FDI in Multi-Brand Retail: Issues and Implications on Indian Economy

Retail Sector is one of the most important pillars of Indian economy and it is growing at a phenomenal pace. Foreign Direct Investment (FDI) in retail sector plays an integral role in the economic growth. FDI in Multi-brand retail can be seen as an important reform to revive the economy and to ease supply side pressures especially in unorganized sectors. In this context the present study attempts to discuss the issues and implications of FDI in Multi-brand Retail on Indian Economy. To revive the Indian economy, FDI policy in multi-brand retail is an important reform that would ease supply side pressures and mitigate inflation. Implications of FDI in multi-brand retail sector discussed outweigh the issues related to the new FDI policy reforms. FDI in multi-brand retail can go a long way in improving the efficiency of supply chain, infrastructure facilities, technological advancement and other relevant areas of growth in retail sector. The FDI policy on multi-brand retail creates opportunities for the Micro, Small and Medium Enterprises (MSMEs) to reach out the International markets. Farmers and consumers would benefit from the new entry of organized retailers in multi-brand and would help tame food inflation by improving agri-commodity management.