

## **FOREIGN DIRECT INVESTMENT IN RETAIL SECTOR IN INDIA**

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### **ABSTRACT**

**R**etailing 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 one of the top 5 retail market in the world by economic value. India is one of the fastest growing retail markets in the world. Until 2011, FDI was not allowed in multi-brand retail forbidding foreign companies from any ownership in super markets, convenience stores or any retail outlets. Even single-brand retail was limited to 51 percent ownership. In January 2012, India allowed 100 percent FDI investment in single-brand stores, but imposed the requirement that the single brand retailer would have to source 30% of its goods from India. On 7 December, 2012 India allowed 51% FDI in multi-brand retail. This research paper makes a brief highlight on what is the present scenario in the Indian retail sector and the pros and cons of FDI in this sector.

**KEYWORDS:** Retail Markets, FDI Investment, Domestic Market, Supermarkets, Employment, Indian Company.