

## FDI IN INDIAN RETAIL SECTOR

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### **Abstract**

After facing a lot of oppositions and agitations finally in 2012, the Government of India has approved 51% of FDI in multi brand retail while 100% in single brand retail with some further barriers. But still it is one of the most debated topics for the economists and general public as well. We still have mixed opinions about the impact of FDI in retail sector. Some Indian states are supporting it while others are opposing it. Actually retailing is the only bridge that connects the consumer with manufacturing and distribution chain.

In India retail sector is the 2nd largest employer after agriculture. It is divided into organized retail which is only 3% and the rest is in unorganized form. It provides employment to about 7% of total work force in the country and contributes about 14% of GDP of India. India has ranked first among the top 30 emerging markets in the world. India's economic growth could actually exceed. It is known as the nation of shopkeepers it has highest density of shops in the world i.e. 11 retail shops for 1000 persons while in USA it is only 4 shops for 1000 persons.

Some eminent economist's point of view is that it will lead to economic growth with creation of ample job opportunities and infrastructural development at mass level. While other economists say that many illiterate people will lose their jobs because of MNC's. In spite of much opposition, there are a few examples of developing countries that initially opposed the FDI in retail but later realized that it acts as a major catalyst in the development of a country. This paper focuses on the History and Trend of Indian Retail Sector, Government Policies regarding FDI in Retail sector, Opportunities and Threats due to the expansion of FDI in retail sector in India and the major challenges that it faces.

FDI in retail will prove as a boon for India only when it is to be done in a proper manner.

**Keywords:** FDI, Retail Sector, Government Policies, SWOT Analysis.