

Business

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Zain Ventures participates in ZoodPay, the 'Buy Now Pay Later' Super App series B \$38m round

LAUSANNE, Switzerland: Zain Group, a leading telecom innovator operating in seven markets and serving over 48 million customers across the Middle East and Africa, announced an investment in ZoodPay, 'Buy Now Pay Later' (BNPL) Super App's series B \$38 million fundraising through its venture capital arm 'Zain Ventures', joining other global and existing investors in the round.

Zain Ventures will work closely with the teams of ZoodPay's fintech solution and its demand generation marketplace ZoodMall to accelerate their growth and expansion across the region, stimulating local and cross-border e-commerce transactions, boosting socio-economic activity and creating jobs.

Headquartered in Switzerland, the ZoodPay & ZoodMall app already has more than 8 million users and ten offices across the Middle East and Central Asia. The business commits to delivering a "Swiss quality" shopping experience and cross-border services to merchants and shoppers across fast-growing fintech and e-commerce emerging markets such as Iraq, Jordan, Lebanon, Uzbekistan, and Kazakhstan.

ZoodPay's Super App BNPL fintech solution offers ZoodMall online and offline shoppers in core geographies convenient options and instant approval to buy products in their local currency in cash or with the flexibility of paying in four to six monthly instalments, without any interest or fees. ZoodMall is the Middle East and Central Asia's fastest-growing mobile-only marketplace, providing consumers access to 7 million products from over 30,000 local and cross-border merchants.

A statement from Zain Group noted, "The ZoodPay Super App and its marketplace ZoodMall offers an attractive, convenient, and unique value-proposition to digital-savvy online shoppers and the underbanked population across Zain's markets, supporting the company's '4Sight' strategic Fintech and digital lifestyle aspirations to customers and beyond. Zain is confident this strategic investment will be value-accretive to Zain Ventures on multiple fronts as the team works closely with the successful ZoodPay team on accelerating its growth and expansion across our footprint."

A statement from OrientSwiss, the parent company of ZoodPay and ZoodMall noted, "As local and cross-border e-commerce grows, partnering with



dynamic companies such as Zain will be a positive boost for all stakeholders in the ecosystem, whether they be customers, merchants or investors. OrientSwiss would like to thank the Zain Ventures management team and other investors for their trust and confidence, and looks forward to taking the ZoodPay Super App ecosystem to new heights."

ZoodPay: An innovative Ecosystem for Merchants: <https://www.zoodpay.com/ecosystem>

ZoodPay's Buy Now Pay Later Super App also encompasses the ZoodMall marketplace, and the logistics cross-border corridor, ZoodShip. This ecosystem empowers and incentivizes merchants from the Middle East, Central Asia, China, Europe, Russia, and Turkey to open their storefronts to local, new low-penetrated and fast-growing markets without additional set-up costs or fees. Merchants have a unique one-stop value proposition offer to shoppers, supporting them in gaining

new customers (including the underbanked) with higher-order value and building brand loyalty by offering:

1. Secure, flexible, and popular payment methods either by cash or through ZoodPay's BNPL solution
2. Creating demand generation and marketing for products through the ZoodMall B2C marketplace
3. Full-operational logistics support for delivery and customer support to reduce product returns.

More on the BNPL global ecosystem

Millions of shoppers across the globe now use a Buy Now Pay Later (BNPL) platform (also known

- Zain Group's venture capital arm, Zain Ventures will support the growth of ZoodPay's fintech solution and its marketplace ZoodMall across the Middle East
- ZoodPay and ZoodMall ecosystem has a successful track record in boosting local and cross-border e-commerce and advancing socio-economic development in emerging markets
- ZoodPay offering online shoppers and underbanked communities flexible payment options

as point-of-sale loans or lay-by) to finance their online or in certain cases, offline purchases. BNPL provides the option for shoppers to receive their items immediately and pay over a period of instalments, often interest free with just a few clicks when checking out. Shoppers typically have a down payment and then pay the remaining sum in instalments during a period that can range from two weeks to three months, or longer in certain instances.

The advantage for shoppers is that they can buy a more expensive item than they might normally be able to pay for in one go, say a mobile phone for \$500, and spread the cost of their purchase over weekly or monthly instalments.

COVID-19 accelerated the growth of online shopping, and BNPL platforms which had been popular and growing prior to the pandemic, benefited exponentially due to the change in consumer spending habits and fast-growing e-commerce adoption.

According to a report from Worldpay, a payment processing firm, global e-commerce transactions totaled \$4.6 trillion in 2020, up 19 percent from 2019. Worldpay states that BNPL accounted for 2.1 percent, or about \$97 billion of all global e-commerce transactions in 2020 and this figure is expected to double to 4.2 percent by 2024.

More on Zain Ventures

One of the key elements of Zain Group's '4Sight' strategy, Zain Ventures was recently established to complement the existing investment portfolio of Zain Group and open the door to future investment opportunities in the venture capital, FinTech and Tech World, focusing on digital innovations in the fast-growing E-services and entrepreneurial startup ecosystem. Investing in the world of venture capital provides Zain with a vast range of opportunities to diversify and expand its reach in the surrounding ecosystem. Over the years, Zain has expanded its relationship with regional and international venture capital funds supporting their portfolio companies whenever appropriate. Zain has also continued its active engagement in direct strategic investments in a variety of promising startups from the region and afar, offering them support on multiple fronts including a wide geographical reach and progressive customer base for expansion growth opportunities.

Airbus takes order for 255 A321s at Dubai Airshow

DUBAI: Airbus took a mega-order for 255 single-aisle A321 aircraft yesterday, the European plane-maker said in a statement, on the first day of a major air show in Dubai. It said the order came from Wizz Air, Frontier, Volaris and JetSMART—all from US company Indigo Partners—for a total value of more than \$33 billion, according to the latest list price published by Airbus in 2018.

The total cost of the order was not disclosed, but list rates are rarely applied to large deliveries. Hungarian low-cost carrier Wizz Air will receive 102 aircraft, American Frontier Airlines will receive 91, while 39 will go to Mexico's Volaris and 23 to Chilean JetSMART.

Airbus CEO Guillaume Faury said that because the four companies fall under the same aviation-focused equity firm, it allowed for a large order and for an attractive price, adding: "It's a give and take situation." Deliveries are set to begin in 2025. The embattled aviation industry flocked to the Dubai Airshow yesterday as it emerges from coronavirus pandemic travel restrictions and faces pressure to reduce its impact on climate change.

The five-day event in the United Arab Emirates is the industry's first large gathering since COVID-19 clipped the sector's wings last year, when border closures left airports deserted and hundreds of aircraft idle. Air traffic has bounced back since then, though it was still 53 percent lower in September than its pre-pandemic levels.

Indigo Partners chief Bill Franke said the company wanted "to be early in the (recovery) process". Christian Scherer, Airbus Chief Commercial Officer and head of Airbus International, said the Indigo Partners airlines had "acted fast and decisively over the last few months to position themselves for this landmark order as the effect of the pandemic recedes and the world wants more sustainable flying".

Steady demand

The pandemic will have no long-term impact on the need for new aircraft, according to a market outlook released Saturday by European plane maker Airbus,



DUBAI: Two men stand next to an Acropolis Aviation Airbus A320-251N aircraft while in the background is seen another Emirates Airbus A380 aircraft on the tarmac at the 2021 Dubai Airshow in the Gulf emirate yesterday.

which foresees greener fleets emitting less CO₂. There would be demand for 39,020 new passenger and freighter aircraft by 2040, bringing the global fleet to 46,720, the company said, releasing its outlook.

The forecast is not far off the 39,210 planes Airbus estimated in its 20-year market forecast issued in September 2019 — before a COVID-induced downturn which will still leave airlines with close to \$52 billion in losses this year. While Airbus has returned to profit and delivered 460 aircraft in the first 10 months of the year, its American rival Boeing is still losing money and has supplied just 268 planes.

Yet Boeing projects new deliveries in the industry to total 43,610 by 2040, or roughly the same as the 43,315 forecast by aviation data firm Cirium.

Global air traffic has started to bounce back from the worst of its pandemic decline, though in October it was still around half the level before the global health crisis idled aircraft. "Our industry is extremely resilient, the only thing is that we've lost two years of traffic because of the pandemic," Christian Scherer, chief commercial officer and head of Airbus International, told reporters in Dubai.

The market is only expected to return to pre-pandemic levels between 2023 and 2025. Domestic air travel is doing better-which benefits Airbus and its A320 family of narrow-body aircraft.

"While having lost nearly two years of growth over the COVID period, passenger traffic has demonstrated its resilience and is set to reconnect to an annual growth of 3.9

percent per year," Airbus said in the statement. "The middle classes, who are the likeliest to fly, will grow in number by two billion people to 63 percent of the world's population."

Under pressure

Growth would be fastest in Asia, with China's domestic market becoming the largest. Close to 40 percent of the industry's new planes would be for replacement, according to Airbus, which sees demand shifting "from fleet growth to the accelerated retirement of older, less fuel-efficient aircraft".

Compared with previous generations of planes the newest versions save 15-20 percent on fuel, reducing the carbon emissions which contribute to global warming. With the industry under pressure to further reduce its carbon footprint, Airbus will present at the airshow a model of its ZEROe concept hydrogen-burning aeroplane which would eliminate CO₂ emissions. Boeing will show off its ecoDemonstrator aircraft, a version of the 737 MAX used to try out new and cleaner technologies. "By 2040 the vast majority of commercial aircraft in operation will be of the latest generation, up from some 13 percent today," the Airbus statement said.

The Dubai Airshow starts while the Glasgow COP26 climate conference to limit global warming is ending. Airlines will have to invest in newer planes that pollute less to meet a pledge by the International Air Transport Association (IATA) to reach net zero carbon emissions by 2050. —AFP

Boeing to convert 11 737s into cargo planes

DUBAI: Boeing got the ball rolling yesterday at a major air show in Dubai, announcing a contract with an Icelandic company to convert 11 single-aisle 737 aircraft into cargo planes. The five-day Dubai Airshow, the aviation industry's first large gathering since COVID-19 clipped the sector's wings last year, comes as global air traffic remains around half the level of 2019.

But global demand for air cargo transport is nine percent above pre-crisis levels, according to the International Air Transport Association (IATA). The American plane-maker yesterday did not disclose the value of the contract with Icelease to convert 11 Boeing 737-800BCFs-previous generation of the MAX series-into cargo planes.

To meet growing demand, Boeing announced it would open three new

freighter conversion lines in Canada and the United Kingdom, in addition to those recently opened in China and Costa Rica.

"It was a nascent phenomenon before COVID. Pre-COVID, we just couldn't put enough 737 (cargo planes) out there to satisfy the market," Ted Colbert, CEO of Boeing Global Services, told reporters in Dubai. The aviation industry has weathered the global supply chain crisis that has created headaches for the shipping industry.

But amid a slump in global air traffic, during which traditionally half of all air freight was carried in the holds of passenger aircraft, airlines have turned to cargo planes. And due to the decrease of air traffic during the pandemic, hundreds of planes have been abandoned — particularly older generation ones — which could potentially be turned to cargo aircraft. Boeing said in a statement it forecast 1,720 freighter conversions over the next 20 years to meet demand, adding it has "more than 200 orders and commitments from 19 customers".

While wide-body aircraft, such as the Boeing 777, 767 and A350 have their own cargo versions, single-aisle aircraft such as the 737 do not. —AFP



DUBAI: Military equipment is displayed at the Dubai Airshow in the Gulf emirate yesterday. — AFP