

How Apple is losing its grip on India

REUTERS, Bengaluru

Software engineer Sameer Alam was ready to take the big leap and buy an iPhone in this week's Diwali festival sales, but at the last minute he opted for cheaper Chinese competitor OnePlus instead.

Alam, 27, spends hours on his phone watching shows, surfing and shopping, making him the perfect target for Apple Inc as it strives to raise sales among India's 1.3 billion consumers.

But in a country where the average per capita income is around \$2,000 a year, even the cheapest of this year's new iPhones, the XR at 76,900 rupees (\$1,058), costs twice as much as many of the alternatives.

Hong Kong-based Counterpoint Research says that iPhone sales are falling as a result. From three million phones in 2017, sales may sink to two million this year, according to their estimate, the first decline in four years.

More than half of those sales will come from cheaper older models, and the lack of progress in India was among problems cited by Chief Executive Officer Tim Cook when he gave a disappointing holiday outlook last week.

Even in the premium segment, smartphones that cost more than \$400, Apple lagged Samsung and China's OnePlus in the third quarter.

"I have never used an iPhone and I was keen on getting my hands on one but it didn't make sense," says Alam, who works for one of the raft of firms to have invested in the southern city of Bengaluru, often called India's Silicon Valley.

"I look for storage, camera and processor in phones and cheaper alternatives like OnePlus are more value for the money. The new iPhones cost almost 100,000 rupees - I

can get three good phones for that price or even a decent gaming laptop."

Solid Mac sales and the high unit price of iPhones meant Apple's total revenue of \$2 billion in India last year was still double that of OnePlus, which only sells mobile phones. But Counterpoint's data says that gap will also shrink.

OnePlus' India head Vikas Agarwal told Reuters this week that 10-15 percent of new customers in recent months have been defectors from Apple, suggesting even some loyalists are opting out of upgrading their handsets.

The company, facing down a handful of regulatory headaches, lost some of its top executives in India at the start of this year.

An Apple spokesman said the departures had nothing to do with the company's performance, but people familiar with the matter told Reuters that the departures were likely linked to the company changing its distribution system. Apple has cut the number of distributors in the country to two from five.

The sources, who declined to be identified because they have business relationships with Apple, also said company veteran Michel Columbe is still working on solidifying business relations since taking control of the Indian operation in December.

Apple declined to comment further.

Prime Minister Narendra Modi's government has sought to drive electronics producers into manufacturing locally by steadily moving tariffs up the supply chain from simple phone cases to sophisticated chipsets and boards.

Along with local firms like Lava, global smartphone giants including Samsung Electronics Co Ltd, Oppo and Xiaomi Corp have responded aggressively, investing millions of

dollars in plants around Bengaluru and Delhi tech hub Noida.

Apple is the only major player which does not manufacture phones in the country and it only assembles two low-cost older models through Wistron Corp in Bengaluru.

Industry experts say as a result the company still imports about 70-80 percent of its phones. That results in high import duties, which in turn make the phones expensive.

In the United States, the basic iPhone XR model costs \$749 or roughly 54,400 rupees, only two thirds of its retail price in India. Beyond that, while US phones are subsidized under deals with wireless carriers, Apple's phones in India are not.

"Apple doesn't have enough confidence ... in the Indian manufacturing system right now, to set up plants and move some of the manufacturing out of China," said analyst Navkendar Singh of tech consulting firm IDC.

"In the process they are losing around 15-20 percent of their tax incentive ... which they could have passed on to the consumer."

Diwali, the Festival of Lights, is peak selling time for electronics in India, but the Apple-licensed store in one of Bengaluru's big shopping malls was deserted this past Saturday.

"Features of the emerging phones are very similar to an iPhone," says salesman Aejaz Ahmed, adding volumes have fallen in the past few months. "It is very difficult to make out the difference from a distance because they even look so alike."

Sales staff at several stores in Bengaluru and nearby Chennai pointed to the launch this year of the latest OnePlus phone as a major problem for the US phonemaker. At 37,999 rupees, the Chinese company's 6T is half the price of the XR.



IPDC

Fire service officials conduct an educative session on earthquake and fire preparedness at an Education and Development Foundation school at Vatara in Dhaka yesterday. The school and IPDC Finance organised the two-day training.

Maldivian to run 4 Dhaka to Chennai, Male weekly flights

STAR BUSINESS DESK

Maldivian, the national carrier of Maldives owned and operated by Island Aviation Services, is set to commence an additional flight from Dhaka to Chennai and Male from November 15.

It currently operates three such flights at 4:20pm on Sunday, Wednesday and Friday, the airline said in a statement yesterday. The additional flight will run every Thursday at 4:00pm.

Commercial SMSs to boom on election campaigning

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To grab a bigger share of the political campaigning frenzy, the mobile operators are offering the service from their customer centres as well.

"Day by day our order numbers are increasing. I hope the public will understand the SMS marketing in this election time," said Zaman Khan, founder and chief executive officer of Zaman IT.



STANCHART

Naser Ezaz Bijoy, CEO of Standard Chartered Bank Bangladesh, and Nazia Jabeen, founder of Sporsho, an institute for the visually impaired, attend a deal signing ceremony at the latter's head office in Dhaka recently over sponsoring four Braille books, copies of which will be distributed among children for free at Amar Ekushey Boi Mela 2019.

KPCL's trading suspended

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"We have collected some money by issuing the bond. We have to collect all the money from the institutional investors so that we can support the market when it needs," said Mojib Uddin Ahmed, chairman of ICBC.

The benchmark index of the Dhaka stocks—DSEX—rose 37.85 points, or 0.72 percent, to close the day at 5,242.21.

Turnover, another important indicator of the DSE, rose 10.11 percent to Tk 484.48 crore.

SK Trims was the top traded stock with 48.51 lakh shares worth Tk 20.75 crore changing hands, followed by Saiham Cotton, VFS Thread Dyeing, BBS Cables and Intraco Refueling.

ML Dyeing was the day's best performer with a 9.97 percent gain while Peoples Leasing was the biggest loser, shedding 7.27 percent.

Gainers outnumbered losers by 206 to 80, while 49 securities remained unchanged.

The key index of the port city bourse also rose by 54.83 points before finishing the day at 9,735.66.

The port city bourse traded 66.71 lakh shares and mutual fund units worth Tk 21.93 crore.

\$200m ADB loan to improve rural roads

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According to the ADB, only about 40 percent of the rural population has access to all-weather roads, and these roads make up only 28 percent of the total length of rural roads in the country.

The aim is to increase the percentage of rural roads classified as good from 43 percent in 2016 to 80 percent in 2020.

The ADB project will support this by improving about 1,700 kilometres of rural roads to all-weather standards in 34 districts.

Selection of roads takes into consideration factors such as population size, agricultural potential, the number of farms and commercial

establishments, and economic potential.

A particular priority is those roads damaged by flashfloods in 2017. The roads will be designed with safety features, including signage, guard posts, and speed breakers.

The roads will be covered under contractual maintenance for five years after the date of construction on a pilot basis.

The total cost of the project, which is due for completion in November 2023, is \$285.31 million.

The ADB will provide a concessional loan of \$100 million and a regular loan of \$100 million. The government will provide the remaining \$85.31 million.

Salt tainted with sodium sulphate is being sold: millers

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"The country's salt industry is facing a tremendous setback for reasons such as the increase of import of sodium sulphate," said Nurul Kabir, president of the samity, at a press conference at a Dhaka hotel.

The association estimates that farmers would produce around 15 lakh tonnes of salt against a demand of around 20 lakh tonnes this year. The remaining five lakh tonnes need to be imported, said Kabir.

Taking advantage of the shortfall and government delays in allowing import, dishonest traders are importing sodium sulphate and mixing them with salt

before marketing as edible salt, said the association.

"Thousands of tonnes of sodium sulphate are imported through the Chittagong port regularly. This has nearly caused the closure of local salt mills. The use of such salt in food poses serious health risks," said Kabir.

He said the BSCIC estimates that salt shortfall this year would be 1.28 lakh tonnes.

Yet no decision has been taken regarding salt import, he said, adding that in the last two years the industries and commerce ministries jointly approved salt import without taking

the BSCIC estimates into consideration.

Salt import doubled year-on-year to 5 lakh tonnes in fiscal 2017-18 from 2.5 lakh tonnes the previous year, according to the samity.

The demand for unrefined salt was 16.57 lakh tonnes in 2017-18. Local production was 13.25 lakh tonnes as of April 2018, according to data on the BSCIC website.

Kabir also urged the government to introduce farmer-friendly policies to save the sector, which provides a livelihood to hundreds of farmers, workers and millers.



Ref: 36.06.0000.025.07.432.18.1-10

Date: 08.11.2018

Invitation for International Tenders

GOVERNMENT OF THE PEOPLE'S REPUBLIC OF BANGLADESH				
1	Ministry/Division	Ministry of Industries		
2	Agency	Bangladesh Industrial Technical Assistance Centre (BITAC)		
3	Procuring Entity Name	Project Director, "Strengthening of BITAC for the Establishment of an Institute for Tool Technology with Common Testing Facilities" Project. BITAC, 116 (kha), Tejgaon I/A Dhaka-1208.		
4	Procuring Entity Code	224057200		
5	Procuring Entity District	Dhaka		
6	Invitation for	Procurement of Work Shop Machineries, Training Equipments for Training and Demonstration.		
7	Invitation Ref No & Date	36.06.0000.025.07.432.18.1-10, Date: 08/11/2018.		
8	Procurement Method	Open Tender Method (International)		
9	Budget and Source of Funds	GOB		
10	Development Partners (if applicable)	Not applicable		
11	Project/Programme Code (if applicable)	224057200		
12	Project / Programme Name (if applicable)	Strengthening of BITAC for the Establishment of an Institute for Tool Technology with Common Testing Facilities.		
13	Tender Package No.	BITAC Tool. GD6, GD7, GD10, GD12, GD13, GD15, GD17, GD18, GD19, GD20.		
14	Tender Package Name	1. Package no: GD6: CNC Machining Centre 2. Package no: GD7: CNC Lathe 3. Package no: GD10: Pneumatic & Hydraulic System/work station 4. Package no: GD12: Cutting Tool 5. Package no: GD13: Metrology	6. Package no: GD15: PVD 7. Package no: GD17: CNC Grinding 8. Package no: GD18: EDM/Wire cut 9. Package no: GD19: Tool Making 10. Package no: GD20: Testing equipments	
15	Tender Publication Date	Date 08/11/2018		
16	Tender Last Selling Date	30/12/2018		
17	Tender Closing Date and Time	Date 31/12/2018		Time 11.00am
18	Tender Opening Date and Time	31/12/2018		11.30am
19	Name & Address of the office(s)	Address		
	-Selling Tender Document (Principal)	Accountant, Tool institute Project, 1st floor, Administrative Building, Bangladesh Industrial Technical Assistance Centre (BITAC), Tejgaon Industrial Area, Dhaka-1208.		
	- Selling Tender Document (Others)	Not Applicable		
	- Receiving Tender Document	Project Office, BITAC Premises, 116 (kha), Tejgaon I/A Dhaka-1208		
20	- Opening Tender Document Place / Date / Time	Conference Room, Admin, Building, Ground Floor BITAC, Dhaka/ 31/12/2018 at 11:30AM		
	Pre-Tender Meeting (Optional)	03/12/2018 at 11:00 AM		
INFORMATION FOR TENDERER				
21	Eligibility of Tenderer	(i) The tenderer shall have a minimum of 3(Three) years experience in supplying goods and related services (ii) Tenderer must have up to date trade license, up to date income tax payment certificate, VAT registration Certificate and bank solvency certificate.		
22	Brief Description of Goods or Works	1. Package no: GD6: CNC Machining Centre 2. Package no: GD7: CNC Lathe 3. Package no: GD10: Pneumatic & Hydraulic System/work station 4. Package no: GD12: Cutting Tool 5. Package no: GD13: Metrology	6. Package no: GD15: PVD 7. Package no: GD17: CNC Grinding 8. Package no: GD18: EDM/Wire cut 9. Package no: GD19: Tool Making 10. Package no: GD20: Testing equipments	
23	Brief Description of Related Services	Not Applicable		
24	Price of Tender Document	Each package: Tk. 2,000.00 (Non Refundable)		
	Package No	Identification of Package	Location	Tender Security Amount (Tk. in Lac)
	GD6	CNC Machining Centre	Project office, Tool Institute Project, BITAC, 116 (kha), Tejgaon I/A Dhaka-1208.	18.50
	GD7	CNC Lathe	- do -	11.00
	GD10	Pneumatic & Hydraulic System/work station	- do -	5.50
	GD12	Cutting Tool	- do -	4.00
	GD13	Metrology	- do -	6.50
	GD15	PVD	- do -	2.30
	GD17	CNC Grinding	- do -	7
	GD18	EDM/Wire cut	- do -	3.20
	GD19	Tool Making	- do -	3.20
	GD20	Testing equipments	- do -	4.00
				Completion Time in Weeks / Months
				4 (four) months from the date of contract signing
				4 (four) months from the date of contract signing.
				5 (five) months from the date of contract signing.
				4 (four) months from the date of contract signing.
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				4 (four) months from the date of contract signing.
PROCURING ENTITY DETAILS				
25	Name of Official Inviting Tender	Dr. Syed Md. Ihsanul Karim		
26	Designation of Official Inviting Tender	Project Director		
27	Address of Official Inviting Tender	Tool Institute Project BITAC, 116 (kha), Tejgaon Industrial Area, Dhaka-1208.		
28	Contact details of Official Inviting Tender	Tel:880-02-8870727	E-mail: pd_tool@bitac.gov.bd	Fax No.880-02-70728
29	Approving authority reserves the right to accept or reject any or all tenders without assigning any reason whatsoever.			
30	The advertisement can be seen at BITAC website address: https://www.bitac.gov.bd & cptu website.			