

## Business

# For Ukrainian startup, COVID-19 means business is booming again

## Surge in user numbers sees revenues increase some 20% in March

**KIEV:** The headquarters of Dmytro Voloshyn's startup in the historic center of Kiev is eerily quiet. But online, his business is busier than ever. Despite a crippling global economic crisis brought about by the coronavirus pandemic, Voloshyn believes a worldwide lockdown to slow infections was just what his startup needed to thrive.

"We are in a favorable position," the co-founder and chief technical officer of the Preply language learning platform said. "People are at home because of the virus, so they can spend more time on online learning." When Voloshyn, 32, and his two business partners founded their company in 2013, all of its tutors worked offline and lived in Ukraine.

Since, the platform which pairs language teachers with students, has moved online only with students and teachers across the globe. Helped by anti-virus measures restricting millions to their homes, Preply now has a network of 10,000 tutors in 190 countries and "tens of thousands of students", Voloshyn says.



### Lockdown helps his startup thrive

says Voloshyn. He points to a global trend in which people "do nothing" in the first week of lockdown. But during the second week "we see a double or even triple growth in number of users." This surge saw revenues increase some 20 percent in March, he added. Hannah Iliina, 25, teaches Chinese and English on several platforms including Preply, from her home in Kiev's suburbs. She says now is the "perfect time" to be a tutor online. "I used to have free days or between one and two lessons per day. Now it's five or six per day, seven days a week."

One of her students, a Canadian, increased his weekly lessons from three to seven, she said. But not all Ukrainian startups have enjoyed the same success under lockdown.

In Kiev alone, between 200 and 300 IT specialists have recently lost their jobs, says Voloshyn. Ex-Soviet Ukraine with a population of 40 million

is one of the poorest countries in Europe. The economic fallout from the pandemic threatens to make matters worse.

### 'Growth will fade'

Ukraine's GDP is set to shrink by 5-10 percent this year, says Hlib Vyshlinsky, director of the Centre for Economic Strategy in Kiev. Aviation and tourism have already felt the pandemic's impact, he told AFP.

Vyshlinsky warns that Ukraine's tech sector, which employs 200,000 sought-after developers generating billions of dollars from local and international companies, will not be insulated from the shock. Voloshyn acknowledged his company was



KIEV: Ukrainian entrepreneur Dmytro Voloshyn, the co-founder and chief technical officer of the Preply language learning platform, puts a protective face mask as he leaves the empty office in Kiev. — AFP

riding a short term wave of success and predicts a drop in growth when countries begin easing lockdown restrictions.

"People will go out and want to have more offline activities," he said. Yet he expects the pandemic will contribute to company's long-term growth. "What quarantine will change is the perception of online learning. People will become much more open to online products," he said.

He hopes this will boost Preply's chances of

becoming a "unicorn"—a startup valued at more than \$1 billion—within three or four years. In late March, the company raised \$10 million, doubling funds raised in previous rounds.

But Voloshyn accepts his company isn't completely safe from the virus fallout.

If people run out of money they will not be able to afford everyday "basics", nevermind online education, he said. "That is a scenario everyone is afraid of." — AFP

## Ooredoo announces registration for ProPing tournament

**KUWAIT:** Ooredoo Telecom, the first to introduce innovative digital services in Kuwait, announced that registration is now opened for the second annual ProPing Online Gaming Tournament, in collaboration with Blink Kuwait, the professional Esport organizer, and leader in the PC & console gaming business in Kuwait. The tournament will take place virtually on April 26 and 27, and gaming enthusiasts wishing to participate can register by visiting <https://www.ooredoo.com.kw/portal/en/tournaments> and will be competing in the online game 'Call of Duty- Modern Warfare' from their homes. The tournament will consist of 32 teams made up to 128 players selected from an expected number of 1500 participants who will compete in side tournaments in a purely digital environment. Valuable prizes from Ooredoo, Blink and FASTteleco will be awarded to the winners who will be announced during the tournament.

In addition to the tournament, FASTtelco, a subsidiary of Ooredoo Kuwait and the only provider of ProPing; which is a tailored-made internet service for pro-gamers is launching exclusive new sets of Pro Gaming PCs and gaming accessories bundles in cooperation with Blink, which can be purchased through FASTtelco's customer service center at 1886666.

FASTtelco will also be providing Shamel Home ProPing packages starting at KD18 per month with tailor-made wireless and fixed internet bundle for pro-gamers, to provide an unparalleled gaming experience are available to be purchased through My Ooredoo App or the MyOoredoo application and the Company website Ooredoo.com.kw.

ProPing Online Gaming Tournament is aligned with the company's 'Be Safe. Be Home. Be Online' campaign, featuring an array of digital offers and services designed to support customers and to ensure they are well connected and informed during the COVID-19 outbreak in the country.

## BP faces new existential challenges

**LONDON:** Ten years after an oil spill that BP's new boss Bernard Looney admits tested the company "to the core", the firm is facing two existential challenges: the collapse of prices and climate change.

It was a decade ago this week that an explosion on the Deepwater Horizon rig in the Gulf of Mexico triggered the worst oil spill in US history, killing 11 employees and ultimately costing the British firm more than \$70 billion. Speaking in February as BP announced plans to go carbon neutral by 2050, chief executive officer Looney said that "we learned some hard lessons we will never forget".

"We remember those lessons in this new decade, where the big challenge for BP is the one the world faces: climate change," he said. Anglo-Dutch oil giant Royal Dutch Shell has followed suit in pledging to become carbon neutral but the US groups and French firm Total are lagging behind.

BP says it has reformed its culture over the past decade to emphasize operational security and to prevent environmental damage, for example

## Virus-hit news industry seeks tech giant aid

**LONDON:** The main union representing journalists in Britain is calling on the government to triple a tax on global tech giants to support the industry, as it faces fresh shocks from the coronavirus outbreak. Sector analysts predict that as many as 5,000 journalists could lose their jobs without state intervention, as the national lockdown hits already declining print sales and dwindling advertising revenue. The National Union of Journalists (NUJ) said urgent action was now needed, and the government should look to increase its new digital services tax on tech heavyweights to fund a wider, more long-term "news recovery plan".

"It has been estimated that the current proposals by the UK government could raise as much as £500 million (\$620 million, 570 million euros) in a year," NUJ assistant general secretary Seamus Dooley told AFP. "That's the two percent they plan. We're saying triple it. That would represent a sizeable immediate injection if treated as a windfall tax."

The digital services tax, which came into effect on April 1, targets search engines, social media services and online marketplaces of British users, provided the company's revenue is more than £25 million. It is expected to raise £280 million in its first year and £500 million by the end of 2025, according to the Office for Budget Responsibility.

The levy was introduced after controversy about foreign-based online platforms such as Google and Facebook, which generate huge advertising revenues in Britain but pay relatively little domestic tax.

"There's very much common cause between employers and owners that effectively these are platform providers that are eating our lunch," said Dooley. "They're reliant on the work of media organizations—of journalists, photographers and videographers—and the real challenge for media organizations who are dependent on commercial revenue has been the hemorrhaging of advertising to online."



In this file photo taken on June 14, 2010, crosses with descriptions of fish, wildlife and summer pastimes are displayed in a front yard of a home in Grand Isle, Louisiana, of things potentially lost to the BP Deepwater Horizon oil spill. — AFP

through a program to detect methane leaks. The company's latest figures show an increase in its oil spills from 124 in 2018 to 152 in 2019, but BP puts this down to acquisitions over the period. The 2020s began amid greater pressure on multinationals to reduce their carbon emissions, from investor demands to dramatic protests by climate campaigners.

The global coronavirus pandemic has brought a new and unprecedented challenge for oil firms,



LONDON: Britain's culture secretary Oliver Dowden has warned the news industry could lose £50 million during the crisis, particularly as big firms had blocked online ads alongside stories on COVID-19 — AFP

### Layoffs and leave

Broadcasters such as the BBC have reported record audiences while websites have seen a surge in traffic since the start of the outbreak, and Britain's lockdown which began on March 24.

Ian Murray, executive director at the Society of Editors, said the apparent increase in trust in traditional media was "a very thin silver lining from a horrible dark cloud".

But there remains concern about the economic and social fall-out on journalists, including freelancers not covered by government rescue plans. Nearly 250 local newspaper titles closed between 2005 and 2018, and the current crisis has seen more than 2,000 mainly non-editorial staff at some 500 newspapers temporarily laid off, according to industry magazine Press Gazette.

Some companies are predicting multimillion-pound losses in revenue, have cut salaries or asked staff to work fewer hours and take unpaid leave. Others have announced mergers or warned they could close completely. Media research firm Enders Analysis has predicted advertising sales in the British press could fall by £330 million or 30 percent this year, and circulation could be cut in two. Britain's culture secretary Oliver Dowden has warned the news industry could lose £50 million during the crisis, particularly as big firms had blocked online ads alongside stories on COVID-19. — AFP

causing a drop in demand that has sent prices plummeting. The collapse in prices complicates the transition to cleaner energy for oil majors, because cheap oil makes green energy comparatively less attractive.

BP puts almost all of its \$15 billion annual investment budget into fossil fuels, although it has acquired stakes in solar panel firms and electric vehicle charging companies worth a total of \$400 million. "Their basic business model hasn't changed," said Bobby Banerjee, professor of management at City, University of London. "They invest most of their money in gas and oil" because "they're confident there will be demand for oil" in the next 50 to 70 years, he said.

He said for BP, the energy transition was all about shifting from oil to gas, which is still a polluting hydrocarbon. "The return they get on fossil fuels is not the return they'll get on renewables," he said.

Russ Mould, investment director at AJ Bell, said after the Deepwater crisis BP shed some assets and bet on low oil prices in the long run, reducing its costs and making the group more resilient.

But it has huge debts, totalling some \$45 billion at the end of 2019, leaving it vulnerable to a sustained drop in revenues. Looney now faces a dilemma. He must decarbonise the group while preserving its profitability and share price, which has fallen by 40 percent since the beginning of the year, a plunge experienced by many rivals. — AFP

## Europe races to shield virus-hit companies

**FRANKFURT:** Fears that cash-rich corporate raiders could use the coronavirus crisis to swoop on weakened European firms were perhaps best exemplified by Donald Trump's alleged bid for a German biotech firm working on a vaccine. The outrage that followed has spurred fresh action by European Union nations to bolster their defenses against hostile takeovers that could see key technologies and know-how being lost to countries like China and the United States.

Although Germany's CureVac company denied last month's reports that Trump had offered a billion dollars for exclusive rights to any coronavirus vaccine, the furore nevertheless prompted Economy Minister Peter Altmaier to declare that "Germany is not for sale".

Days later, European Commission chief Ursula von der Leyen urged the bloc's 27 members to "use all options to protect critical European companies" from unwanted foreign takeovers at a time when many firms are hit hard by the pandemic-induced downturn. Some listed companies have seen their share price plummet as they grapple with the economic fallout, making them prime targets for bargain hunters, while previously-niche firms in health technology or medical research are catching investors' eyes.

The EU last year agreed regulations for screening foreign investments and although member states have until the autumn of 2020 to adjust their national laws, the coronavirus has given the matter fresh urgency. "Europe doesn't want to see takeovers of strategically important firms with key technologies or whose valuations are very low at the moment," said Ulrich Wolff, a partner at Linklaters in Frankfurt. Germany has been among the first to act, with ministers approving a draft law this month that makes it easier than before for Berlin to block a non-EU takeover of companies deemed strategically important. — AFP