



NEWS HIGHLIGHTS

PM Narendra Modi invites investment in startups

Govt hikes digital payments target for FY20 to 45 billion

Mastercard to launch solution for smartphones to become contactless acceptance devices

Wipro sets up engineering and innovation centre in Virginia

Today's View

Insurance, powered by Crowdfunding

Thanks to the likes of Uber and AirBnB, the concept of 'Sharing Economy' is stretching across multiple industries including transportation, real estate and hospitality.

Even in the insurance sector, a growing set of start-ups are enabling P2P, pro-rata coverage or crowd-based models. It allows for more people to be insured by aiding underserved markets. Collective purchasing yields preferential pricing to those subscribed to peer-based insurance programs.

Acknowledging this innovative approach, insurance, financial services and e-commerce sites around the world have begun to offer crowdfunding approaches to covering expenses. For example, Love **Upgrading** is a crowd-funded insurance service offered on WeChat, China's voice and text messaging app. Clients on the platform can pay an initial premium of USD 16 for one year of insurance with coverage worth USD 8,000. By sharing the link on WeChat and invite friends, the insurance amount can be raised upto USD 15,000.

Akhil Handa
+91 22 6759 2873

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

Amazon's 3 Indian units get Rs 4,472 crore ammo from parent

US online retail company Amazon has made a fresh round of investments in three of its India units, totalling Rs 4,472 crore.



Source – The Economic Times

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Date – 30th Oct 19

Similarly, China's second-biggest e-commerce player JD launched a Kickstarter-like crowdfunding platform, **Coufenzi**, which allows participants to invest in a movie of their choice, with deposits as low as USD 16. These deposits are then bundled into the company's wealth management and insurance products that pay a fixed interest rate.

Germany-based **Friendsurance** follows similar method to offer cheaper insurance to customers using an innovative peer-to-peer method. Customers can connect online and create their own insurance pool. Small claims are paid out of this pool, with bigger claims covered by traditional insurance.

To leverage the power of crowdfunding, number of insurance companies are partnering with crowdfunding platforms like **Kickstarter**, **Indiegogo**, **Wishberry** to gain attention and attract funds. On the other hand, some insurers like **TIAACREF** are hosting campaigns on a dedicated social network called the 'Communities', on which members can discuss their financial health, exchange ideas and host campaigns.

In today's age of technology-enabled collaboration, crowdfunding has great potential to make inroads in insurance focussing on under-served population. Given the large proportion of non- or under-insured population, crowdfunding could be an effective way of addressing mass market needs, especially individual disability benefits, retirements, pensions as well as group plans.

Today's News

PM Narendra Modi invites investment in startups

PM Narendra Modi on Tuesday pointed out that India has the third largest startup ecosystem in the world as he sought FDI for this sector. Modi also invited Saudi companies to invest in India's energy space saying that the government has set a target of \$100 billion investment in the sector by 2024.

In his keynote address to the Future Investment Initiative or Davos of the Desert, Modi underlined the importance of technology and infrastructure. Later, at an interactive session, Modi rued that strong people are using the UN as an instrument and the global body does not contribute to a neutral rules-based global order. Mentioning initiatives to improve business climate, Modi said India's ranking has improved significantly in the World Bank's Ease of Doing Business, Logistic Performance and Innovation Index.

The Prime Minister also noted that the tax structure and intellectual property rights (IPR) regime are considered best in the world. According to the Prime Minister, manpower and talent mobility should be included in the international agreements, which should not be only restricted to goods.

Source – The Economic Times

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WhatsApp sues Israel's NSO for allegedly helping spies hack phones around the world

WhatsApp sued Israeli surveillance firm NSO Group on Tuesday, accusing it of helping government spies break into the phones of roughly 1,400 users across four continents in a hacking spree whose targets included diplomats, political dissidents, journalists and senior government officials.

In a lawsuit filed in federal court in San Francisco, messaging service WhatsApp, which is owned by Facebook, accused NSO of facilitating government hacking sprees in 20 countries. Mexico, the United Arab Emirates and Bahrain were the only countries identified.

Source – The Economic Times

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Wipro sets up engineering and innovation centre in Virginia

IT major Wipro on Tuesday said it has set up an engineering and innovation centre in Virginia, US, a move that will create 200 additional jobs in the Richmond area by 2021. Wipro employs over 500 professionals across Virginia of whom 420 are in the Richmond area.

"Wipro's new 10,000 square-foot facility will focus on full-stack engineering solutions, customer experience and accelerators across cybersecurity, cloud, digital and DevOps," a statement said.

Source – The Economic Times

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Mastercard to launch solution for smartphones to become contactless acceptance devices

Merchants and retailers may soon be able to accept contactless card payments on their phones. Global payments major Mastercard is set to launch a solution in India where a smartphone can become a contactless acceptance device.

“If your phone has NFC, then it can become a point-of-sale (POS) device. A customer can tap the contactless card on the phone,” said Vikas Saraogi, Vice President, Acceptance Development, Mastercard, adding that it is likely to be launched in India in the first half of next year.

Saraogi said the company is speaking to a number of banks to launch the solution, which will then be made available with retailers. “With this innovation, a retailer doesn’t need to invest in the hardware for accepting contactless payments. The phone will be sufficient,” he told BusinessLine.

Source – BusinessLine

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Indian IT disrupts itself to get back on the growth trajectory

India’s top IT firms are back on growth path as clients they serve increasingly invest in technology to be competitive and avert business disruption from startups.

A few years ago, Indian IT firms saw their traditional business model under threat from digital — a set of technologies that help clients build applications for both desktops and smartphones and access them on the internet anywhere and anytime. Global banks and manufacturing firms were cutting their spending on traditional services and shifting their budgets to digital. At the same time, growing protectionist sentiments in its main market, the US, meant that firms faced roadblocks in getting H-1B visas and had to hire high-cost resources locally.

Source – The Economics Times

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Govt hikes digital payments target for FY20 to 45 billion

The government is making changes in its digital payments roadmap as it has now increased the target for e-transactions in the financial year ending March 2020 to 45 billion (by volume) from 40 billion.

The Ministry of Electronics and Information Technology (MeitY) has also redistributed individual targets for banks and payments firms for the same period. The Noida-based Paytm’s payments bank and private sector lender HDFC Bank have seen their targets increasing the most. Paytm Payments Bank has to clock close to 1 billion additional transactions at over 5.9 billion from the earlier target of 5 billion, while HDFC Bank’s target has been increased to 3 billion from 2.5 billion earlier. TOI has seen the letter sent by MeitY.

Source – The Economic Times

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Apple Pay in EU antitrust spotlight as regulators seek details

Apple faces more regulatory woes in Europe as EU antitrust regulators ask online sales companies whether they have been told to use its mobile payment service instead of rival services, an EU document seen by Reuters showed.

In a questionnaire sent in August, the European Commission said it had information Apple may have restricted online payments for the purchase of goods and services made via merchant apps or websites, in breach of EU antitrust rules.

Source – The Economic Times

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Tencent leads \$110 million funding round in MX Player

Chinese technology giant Tencent is leading a \$110-million financing round in video-streaming platform MX Player, valuing it at around \$500 million post the investment, said sources close to the matter.

This will be MX Player’s first external fund-raising after its acquisition by Times Internet (TIL), which has also participated in the current round. The fund infusion into MX Player will further intensify the competition in the domestic over the top, or OTT, market which has been growing exponentially on the back of cheap mobile data, thanks to the price wars unleashed by Reliance Jio.

Source – The Economic Times

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This News Letter has been prepared with the assistance of Manish Kulkarni

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