

ROLE OF FDI IN MULTI- BRAND RETAILING

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ABSTRACT

The economy of India is one of the fastest growing economies in the world. Since its independence in the year 1947, a number of economic policies have been taken which have led to the gradual economic development of the country. On a broader scale, an India economic reform has been a blend of both social democratic and liberalization policies. The economic liberalization in India refers to ongoing economic reforms in India that started on 24 July 1991. FDI is one of the result of economic liberalization. Foreign Direct Investment (FDI) is the outcome of the mutual interest of multinational firms and host countries. Foreign Direct Investment or FDI means to allow foreign companies to enter in to Indian market and open and control their own companies. Foreign companies will come, invest money, and work independently without any joint venture in India. While **Multi-Brand retail** means selling many products under one roof by a single company. The best examples of Multi Brand stores in India are Reliance Fresh, Big Bazar, Value Bazar, Vishal Mega Mart, Walmart and many more such stores. In these stores many different products are sold but under their banner. Multi-Brand retail is one of the burning issues to discuss in India. As the retail industry in India is the 2nd largest source of employment after agriculture, so policies related to retail sector should be well managed. Retailing in India is one of the pillars of its economy and accounts for 14 to 15 percent of its GDP. The Indian retail market is estimated to be US\$ 450 billion and one of the top five retail markets in the world by economic value. India is one of the fastest growing retail markets in the world, with 1.2 billion people. On 7 December 2012, the Federal Government of India allowed 51% FDI in multi-brand retail in India. The current debatable issue in India is whether to permit FDI in Multi Brand Retail (MBR) 100%. This paper attempts to study of various aspects of FDI in Multi- Brand Retail. The paper examines the present set up of retail sector in India. Further it focuses on the benefits of FDI which are expected in terms of better quality, better technology, better customer services and infrastructural development of India and how to protect the interest of small retailers? Keeping in view the employment opportunities. Thus, FDI is also considered as a good step towards the economic reforms in India.

KEY WORDS: Foreign Direct Investment (FDI), Multi Brand Retail (MBR), Economic Liberalization in India, Economic reforms, Stakeholders.
