

Daily Economic News Summary: 18 October 2016

1. Essar-Rosneft deal might change fuel retailing

Source: **Business Standard** ([Link](#))

The \$12-billion deal between Essar Oil and a consortium led by Russian oil major Rosneft is likely to increase consumer-focused services and dynamic pricing in fuel retailing, according to industry experts. Rosneft, Trafigura, a Singapore-based trading firm, and UCP, a Russian financial investor, will acquire a combined 97.4 per cent stake in Essar Oil's refining and retail assets, the Vadinar port and related infrastructure. Once the deal is complete, Rosneft will have access to India's largest private fuel retailing network. Essar Oil operates a nationwide network of 2,700 fuel pumps. "As new players enter retail marketing, the pricing methodology is expected to change and global practices will be followed. Customer offerings and product differentiation will change. With crude oil prices going up, dynamic pricing will be seen too. Retailers will track customer behaviour more closely to tailor offerings," said Deepak Mahurkar, director, oil and gas, PwC India.

2. Panel gathers to set GST rate

Source: **Business Standard** ([Link](#))

Finance ministry and state finance ministry officials gathered in New Delhi on Tuesday for a three-day meeting that will seek to finalise the main rate of the Goods and Services Tax and pave the way for its introduction next April. The long-delayed tax, which would transform Asia's third-largest economy into a single market for the first time, should boost revenues through better compliance while making life simpler for businesses that now pay a host of federal and state levies. Prime Minister Narendra Modi, who wants to make doing business easier in India, has said India needed the tax reform to end widespread evasion by businesses and prevent officials from waging arbitrary tax "terrorism". Last month the GST Council, a decision making body that comprises federal and state finance ministers, resolved key issues on how the sales tax would work and approved draft rules for its collection.

3. Uber, T-Hub launch program to connect Indian start-ups with global market

Source: Live Mint ([Link](#))

T-Hub, a start-up ecosystem builder, in partnership with Uber and TiE Silicon Valley on Saturday announced launch of a programme that will connect Indian start-ups with global market opportunities and help bring global new-age companies to the country. According to a statement issued by the start-up incubator, T-Bridge will enable start-up communities in India and around the world to cross-pollinate ideas, innovate and create channels for knowledge transfer. It will also create a network of mentors, VCs, incubators and accelerators that is advantageous to the Indian start-up ecosystem. K .T. Rama Rao, Telangana minister for IT inaugurated T-Bridge at Uber's headquarters in San Francisco on Saturday, the release said. T-Bridge will provide a platform for such fast-track tech companies looking to tap into India's huge consumer market for technology and help start-ups access UberEXCHANGE—Uber's flagship start-up mentorship programme and TiE Silicon Valley's mentor network.

4. Bombay Shirt Company targets the Middle East, to open store in Dubai

Source: Live Mint ([Link](#))

Bombay Shirt Co., the country's first online custom shirt brand that allows customers to call a tailor home to get measured for customized shirts, is set to step into the Middle East market, starting with Dubai, in January. The Mumbai-based company, which started as an online customized shirt brand in 2012 and then opened physical stores in Mumbai, Bengaluru and Delhi, is finalizing plans to open its first store outside India, said founder Akshay Narvekar. Bombay Shirt Co. currently has two stores in Mumbai, one in Bengaluru and one in Delhi. "We would not have many stores in a particular city," added Narvekar. The company is, however, open to a franchise model in Indian metros. Retail outlets are for marketing and order management purposes, and the company processes all its orders from its sole factory in Mumbai.

5. Kishore Biyani is planning a bigger push for private labels

Source: Live Mint ([Link](#))

Future Consumer Enterprise Ltd (FCEL), Future Group's consumer packaged goods unit, plans to launch a new brand, category or product every two weeks as it aims to have its own labels account for 70% of the products sold in group retail chains such as Big Bazaar and Easyday. "We have already launched 21 brands under FCEL," Kishore Biyani, Future Group chief executive, said at a press conference to unveil the company's oats brand Kosh. The plan is part of the company's stated objective of increasing revenue tenfold to Rs20,000 crore by 2021. FCEL plans to invest Rs50-60 crore in marketing and distribution of the Kosh brand in the next three years. In the pipeline are brands of popcorn, confectionary and chocolates, which would take about a year to develop, Biyani said on the sidelines of the conference. Brands like Kosh

will also be available at other retailers including Trent Hypermarket Ltd's Star Bazaar, Tata Group's retail venture with UK's Tesco Plc and in general (kirana) stores in 12 cities besides Future Group's own network of retail chains, Biyani said.

By Nandini Malhotra

