she said. "Software and ITES-related works are solely dependent on

human brains and require quiet environments. This kind of firms never create any noise or disturb their neighbours," said Rahman.

The BASIS leaders said they are negotiating with the housing and public works ministry and the Rajuk about the issue.

Aston Martin gears up for London stock market float AFP, London

Aston Martin on Wednesday said it plans to float one quarter of the British company on the London stock market, as demand rises worldwide for the luxury brand's cars favoured by fictional spy James Bond.

Full details of the initial public offering will be published on September 20, Aston Martin said in a statement, with reports noting that the company could be valued up to £5.0 billion (\$6.4 billion, 5.5 billion euros).

"Today's announcement represents a key milestone in the history of the company, which is reporting strong financial results and increased global demand for its award-winning sports cars," Aston Martin chief executive Andy Palmer said in the statement. The century-old

carmaker, based in Gaydon in central England, is controlled by Italian private equity fund Investindustrial and Kuwaiti investors. German carmaker

Daimler will meanwhile keep its near 5.0-percent stake in the group, Aston Martin said.

Make corporate governance code mandatory for all: experts FROM PAGE B1

Rice bran oil: exports on the rise

It takes three to five days to load a truck higher volume at a time.

The Bangladesh Securities and Exchange Commission (BSEC) issued the corporate governance guideline in 2006, made it mandatory in 2013 and reissued it under the name "corporate governance code" on June 3, 2018.

The code should be made mandatory for non-listed companies too, Chowdhury said. The Financial Reporting Council can fix a parameter on the size of employee numbers, capital and turnover of a firm so that it can follow the code properly, he said. The council is formed following the

financial reporting act, which was originated in the US 20 years back. The council is now present in 51 countries. "We should create an environment so

that every firm feels inspired to follow the corporate governance code," he added. "Family governance is more powerful than corporate governance in our

(Bangladeshi) companies," said Swapan Kumar Bala, a commissioner of the BSEC. "India has fixed some parameters

with 15 tonnes of rice bran. Besides, not

all rice bran is suitable for extracting oil,

he said, adding that the production of

milled rice and rice bran will increase

the edible oil is growing thanks to the

expanding middle- and upper middle-

income groups. "Export potential is bright

if we can ensure quality. But the main

in large quantities and improving the

country's image are key to tapping the

"Building capacity to deliver the item

Hasan said some buyers are doubtful

challenge is the country's image," he said.

Hasan said the domestic demand for

through the modernisation of rice mills.

following which the country compels non-listed big companies too to follow the corporate governance guideline."

"Corporate governance is a qualitative thing, not quantitative. Everyone should keep the rules in their head for the sake of their own business," Bala said.

If the internal auditors can play their role actively and independently, then it will be easier for a company to follow corporate governance, he said. The internal auditors should have a

unique character so that they can properly play their roles and the officials of their workplaces feel encouraged to willingly provide them with all necessary audit related information, Chowdhury said. "Over 20,000 companies are running

operations in Bangladesh. Only 305 of

them are listed on the Dhaka Stock

Exchange," M Nurul Alam, secretary general of the IIAB, said at the seminar. "So we should concentrate more on all

the non-listed companies." K Atique-e-Rabbani, president of the IIAB, was also present.

about local millers' capacity to deliver a

weak, which affects buyers' confidence,"

said Hasan, citing that the company

could not send a consignment to South

Korea on time last month because of the

his firm exports both rice bran and crude

rice bran oil through Benapole land port

India compared to that of crude oil,

added Ali. Mim International exported

500 tonnes of crude rice bran oil in 2017.

Osman Ali of Mim International said

Refined rice bran oil faces higher tax in

Majumder called for cash incentives to

congestion at the Chittagong Port.

when it finds higer prices in India.

increase the export of rice bran oil.

"Our logistics and infrastructure is

US second-quarter GDP growth raised to 4.2pc

REUTERS, Washington

US economic growth was a bit stronger than initially thought in the second quarter, notching its best performance in nearly four years and putting the economy on track to hit the Trump administration's goal of 3 percent annual growth.

Gross domestic product increased at a 4.2 percent annualized rate, the Commerce Department said on Wednesday in its second estimate of GDP growth for the April-June quarter. That was slightly up from the 4.1 percent pace of expansion reported in July and was the fastest rate since the third quarter of 2014.

The slight upward revision to growth last quarter reflected more business spending on software than previously estimated and less imports of petroleum. Stronger software spending and a smaller import bill offset a downward revision to consumer spending.

2017, the economy grew 2.9 percent instead of the previously reported 2.8 percent. Output expanded 3.2 percent in the first half of 2018, rather than the 3.1 percent estimated last month. The Trump administration has set a target of 3 percent annual growth, which economists say is unsustainable because of structural constraints.

Robust growth in the second quarter was driven by one-off factors such as a \$1.5 trillion tax cut package, which provided a jolt to consumer spending after a lackluster first quarter, and a front-loading of soybean exports to China to beat retaliatory trade tariffs.

There are signs some of the momentum was lost early in the third quarter. The government reported on Tuesday that the goods trade deficit jumped 6.3 percent to \$72.2 billion in July as a 6.7 percent plunge in food shipments weighed on exports. While consumer spending has

remained strong early in the third

quarter, the housing market has weak-

ened further with homebuilding rising

less than expected in July and sales of new and previously owned homes declining. The Trump administration's "America First" policies, which have led to an escalation of a trade war between the United States and China as well as titfor-tat tariffs with the European Union, Canada and Mexico, pose a risk

to the economy. Economists had expected secondquarter GDP growth would be revised down to a 4.0 percent pace. The economy grew at a 2.2 percent rate in the January-March period.

session high against a basket of currencies after the data. US stock index futures were largely flat while prices of longer-dated US Treasuries were slightly higher. An alternative measure of economic

growth, gross domestic income (GDI), increased at a rate of 1.8 percent in the second quarter, slowing from the first quarter's brisk 3.9 percent pace.

The average of GDP and GDI, also referred to as gross domestic output and considered a better measure of economic activity, increased at a 3.0 percent rate in the April-June period. That followed a 3.1 percent growth

The income side of the growth ledger

pace in the first quarter.

was restrained by after-tax corporate profits, which grew at an 2.4 percent rate last quarter, decelerating from the 8.2 percent pace logged in the first quarter. Growth in consumer spending,

which accounts for more than twothirds of US economic activity, was lowered to a 3.8 percent rate in the second quarter instead of the previously reported 4.0 percent pace. Consumer spending increased at a 0.5 percent pace in the first quarter. Soybean exports were accelerated in

the second quarter to beat Chinese tariffs that took effect in July. Overall exports rose at a 9.1 percent rate in the second quarter instead of the previously estimated 9.3 percent pace. Imports declined at a 0.4 percent rate, with petroleum accounting for

much of the drop. The decrease in imports was the biggest since the fourth quarter of 2015. Imports were previously reported to have grown at a Compared to the second quarter of The US dollar .DXY held near a 0.5 percent pace in the second quarter. The drop in imports sharply nar-

rowed the trade deficit. Trade added 1.17 percentage points to GDP growth in the second quarter rather than the previously reported 1.06 percentage points. The front-loading of soybean

exports, however, depleted farm inventories. Overall, inventories declined at a rate of \$26.9 billion instead of the \$27.9 billion pace reported last month. Inventories subtracted 0.97 per-

centage point from GDP growth in the second quarter instead of the previously estimated 1.0 percent.

A rumbling trade war with the United States

has further complicated the outlook. Business

confidence has showed signs of softening, and

the pace of urban fixed-asset investment hit its

weakest rate on record in July. Concerned offi-

cials are loosening fiscal purse strings and cutting

bank reserve requirements to support infrastruc-

ture investment. Unfortunately there's a shortage

of viable projects: China has been on a road-and-

subway building binge since 2008. Similarly,

thanks to overcapacity and price wars, many

healthy private companies are wary of using debt

to invest; those seeking to borrow are often roll-

pitched in. Joint-stock banks have cranked up

mortgages and credit cards combined to nearly a

third of total loans at the end of 2017, a UBS

research note showed, up from 17 percent in

2013. Indeed, China Merchants Bank last week

reported that nearly half of its loans were to retail

borrowers in the first half, producing an annual

yield of nearly 6 percent - two percentage points

higher than company borrowers. Its peer Ping An

Bank cranked up credit card loans by 27 percent

in the same period, even as its corporate credit

But while mortgages have been reasonably

Fortunately Chinese consumers have

ing over bad loans.

retreated 0.6 percent.

Fed to stand by BB in damage claim: Muhith

export market."

The committee also okayed a Tk 38 crore programme for Ansar-VDP Cooperative Society Ltd to publicise 10 special initiatives of Prime Minister Sheikh Hasina and other development activities of the government among people at unions.

The Ansar-VDP Cooperative Society Ltd is an appropriate body to undertake an outreach programme—Agiye Jacche Bangladesh—to remote areas as it has trained manpower at every union and village, according to an information ministry proposal.

According to the project proposal, a function, promoting the government's development activities, would be organised at schools every morning.

In the afternoon, information on special initiatives of the prime minister, as well as TVCs and films on drug abuse, child marriage and liberation war would be projected there. In April, a meeting of the Executive Committee of the National Economic Council approved a Tk 60 crore project titled "Strengthening the publicity for development of rural people".

Under the project, 65 short films would be made while 21,960 film shows, 9,792 musical programmes and 4,554 outreach programmes would be arranged. Besides, 1,470 women's rallies would be organised.

The project is set to be implemented by the Directorate of Mass Communication by November 2020.

REUTERS, Hong Kong

Chinese loan officers are finding themselves torn between conflicting policy goals. Beijing wants the country's commercial banks to help fund infrastructure spending to support cooling growth, but isn't relaxing a campaign to cut a \$290 billion pile of bad debt. They also need to somehow remain profitable. First-half earnings show the pressure is pushing them headlong into

For lenders, especially those below the Big Four state-owned heavyweights, 2018 looks likely to get tougher. Chief finance enforcer Guo Shuqing is forcing them to recognise more non-performing loans while exiting lucrative shadow banking business lines. Smaller players are struggling, and consolidation is underway; some may even be allowed to go bankrupt.



REUTERS/FILE A residential building of a pilot rental housing project by China Construction Bank (CCB) and Foshan

safe in China, consumer loans are less reliable. Assessing individual creditworthiness is relatively expensive, and credit card debt is unsecured. At the same time, consumer borrowing may start to cool too: car sales slowed in July, according to official data, and retail sales missed expectations. Still, lending to real people should help growth more than bridges to nowhere.

Pharma winning global markets after inspecting the oral solid dosage facilities of

The other was the relaxation of the World Trade the two companies. Organisation's agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS), which permitted Bangladesh to reverse engineer patented generic drugs.

The relaxation of TRIPS for least developed countries has been extended to 2032.

Bangladesh can significantly boost its pharmaceuticals exports on the back of the patent waiver as it is the only LDC that produces pharmaceuticals, according to the National API and Laboratory Reagents Manufacturing and Exports Policy.

Administration gave approval to Square Pharmaceuticals and Beximco Pharmaceu-ticals At present, oncology drugs are imported

but some of the local players like Renata, Beacon and Acme have heavily invested in the segment.

Although the sector has grown fast, the country largely relies on imports for raw materials in the absence of local active pharmaceuticals ingredients (API): about 95 percent of the Tk 5,000 crore worth of raw materials needed by the pharmaceutical sector are brought in from abroad.

This had led the government to come up In 2015, the US Food and Drug with the policy, which offers a host of incentives to encourage local manufacturing of raw materials for the pharmaceutical sector.

China's bankers have one too many balls in the air

Jianxin Property Leasing is seen in China.

consumer lending.