

Together

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Editor in Chief:
DR. USHA KAMILLA

Published by the Director,
Institute of Management
& Information Science
Swagat Vihar, Bankuala
Bhubaneswar-751002
Odisha, India
Tel.: +91-674-6542256/ 57
E-mail: usha@imis.ac.in

Contributing Editors:

Mohammed Owais (15DM047)
Manisha Patnaik (15DM055)

Layout Design:

Mr. Arjun Ojha

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“Continued logjam in Parliament combined with the devaluation of yuan led to a sharp spike in outflows from India. The stock market has been choppy since then with the Sensex declining 1% during the period. The delay in the passing of key legislations like Goods & Services Tax (GST) Bill & the Land Acquisition Bill has kept investor sentiments subdued.”

- HSBC Analysts, raising concern that rupee depreciation ,when China first announced that it was devaluating its currency.

GOODS & SERVICES TAX (GST) REGIME –

India awaits a revolutionary taxation reform

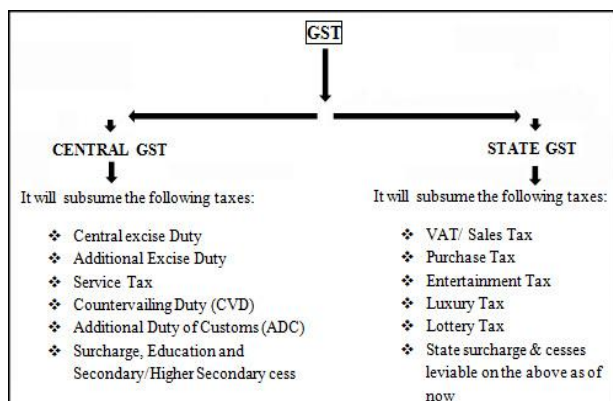
THE EDIT PAGE – Issues & Insights



India is likely to take an energetic turn-around in its indirect taxation framework with one of the most revolutionary & biggest taxation reforms -- the **Goods and Service Tax (GST)** -- all set to be implemented from April 2016. With an expectation to help build a transparent and corruption-free tax administration, there has been lot of eagerness on the implementation of GST in India. It is estimated that India will gain \$15 billion a year by implementing the GST as it would promote exports, raise employment and boost the country's growth. The empowered committee is likely to finalize the details of GST by August after the states sort out several issues like agreement on GST rates, constitutional amendments and holding talks with industry associations.

The **Goods and Service Tax (GST)** is a Value Added Tax (VAT) that will replace all indirect taxes levied on goods and services by the Indian central & state governments. Under GST, the taxation burden will be divided equitably between manufacturing (goods) and services, through lower tax rates by increasing the tax base and minimizing exemptions.

India being a federal republic is planning to implement a **dual GST system**, under which, a **Central Goods and Services Tax (CGST)** and a **State Goods and Services Tax (SGST)** will be levied concurrently by the central and state governments.



Currently, a manufacturer needs to pay tax when a finished product moves out from a factory, and it is again taxed at the retail outlet when sold. Services are being taxed at 10 % and the indirect

taxes on most goods are around 20%. The combined GST rate is being discussed by the government. GST will be levied only at the destination point, not at various points (from manufacturing to retail outlets) & will be charged on the manufacturing cost. The prices are expected to fall in the long term as dealers might pass on the benefits of the reduced tax to consumers. The rate is expected around 14-16 %. All goods and services, barring a few exceptions like alcohol, tobacco & petroleum products, will be brought into the GST base.

However, the debate on the necessity for a GST in India has been ignited. The best GST systems across the world use a single- GST while India has opted for a dual-GST model. So critics claim that GST brings nothing new to the table as CGST, SGST are nothing but new names for Central Excise/Service Tax, VAT and CST. The government believes that dual GST will lead to better revenue collection for states. Some states especially the backward and less-developed states fear that if the uniform tax rate is lower than their existing rates, it will hit their tax kitty. This change in the tax structure is also going to have a huge impact on the current supply chain of India which has been structured to avoid taxes. It is possible that, a country that can give Unique ID to every citizen can as well give registration service ID to small traders to get them inside the tax net.

Amidst such controversies, there are strong hopes that GST will become successful in India as in 150 other GST countries in the world, with reduction in the number of taxes at the central and state levels, cut in tax rate for many goods and increased tax collections due to wider tax base and better compliance.

The GST story has had many a twist & turn, but we hope it will add up to nothing less than a revolution.


usha@imis.ac.in

10 TRENDS 2016 & BEYOND....

10 TRENDS 2016
& BEYOND –
*10 Amazing
Things in 2016*



Consumers believe artificial intelligence (AI) will soon enable interaction with objects without the need for a smart phone screen, according to a report by Ericsson Consumer Lab. And eight out of ten consumers would like to use technology to enhance their vision, memory & hearing. Here's a pick into the future

LIFESTYLE NETWORK EFFECT- FOUR out of five people now experience an effect where the benefits gained from online services increases as more people use them. **33%** consumers globally already participate in various forms of the sharing economy

ARTIFICIAL INTELLIGENCE (AI) ENDS SCREEN AGE- AI will enable interaction with objects without the need for a smart phone screen. **50%** smart phone users think their devices will be a thing of the past in next 5 years

SENSING HOMES CONCEPT of smart phones needs to be reworked. **55%** of smart phone owners believe bricks used to build homes could include sensors that monitor mold, leakage and electricity issues within the next five years.

EMERGENCY CHAT SOCIAL networks may become preferred way to contact

emergency services. **60%** consumers are also interested in a disaster information app.

STREAMING NATIVES TEENAGERS watch more YouTube video content daily than other age groups. **46%** of 16-19 year-olds spend on hour or more on YouTube every day.

VIRTUAL GETS REAL CONSUMERS want virtual technology for everyday activities such as watching sports and making video calls. **44%** even want to print their own food.

SMART COMMUTERS want to use their time meaningfully and not feel like passive objects in transit. **86%** would use personalized commuting services if they were available.

INTERNABLES INTERNAL sensors that measure well-being in our bodies may become the new wearable. **80%** consumers would like to use technology to enhance sensory perceptions and cognitive abilities.

MANAGEMENT QUIZ-16

MAGANAGEMENT
QUIZ NO. 13 -
Task Ahead



1. Which hotel chain did Marriot decide to acquire recently, creating world's largest hotel company?
2. Which online platform did Maggi choose for its comeback to the Indian market?
3. Where is Amazon opening its first brick-and-mortar bookstore?
4. Who has Tata Motors chosen as its brand ambassador?
5. Quicr recently acquired a real estate portal for \$200 million. Can you name it?
6. Which Indian watch manufacturing company plans to enter the smartwatch category?
7. Which American teen apparel retailer recently opened its first store in India, in association with textile major Arvind?
8. Who is the winner of Thinkers50 Lifetime Award?
9. Founder of which organisation recently decided to donate 99% of his shares in the company of charity?
10. He is among the top five Thinkers50. He is also the author of Triggers. Who is he?

HAPPY QUIZZING

(Answers to be published in **TOGETHER** February 2016, issue)

Students are encouraged to send answers to 'Management Quiz No.16, to the Email: usha@imis.ac.in, latest by 5th Feb. to win attractive prizes, for all correct answers, under your respective club activities.

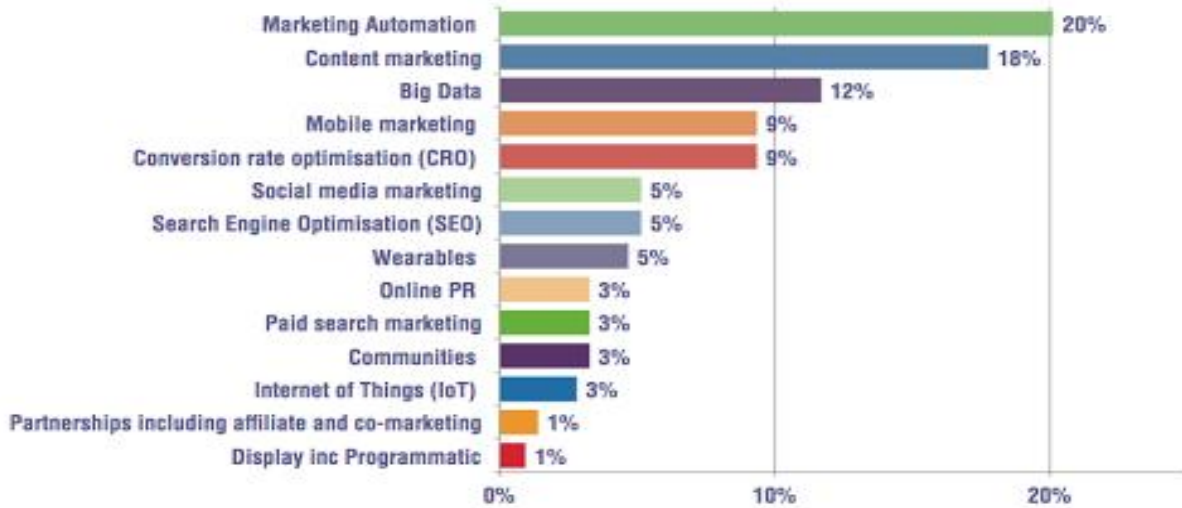
"Your time is limited, so don't waste it living someone else's life. Don't be trapped by dogma – which is living with the results of other people's thinking. Don't let the noise of other's opinions drain out your own inner voice. Have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary."

(Steve Jobs, Former Chairman Apple, in his 2005 commencement address at Stanford University, when he talked about his experience of being diagnosed with pancreatic cancer.)

QUICK TAKE-
Graphs and Tables

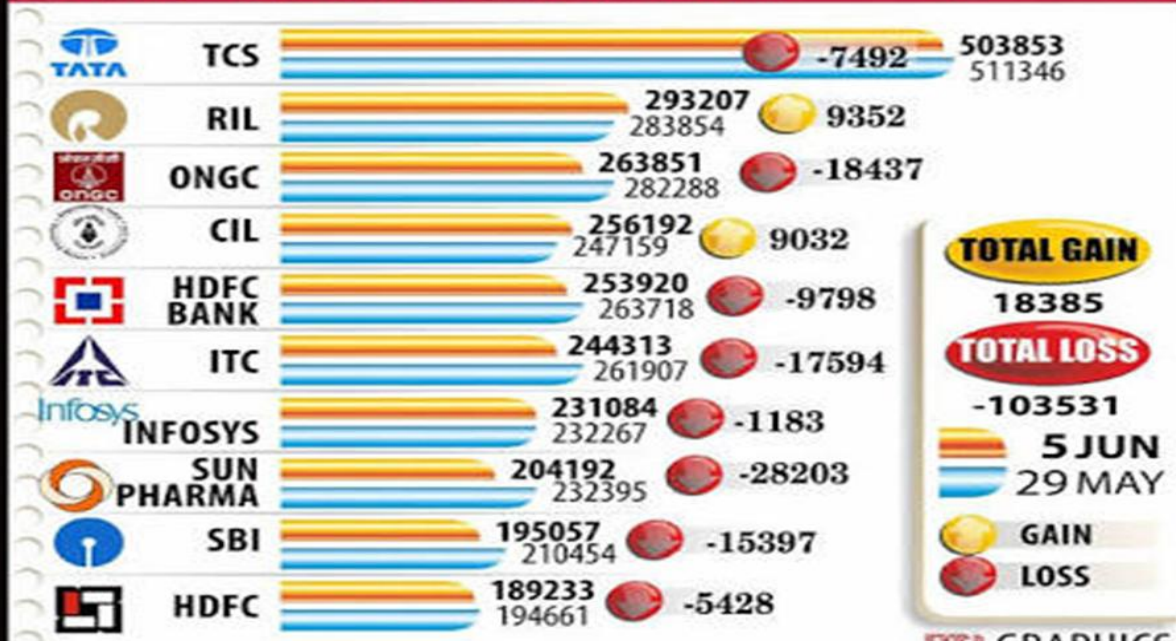


Digital marketing activities with the greatest commercial impact in 2016?



Market Capitalisation

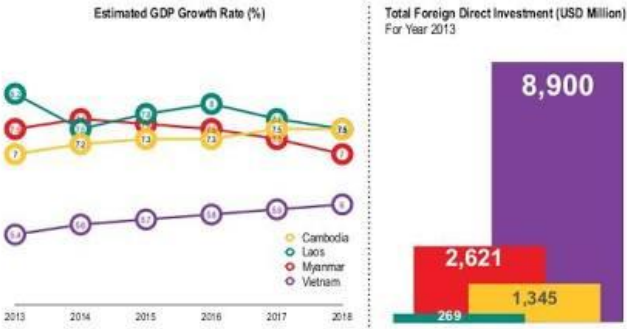
(in ₹ Crores)



PTI GRAPHICS.

MARKET GROWTH

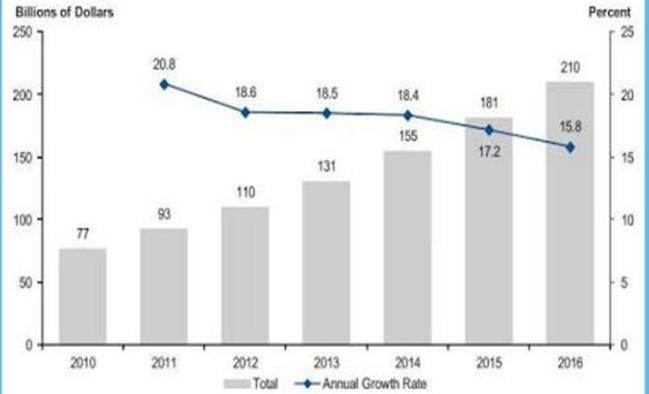
CLMV market is expected to grow constantly



Source: IMF and Citigroup Analysis

© Citigroup 2014

Public Cloud Services Market and Annual Growth Rate, 2010-2016



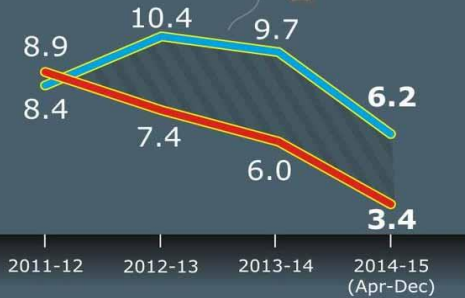
Source: Gartner (February 2013)

Inflation

(Average)

Based on WPI

Based on CPI (IW)



Foreign Trade

(Percentage growth)

Exports Imports



INDIA SOCIO ECONOMIC AND CASTE CENSUS 2011

73% live in rural areas



75% earn less than 5,000 Indian rupees or \$78 each month

<5% pay income tax



Of 300 million households surveyed...



Only 11% own a fridge

28% don't own a phone



35% are illiterate

CNN

SOURCE: India Socioeconomic and Caste Census (SECC)

MARKET TRACKERS- Vital Indices



BSE AND NIFTY INDEX (As on 19 January, 2016)

S&P BSE SENSEX **27,878.27**
-189.04 -0.67%



NIFTY 50 **7,430.80**
79.80 1.09%



CURRENCY RATES (As on 19 January, 2016)

Source- nseindia.com

Currency Rates Interest Rate Future

USDINR 1 \$ ₹67.5630

EURINR 1 € ₹73.5018

GBPINR 1 £ ₹96.4192

JPYINR 100 ¥ ₹57.3700

RBI reference Rate as on Jan 19, 2016 13:00:00 IST

COMMODITY PRICES (As on 19 January, 2016)

Source: Money Control

Commodity Prices (MCX)

Commodity	Rs	Chg	% Chng
Gold - 5 Feb	26016.00	49.00	-0.19%
Silver - 4 Mar	34328.00	232.00	0.68%
Crudeoil - 19 Feb	2094.00	41.00	2%
Naturalgas - 25 Jan	141.60	3.20	-2.21%
Aluminium - 29 Jan	100.90	0.20	-0.2%
Copper - 29 Feb	300.05	3.45	1.16%

Commodity Prices (NCDEX)

Commodity	Rs	Chg	% Chng
Castorseed - 20 Jan	3423.00	36.00	-1.04%
Charjddel - 20 Jan	4810.00	44.00	-0.91%
Rmseed - 20 Jan	4526.00	86.00	1.94%
Sybeanidr - 20 Jan	3708.00	27.00	0.73%
Cocudaki - 20 Jan	2070.00	53.00	2.63%
Tmcfgrnzm - 20 Apr	8704.00	938.00	-9.73%

Nifty 50 Gainers/ Losers

Most active

Gainers

Symbol	LTP	% chng	Volume
AXISBANK	396.00	6.11	1,42,15,698
ADANIPOINTS	232.60	6.06	37,13,322
IDEA	116.70	4.71	24,23,238
TATAMOTORS	354.25	4.13	73,04,555
YESBANK	682.05	3.97	48,78,636

As on 19,January 2016 (Source:: NSE)

Losers

Symbol	LTP	% chng	Volume
M&M	1,151.00	-1.26	10,06,000
POWERGRID	136.50	-1.19	40,96,149
MARUTI	4,190.00	-1.09	4,99,001
TECHM	513.00	-0.85	9,78,429
WIPRO	542.60	-0.83	9,57,428



States receive Rs 1,396 crore from coal mines auction, allotment: Source

By PTI | 16 Dec, 2015

A little over Rs 1,395 crore has been transferred to the coal-bearing states including Odisha, West Bengal and Jharkhand for coal blocks that were both auctioned and allotted during the year. "So far, Rs 1,395.69 crore has been transferred to the states as upfront payment and monthly charges," a source said.

Base rate to be based on marginal cost of funds from April 1: RBI

ET Bureau | 17 Dec, 2015

The Reserve Bank of India has directed banks to set five benchmark rates for different tenure ranging from overnight rates to one year, which will come into effect from April 1, 2016. In a new set a guidelines aimed at improving transmission of policy rates to end customers, RBI has issued a new formula to price lending rates known as 'marginal cost of funds based lending rates' or MCLR which will replace the base rate.

Number of financial inclusion accounts touch 19.52 crore: RBI

By PTI | 23 Dec, 2015

The Reserve Bank said banks, mostly state-run ones, opened a whopping 19.52 crore accounts under the government's financial inclusion drive till the first week of December. "As on December 9, 2015, 195.2 million accounts have been opened and 166.7 million RuPay debit cards have been issued under the Prime Minister's Jan DhanYojana, which was launched on August 28, 2014," the central bank said in its half-yearly report on the operations and performance of scheduled commercial bank .

Balance of payments slips into deficit on dollar outflows

By Reuters | 23 Dec, 2015

The balance of payments slipped into deficit in the third quarter for the first time in nearly two years, as foreign investors turned net sellers of Indian financial assets in anticipation of December's US rate hike. The account of monetary transactions with the rest of the world turned to a deficit of \$0.9 billion in July-September from surplus of \$11.4 billion in April-June, central bank data showed on Tuesday.

India paid Rs 400 crore to international agencies, Japan, Germany for unutilized external loans

By Pradeep Thakur, TNN | 25 Dec, 2015

India has paid over Rs 400 crore in the last four years as commitment charges to the Asian Development Bank, Japan, Germany and the International Bank for Reconstruction and Development (IBRD) for unutilized external loans taken to fund development projects. Japan and ADB are the two biggest beneficiaries of these slippages, according to a study compiled by the Comptroller and Auditor General in its latest report on the Union government accounts for 2014-15.

Stopping LPG subsidy to high-income group to save Rs 500 crore

By ET Bureau | 29 Dec, 2015, 08.14PM IST

Ceasing subsidy on LPG for high income consumers is a step in the right direction to derive advantage of direct benefit transfer and will be credit positive for the city gas distribution industry, rating agency ICRA BSE -1.71 %

said in a report. The savings in LPG subsidies for the government could be upto Rs 500 crore if subsidy is stopped for this category households.

Govt stares at Rs 50,000 crore shortfall in disinvestment proceeds

By PTI | 30 Dec, 2015

The Finance Ministry is staring at a shortfall of Rs 50,000 crore in disinvestment target for the current fiscal and is hoping to make up for it through higher revenue realisation, sources said. The government has so far raised only Rs 12,700 crore through PSU disinvestments in the current fiscal and may raise another Rs 6,000-7,000 crore in the remaining three months.

Budget 2016: Nasscom asks for tax exemptions for startups in pre-budget recommendations

By ET Bureau | 6 Jan, 2016

The National Association for Software and Services Companies, in its pre-budget recommendations, has asked the Finance Ministry to exempt startups from direct and indirect taxes including minimum alternative tax to reduce their compliance burden and cash outflows. ITC, Bharti Airtel line up more investments in West Bengal.

Finance ministry asks CPSEs to give 30% payout, issue bonus shares

By ET Bureau | 8 Jan, 2016

The finance ministry on Thursday asked Central Public Sector Enterprises (CPSEs) to shell out 30% dividend to the government, and that CPSEs with large cash reserves and sustainable profit may issue bonus shares. The government had budgeted Rs 69,500 crore from disinvestment proceeds of which it has so far been able to raise a paltry Rs 12,700 crore.

ITC, Bharti Airtel line up more investments in West Bengal

By PTI | 8 Jan, 2016

Leading corporates ITC and Bharti Airtel today said they would ramp up their investments in West Bengal. ITC chairman Y C Deveshwar speaking at the Bengal Global Business Summit here today said the company already has investments worth Rs 4,500 crore.

Market rebounds; Sensex ends 172 points up, Nifty50 holds above 7,550

By ET Bureau | 13 Jan, 2016

The domestic equity market on Wednesday made a strong comeback from a nearly 300-point fall, as buying emerged at lower levels.

Earlier, Sensex and Nifty50 had started the day on a strong note, but could not hold on to the gains and plunged to their new 52-week lows at 24,387.69 and 7,425.80 points, respectively.

India's trade deficit with China mounts to \$44.87 billion in 2015

By PTI | 13 Jan, 2016

India's trade deficit with China touched a whopping USD 44.87 billion last year and its exports shrank to USD 13.38 billion as bilateral trade registered a marginal increase, totaling USD 71.64 billion, missing the USD 100 billion target set by the leaders of the two nations. The total India-China trade in 2015 amounted to USD 71.64 billion, officials here told PTI quoting release by the Chinese customs.

Centre approves Rs 791 crore as drought assistance for Telangana

By Rahul Tripathi, ET Bureau | 14 Jan, 2016

The government on Thursday approved a central assistance of Rs 791 crore for Telangana in order to help the state cope with the drought situation which it is facing. The decision was taken at the meeting of the High-Level Committee (HLC), chaired by union home minister Rajnath Singh.

Industry urges RBI to cut rates as deflationary trend persists

By PTI | 14 Jan, 2016

With inflation remaining in the negative territory for the 14th straight month in December, India Inc today said the trend indicates weak demand, nudging Reserve Bank to cut the benchmark rate to aid industrial recovery and boost economic growth.

India's forex reserves fall below \$350-billion mark after 15 weeks

By Atmadip Ray, ET Bureau | 16 Jan, 2016

India's foreign exchange reserves have fallen below the \$350 billion mark after 15 weeks with overseas investors withdrawing dollar-denominated investment from local market prompting Reserve Bank of India to intervene in the market to soften the fall of the local currency.

Tax refund totals Rs 65,000 crore so far this fiscal: Revenue Secretary HasmukhAdhia

By PTI | 16 Jan

The Income Tax department has issued a record Rs 65,000 crore worth refunds so far this fiscal, Finance Ministry said today. The Finance Ministry had yesterday ordered expediting the process of issue of small refunds by directing CPC-Bengaluru and the field units that refunds up to Rs 5,000 and refunds in cases where outstanding arrears are up to Rs 5,000 may be issued without any adjustment of outstanding arrears.

India's forex reserves fall below \$350-billion mark after 15 weeks

By Atmadip Ray, ET Bureau | 16 Jan, 2016

India's foreign exchange reserves have fallen below the \$350 billion mark after 15 weeks with overseas investors withdrawing dollar-denominated investment from local market prompting Reserve Bank of India to intervene in the market to soften the fall of the local currency. The reserves fell \$1.44 billion in the week to January 8, taking the total fall in last fortnight to \$3.22 billion.

Businesses anticipating tax authorities to assess hybrid instruments aggressively: Deloitte

By PTI | 18 Jan, 2016

Indian businesses are anticipating a "more aggressive" stance by tax authorities as their tax arrangements come under greater scrutiny, says a survey. Further, the survey said vast majority of the respondents believe that regulators should consider and protect the interests of Indian headquartered multinationals while implementing BEPS recommendations in India.

IFMR Investments launches long term multi asset fund of Rs 250 crore

By ET Bureau | 18 Jan, 2016

IFMR Investments (a wholly owned subsidiary of IFMR Capital) has launched 'IFMR FImpact Long Term Multi Asset Class Fund'- a debt fund of Rs 250 crore dedicated to provide working capital for financial inclusion enterprises in India. The fund is registered with SEBI as a Category II Alternative Investment Fund (AIF).

Income Tax Department processes 3.27 crore returns during April-December

By PTI | 18 Jan, 2016

Income Tax Department has processed 3.27 crore returns and has issued refunds in 1.81 crore cases during April-December period of this fiscal. Centralized Processing Centre (CPC), Bengaluru has processed 3.27 crore returns as of December 31, registering a growth of 18 per cent over 2.65 crore returns processed during the corresponding period of the previous fiscal.



Marketing & Brand Summit 2015 Held in Ahmadabad

The Times of India | 20 Dec, 2015

With an objective to discuss the importance of marketing and branding for businesses and how business can be marketed globally, Confederation of Indian Industry (CII), Gujarat organized 3rd edition of Marketing & Brand Summit 2015 at a city hotel. During the daylong summit, sharing a perspective on 'Brand India', R S Sodhi, Managing Director, Gujarat Co-operative Milk Marketing Federation (GCCMF), the organization that markets brand AMUL products said, "Marketing is a consolidated effort that goes into creating that Brand.

Deloitte, KPMG, PWC empanelled for RBI's information systems audit

PTI | 27 Dec, 2016

Deloitte, KPMG, PWC and four others have been empanelled by the Reserve Bank for conducting audit of information systems of the central bank. The other agencies are, AAA Technologies, Audi time, Digital Age Strategies and Mahindra SSG. The panel will remain valid for a period of three years, in normal course, subject to the condition that the firms/ individuals continue to be on the panel of approved auditors released by the CERT-In (Indian Computer Emergency Response Team), it said.

Reliance Capital Acquires 7% Stake in Saregama India

PTI | 28 Dec, 2015

Financial services major Reliance Capital on Monday acquired 6.82 per cent stake in popular music publishing label Saregama India for Rs 43.17 Crore through open market transactions. According to bulk deals data available with BSE and NSE, the Anil Ambani-led Reliance Group firm acquired 11, 88,000 shares, or 6.82 per cent stake, in Saregama India. While, 7,65,000 shares were bought at an average price of Rs 364 on BSE, 4,23,000 shares were bought on NSE. On National Stock Exchange, the shares were acquired at an average price of Rs 362.37.

Face book's Free Basics advertising campaign runs into fresh troubles with ASCI

ET Bureau | 31 Dec, 2015

Mark Zuckerberg's most ambitious advertising campaign in India, Free Basics which is part of the larger Internet.org operations, has run into fresh troubles with the Advertising Standards Council of India (ASCI). The self-regulatory body for the advertising industry has been receiving a series of complaints against Face book's Free Basic ad campaigns that talks about providing free access to internet services to a billion people around the world.

Maruti Suzuki December Sales Up 8.5%, Shares Gain

PTI | 1 Jan , 2016

Country's largest car-maker Maruti Suzuki India (MSI) today reported a 8.5 per cent increase in total sales in December at 1,19,149 units as against 1,09,791 units in the same month in 2014. The company said its domestic sales increased 13.5 per cent during the month to 1,11,333 units as against 98,109 units in December 2014.

E-commerce industry likely to be worth \$38 bn by 2016: Assocham

PTI | 2 Jan, 2016

The e-commerce industry in the country is likely to be worth \$38 billion by 2016, a 67 per cent jump over the \$23 billion revenues for 2015, as per industry body Assocham. " Increasing internet and mobile penetration, growing acceptability of online payments and favorable demographics has provided the e-commerce sector in India the unique opportunity to companies connect with their customers, it said.

Ever stone, Future Group may end up in legal tussle over Future Media

ET Bureau | 2 Jan, 2016

A legal tussle could be brewing between private equity fund Ever stone Capital and India's second largest retail chain Future group on the role of Future Media, a company which has rights to out-of-home (OOH) media activities at retail stores owned by Future Group. Ever stone Capital wants to know if Future Media would continue to enjoy these rights following changes in ownership of various businesses owned by Future Group, Future Media is a Future Group company in which WPP and in division is investors.

Apple loses about \$50 billion in its market value

Reuters | 9 Jan, 2016

Apple Inc has lost about \$50 billion of its market value in the first four days of the year, forcing some Wall Street analysts to adjust their view on the iPhone maker. At least five analysts cut their price targets on Apple's shares on Friday, in response to reports of slowing shipments of the iPhone 6S and 6S Plus.

Snapdeal marketing head Srinivas Murthy quits

PTI | 11 Jan, 2016

Srinivas Murthy, senior vice president of marketing at e-commerce major Snapdeal, has put in his papers to start his own venture. "The entrepreneurial drive has rubbed off onto me. I'm now moving on to become an entrepreneur myself," Murthy told PTI.

Bajaj Corp to go for acquisitions, tap rural market for growth

PTI | 12 Jan, 2016

FMCG company Bajaj Corporation Ltd (BCL) plans to pursue acquisitions targeting niche brands and tap rural areas to push growth, particularly in light hair oil segment, where it aims to have a market share of 65 per cent. The company, which has key brands, Almond Drops, Brahmi Amla, Jasmine, Kailash Parbat, Amla Shikakai in its hair care portfolio, said it "will seek inorganic growth opportunities in the FMCG and hair oil market as part of growth strategy."

SEBI to strengthen market monitoring system, rope in IT firm

PTI | 13 Jan, 2016

Markets regulator Sebi plans to beef up its market surveillance system with additional resources for which it is looking to rope in an IT firm to provide qualified and experienced workforce.

The IT service provider would be contracted by Sebi for a period of three years, which can be later extended for six years.

Markets to face slowing company profits after China tumult

ET | 11 Jan, 2016

Tumult in China triggered the worst opening week for U.S. stocks in history, and this week investors could get plenty more to worry about. Profits are expected to drop at U.S. companies. Earnings for companies in the Standard and Poor's 500 index are forecast to drop for the second straight quarter, a rare occurrence outside a recession. Despite a rebounding jobs market, the U.S. did not grow fast enough to boost profits, and once surging developing economies that helped lift foreign sales slowed dramatically.

HDFC Bank's m-cap up 15%, PSU banks' down 41%

ET Bureau | 16 Jan, 2016

The stock market value of HDFC Bank is now almost the same as that of State Bank of India and all the 19 nationalized banks put together. These 20 banks control over 70% of bank lending in the country whereas HDFC Bank, the country's second largest private lender, accounts for 6%. The market capitalization of the nationalized banks and SBI taken together on Friday stood at Rs 2.77 lakh crore, only Rs 14,000 crore more than the valuation of HDFC Bank at Rs 2.63 lakh crore.

Wal-Mart merges tech teams in online push

Reuters | 16 Jan, 2016

Wal-Mart Stores Inc is merging an Arkansas-based division that develops computer systems for its stores with a fast-growing technology unit in Silicon Valley, aiming to hasten its move to compete in the online era. The information systems division, based at the world's largest retailer's headquarters in Bentonville, Arkansas, will combine with the @WalmartLabs unit next month, creating a new group called Walmart Technology, a company spokesman said on Friday.

“No one in the history of world has ever done something like this. This deal was more than what Google paid for Motorola, Microsoft for Skype and Oracle for Sun Microsystems. I am here to build something for long term, anything else is a distraction.”

(Mark Zuckerberg, Facebook Chief Executive, on Facebook's purchase of Whatsapp Message Service for \$19bln.)

THE END