

business

Focus on cashless economy

CBB presents plan for digital transformation to financial institutions

● The objective of the workshop was to outline and clarify the CBB's proposed digital transformation initiatives

TDI | Manama

Bahrain's digital transformation initiatives got a big boost yesterday with the Kingdom's top bank outlining a strategic plan to gradually shift to a digital system and reduce the use of cash in financial transactions.

The move, in line with the directives of HM King Hamad bin Isa bin Salman Al Khalifa to undertake the development of a comprehensive national plan to meet the needs of the digital economy and Artificial Intelligence (AI), was discussed during an awareness workshop on CBB's digital transformation strategy.

The workshop held yesterday at Capital Club Bahrain was attended by Governor Rasheed Al Maraj, CBB executive man-



Governor Rasheed Al Maraj speaking during a workshop on digital transformation strategy at Capital Club Bahrain

agement and over 100 c-suite level representatives from financial institutions across the Kingdom.

The workshop included details of the strategic plan and the CBB's vision for digital transformation in addition to the projects that the CBB intends to implement to introduce the latest electronic payment and settlement products to gradually shift to digital systems and reduce the use of cash in financial transactions, there-

by facilitating the provision of banking services to individuals and institutions.

The objective of the workshop was to outline and clarify the CBB's proposed digital transformation initiatives to financial institutions and to encourage these institutions to accelerate their transition and stay up to date with technological developments to ultimately benefit the national economy and be in line with international best practices.

As part of its digital transformation strategy, the CBB has previously established a Fintech and Innovation Unit, launched a Regulatory Sandbox for financial technology startups and existing financial institutions, and provided a license for digital banks.

The CBB said it will continue its efforts in this field in coordination with the financial sector and provide all facilities to license these new banking services.

UK economy stalls, as Bank of England eyes rate cut



Pressure is growing on the Bank of England to lend the economy a helping hand

● Gross domestic product contracted 0.3 per cent in November

● Manufacturing meanwhile slumped 1.7pc

London

Britain's economy has stalled, official data showed yesterday, as Brexit and political uncertainty contributed to slashing manufacturing output, heaping pressure on the Bank of England to cut interest rates.

Gross domestic product contracted 0.3 per cent in November, the Office for National Statistics said in a statement. It grew only 0.1 per cent in the three months to the end of November, the ONS added.

Manufacturing meanwhile slumped 1.7pc in November.

Speaking ahead of the data a Bank of England policymaker, Gertjan Vlieghe, hinted at a potential vote in favour of a January cut to the BoE's main interest rate, weighing on the pound Monday.

It followed comments Friday by fellow policymaker Silvana Teneyro, who said she could support a rate cut from the current 0.75-percent level, if the economy did not strengthen.

And on Thursday, the bank's outgoing governor, Mark Carney, said the monetary policy committee was looking at the merits of near-term stimulus.

As for the latest GDP data, "a poor performance in November was always on the cards given that the uncertainties facing the economy were at a peak with the general election looming and doubts over what would happen on the Brexit front after it had been delayed again from 31 October", noted Howard Archer, chief economic advisor to financial researchers EY ITEM Club.

"It is clear that businesses were cautious in their behaviour while it also appears that consumers were reluctant to spend."

British Prime Minister Boris Johnson's Conservatives convincingly won a general election in December that has broken the deadlock over the UK's departure from the European Union.

Britain's parliament last week finally approved Brexit, ending years of arguments that toppled two UK governments.

"We expect the economy to get a lift in the early months of 2020 from a more settled domestic political environment following the Conservatives substantial win... and an easing of near-term Brexit uncertainties as the UK leaves the EU with Johnson's deal on 31 January," said Archer.

Walmart sacks 56 executives in India as part of restructuring



A man pushes shopping trolleys at a Walmart India's Best Price Modern Wholesale store in Jammu

Reuters | New Delhi

Walmart Inc, the world's largest retailer, has fired 56 of its executives in India as it restructures in the country.

The Bentonville, Arkansas-based company currently operates 28 wholesale stores in the Asian country where it sells goods to small shopkeepers, and not to retail consumers.

Eight of the 56 executives fired were in "senior management" roles and the rest from middle or lower management, Krish Iyer, President and CEO of Walmart India said in a statement.

"We are also looking for ways to operate more efficiently, which requires us to review our corporate structure to ensure that we are organised in the right way," Iyer said, adding the fired executives had been offered enhanced severance benefits.

India orders antitrust probe of Amazon, Walmart's Flipkart

Reuters | New Delhi

India ordered an investigation of Amazon.com Inc and Walmart's Flipkart yesterday over alleged violations of competition law in the latest setback for US e-commerce giants operating in the country.

The Competition Commission of India (CCI) said it was ordering a wider probe following a review of allegations that Amazon and Flipkart were promoting some "preferred sellers" and in turn hurting business for other, smaller sellers.

Flipkart is "fully compliant" with all laws and is currently reviewing the CCI order, Senior Vice President Rajneesh Kumar said.

Amazon said: "We welcome the opportunity to address allegations made about Amazon; we are confident in our compliance, and will cooperate fully with the CCI."

Amazon boss Jeff Bezos is expected to visit India for potential meetings with government officials this week.

The complaint against the two companies was filed by Delhi Vyapar Mahasangh, a group representing small- and medium-sized businesses. They alleged that several of Amazon and Flipkart's preferred sellers were affiliated with, or controlled by, the companies themselves, either directly or indirectly.

In its 11-page order, the CCI noted four alleged anti-competitive practices: exclusive launch



People move past a hoarding of Amazon India outside a metro rail station in New Delhi, India

of mobile phones by the e-commerce firms, promoting preferred sellers on their websites, deep discounting practices and prioritising some seller listings over others.

"Exclusive launch (of mobile phones) coupled with preferential treatment to a few sellers and the discounting practices create an ecosystem that may lead to an appreciable adverse effect on competition," the order said.

The CCI said its investigation unit should complete the probe within 60 days, but typically such cases have taken far longer. Walmart in 2018 invested \$16 billion to buy a majority stake in India's Flipkart, its biggest ever deal.

The CCI probe will be the latest setback for the U.S. companies that were last year hit with more stringent foreign

investment rules. Some of the allegations reviewed by the CCI have been long levelled against both companies.

Indian brick-and-mortar traders allege Amazon and Flipkart violate the country's foreign investment rules and burn billions of dollars to offer steep discounts that hurt smaller traders. The two companies say they are in compliance with all rules.

In a recent study, the CCI said India's was the fastest growing e-commerce market with revenue this year expected to reach \$120 billion, triple its size in 2017.

"The e-commerce sector is plagued with several issues, any adverse action by the CCI could scuttle the growth of the sector," said Ram Kumar Poonachandran, competition law lead at law firm TT&A.

JPMorgan puts senior credit trader on leave over WhatsApp use - BBG



Reuters

A senior JPMorgan Chase & Co credit trader, Edward Koo, was placed on leave as the bank reviews whether he broke its policies by using WhatsApp group chats with colleagues, Bloomberg reported yesterday.

The discussions included

market chatter and the probe hasn't indicated any improper activity so far, according to the report, which cited people with knowledge of the matter.

The bank hasn't ruled out taking action against other members of the group, Bloomberg reported.

A spokesman for JPMorgan declined to comment.