
SHAHJALAL ISLAMI BANK

**M Shahidul Islam, managing director of Shahjalal Islami Bank, opens its 116th branch at Vararia in Manikganj yesterday.**

# Amazon drops free shipping minimum in tussle for holiday sales

REUTERS

Amazon.com Inc said on Monday it would offer free shipping with no purchase minimum for the first time this holiday season, heating up the competition with Walmart Inc and other rivals vying for customers' Christmas shopping sprees.

The US-only promotion, effective from Nov. 5, waives the $25 minimum that customers outside Amazon's loyalty club Prime must hit for free shipping. The deal lasts until Amazon can no longer promise items in time for Christmas with free delivery, which typically takes five to eight business days.

The announcement could help Amazon sustain its rapid sales growth. Shares of the world's largest online retailer were hammered last month after it forecast the slowest rise in revenue at least since the start of 2016. The current quarter typically is Amazon's biggest.

Amazon cut its order minimum for free shipping to $25 from $35 indefinitely in May 2017.

Monday's news will pile pressure on Walmart and Target Corp, which in recent years have chipped away at Amazon's lead with their own offers of free two-day shipping.

While Walmart has maintained its $35 order threshold this holiday, Target has scrapped its minimum until Dec. 22. Just over half of all US households have a Prime subscription, analysts estimate. Prime remains the cornerstone of Amazon's business because shoppers buy more from the retailer once they pay $119 for the year-long membership. Perks include same-day shipping and video streaming.

Amazon is now courting those outside the club, hoping its brand and wider selection will set it apart. Free shipping can apply to hundreds of millions of items on Amazon, versus hundreds of thousands on Target. Target promises to deliver the items faster, however.

# Turkey annual inflation surges over 25pc

AFP, *Istanbul*

The annual inflation rate in Turkey rose above 25 percent in October, official statistics showed on Monday.

The 25.24 percent inflation rate marked a 0.72 percent increase compared to 24.52 percent in September.

The worst affected sectors included furnishing and household goods with 37.92 percent, according to the Turkish statistics office (TUIK).

The Turkish economy has been weakened by the dramatic fall of the lira against a backdrop of market mistrust toward President Recep Tayyip Erdogan's economic policies as well as tensions between Ankara and Washington.

There was a reprieve for the lira last month when the central bank increased its main policy rate -- the one week repo auction rate -- from 17.75 percent to 24 percent.

Jason Tuvey, emerging markets economist at London-based Capital Economics, said the "stronger-than-expected" October rise was unlikely to prompt further rate hikes.

# Vying for Vuitton: China's e-commerce rivals seek luxury stranglehold

REUTERS

China's online giants Alibaba and JD.com are taking their battle for relevance in the lucrative luxury goods market to a new level, as they aim to crack e-commerce tie-ups with top brands that usually shun selling through third parties.

From Hugo Boss to La Perla underwear, the online shopping giants have recruited dozens of labels since launching their rival luxury sites in mid-2017, touting their access to a trove of consumer data and their grip on local payments systems in the world's biggest market for high-end fashion.

But some of the most prized names have so far remained aloof, and the race is on to attract the likes of LVMH's Louis Vuitton: a brand notorious for only selling its handbags and other wares through its own stores and websites.

Both are banking that even elusive outsiders will tire of trying to fly solo in China, where potential clients shop far more by mobile phone apps than in the United States or Europe, and those in smaller, far-flung cities are hard to reach.

"It's a matter of time," said Xia Ding, the head of fashion at China's No.2 e-commerce player JD.com and of its luxury site Toplife, adding the platform had held talks with all major brands. That echoes a similar message from its bigger competitor Alibaba and its Luxury Pavilion platform.

As they chase labels, the firms are willing to go where the likes of Amazon will not.

That includes giving them control over their image and prices - some of which, like $97,926 Tiffany jewels, have reached eye-watering amounts - while offering advantageous fees compared with Western equivalents. And while some brands like Italy's independent Armani signed up early on to both sites, the platforms have since devised more elaborate deals to win over and retain others.


REUTERS/FILE

**A sign of China's e-commerce company JD.com is seen at its shop at a mall in Shanghai.**

Alibaba is developing a specific app for Chinese travellers with its most significant luxury client to date, Cartier-owner Richemont and its Net-A-Porter online shopping portal, and it teamed up with Italy's Moncler to sell a collection of its fancy puffer jackets designed solely for Pavilion.

Alibaba, behind mass market shopping sites Tmall and Taobao and YouTube equivalent Youku, has already bagged distribution or content-sharing alliances ranging from U.S. coffee behemoth Starbucks to Walt Disney.

JD - which counts Tencent Holdings Ltd, owner of social media platform WeChat, as an investor - also has partnerships with the likes of Walmart and Alphabet Inc's Google, helping it gain a foothold beyond China and Southeast Asia.

In luxury, it has cracked some top brands at LVMH's rival, Paris-based conglomerate Kering, signing Balenciaga, known for its luxury sneakers, and fashion house Saint Laurent on to Toplife.

Vuitton, one of the market leaders in the luxury sector with annual revenues estimated at more than 9 billion euros, is fiercely protective of its distribution as a means of controlling prices and supply.

That has helped Vuitton, and a handful of rivals such as Hermes, maker of $10,000-plus Birkin bags, sustain their status at the upper end of the luxury hierarchy, a high-margin sphere to which others like Britain's Burberry aspire.

In China, Vuitton - like Kering's Gucci or Hermes - has ventured online but on its own terms, with a WeChat store and a standalone e-commerce site launched in 2017 that it says is doing well, though it does not publish earnings.

"Everyone told me you couldn't go it alone in China, that no-one went to a 'brands.com' and I think we've proven that to be incorrect," Ian Rogers, who runs the digital operations at parent LVMH. "When you have a product people really want, they're going to get it the way that's possible to get it."

Chinese customers are critical for Vuitton and its peers, already accounting for at least a third of all industry sales. Many are starting to spend more at home rather than on overseas trips, encouraged by government measures such as cuts in import duties, leading labels to lower prices accordingly.

But while Vuitton has stores in 20 Chinese cities, it is relying like rivals on online sales to reach clients beyond that base.

"A third of potential buyers are in cities where there are no luxury stores. Their only access to products is e-commerce," said Sebastien Badault, Alibaba's managing director for France.

The group says it can give luxury brands visibility and access to those areas, and also crunch data from its more than 600 million online shopping clients to help them identify pockets of demand.

LVMH did not comment on what it would take for Vuitton to join forces with either of the Chinese players.

# Sri Lanka crisis scares tourists in fresh hit to economy

AFP, *Colombo*

A political crisis in Sri Lanka, where two prime ministers are fighting for power, is scaring away tourists and raising questions over foreign aid, ringing alarm bells for the economy as the currency slumps to record lows.

The turmoil in the Indian Ocean nation that has seen one premier refuse to be sacked, and another battle to prove a majority in a parliament that is banned from meeting, has caused major upheaval that Sri Lanka cannot afford.

Amidst warnings from politicians of a "bloodbath" if the dispute escalates, tourists are cancelling hotel bookings just as Sri Lankan beaches and major sites like the Temple of the Tooth prepare for peak season.

While no official figures have been given, deluxe hotels have reported cancellations and a critical decline in new bookings in the past 10 days.

"This comes at the worst possible time when people in Europe are making their holiday plans abroad," a Colombo city hotel executive told AFP. "We have had a lot of cancellations from the United States."

"With the political crisis our winter season is gone," the director of a luxury beach resort in the south of the island said. Western nations have warned their citizens to be on their guard in Sri Lanka.

"You should exercise vigilance and avoid all demonstrations or large political gatherings," a British government advisory said.

Tourism is a cornerstone of the economy. More than 2.4 million foreign holidaymakers visited last year, spending $3.2 billion. Authorities had been counting on a rise of more than 10 percent this year.

And whether Ranil Wickremesinghe stays in office or former president Mahinda Rajapakse takes his place, foreign earnings will be badly needed.

The Asian Development Bank had predicted the economy would grow by 3.8 percent this year and 4.5 percent in 2019, but all bets are now off.

The power vacuum has raised doubts over a $1.5 billion Japanese-funded light rail project and another $480 million of US finance for transport and health, a Wickremesinghe minister, Patali Ranawaka, said last week.

The International Monetary Fund (IMF) was about to announce an agreement on releasing a new tranche of a $1.5 billion loan when President Maithripala Sirisena sacked Wickremesinghe on October 26.

"We are monitoring the situation closely and we remain in contact with our counterparts at the technical level," an IMF spokesman said of the deepening power struggle.

Wickremesinghe, a market liberal, has insisted he is still in charge while strongman former leader Rajapakse -- already blamed for piling up the island's debt when he was president from 2005 to 2015 -- launched his rival administration last week with measures that caused new jitters.

Rajapakse, finance minister as well as head of government, reduced the price of fuel and other essential goods and cut taxes in a move to win over the public.

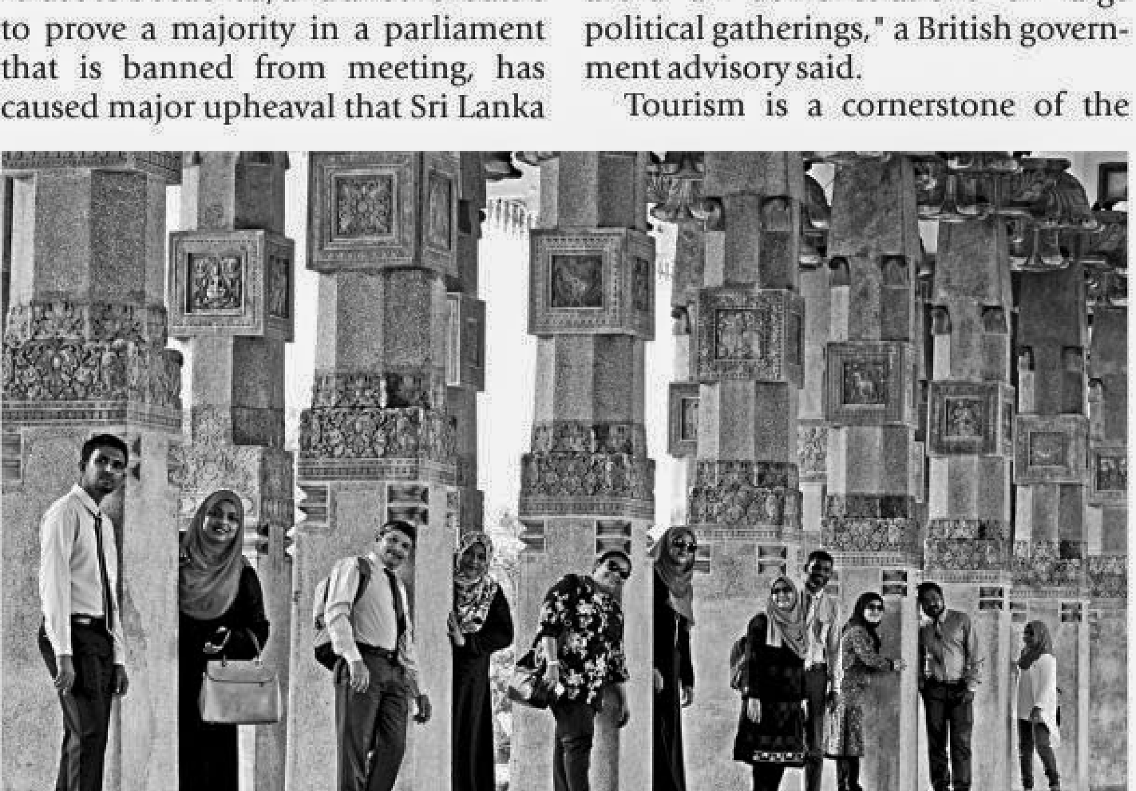
Treasury officials, who asked not to be named, said the revenue loss from the cuts could blow a new hole in the country's balance sheet.

Official figures show that Sri Lanka will have to start repaying a record $4.2 billion of debt in 2019, up from $2.8 billion this year.

The crisis broke just days after Finance Minister Mangala Samaraweera called for a "coalition of the willing" to stabilise the free-falling Sri Lankan rupee along with other emerging market currencies.

The rupee hit a record-low 177.32 to the dollar last week, despite official measures to arrest its decline.

The currency has shed more than 14 percent this year and Sri Lanka fears it could slide further as US sanctions squeeze Iran, the island's chief source of oil.



AFP

**Foreign tourists pose for photographers at Sri Lanka's Independence Memorial Hall, which was built to commemorate the country's independence from British rule, in Colombo yesterday.**


REHAB

**Alamgir Shamsul Alamin, president of the Real Estate and Housing Association of Bangladesh, presides over its annual general meeting at the Sonargaon hotel in Dhaka yesterday.**

# Eurozone ministers prepare for clash on Italian budget

AFP, *Brussels*

Exasperated eurozone finance ministers are expected to fall in behind Brussels in the row over Italy's budget on Monday, setting the stage for an unprecedented clash.

Italy's growth is down, its unemployment up and its debt colossal.

This would already be more than enough to cause deep concern as eurozone finance ministers meet for the first time since Brussels rejected Rome's 2019 budget.

But perhaps the most striking threat is not the grim economic data itself, but Rome's defiant attitude; Italy's populist government doesn't seem to want to play by the rules.

"Everyone is worried," a senior European Union official said, as several sources told AFP most of the 19 ministers would back the European Commission's tough stance.

Members of the single currency bloc have flouted collective budget guidelines before, but none so "openly and consciously" as the unrepentant populist coalition south of the Alps.

And this unprecedented provocation may draw an unprecedented response. If Prime Minister Giuseppe Conte's government doesn't fall into line, it could face huge fines.

"It would be inevitable," a senior European official told AFP.

Italy, and in particular its far-right vice premier Matteo Salvini, is not planning to back down, and seems even to relish the opportunity to thumb its nose at Brussels.

The government -- a coalition of Salvini's League and the anti-establishment Five Star Movement -- plans to run a public deficit of 2.4 percent of GDP -- three times the target of its centre-left predecessor.

On October 23, the EU Commission sent Rome a letter rejecting the budget -- a historic first, even if Italy is far from the first country to break the rules of the eurozone.

Italy has until November 13 to submit a revised budget, and President Sergio Mattarella has promised a "constructive dialogue" with Europe's institutions. But Salvini's response was stark: "No little letter will make us back down. Italy will never kneel again."

Brussels might have had more sympathy for Rome's decision to increase spending if the underlying economic situation had promised better times ahead.

But Italy's jobless rate is more than 10 percent, way above the eurozone average, and growth in the third quarter of this year ground to a halt at a stagnant zero percent.

The coalition's 2019 budget is based on the country experiencing an annual growth of 1.5 percent -- a figure considered optimistic by the IMF, which has forecast only one percent.

Conte insists the low growth rate is all the more reason to kickstart the economy through a spending spree, but Brussels fears the rising deficit could lead to a new debt crisis.

Italy already owes 2.3 trillion euros ($2.6 trillion), a sum equivalent to 131 percent of its GDP, and even if Brussels blinks and fails to punish Rome, the markets surely will.