



The month that was...	VPC Sectors
<p>COUNTRY, FINANCE, MACROECONOMY, POLICY AND POLITICS</p>	<p>CONSUMER MARKETS</p>
<p>The total gross GST revenue collected in the month of October is Euro 12.13 Billion of which CGST is Euro 1.98 Billion, SGST is Euro 2.75 Billion, IGST is Euro 6.44 Billion (including Euro 3.24 Billion collected on imports). The Revenue collected in October is higher by 6.64% as compared to September collection.</p>	<p><i>Electronics</i></p> <ul style="list-style-type: none"> • Voltas has re-entered the consumer durable market through a 50:50 joint venture with Arcelik, a Turkey-based home appliances company with the plan of expanding the brand into various product categories. Voltas' products are available in 15,000 outlets across the country and it plans to increase its presence up to 25,000 retail outlets and 500 exclusive brand outlets. • Xiaomi has now become the second largest consumer electronics player in India. The Company's India revenue increased by 175% in 2017-18 to Euro 2.77 Billion y-o-y, the company posted Euro 34.5 Million net profit.
<p>India has recorded a jump of 23 positions against its rank of 100 in 2017 to be placed now at 77th rank among 190 countries assessed by the World Bank.</p>	<p><i>Lifestyle - Fashion</i></p> <ul style="list-style-type: none"> • Marks & Spencer (M&S) is planning to open around 15 stores in the next couple of years in India. The Company sold 86,000 and 156,000 units in 2016-17 and 2017-18 respectively. • Forever 21 will be reopening its store in Mall of India, New Delhi, after revamping the look and feel to align it closer to some of its flagships across the world. • Truffitt & Hill will soon be opening the doors to its 15th store in the country. It will be located in the upscale residential suburb of Juhu in Mumbai, making it the 5th store in the financial capital of the country. • Electronics gadget and lifestyle product retailer WK Life has opened its first store in India, at DLF Mall of India in New Delhi; marking its entry into the country • Korean lifestyle brand Beccos has opened its first store in the country in Kamla Nagar, New Delhi. Beccos offers a range of products from home décor to fashion accessories. • Indian shoe brand Neeman, locally renowned for the use of natural fibres in its shoes, has partnered with Woolmark Company, the global authority on wool, to launch a range of shoes made from Merino wool sourced from Australia. • Crocs, an American footwear brand, which is presently operating 96 stores in India, will cross 100 stores by the end of November with the opening of 5 new stores during the month. • In October, athleisure brand Fila opened its second heritage flagship store in Mumbai and its first one in Pune. • Indian cricket captain Virat Kohli has launched his first personally designed sneaker in collaboration with global sportswear brand Puma.
<p>Ahead of Diwali festival, the Reserve Bank Tuesday announced it will inject Euro 1.45 Billion into the system through purchase of government securities on November 1.</p>	<p><i>Food & Beverages</i></p> <ul style="list-style-type: none"> • Amul is focusing on the dark chocolate segment to sustain its dominant relevance in the market after new competitors came into the market like Ferrero (9% value share of the market) and Mars over the past few years. Amul's in-house production capacity of chocolates has increased to 1,200 tonnes per month after the launch of the second plant in Gujarat. The overall chocolate market is currently valued at Euro 1 Billion and it is expected to grow by 11-12% per annum. • Online food ordering platforms de-listed 5000 Non – Food Safety and Standards Authority of India (FSSAI) licensed/registered restaurants as per the decision of FSSAI on July 20. Online platforms also mention they will re-list them after they meet compliance requirements of FSSAI.
<p>More than 664 kms of Metro Rail projects in 15 cities are presently under various stages of implementation, while more than 515 kms of Metro Line are already operational in India.</p>	<p><i>Retail – Online</i></p> <ul style="list-style-type: none"> • E-grocery segment's predicted total worth is expected to be around Euro 24.5 Billion by the end of 2018. Paytm wants to gear up into the grocery sector with the backing of Alibaba which invested Euro 175 million in BigBasket. If Paytm can tie up with BigBasket, there is a chance to cross fertilise their respective user bases to enhance the combined business. Flipkart also allocates Euro 350 million from Walmart only for an e-grocery segment. Amazon is planning to introduce its food range on the platform by end of this year. • Myntra is looking forward to expanding globally with the help of Walmart. Myntra has started to sell its private label, All About You, at Walmart stores in Canada. Myntra has 14 private label brands, with 25% of its revenues deriving from in-house brands. It expects this vertical to grow exponentially with 30% CAGR over the next 5 years. Walmart, which is also trying to increase revenue from its private label up to 10% of overall turnover from the current 6%, will be looking at synergies with Flipkart to help it achieve this goal.
<p>During a three-year period (assessment year 2014-15 to 2017-18), the number of salaried taxpayers has increased from 17 Million to 23 Million. This is a rise of 37 per cent. The average income declared by the salaried taxpayers has gone up by 19 per cent from Euro 6,900 to Euro 8,240. There has also been a growth of 19 per cent in the number of non-salaried individual taxpayers from 19.5 Million to 23.3 Million and the average non-salary income declared has increased by 27 per cent from Euro 4,950 to Euro 6,300.</p>	



Upcoming Events

Upcoming Trade Exhibitions

**World Tea & Coffee Expo
Mumbai**

Venue: Nehru Centre, Worli, Mumbai

Date: 29 November – 1 December 2018

Sparkle International

Venue: off Sachin Magdalla Highway, Sarsana, Surat

Date: 14 – 16 November 2018

India International Trade Fair

Venue: Pragati Maidan, New Delhi

Date: 14 – 27 November 2018

VPC Sectors

- Flipkart claims to have sold 3 million smartphones in its first day of Big Billion Days (BBD) sale, which started on October 10th. Sales in the first 36 hours of this year's BBD surpassed the entire five-day sales of last year. This year, Private Labels played a significant role in their respective categories, with MarQ brand gaining 20% sales in the washing machine segment and 30% in air conditioners.
- Food delivery platform Swiggy expanded services in 16 new cities, increasing its reach from the 28 cities across India where it already had a presence. Competitor Foodpanda countered by adding 30 cities to its tally, taking its presence to 50 cities across the country.

Retail – Offline

- Nature's Basket plans to increase the number of stores up to 80-90, and expects revenue growth at CAGR of 25% to 2022. They also mentioned that the average ticket size per customer has increased to more than Euro 17.
- As the festive season starts in India, offline retailers also come up with various discounts and cash back offers to compete with the online retail market. Many retailers claimed they are expecting an increase in sales of 20-30% over the previous year. Future Group, India's largest brick player, plans to define region-specific strategies to cater the market in a more localised manner. Future Group has also tied-up with card payment gateway RuPay to give an additional 10% discount at its retail formats Big Bazaar, Food Bazaar and Fashion at Big Bazaar(FBB).
- Spencer's is planning to expand its grocery retail chain. In order to do so, it is in talks with Alibaba and Amazon which have expressed interest in taking a stake into the Company. Spencer's currently has 138 stores and 10 more are expected to be added by March, 2019.
- BigBasket acquires Morning Cart and RainCan to expand into Micro-delivery and Omnichannel commerce. BigBasket is trying to introduce subscription-based service for daily products with the help of Morning Cart and RainCan in eight major metro cities in the next three months. BigBasket also acquired a controlling stake into kwik24 which operates cloud-connected automatic vending machine so the consumer can place an order from the company's Instant app and collect the ordered products from the nearest vending machine. For this system, BigBasket is looking for appropriate locations. Currently, the company has installed 100 machines at 50 locations in Bengaluru.
- Licious, a marketplace for fresh premium seafood and meat products, is in talks for Series C funding from a group of international investors spearheaded by the German Group Bertelsmann.
- Ikea broke ground for its third store in Bangalore, set to open by the summer of 2020.
- Looking to ramp up its physical retail presence, Bangalore born furniture brand Urban Ladder will be adding 7 new stores to its count of 8, by the end of March, 2019.

HORECA

- Dunkin' Donuts is entering into the café segment by reformulating its existing menu and ensuring more focus on this product for new openings. This will help fill a crucial gap in Jubilant foodwork's portfolio in the domestic market. Domestic coffee chain market is expected to grow by 11-12% per annum. Café coffee day is the leading player in this market with 1,742 outlets, followed by McCafe(156), Starbucks(128), Costa Coffee (40) which was acquired by Coca-Cola. Dunkin' Donuts currently operates 37 stores in the country.
- Café Coffee Day, India's leading café chain by store count, is planning to ramp up its network to 2,500 stores in the next 7-8 years, from the current 1,740 stores that it already has across the country.
- Singapore based bakery BreadTalk has opened its first store in the country in Delhi's Select Citywalk Mall.
- An Italian frozen dessert company, the name is not yet revealed, is in advanced talks to pick up a 40% stake in a Kolkata based ice-cream maker. The Italian entity will bring technical expertise to the entity, apart from financial muscle