

A STUDY ON FOREIGN DIRECT INVESTMENT AND DEVELOPMENT IN INDIAN ECONOMY WITH SPECIAL REFERENCE TO RETAIL SECTOR

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ABSTRACT

FDI is one of the most "interesting topics in the area of international business and trade. FDI assumes a lot of importance because it can influence micro, macro economic variables of a host country. It has its impact on employment, prices, exports, imports,

Exports, balance of payments, economic growth, competition, production etc. FDI represent one of the most important instruments through which a national economy can encourage production, knowhow, imports, increase in employment, infrastructure development, poverty reduction, etc. The benefits achieved through the increase in

FDIs have created strong competition in the global market of free capital, all with the aim to attract as many and as diverse FDIs as possible. The general trend in the global FDI market is the erasure of geographic borders between developing countries and developed ones as in the past years, developing countries have not only represented a growing FDI market, but have also been aimed at attracting capital intensive investments, as well as R & D investments. FDI is now widely perceived as an important resource for. This paper tries to highlight the recent issue of Foreign Direct Investment in the retail

Segments in both formats of single brand and multi-brand. The foreign investment which has prohibited entry of investment in multi-brand has now emerged as the main issue The government recently has announced the foreign investment of 49% stake for the foreign players to enter into the retail segment. This paper will exhibit the necessity and its impact of foreign investment of retail in both single brand and as well as multi-brand. This paper will be an eye opener with the SWOT Analysis and the key issues and the initiatives to be taken in this sector..The Indian government's favorable policy regime and robust business environment have ensured that foreign capital keeps flowing into the country. The government has taken many initiatives in recent years such as relaxing FDI norms across sectors such as defense, PSU oil refineries, telecom, power exchanges, and stock exchanges, Retailing among others.

KEYWORDS: Exports, Balance Of Payments, Economic Growth, Competition, Production etc