



NEWS HIGHLIGHTS

Fintech investment hits new highs as market matures

Blockchain adoption will increase rapidly in 2019

Freecharge starts lending to existing Axis Bank customers through the wallet

Bus Aggregator Shuttl forays into food delivery space

Today's View

Trade Finance, with Blockchain (Part 2)

In our previous article (link [here](#)), we have seen how institutions across the globe are adopting blockchain technology to initiate trade finance transactions.

As per **McKinsey**, global annual revenues for documentary trade finance amount to around \$ 25 bn, while supplier-originated finance comprises another \$ 25 bn - \$ 30 bn. While **Bain & Co** predicts new products for documentary trade will boost annual revenues for banks by \$ 2 bn by 2026 while driving up trade volume by \$ 1.1 trillion.

Considering the huge potential of new-age technologies like blockchain to streamline the trade finance transactions, even monetary authorities are exploring ways to develop and implement new blockchain-based processes around trade finance transactions.

China Banking Association (CBA), the country's self-regulatory organization for the banking sector, is launching a new blockchain-based platform for trade finance. The association partnered with numerous fintech firms including **PeerSafe**, which conducted two pilots for issuing a letter of credits (LoC) and asset-backed securities, with participation from the **Industrial and Commercial Bank of China (ICBC)** and **China Merchants Bank**.

Akhil Handa
+91 22 6759 2873
akhilhanda@bankofbaroda.com

Manish Kulkarni
+91 22 6759 2885
manish.kulkarni@bankofbaroda.com

Offline is the future of online retail

E-com is a unique business. Among all the internet-based business models content, community and commerce e-com has the highest offline component because merchandise has to be transported and delivered to customers physically, unlike other businesses, where end-to-end transactions can get completed over the internet.



Source – e27

[READ MORE](#)

Date – 7th Feb 19

Similarly, **Hong Kong Monetary Authority** has launched a live blockchain trade finance platform, designed by fintech company **OneConnect**. This platform will be one of the largest examples of a government-led project aimed at upgrading the US\$9 trillion global trade finance industry.

On the other hand, customs authorities of **Saudi Arabia** have completed a pilot for cross-border blockchain trade. The pilot linked Saudi Arabia's cross-border trade platform FASAH with **IBM** and **Maersk's** TradeLens blockchain platform.

Back home in India, even **Reserve Bank of India** has successfully tested blockchain technology for trade application, in partnership with Hyperledger firm **MonetaGo**, domestic banks and other financial institutions.

Apart from monetary authorities, other major conglomerates in India are also exploring blockchain for their trade transactions. For example, **Reliance Industries** partnered with **HSBC** to execute a trade finance deal using blockchain for export to US-based **Tricon Energy**, marking the first-ever overseas blockchain payment from India. Previously, in such transactions, physical documents had to be validated by multiple parties from across different countries, taking around 5-10 days. With blockchain, the data can be segregated and the whole process completed within 24 hours, and in a transparent manner, with the status of the process visible to every party.

Though in the long run, blockchain can augment the trade finance market by lowering the barriers to entry and replacing antiquated intermediaries, we believe that broader issues related to scalability, security, and regulation are to be addressed before it can be applied at scale.

Today's News

Fintech investment hits new highs as market matures

With Fintech investment reaching record highs in 2018, the market is poised to enter a maturity phase characterised by a rash of IPOs and M&A consolidation, believes boutique advisor Hambleton Partners. The latest Fintech M&A Market Report from Hambleton Partners reveals that 2018 witnessed the highest level of investment in Fintech start-ups on record, with a total disclosed transaction value of \$30.8 billion, more than double the numbers reached in 2017.

As Fintech start-ups mature, the average funding round has also doubled in size compared to 2017, with Asia Pacific leading the charge. The stellar Fintech M&A transaction value of \$50 billion from 189 transactions achieved in the first half of 2018 was not replicated, however, as second half activity cooled, recording 160 transactions and a total disclosed transaction value just shy of \$13 billion. The decrease in value was largely due to the absence of disclosed blockbuster deals akin to Blackrock's \$17 billion acquisition of Thomson Reuters in 1H2018.

Source – Finextra

[READ MORE](#)

This News Letter has been prepared with the assistance of **G Balakrishna** and **Manish Kulkarni**

Bus Aggregator Shuttl forays into food delivery space

India's largest bus aggregator Shuttl has entered the hotly contested food delivery space by launching meals on busses for daily commuters, as it looks to further monetize its captive customer base. After a pilot started in October last year with 50 buses, the Gurgaon-based company plans to scale up the offering this year by providing meals on 1,200 buses, most of which operate in Delhi NCR.

Source – The Economic Times

[READ MORE](#)

TikTok launches online safety campaign amid Govt scrutiny

China's short video platform TikTok has launched #SafeHumSafeInternet, an India specific campaign amid rising Govt scrutiny on Chinese apps ecosystem. TikTok has also partnered with the Cyber Peace Foundation to promote online safety. TikTok they held an event in New Delhi to highlight and discuss the importance of online safety, educate internet users of safety practices to follow, along with efforts that should be taken to promote online safety.

Source – The Economic Times

[READ MORE](#)

Majesco unveils new online billing and payments app

Insurance software provider Majesco has launched a new online billing and payments app with built-in CyberSource payment platform from Visa. The new app, dubbed Electronic Billing & Payments (EBP), is powered by cloud-based Majesco Digital 1st Platform.

Source – Verdict

[READ MORE](#)

Blockchain adoption will increase rapidly in 2019

Blockchain's key value propositions are security, workflow simplification, cost reduction and control over how data is leveraged over the extended enterprise. It reduces costs by eliminating the need for a trusted third party service provider and for automating labour-intensive manual verification processes. In 2018 we have seen the adoption of blockchain in digital payments, international remittance, provenance and track and a trace of documents, products and packages. Smart notaries and digital KYC is driven by blockchain-enabled multi-point authentication including biometrics are going to be very popular from 2019.

Permissionless blockchain based crypto-currencies peaked in 2017 and have been losing ground ever since. It is now time for government-driven crypto-currency initiatives, which are likely to succeed and bring blockchain back to life. Outside this government regulated crypto-currency space, only blockchain applications that promise to deliver top-line advantages to corporations and have use cases with clear bottom-line benefits are only going to succeed. There is no way to predict the way crypto-currencies without any real assets backing them are going to go in the immediate future.

Source – Your Story

[READ MORE](#)

Freecharge starts lending to existing Axis Bank customers through the wallet

Digital payments company Freecharge which is currently owned by private sector lender Axis Bank has started lending to users of its mobile wallet. Currently, the lending programme is running only for existing Axis Bank customers but it has plans to extend the product to non-Axis Bank customers of Freecharge as well. "It has been a couple of months that we have started giving out loans through the Freecharge wallet, over a thousand people have availed of the service till now," said Sangram Singh, chief executive officer, Freecharge. Now with the backing of Axis Bank, the company is trying to use the platform not only to extend the bank's financial products but also rapidly scale up its user base.

Source – The Economic Times

[READ MORE](#)

IoT-enabled vending machine startup NutriTap raises Rs 2 crore in seed funding

A clutch of well-known angel investors, including Patni scion Apoorva Patni, have led a Rs 2 crore seed funding round in Gurgaon-based Internet of Things (IoT)-enabled vending machine start-up NutriTap. The year-old start-up provides healthy snacks and beverages to Corporates, Hospitals, Airports, colleges and public places through their completely digital, IoT-supported vending machines, which accepts all forms of digital payment. "We are present in more than 50 premium corporate offices in Delhi-NCR and Mumbai. The seed money will help us quickly scale our vending machines to over 500 locations in top-4 cities," NutriTap Chief Executive Rajesh Kumar said in a company-issued statement.

Source – The Economic Times

[READ MORE](#)

Enterprises entering post-digital era to boost customer experiences: Accenture

Four in five businesses believe that digital technologies like mobile, analytics and Cloud have moved beyond adoption silos to become part of the core technology foundation for their organization, an Accenture report said.

The enterprises are entering a new "post-digital" era where success will be based on mastering a set of new technologies that can deliver personalized experiences for customers, employees and business partners, according to Accenture "Technology Vision 2019".

Source – The Economic Times

[READ MORE](#)

Aspire acquires UAE-based iApps, Oracle business unit of Valforma

Aspire Systems has acquired UAE-based iApps, as well as the Oracle business unit of Valforma, for an undisclosed amount to strengthen its Cloud and digital services practice. The acquisition of iApps and the business unit of Valforma will help Aspire service mid-sized and large companies in their move to the Cloud from on premise applications.

These acquisitions will also help Aspire focus on a 'post-modern' ERP strategy that involves surrounding core ERP solutions with Cloud solutions to enable faster processing, better collaboration and deployment of easier-to-use analytics, a press release from the company said.

Source – BusinessLine

[READ MORE](#)

Disclaimer: The views expressed in this newsletter are personal views of the author and do not necessarily reflect the views of Bank of Baroda. Nothing contained in this publication shall constitute or be deemed to constitute an offer to sell/ purchase or as an invitation or solicitation to do so for any securities of any entity. Bank of Baroda and/ or its Affiliates and its subsidiaries make no representation as to the accuracy; completeness or reliability of any information contained herein or otherwise provided and hereby disclaim any liability with regard to the same. Bank of Baroda Group or its officers, employees, personnel, directors may be associated in a commercial or personal capacity or may have a commercial interest including as proprietary traders in or with the securities and/ or companies or issues or matters as contained in this publication and such commercial capacity or interest whether or not differing with or conflicting with this publication, shall not make or render Bank of Baroda Group liable in any manner whatsoever & Bank of Baroda Group or any of its officers, employees, personnel, directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use or access of any information that may be displayed in this publication from time to time.