

## Daily Economic News Summary: 28 December 2016

### 1. Amazon, Flipkart set to overhaul fashion portfolios to boost sales

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

Amazon India and Flipkart are revamping their fashion categories, launching private brands and hunting for more exclusive partnerships to increase sales of a category that offers higher margins than smart phones and televisions, two of the other three largest categories in e-commerce. Amazon indicated it intends to expand its private label portfolio and launch newer product lines, as it looks to differentiate its offering from Flipkart and Flipkart-owned retailers, Myntra and Jabong. In recent months, Amazon has also signed partnerships with leading brands such as Aeropostale, Arrow and Swarovski on certain product lines. "We are still at an early stage (with private labels)," said Arun Sirdeshmukh, head of fashion at Amazon India. "We are putting together the building blocks. Should we do more of it? There are many product lines that we'd rather add to these brands that we have on the table. That's the journey." Amazon also indicated that it will enter newer categories over the coming months, especially in women's fashion and women wear.

### 2. Free Charge, Faasos tie up for e-wallet payment solution

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

India's leading digital payments platform FreeCharge has announced its partnership with Faasos, one of India's leading Food on Demand business as an e-wallet payment solution provider. Food tech platform FreeCharge, which has presence in the Food and Beverages category through merchants like foodpanda, Zomato, Swiggy, Freshmenu, Innerchef, Domino's, McDonalds, Haldiram's, CCD, Barista will further strengthen its position through this association. "We are glad to have tied up with Faasos as their e-wallet partners. This gives both the partners a potential to serve each other's customer base and opens avenues of future innovative launches for their customers. The diversified geographical reach of Faasos is only set to grow bigger and we hope the association brings in good results for both the organizations," said Chief Business Officer FreeCharge, Sudeep Tandon. Faasos serves over 15,000 daily customers across 130+ locations in 14 Indian cities Mumbai, Pune, Bangalore, Hyderabad, Chennai, New Delhi, Gurugram, Noida, Ghaziabad, Ahmedabad, Vadodara, Indore, Bhopal, and Nagpur.

### **3. GSFC's chemicals business gets profitability boost**

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

Shares of Gujarat State Fertilizers and Chemicals Ltd (GSFC) surged after reports that caprolactam prices have hit a two-year high. With a 56% share, GSFC is the leader in India's market for caprolactam. It is the primary product of GSFC's industrial products business. It is used to produce nylon fibres for textiles, engineering resins and films. In fiscal 2015, around 38% of GSFC's revenues were generated from the industrial products business. From \$600 per metric tonne (mt) in January-March and \$625 in the June quarter, caprolactam-benzene spreads improved to \$735 in September, Emkay Global Financial Services Ltd said in an update note on GSFC.

### **4. Cement deals dominate top five M&A deals in 2016**

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

Fuelled by a consolidation wave and rising confidence in the country's economic growth prospects, merger and acquisition (M&A) activity increased to \$69.75 billion across 1,195 announced transactions in 2016, beating the previous record of \$66.96 billion seen in 2007, when dealmaking was at its peak, according to data compiled by Thomson Reuters. The year witnessed major transactions such as the sale of Essar Oil Ltd, merger of Reliance Communications Ltd and Aircel Ltd, and acquisition of Max Financial Services Ltd's life insurance business by HDFC Standard Life Insurance. The Ruias-promoted Essar Oil Ltd, India's second largest refiner outside government control, clinched a deal with Russia's largest oil company, Rosneft, United Capital Partners and Trafigura Group Pte to sell 98% in its most prized asset, the 20 million tonne per annum Vadinar refinery and Vadinar port in Gujarat. Anil Ambani-controlled Reliance Communications Ltd inked a pact to merge its wireless business with smaller rival Aircel Ltd to create India's third largest telecom operator by users.

### **5. Bright days ahead for commercial real estate**

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

The outlook for 2017 is likely to be robust too with demand from manufacturing, logistics and consumer goods besides the information technology and outsourcing sectors. A paradigm shift in commercial space leasing is likely to boost demand, as firms that historically bought space prefer leasing to accommodate changing needs. Higher use of technology has made jobs more process drive and less manpower driven. This means a \$1 billion revenue growth would need only 20,000 people as against 35,000 at present that in turn would limit need for space.

By Shreya Chopra

