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# THE DOWNTOWN

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## **INSIDE THIS ISSUE**

- ❖ **Amazon's profits soar during the pandemic**
- ❖ **What the UK-India trade deal involves and why it matters**

## Amazon's Profit soar during the pandemic

*-Tanmay Sharma*

Amazon is one of the few companies that have benefitted from the pandemic. Last year the online retailer enjoyed the fast growth of online shopping due to lockdowns in many countries. People residing in their homes, resorted to ordering groceries, office equipment and day-to-day items from online retailers. Amazon's Q1 profits have more than tripled since last year, with revenue of more than \$100 billion. Since, India and many other countries are still battling the pandemic the growth of online shopping will not stop.

Amazon has passed the \$100 billion revenue milestone for two quarters now, which is good news for investors and the company. To attract new customers Amazon plans to hold Prime Day during the next quarter to keep revenue growing. Prime Day may be postponed in India due to the dire situation the country faces currently. Not only online shopping, Amazon's cloud-computing services also witnessed a boom reporting a growth of 32% in the quarter. Amazon's online advertising business also reported a fast growth, as traditional methods of advertising are not effective during these times.



Amazon's dominant grip over e-commerce and continued expansion into new industries have strengthened its power, although the company continues to face challenges from regulators and some employees. Amazon Web Services (AWS) have become a major profit center for the company during these times, with sales totaling to around \$13.5 billion. AWS Chief Executive Officer Andy Jassy will take over from CEO Jeff Bezos after the third quarter of this year. Amazon's

revenue is on a steady growth trajectory for this year; however, employee grievances and workplace conditions threaten to derail it. There have been multiple reports from workers about long hours and no unionization policies in Amazon warehouses. Regulators also believe that Amazon is a monopoly and may bring anti-trust lawsuits in U.S. Congress. If Amazon hopes to continue its growth beyond this pandemic, it must work towards bettering employee experience and promoting healthy competition in the market.

## What the India-UK Trade Deal involves and why it matters?

- Sanket Enchilwar

The United Kingdom and India have announced a new Enhanced Trade Partnership (ETP) at a virtual summit on May 4, 2021. It aims to double trade between the two countries by 2030 and declares their joint commitment to start working towards a comprehensive free-trade agreement, for which discussions will be held in the autumn.



Britain and India announced £1 billion of new trade and investment as part of this new ETP. Indian investments worth £533 million will be made in Britain, including £240 million by the Serum Institute of India for the production of Oxford-AstraZeneca vaccines and sales business. At the same time, £446 million worth of export deals were announced by British businesses in India. This builds on a trade relationship that was already worth £25.5 billion in 2019.

At the summit, the UK PM Boris Johnson and PM Narendra Modi, also launched a Roadmap 2030 to expand and deepen bilateral cooperation in five areas: people-to-people relationships, trade and prosperity, defence and security, climate action and healthcare cooperation.

The new deal is expected to generate additional employment in both countries, grow bilateral trade

and unlock new opportunities in sectors such as food and drink, business services such as law and accounting, defence, advanced engineering, energy, education, life sciences and healthcare. It will also reduce barriers, both tariff and non-tariff, for businesses at a time when the prospects for global growth after the Covid-19 pandemic remain uncertain.

India is Britain’s sixth-largest non-EU trading partner, whereas Britain is barely inside India’s top 20. This points to significant scope for growth on both sides. Once agreed, the free-trade deal is likely to be extremely significant, fostering innovation and technology cooperation as well as skills transfer and knowledge-sharing between the two nations.

The deal will likely strengthen the geopolitical positions of both nations in a part of the world that is dominated by China. The UK’s recent Integrated Review of Security, Defence, Development and Foreign Policy articulated the importance of an Indo-Pacific region with “open societies”.

The UK has also become an official dialogue partner of the ten-member Association of Southeast Asian Nations, which includes Indonesia, Malaysia, Singapore and Vietnam. All this, including the trade deal with India, seeks to help the UK to “unlock opportunities in the region” and establish an outward-looking Global Britain.

Apart from it, announcing an UK-India agreement before the EU-India Summit on May 8 gives the UK a first-mover advantage over the trading bloc that it has just left behind. In keeping with the UK-India deal, facilitating investment, regulatory cooperation and trade barriers are at the top of the agenda at the summit.