

# Reliance seen emerging as bigger threat for US firms like Amazon, Walmart

The recent stake sales gave Reliance a foreign partner for JioMart, which was launched this year. Facebook's WhatsApp, which counts India as its top market with 400 million plus users, will work closely in connecting small retailers to JioMart.

By Our Correspondent

A \$20 billion fund raising spree may take India's Reliance closer to its dream of becoming a digital giant, further threatening the ambitious plans U.S. companies like Amazon, Walmart and Zoom have for India. Stake sales in Reliance's digital unit Jio Platforms attracted not just private equity and sovereign wealth funds but also Google and Facebook, a strong endorsement for an enterprise that until a few years ago focussed largely on oil refining. Some industry watchers equate Reliance's digital plans - which extend from online shopping and cloud computing to telecom and digital payments - to China's Alibaba and Tencent, companies Reliance itself calls "global peers".

Reliance has a track record of disrupting rival businesses. With cheap smartphones and data plans, its telecom venture Jio has in four years dethroned market leaders Vodafone Idea and Bharti Airtel to become the largest telecom operator in India.

On Wednesday, billionaire chairman Mukesh Ambani said Reliance will expand e-commerce platform JioMart - which connects small retailers with consumers - to offer not just groceries but also electronics and fashion goods.

"Jio Platforms not only has the backend infrastructure and development capabilities but also an ever expanding captive consumer base," said Mayank Vishnoi of Singapore-based financial advisory firm Resfeber International.



**RIL Chairman, Mukesh Ambani**

"The addition of new digital products targeting various sectors will pose threats to many large dominant players. Having strategic partners like Facebook and Google validates that Reliance gameplan is real."

The recent stake sales gave Reliance a foreign partner for JioMart, which was launched this year. Facebook's WhatsApp, which counts India as its top market with 400 million plus users, will work closely in connecting small retailers to JioMart.

"We will cover many more cities, serve many more customers across India, and expand to many more categories," said Ambani. Asked about the potential impact on foreign businesses eyeing India, one local industry executive who advises U.S. multinationals said: "Amazon and Walmart should be scared."

To be sure, Reliance will face stiff competition from Amazon and Walmart's Flipkart, as both

companies have deep pockets and an already well-established warehousing and logistics supply chain in the country.

JioMart currently delivers groceries in only 200 cities, while Amazon and Flipkart deliver a wide range of goods across the country.

Walmart, Flipkart and Amazon did not immediately respond to a request for comment.

Reliance also has a retail footprint of around 11,000 stores across 6,700 cities that offer a wide array of products. It has also partnered with over 45 top international brands including Tiffany & Co, Burberry and Jimmy Choo.

Senior leadership at Flipkart has started keeping close tabs on Reliance, and there is a fear the Indian company will have an added advantage from the regulatory perspective, two sources close to the company told Reuters. ■