

Bezos promises \$1 billion in bid to see off Indian e-commerce storm

January 15 2020, by Aishwarya Kumar



Amazon chief Jeff Bezos greets the audience at an Amazon meeting in New Delhi

Amazon tycoon Jeff Bezos promised Wednesday a new billion-dollar investment in India, just two days after authorities launched an anti-trust

investigation into the e-commerce giant.

A three-day visit by Bezos, whose worth has been estimated at more than \$110 billion, sparked protests in New Delhi and other cities by traders who accuse Amazon and its main US-owned rival Flipkart of killing off India's army of street traders.

Bezos, who has spent heavily to make his company an e-commerce titan in the world's second most-populous nation, sought to head off critics by promising one billion dollars to digitise small and medium-sized Indian businesses.

"We will use our global footprint to export \$10 billion worth of 'Make in India' products across the world by 2025," he said, referring to Prime Minister Narendra Modi's campaign to boost national production.

Bezos highlighted India's growing importance, saying "the 21st century will be the Indian century" and that the US-India alliance will be the most important.

Amazon and Flipkart—founded in India but taken over by Walmart in 2018 for \$16 billion—face increasing scrutiny and resentment despite their popularity among customers.

The Competition Commission of India announced Monday that it was investigating both companies over accusations they undermine traditional traders by favouring "preferred sellers" on their platforms.



Indian traders protested in Delhi against e-commerce giant Amazon

'Unfair subsidies'

Media reports said Bezos has sought a meeting with Modi, but neither the government nor Amazon would confirm if talks would be held.

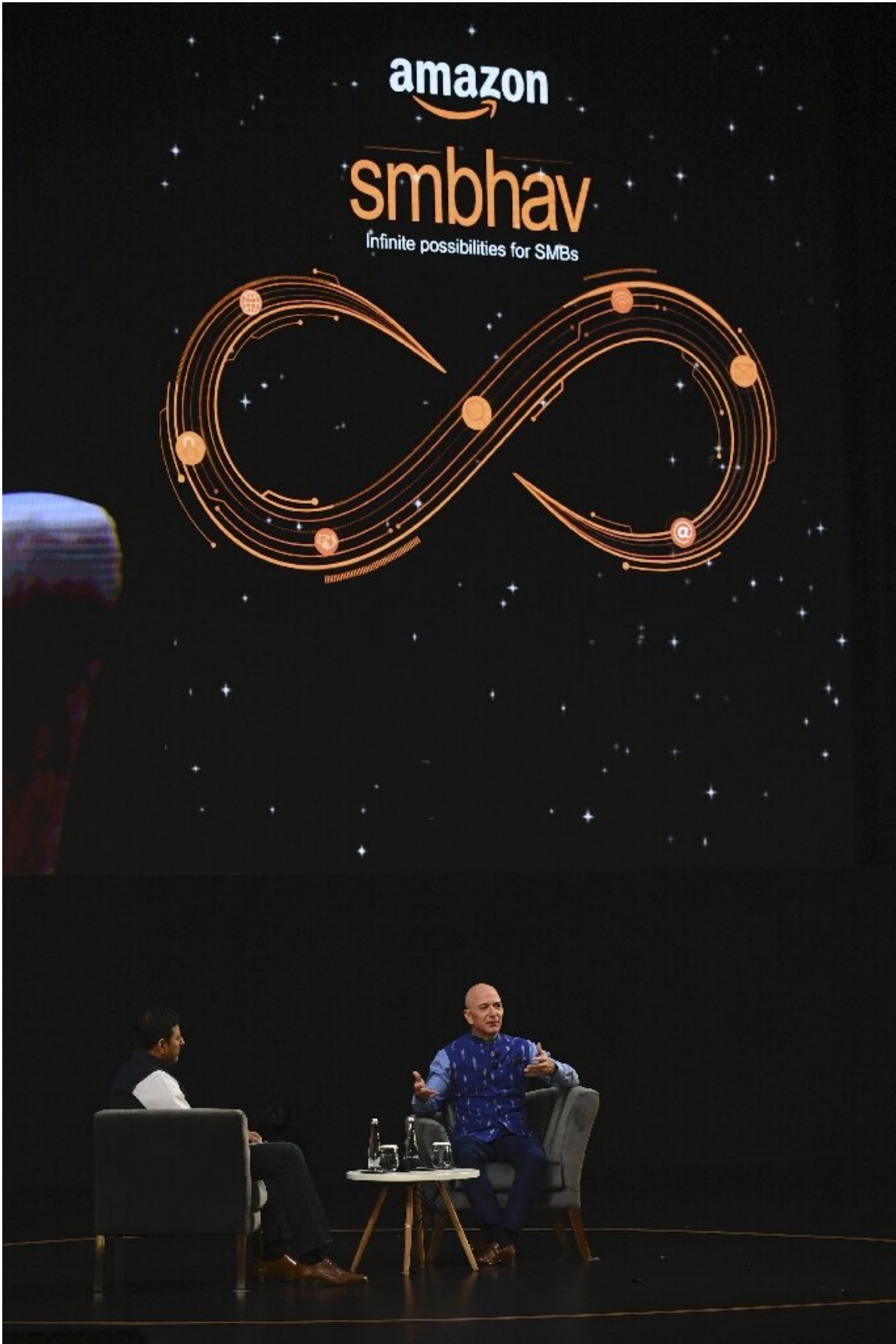
Amazon has said it will cooperate with the investigation and was "confident" it was operating legally.

The commission, which last year fined Google \$21 million for abusing its [dominant position](#), said it will report in 60 days, but its inquiries normally take a lot longer.

"We are not against e-commerce," said Sumit Agarwal, national secretary of the Confederation of All India Traders, which says it represents 70 million small businesses.

"We just want the commission and the government to set up a fair and equitable playing field where the Amazons and Flipkarts cannot abuse the system with unfair subsidies and their favoured traders."

The Hindu nationalist government is to announce a new [e-commerce](#) policy by March, and is under pressure to help small businesses because of a slowdown in the economy and high unemployment.



Amazon CEO Jeff Bezos with Amit Agarwal, senior vice president and country manager for India

The merchants accuse Amazon and Flipkart of flouting India's tough foreign investment rules and pouring billions of dollars into discounts that harm traditional traders.

Agarwal highlighted special deals with mobile phone makers under which they are sold online, often at discount, before they reach high street shops.

He said 55,000 of the 100,000 small traders who have gone out of business in the past six months—when Amazon and Flipkart have fought a merciless price cutting war—were mobile phone sellers.

About 50 traders held a rally in Delhi chanting "Jeff Bezos - Go Back!"

After arriving Tuesday, Bezos paid tribute to India's independence leader Mahatma Gandhi, dressing in an Indian kurta to lay flowers at a memorial in Delhi.

Bezos will also visit India's financial capital Mumbai, where he will reportedly attend a party with Bollywood celebrities on Thursday.

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