

HOW IMPORTANT IS “FOREIGN DIRECT INVESTMENT” IN RETAIL SECTOR? A STUDY OF INDIA

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ABSTRACT

India is rapidly gaining importance world-wide as the country has become an investment hub over the last decade. Global investors have retained their faith in the flexible Indian economy even during the toughest of the times. As a result, India enjoyed high foreign inflows and investments when rest of the world was struggling to even survive. According to the Investment Commission of India, the retail sector is expected to grow almost three times its current levels to \$660 billion by 2015. However, in spite of the recent developments in retailing and its immense contribution to the economy, retailing continues to be the least evolved industries and the growth of organized retailing in India has been much slower as compared to rest of the world. Former Government supported FDI in retailing sector to enhance its growth. This paper will analyze both the advantages & disadvantages of FDI in Indian Retail sector.

KEYWORDS: Retail, FDI, Growth, Investment