



A man unloads groceries from a vehicle at a dark store of the SoftBank-funded Blinkit, an Indian company which is offering 10-minute deliveries for groceries, in New Delhi on January 19.

PHOTO: REUTERS

Delivery race among Indian grocery startups brings road safety risks

REUTERS, New Delhi

Indian grocery startups are luring tech-savvy customers with the promise of deliveries within 10 minutes, sparking a boom in “quick commerce”, but heating up concerns about road safety as bike riders scramble to meet tight deadlines.

Competition is already intense in India’s \$600-billion grocery retailing industry, populated by the likes of Amazon, Walmart’s Flipkart and Indian billionaire Mukesh Ambani’s Reliance.

Now SoftBank-backed Blinkit and its rival Zepto are racing to hire staff and open stores in their bid to grab a share of the market by offering the convenience of delivery in 10 minutes, far lower than the hours, or days competitors take.

Their mission: pack groceries within a few minutes at so-called dark stores, or small warehouses in densely populated neighbourhood buildings, and send bike riders to nearby locations with about seven minutes to spare.

“It’s a threat to the larger players,” Ashwin Mehta, a lead IT sector analyst at India’s Ambit Capital, told Reuters. “If people get used to 10 minutes, those

companies offering 24-hour deliveries will be forced to reduce their timelines.”

As activity grows, research firm RedSeer says India’s quick commerce sector, worth \$300 million last year, will swell 10-15 times to touch \$5 billion by 2025.

Blinkit and Zepto, started by two 19-year-old dropouts from Stanford, have caught consumers’ fancy, satisfying cravings for food and impulse shopping, as well as urgent needs for daily supplies.

“This is very convenient, it has made a lifestyle change,” said Sharmistha Lahiri, who now turns to Blinkit to fill the gap when ingredients suddenly run out in her kitchen, from tomatoes for soup to chocolate icing for a cake.

The 75-year-old, who lives in the city of Gurugram near the capital, New Delhi, was a keen user of Amazon and Indian conglomerate Tata’s online grocer BigBasket, but prizes Blinkit’s rapid response in such situations.

The unbeatable convenience of rapid deliveries is evident in Europe and the United States, where companies such as Turkey’s Getir and Germany’s Gorillas are expanding fast, but India’s accident-

prone roads make quick commerce a dangerous business.

“Ten minutes is very sharp,” said a former road secretary, Vijay Chhibber. “If there was a (road safety) regulator, it would have said this can’t be a company’s unique selling point.”

Blinkit and Zepto did not respond to queries from Reuters.

Even in cities, most roads are riddled with potholes, while cattle or other animals straying into traffic present a frequent challenge for motorists, who often violate basic rules.

Last year, the World Bank said India had a death every four minutes on its roads. Crashes kill about 150,000 people each year.

All the 13 drivers for Blinkit and Zepto whom Reuters interviewed in the key cities of Mumbai, New Delhi and Gurugram said they faced pressure to meet delivery deadlines, which often led to speeding, for fear of being rebuked by store managers.

“We get five to six minutes and I feel tense and fear for my life,” said one Blinkit driver, who sought anonymity.

In August, Blinkit’s chief executive said on Twitter that riders were not

penalised and could deliver “at their own pace and rhythm,” as dark stores are always near destination sites.

Delivery riders disagreed. In their rush, many of them told Reuters, they mark orders as having been delivered even before they get to the destination.

And if a customer complained about the practice, they faced a penalty of 300 Indian rupees (\$4.03). A Blinkit app screenshot provided by one driver showed the term, MDND, or “Marked Delivered, Not Delivered” used to designate such items.

Frustration was also on display in the conversation on a WhatsApp group of Blinkit riders in Mumbai reviewed by Reuters.

“Ban this 10-minute (delivery),” said one user, after pictures were posted of a rider said to have been injured in a deadline rush.

The concerns reflect the dark side of India’s booming gig economy, in which workers often say they feel shortchanged or battle tough working conditions.

Blinkit calls its service “indistinguishable from magic” and says it wants to become a \$100-billion business.

Ibn Sina, Meghna see profits rise

STAR BUSINESS REPORT

The Ibn Sina Pharmaceuticals Industry Ltd said its profits shot up 28 per cent in the July-December period of the 2021-22 financial year, buoyed by its marketing drive to boost sales.

The drug maker said its earnings per share (EPS) rose to Tk 10.49 in the first half of the current financial year ending in June, up from Tk 8.19 a year ago. The company’s second quarter earnings also edged up for the same reason.

“We added new products to our basket as the overall pharmaceutical market is growing,” said Md Kabir Hossain, company secretary of Ibn Sina Pharmaceuticals.

Stocks of Ibn Sina Pharmaceuticals closed at Tk 293.20 at the Dhaka Stock Exchange (DSE) yesterday, up 1.10 per cent from the previous day.

However, the company reported a decline in its net operating cash flows per share (NOCFPS) as it fell to Tk 9.74 in the six months leading up to December 2021, down 7 per cent year-on-year from Tk 10.48.

The drug maker’s consolidated net asset value per share rose 7 per cent to Tk 74.49 as of December 31, 2021, from Tk 68.69 at the end of June the same year.

Meanwhile, Meghna Petroleum said its earnings grew only 4 per cent in the first six months of the 2021-22 financial year even though it recorded a 14 per cent spike in its net profit during the October-December period.

Reza Md Riazuddin, company secretary of Meghna Petroleum, said falling bank interest rates on deposits affected its income.

The state-run petroleum marketing company registered EPS of Tk 12.74 in the July-December of the current financial year, up from Tk 12.24 a year ago, the company said in a filing with the DSE. Its earnings in the October-December period rose to Tk 6.51 from Tk 5.70 in the same period in 2020.

Stocks of Meghna Petroleum declined marginally to hit Tk 208.50 at the DSE.

NOCFPS of Meghna Petroleum increased in the first six months of the current financial year. Its net asset value per share also grew at the end of December, 2021.

Jamuna Bank, Hotel Sea Pearl sign agreement

STAR BUSINESS DESK

Jamuna Bank Ltd recently signed an agreement with Hotel Sea Pearl Beach Resort and Spa in Cox’s Bazar.

Mohammed Fazlur Rahman Chowdhury, deputy managing director of the bank, and Azeem Shah, group general manager of the hotel, signed the agreement at Jamuna Bank Tower in Dhaka, according to a press release.

Under the agreement, the credit card holders of the bank will enjoy “Buy 1, Get 1” free buffet lunch and dinner at Kasbah restaurant round the year.

Mirza Elias Uddin Ahmed, managing director of the bank, and AKM Atiqur Rahman, deputy managing director, were present.

Green logistics: the ultimate future

FROM PAGE B4

Emissions from ships have much more significant environmental effects. Many ships go internationally from port to port for long sails that contribute to air and water pollution during their voyages. In this scenario, the world think tank is devising policies to reduce these emissions from ships by using evolving green technologies to introduce green logistics globally.

HOW ADVANCED COUNTRIES ARE SHIFTING TO GREEN LOGISTICS

Governments around the world are adopting various measures to combat rising global warming, including reducing emissions and using green energy and advanced technologies. Large companies want to reduce the disproportionate share of oil consumption and cut greenhouse gas emissions by adopting fuel efficiency and devising emissions-control technologies.

Several of the world’s leading logistics companies are now incorporating this issue into their business strategies. They are adjusting their objectives to make a difference in the existing transportation systems.

It also applies to their partnership with their customers and service providers. They encourage and assist their customers in implementing measures that promote environmental sustainability.

Global logistics firms are laying out environmental policies with the help of their environment team, global product heads, and green teams all over the world to put

in place steps to reduce carbon gases. Corporate organisations analyse their customers’ supply chains and recommend sustainable strategies such as modal changes, supply chain speed optimisation, warehouse space optimisation, freight consolidation, and data-driven decision making.

Green freight programmes promote these technologies and practices across the freight sector to help cut costs, track carbon – emissions and benefit the environment.

The advanced logistics companies hope to improve the real-world energy efficiency and environmental performance of freight systems through the projects, which will focus on technology and its effects on supply chain operations. They maintain a close eye on policies that enhance regulatory efficiency, market-based initiatives, and budgetary measures.

They are working together on several action plans aimed at developing and aligning green freight programmes around the world while also reducing short-lived climate pollutants like black carbon.

The action plan has received support from over 50 organisations and governments, creating a platform for global and regional cooperation. Furthermore, global retailers have pledged to use ocean freight services only powered by zero-carbon marine fuels.

RECOMMENDATIONS
B a n g l a d e s h ’ s government is prioritising

climate change in its policymaking to take measures to cut carbon emissions and effectively confront any disaster caused by global warming.

Air and water pollution are high in urban areas. Adopting green logistics systems is a way that can help the country control pollution by imposing and devising rules and policies.

Existing ports, inland container terminals, depots, and a variety of other facilities could be brought under an integrated service system under which ships will travel fewer, shorter routes and use environmentally friendly logistics systems to ensure green growth in the country by creating jobs, reducing environmental pollution, ensuring sustainable resource use, proper waste management, and introducing renewable energy-powered vehicles.

Waterways and railways are still underutilised though these are environment friendly and can reduce the dependency on transportation by road and logistics costs.

Bangladesh has a better opportunity to use river transportation for domestic supply chain management, thus saving costs and supporting the environment. The government should expedite the river dredging process and protect the rivers from filling up.

Besides, the authorities must build a sufficient number of modern river ports supported by adequate technology and required facilities.

A supply chain requires all of its parts to function smoothly all the time.

Failures are not isolated to one segment, nor can they be fixed with a simple increase in prices or fees, or by some rapid changes in techniques. Any temporary or short-term initiatives to overcome these challenges are not going to resolve the current bottleneck. We need a comprehensive overhaul of the entire landside operations.

The writer is a logistician and president of the AmCham in Bangladesh

Meghna Bank wins global recognition

STAR BUSINESS DESK

Meghna Bank Ltd has received the “Fastest Growing Corporate Bank in Bangladesh” award from The Global Economics, a UK-based business, financial publication and a bi-annual business magazine.

Kimiwa Saddat, head of corporate banking at Meghna Bank, received the award from Said Zatar, chief executive officer of Contact Financial Holdings in Egypt, at Sangri La Hotel in Dubai recently, said a press release.

“This international award is an endorsement of our ongoing efforts towards the transformation we are aiming at,” said Sohail RK Hussain, managing director of Meghna Bank.

Sania Al Ansari, chairman of Ansari Group in the UAE, Rami I Dokani, secretary general of Arab Federation of Capital Market, were present.

Standard Bank holds annual business conference

STAR BUSINESS DESK

Standard Bank Ltd (SBL) virtually held its Annual Business Conference-2022 recently.

Khondoker Rashed Maqsood, managing director of the bank, presided over the conference, said a press release. Kazi Akram Uddin Ahmed, chairman of the bank, presented a keynote at the virtual event.

Ahmed emphasised on providing quality services and providing dynamic multipurpose banking services based on modern technology in order to continue the trend of improvement of the bank.

Md Touhidul Alam Khan, additional managing director, Mohammad Rafiqul Islam and M Latif Hasan, deputy managing directors, Md Mohon Miah, coordinator of SBL Islami Bank conversion project, Alkona K Choudhuri, head of the human resources division, and Md Ali Reza, acting company secretary, were present.

Lufthansa eyes 40pc stake in Italy’s ITA

AFP, Rome

German airline Lufthansa is set to take a 40 per cent stake in Italian national carrier ITA Airways, Italy’s Il Foglio newspaper reported Saturday, suggesting the deal could be announced next week.

A spokesman for ITA, which was formed out of the ashes of loss-making Alitalia, declined to

comment but said a strategic plan would be presented to the company’s board on January 31.

The spokesman added that a data room – a secure place to store key financial documents, often to allow due diligence before a merger or acquisition – would be opened “in the following days”.

According to Il Foglio, Lufthansa will buy 40 per cent of ITA in a

deal that includes making Rome’s Fiumicino airport a hub for direct flights to Africa and part of the US route.

It said the deal would need approval from the European Commission.

Loss-making Alitalia was placed under state administration in 2017 but Italy struggled to find an investor to take it over.



Ahsan-uz Zaman, managing director of Midland Bank, virtually inaugurates the bank’s Annual Business Strategy Summit 2022 for institutional banking, treasury and offshore banking on Saturday. Md Zahid Hossain, deputy managing director of the bank, was present.

PHOTO: MIDLAND BANK



Morshed Alam, chairman of Mercantile Bank, virtually inaugurated the bank’s Strategic Business Conference-2022 yesterday. ASM Feroz Alam and Md Abdul Hannan, vice-chairmen, Md Quamrul Islam Chowdhury, managing director of the bank, Akram Hossain, chairman of executive committee, MA Khan Belal, chairman of Mercantile Bank Securities, attended the conference.

PHOTO: MERCANTILE BANK