

Amazon to pull plug on China retail operations

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Shanghai, China

Amazon plans to close down its online retail operations that cater to consumers in China in an apparent admission of defeat to local e-commerce rivals such as Alibaba and JD.com, a report said yesterday.

The US e-commerce pioneer will maintain other operations in China such as Amazon Web Services (AWS), Kindle e-books and cross-border teams that help ship goods from Chinese merchants to customers abroad, Bloomberg News said, citing unidentified people familiar with the plans.

Beginning on July 18, the company's Chinese website, Amazon.cn, will feature only diminished offerings sourced from its global network, the report said.

An Amazon spokesperson did not explicitly confirm plans to throw in the towel on domestic e-commerce, but said the company was looking to focus more on cross-border sales.

"Over the past few years, we have been evolving our China



Representative picture (Courtesy of Fortune)



Founded by Jeff Bezos 25 years ago, Amazon in January became the world's biggest publicly traded company by market value and dominates in the United States and other markets.

online retail business to increasingly emphasise cross-border sales, and in return we've seen a very strong response from Chinese customers," the spokesperson said in a statement emailed.

The company was making "operational adjustments to focus our efforts on cross-border sales in China", the statement said.

E-commerce is just as popular with consumers in China -- if not more -- than it is in the United States, due to cheap delivery costs and a less-developed bricks-and-mortar retail landscape.

But Amazon has struggled to make headway in China, where a host of nimble rivals led by Alibaba and JD.com have capitalised on domestic supplier networks and a deeper understanding of Chinese consumers to gobble up market share before Amazon could gain a foothold.

Barely a dent

Amazon has tried to make a go of it on China retail, investing in logistics and acquiring Chinese online book seller Joyo in 2004.

But it has barely made a dent. The firm occupied just 0.6 percent of Chinese business-to-consumer online retail in the fourth quarter of 2018, with Alibaba's Tmall taking 61.5 percent, and JD.com 24.2 percent, according to China-based Internet consultancy Analysys.

Li Chengdong, founder of the Beijing-based internet financial research house Dolphin Think Tank, said Amazon was hurt by not adapting to what works in China.

"Amazon has been unwilling to localise in China, which feels kind of arrogant," Li said.

"They still insist on American-style web pages and do not promote merchandise during

the 'Double 11' shopping season, in which Chinese e-commerce companies Alibaba and JD put a lot of effort."

"Double 11", also called "Singles' Day" refers to an annual shopping extravaganza that takes place each November 11 and in which tens of billions of dollars worth of merchandise is bought, in China's answer to the US "Black Friday" shopping day.

The Amazon statement said that "we will continue to invest and grow in China across Amazon Global Store, Global Selling, AWS, Kindle devices and content".

Bloomberg News called the move the latest sign that Amazon, due to the difficulty competing with Chinese rivals, would focus its overseas attention on India's growing market.

Amazon opened an India website in 2013 and has invested heavily in logistical infrastructure.

Jeff Bezos



Samsung to inspect Galaxy Fold phones after reviewer complaints

● Samsung spent nearly eight years developing the Galaxy Fold

Seoul, South Korea

Samsung announced yesterday it will inspect units of its highly anticipated folding smartphone after some reviewers reported screen damage.

A handful of US-based reporters were given the flagship Galaxy Fold phones, priced at \$1,980, ahead of the model's official release next week, and they reported screen issues within days of using the devices.

"The screen on my Galaxy Fold review unit is completely broken and unusable just two days in," Bloomberg's Mark Gunman tweeted.

And Dieter Bohn of The Verge said: "Something happened to my Galaxy Fold screen and caused a bulge... It's broken." Samsung spent nearly eight years developing the Galaxy Fold, which is part of the South Korean tech giant's strategy to propel growth with groundbreaking gadgets.

"We will thoroughly inspect these units in person to deter-



Courtesy of @markgurman

mine the cause of the matter," Samsung said in a statement after reports of the screen damage emerged.

The firm suggested some reviewers encountered screen failures because a section of the display was removed.

"The main display on the Galaxy Fold features a top protective layer, which is part of the display structure designed to protect the screen from unintended scratches," it said.

"Removing the protective layer or adding adhesives to the main display may cause damage. We will ensure this information is clearly delivered

to our customers." Some of the reviewers, including Bloomberg's Gunman, had removed this layer.

CNBC's Steve Kovach said he had not, but still faced major problems with the device.

Samsung is the world's biggest smartphone maker, and earlier this month launched the 5G version of its top-end Galaxy S10 device.

But despite the recent announcements about its new high-end devices, Samsung has warned of a more than 60 percent plunge in first-quarter operating profit in the face of weakening markets.

Pinterest prices IPO at \$19

San Francisco, United States

Pinterest on Wednesday announced it would price its initial public offering at \$19 a share to begin trading on Wall Street the following day.

The online bulletin board popular among women is offering 75 million shares on the New York Stock Exchange with 11.25 million extra if required, raising between \$1.4 and \$1.6 billion, and will trade under the symbol "PINS."

At \$19, the introductory price is above the range \$15-\$17 that was predicted and which valued the company at \$11 billion.

It comes in the wake of a



Launched in 2010, Pinterest is a virtual bulletin board platform, with users decorating their boards with pictures showcasing interests including food, fashion, travel and lifestyle.

lackluster market debut for ride-sharing platform Lyft, which began trading in March at \$72 and closed at \$59.51 on Wednesday.

Pinterest, which claims 250 million users, unveiled its plans to enter the stock market last month, one of the many tech startups to go the IPO route this year, after Lyft and before the expected entries of Uber, Airbnb, and Slack.

Pinterest said it had a turnover of \$755.9 million in 2018, just under twice the 2017 fiscal year, and a net loss of almost \$68 million, down to about half the figure for the year before.

Boeing conducts final test flight of 737 MAX with software fix

Washington, United States

Boeing has conducted a final test flight of a 737 MAX model with an updated anti-stall system prior to its certification by aviation authorities, the aerospace manufacturer said Wednesday.

CEO Dennis Muilenberg tweeted a video where he said the test flight was carried out on Tuesday, adding that test pilots have completed 120 flights totaling more than 203 hours

All 737 MAX aircraft have been banned from the world's skies since days after the Ethiopian Airlines crash on March 10

of airtime with the software fix for the Maneuvering Characteristics Augmentation System (MCAS).

Investigators have zeroed in on the system as a factor behind the Lion Air and Ethiopian

Airlines crashes in October and in March respectively, killing nearly 350 people in total.

In both cases, the planes nose-dived shortly after takeoff, signaling a problem in a system that was deployed to correct for an aerodynamic issue that tended to cause the plane's nose to pitch up. "More than 85 percent of the 50-plus MAX operators around the globe also have had the opportunity to see the update in action during simulator sessions," added Muilenberg.