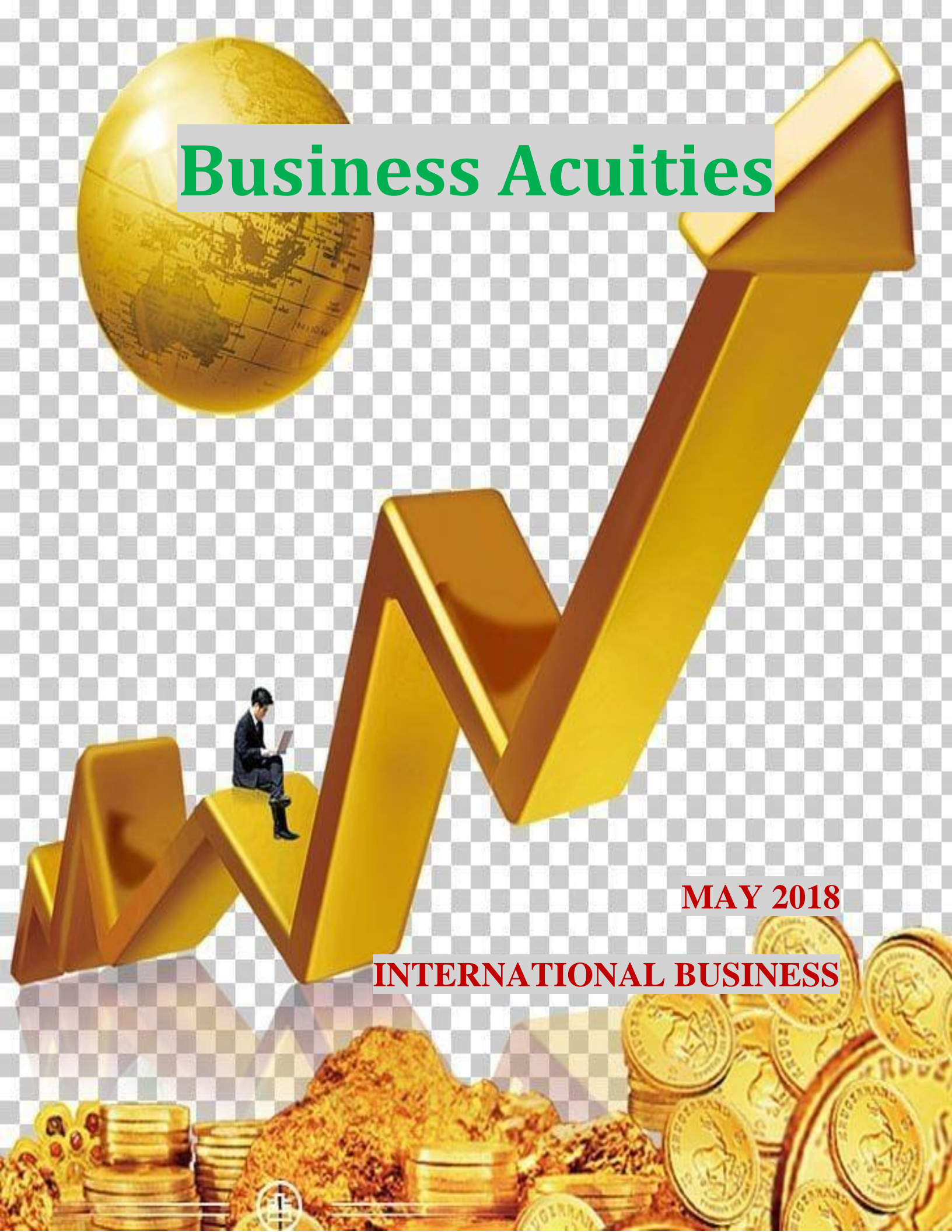


Business Acutities

MAY 2018

INTERNATIONAL BUSINESS



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INTERNATIONAL BUSINESS

1. **Trade Tensions:** The trade conflict between the United States and China was escalating. In March 2018, the US imposed tariffs on steel and aluminum imports, and in response, China retaliated with tariffs on certain



US products. These trade tensions had implications for businesses operating in both countries and raised concerns about a potential trade war.

2. **Brexit Negotiations:** The United Kingdom continued to

negotiate its exit from the European Union (EU). In May 2018, discussions focused on the terms of the withdrawal agreement, including trade relationships between the UK and the EU post-Brexit. The uncertainty surrounding Brexit had implications for businesses in the UK and those with operations or trade links to the UK.

3. **Digital Transformation:** The digital revolution was reshaping international business practices.



Companies were increasingly adopting digital technologies, such as e-commerce, cloud

computing, big data analytics, and artificial intelligence, to enhance efficiency, expand market reach, and improve customer experiences. Digital disruption was transforming various industries and presenting new opportunities and challenges for businesses worldwide.

4. **Sustainability and Corporate Social Responsibility (CSR):**

The focus on sustainability and CSR was growing in international business.



Companies were increasingly expected to demonstrate environmental and social responsibility in their operations. This included efforts to reduce carbon footprints, promote ethical sourcing, support community development, and align with the United Nations Sustainable Development Goals.

5. **Emerging Markets:** Emerging markets continued to offer significant growth opportunities for international businesses.



Countries such as China, India, Brazil, and Southeast Asian nations were attracting

investments and becoming important consumer markets. Companies were developing strategies to tap into these markets, adapting their products and services to meet local demands.

6. **Cross-Border Mergers and Acquisitions (M&A):** Cross-border M&A activities were prevalent in the international business landscape.



Companies were seeking strategic acquisitions to expand their global presence, access new markets, acquire

technology or talent, and gain competitive advantages. The M&A activity spanned various sectors, including technology, pharmaceuticals, consumer goods, and energy.

7. **Global Economic Outlook:** In May 2018, the global economy was experiencing moderate growth, although some regions faced challenges.



The International Monetary Fund (IMF) projected a positive outlook for the world economy, with notable contributions from emerging markets. However, concerns over geopolitical

tensions, rising interest rates, and potential trade disruptions clouded the economic forecast.

INDUSTRIES

1. **Technology:** In May 2018, the technology industry was experiencing significant advancements and disruptions.



Topics of interest included artificial intelligence (AI), blockchain technology, cybersecurity, and the growing influence of tech giants. Companies were investing in AI research and development,

exploring blockchain applications beyond cryptocurrencies, and addressing cybersecurity concerns.

2. **Automotive:** The automotive industry was undergoing transformations, including advancements in electric vehicles (EVs) and autonomous driving technology. Companies were expanding their EV offerings and investing in autonomous vehicle research and development. Discussions



around the impact of EV adoption on traditional automotive manufacturers and

the charging infrastructure were also prominent.

3. **Financial Services:** Fintech (financial technology) continued to disrupt the financial services industry in May 2018. Startups were



providing innovative solutions in areas such as mobile payments, peer-to-peer lending, robo-advisory services, and blockchain-based financial applications. Traditional financial institutions were responding by partnering with

or acquiring fintech startups to stay competitive.

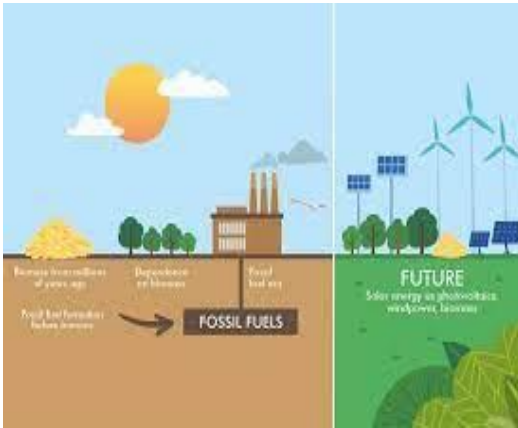
4. **Healthcare:** The healthcare industry was focusing on advancements in personalized medicine, digital health solutions, and pharmaceutical research. Developments in genomics, telemedicine, wearable devices, and data



analytics were transforming healthcare delivery and patient care. Discussions around healthcare reform and access to affordable healthcare were also ongoing.

5. Energy and Sustainability:

May 2018 saw continued discussions around renewable energy sources, such as solar and wind power. Governments



and businesses were exploring strategies to transition to cleaner energy and reduce carbon emissions. Additionally, sustainability initiatives and corporate social responsibility in the energy sector were gaining attention.

6. **Retail:** The retail industry was grappling with the rise of e-commerce and the shifting consumer preferences for online

shopping. Retailers were investing in omnichannel strategies to enhance the customer experience, while brick-and-mortar stores faced challenges and closures.



The influence of e-commerce giants, evolving delivery methods, and the integration of technology in retail operations were key areas of focus.

7. **Manufacturing:** The manufacturing industry was embracing Industry 4.0 concepts, including automation, robotics, and the Internet of Things (IoT). Smart factories,

connected supply chains, and data-driven decision-making were gaining prominence. Discussions also centered around the impact of trade tensions on global manufacturing supply chains.

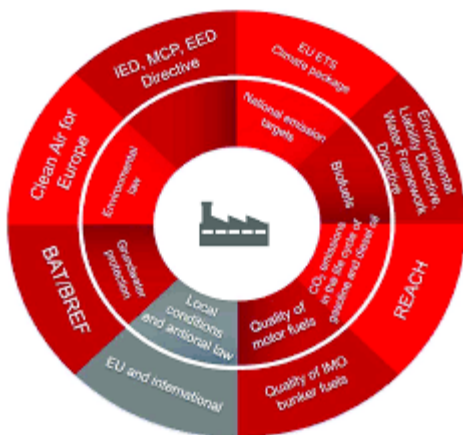
sector. Efforts were underway to strengthen regulations, enhance transparency, and improve risk management practices. The Basel III framework continued to be implemented globally, aiming to increase capital adequacy and improve the resilience of banks.

BANKING AND INSURANCE

Banking:

1. Regulatory Environment:

Regulatory reforms and compliance remained a



significant focus for the banking

2. Digital Transformation:

Banks were increasingly investing in digital technologies to improve customer experience and operational efficiency.



Mobile banking, online services, and digital payment solutions gained popularity.

Fintech collaborations and partnerships between banks and technology startups were on the rise.

3. **Open Banking:** The concept of open banking gained momentum. Regulatory initiatives, such as the revised



Payment Services Directive (PSD2) in the European Union, aimed to promote competition and innovation by enabling customers to share their banking data with third-party providers securely. This facilitated the development of new financial

services and enhanced customer choice.

4. **Cybersecurity:** Banks continued to address cybersecurity risks as threats became more sophisticated. Institutions focused on enhancing their cybersecurity measures, investing in advanced technologies, and educating customers about best practices for secure banking.



Insurance:

1. **Insurtech:** The insurance industry was impacted by the

rise of insurtech startups that offered innovative technologies and business models. Insurtech aimed to streamline processes, improve underwriting accuracy, enhance customer experience, and provide personalized insurance products. Collaboration between traditional insurance companies and insurtech startups increased.

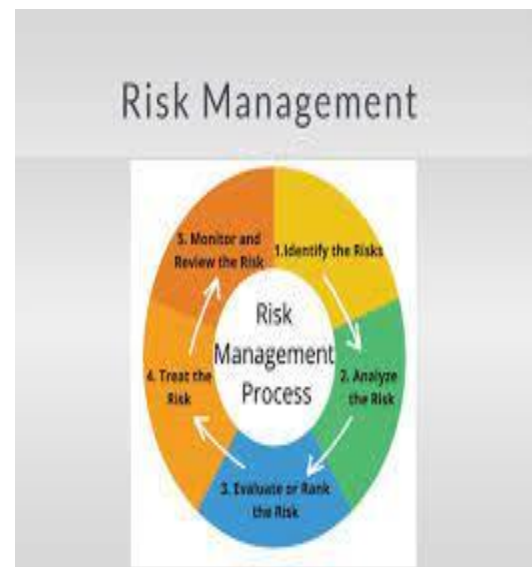
2. **Cyber Insurance:** With the growing threat of cyberattacks, the demand for cyber insurance



coverage rose. Insurance companies expanded their offerings in this area, providing

policies that covered data breaches, business interruption, and liability arising from cyber incidents.

3. **Risk Management:** Insurance companies focused on refining their risk management practices.



Advanced analytics and predictive modeling were utilized to assess risks accurately and develop appropriate risk mitigation strategies. Insurers also worked on improving their understanding of emerging

risks, such as climate change and cyber threats.

4. **Regulatory Compliance:** Regulatory compliance remained a key priority for insurance companies.



Compliance with solvency regulations, consumer protection rules, and data privacy laws were critical areas of focus. Companies adapted to regulatory changes, including the General Data Protection Regulation (GDPR) in the EU.

5. **Insurtech Investments:** Traditional insurance

companies increased their investments in insurtech startups and partnerships. They



aimed to leverage technology to streamline operations, improve underwriting processes, and enhance customer engagement. Collaboration with insurtech companies allowed insurers to tap into new markets and develop innovative products and services.

EXPORT SCHEME

1. **Export Promotion Programs:** Many countries have export promotion programs in place to support their businesses in

expanding into international markets. These programs typically offer various incentives, financial assistance, market intelligence, and export-related training to help



companies enter new markets or increase their exports.

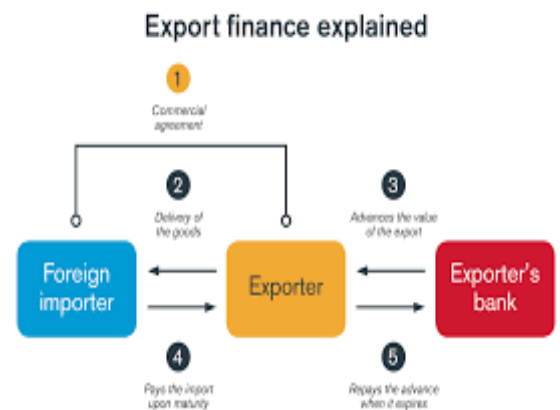
2. Free Trade Agreements (FTAs):

FTAs between countries or regional blocs aim to reduce trade barriers and promote exports. May 2018 could have seen the implementation or discussions regarding FTAs, which

typically include tariff reductions or eliminations, preferential market access, and improved regulatory cooperation.

3. Export Financing and Insurance:

Export credit agencies (ECAs) and export-import banks often provide export financing and insurance to mitigate risks associated with international trade. These



entities may introduce or modify specific financing schemes or insurance products to support exporters and protect

them against non-payment or other trade-related risks.

4. **Export Subsidies and Grants:**

Some countries provide subsidies or grants to boost their exports and enhance their competitiveness in the global market. These schemes may offer financial assistance, tax



incentives, or reimbursement of export-related expenses to qualifying exporters.

5. **Export Documentation and Procedures:**

Governments periodically review and streamline export

documentation and procedures to facilitate trade. May 2018 could have seen updates or reforms in customs procedures,



export documentation requirements, or simplification of export processes to reduce administrative burdens on exporters.

6. **Sector-specific Export**

Initiatives: Certain industries or sectors may have specific export schemes or initiatives tailored to their needs. For example, agriculture, technology, or manufacturing sectors could have had targeted export

programs to promote exports, encourage innovation, or support market entry into specific countries or regions.

MUTUAL FUND

1. **Market Performance:** Global stock markets were generally positive, with some fluctuations and geopolitical concerns.



Investors were keeping an eye on economic indicators, interest rates, and trade tensions, which influenced market sentiment and mutual fund performance.

2. **Rising Interest Rates:** Central banks, including the U.S.

Federal Reserve, were gradually raising interest rates. This had implications for fixed-income mutual funds, as higher interest rates can lead to lower bond prices. Investors closely monitored the impact of rising rates on bond funds and adjusted their investment strategies accordingly.

3. **Continued Inflows:** Mutual funds continued to attract investor inflows in May 2018.



Investors sought opportunities for diversification and growth through various types of mutual funds, including equity funds,

bond funds, and hybrid funds. The demand for passive index-tracking funds, such as exchange-traded funds (ETFs), also remained strong.

4. Regulatory Developments:

Regulatory changes and discussions surrounding mutual



funds were ongoing. For example, in the U.S., the Securities and Exchange Commission (SEC) was considering potential reforms to enhance investor protection and improve fee transparency in the mutual fund industry.

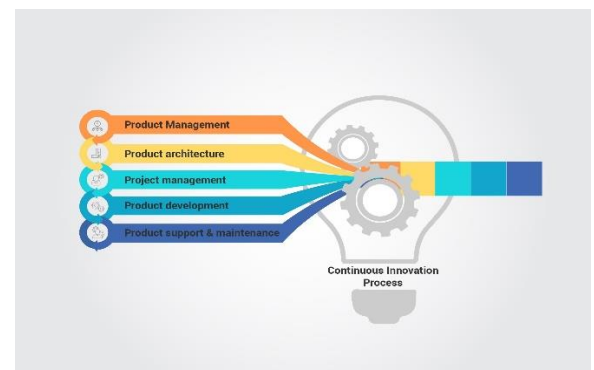
5. Emphasis on Fees and Cost Efficiency:

There was an increasing focus on mutual fund fees and cost efficiency. Investors were looking for funds with competitive expense ratios and evaluating the impact of fees on their investment returns.

This emphasis on fees contributed to the growth of low-cost index funds and the popularity of passively managed funds.

6. Technology and Innovation:

The mutual fund industry was embracing technology and



innovation. Fintech advancements facilitated

processes such as online fund transactions, automated investing platforms, and digital advice. Robo-advisors, which used algorithms to offer automated investment advice, gained popularity among certain investor segments.

7. **Sustainable Investing:**

Environmental, social, and governance (ESG) investing gained traction in the mutual



fund industry. Investors showed increasing interest in funds that considered sustainability factors, ethical considerations, and corporate responsibility

when constructing their portfolios.

8. **Investor Education and**

Awareness: Efforts to educate investors about mutual fund investing and financial literacy



continued. Fund companies and industry organizations focused on providing educational resources, tools, and information to help investors make informed investment decisions.