Daily Economic News Summary: 6 October 2016

1. Brands scale up youth merchandise

Source: **Live Mint (Link)**

The consumer products division of Viacom18 Media Pvt. Ltd is scaling up its youth merchandising range, launching new product categories and expanding its existing range. Viacom18 recently added MTV deodorants, footwear and cosmetics to its portfolio and introduced new ranges of sunglasses, watches and apparel, targeting youth between the age group of 13 and 25 years. Viacom18 is a content creation company that has interests in films and owns television channels such as MTV, VH1, Nickleodeon and Colors. Disney India, popular for its cartoon and animated characters like Mickey Mouse, Bambi and Marvel, is eyeing adult fashion too. The company has tied up with fashion brand Vero Moda to launch a limited collection clothing line inspired by Bambi in November. Earlier in August, Disney partnered with Only and launched a Mickey Mouse inspired apparel range.

“In the past two-three years, youth fashion has really started to pick up and we are seeing a very strong growth there. Youth fashion has become almost a third of our fashion business,” said Abhishek Maheshwari, vice president and head, consumer products at Disney India. Industry estimates suggest that the merchandise business of Disney is valued at Rs1,500 crore in retail sales in 2015-16 and is expected to close 2016-17 with Rs2,000 crore. Companies such as Viacom18 are banking on the adult segment for growth in their merchandise business usually associated with children’s categories like toys, stationery and other accessories. “We are operating over 35 categories in youth segment. We have more than doubled our business in youth licensing in the past one year and we are growing around 70% this year, driven by apparel, accessories and footwear,” said Saugato Bhowmik, business head at consumer products and integrated network solutions at Viacom18.

2. Honda, Yamaha Motor announce scooter tie-up

Source: **Live Mint (Link)**

Chinese smartphone maker Xiaomi said it has sold over half a million smartphones in India in the last 72 hours owing to the festive sales being run by e-commerce firms such as Amazon India, Flipkart and Snapdeal, a top company executive said. “Between the five platforms that we are available on we sold two phones every second,” said Manu Jain, head of India operations at Xiaomi. The company, which took 30 days to sell half a million phones last festive season, geared up with higher stock availability and timed its new product launches to make the most of the current festive season.

“Redmi Note 3 was the best selling phone on Amazon during the last three days of sale and Redmi 3S and 3S Prime were the top selling phones on Flipkart,” Jain said, adding that the company is out of stock for most of its products. The company is working towards making more stock available as it nears Diwali, a peak sale period for most brands in the country. “You can expect another event from us on the Mi portal before Diwali,” said Jain.

3. China, India to dominate global digital platform economy: Accenture report

Source: **Live Mint** (Link)

The US, China and India will dominate the digital platform economy by 2020, while much of Europe will lag behind according to a new research released by Accenture. The report assesses the digitalization maturity of several countries, and finds that not all countries provide an environment that is conducive to platform success. Accenture’s Platform Readiness Index shows that the United States, China, the United Kingdom, India and Germany top the rankings and have the biggest opportunity to grow and scale digital platforms—and will retain their top five ranking in 2020. Further, the research reveals that China and India clearly benefit from their large base of digital users and high level of user savviness, particularly smartphone usage and thus have the biggest opportunity to grow and scale digital platforms.

Both countries are likely to show the greatest improvement by 2020, due mainly to increases in the online population and the improvement in supportive public policies. India also scored high on digital users and savviness with 236 million Internet users and is seen to benefit from strongly increasing customer base and usage because of early adoption of new devices and services and frequency of accessing digital content. While India ranked 4th in the overall analysis, the country topped the charts when it came to an open innovation culture.

4. Indian IoT market to touch $15 billion by 2020: Nasscom

Source: **Live Mint (Link)**

Indian Internet of Things (IoT) market is set to grow to $15 billion by 2020 from the current $5.6 billion, according to a report by Nasscom released on Wednesday in Bengaluru, as part of its design and engineering summit. The IoT sector is set to get major boost from industrial IoT, which currently accounts for 60% for the total market and includes integration of physical machinery with networked sensors and using the data for faster and more efficient operations. Consumer IoT, which includes smarthome devices as well as wearables, account for the remaining 40% of the IoT market. This is set to change, with consumer IoT’s share rising to 45% by 2020, the report said. Owing to the e-commerce boom and regulatory changes such as GST, Transport & Logistics is set to increasingly utilize IoT for more efficient operations.

5. Intas enters big league with $1-bn bid for Teva assets

Source: **Business Standard** (Link)

Private equity (PE)-backed Intas Pharmaceuticals has made a $1-billion bid for acquiring Israeli generics giant Teva's UK and Irish assets. This indicates its entry into the big league of

Indian pharma giants as it competes with domestic rival Aurobindo Pharma along with global biggies Mylan and Novartis. Teva is selling assets as part of a broader divestiture process to comply with the anti-trust regulations for its $40.5-billion acquisition of Allergan Plc's generics business that was announced last year. Such a bid would be audacious for the Ahmedabad-based company, which clocked its first $1-billion annual revenue in March. But, Intas looks quite at ease with the backing of Chrys Capital and Temasek which own six per cent and 10 per cent, respectively, in the company.

By Nandini Malhotra