

FDI IN INDIAN RETAILING-OPPORTUNITIES AND CHALLENGES

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ABSTRACT

The retail industry in India is expected to grow at a rate of 14% by 2013. The first step towards allowing Foreign Direct Investment in Retail was taken in the year 2006. Since then 54 FDI approvals have been accepted by the government and the country has received cash inflow to the tune of about Rs 901.64 crores. Retailing consists of all business activities involving the sale of goods and services to ultimate consumers. Retailing involves a retailers traditionally a store or a service establishment, dealing with consumers who are acquiring goods and services for their own use rather than for resale. Wal-Mart, The Limited, Best Buy and other familiar organizations are retailers. Retailing is based more on whether the business deals directly with public.

Retail banking, service stations local coffee shops are also retailers with the emergence of online retailing, retailers are no longer concerned about location of stores. E-retailing has emerged. Consumers are always hungry for modern ways of shopping. Indian retail sector is growing fast and its employment potential is growing fast. The retail scene is changing really fast. Retail sector in India is also catalyst for the growth of staling tactics of below the line marketing used by major retail players like Spencer, big bazaar, reliance fresh etc. For tapping customers by creating points of sales displays. So we can say that India is a rising star and going to be one of the fastest growing regions of the future. Indian retail industry is one of the sunrise sectors with huge growth potential.

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 organised retailing in India has been much slower as compared to rest of the world.

KEY WORDS: Foreign Direct Investment, Retailing, GDP, Multinationals, Policies, and Infrastructure Development