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PERFORMANCE OF RETAIL CONTEXT IN HOST COUNTRIES - A STUDY WITH RESPECT TO SELECT MACRO-ECONOMIC VARIABLES

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ABSTRACT

The paper has to analyze the performance of retail context in select host countries. The select host countries those who are leading in the field of retail sector and also the select host countries namely Brazil, China, India, Indonesia, UK and US. In connection, with the permission of FDI in host countries was creating more impact on various segments in retail sector such as organized stores developed to mall, increasing consumable pattern, changing of buying behavior, increase cost of living and also consumer shift to branded items these factors it may be impact to the country economy. The paper has to measure the performance of retail in host countries measure with the help of FDI and impact of select macro-economic variables. The select macro-economic variables namely, LBOT (Balance of Trade), LCPI (Consumer Price Index), LEXRATE (Exchange Rate), LGDP (Gross Domestic Product), LIIP (Industrial Investment Production), LINFL (Inflation Rate), LIR (Interest Rate), LPPI (Producer Price Index), LTR (Total Reserve) and LUR (Unemployment Rate) for using this study. The data collected for the study is secondary one. The study covers the period of fourteen years from 2000 Q1 to 2014 Q4. The collected data have been analyzed with the help of econometric analysis namely Ordinaly Panel Least *Squares (OLS)* analysis. *Finally, the result depicts the few macro-economic variables performance are not satisfactory during the study period of host countries. The overall performance of select macro-economic variables determines the policies taken by the government so, the government to improve new privileges in retail segment it will stabilize market in future.*

KEY WORDS: *performance of retail context measuring with select macro-economic variables and using Ordinaly* Panel Least *Squares (OLS)* analysis.

JEL Classification Code: G14, L1, L5 and L6.

INTRODUCTION

The host countries industrial activity especially in retail sector is an important contributor to the developed economy. The same aspect retailing is considered as one of the largest and traditional industries in Indian context. It has emerged as one of the most dynamic and fast-paced industries and also the industry to offer with several players entering the market. The recent decade of retail industry growth has highly contributed to the organized retailing sector when compared to unorganized retail sector in Indian context. The concept of organized retail culture initiated in western and eastern countries by the way the host countries also followed. Retail sector has led to the organized form with cautions initial response to the new form of retailing business and now slowly it is getting more popular. Retailing it can also be defined as the timely delivery of goods and services demanded by consumers at prices that are competitive, affordable and available under one roof. Retailing involves a direct interface with the customer and the coordination of business activities from end to end (Manufactures to Consumers) right from the concept or design stage of a product or offering, to its delivery and post-delivery service to the customer *(Janardhan and Feroz Zaheer, 2006).*

The permission of FDI in host countries was creating more impact on various segments in retail sector such as organized stores developed to mall format. From this sector the growth of overall size is estimated to be Rs. 31trillion (USD534 billion) in 2013-2014, with a CAGR of 15 per cent over the last five years, which is much higher than the growth of the Indian GDP in the same period. Going forward, the overall retail sector growth is likely to witness growth of Rs.55 trillion (USD948 billion) in 2018-19. The revenue generated from organized retail (or modern retail) was Rs.0.9 trillion (USD15.5 billion) in 2009, Rs.2.4trillion in 2012(USD41.4billion), and is expected to continue growing at an impressive rate to a projected INR5.5trillion (USD94.8billion) by 2019. (*The Indian Retail the Next Growth Story, KPMG, 2014*). The paper has to measure the performance retail context in host countries with the help of FDI policy implemented and select macro-economic variables. From this study the researcher purposively selects the macro-economic variables it's an indicator whole country economy. If, the country take any new policies immediately it's reflecting the total economic growth of the country.

SAMPLE OF EARLIER STUDIES

The author argued with entitled on *"The FDI permit for Multi Brand retail trading in India- Green signal or Red signal",* in her study the author asserted the variables that are suppliers pricing, middlemen, employment, fresh product, local economy and efficient supply chain. However, the author using SWOT analysis to measure the challenges and issues on FDI in multi-brand retailing. From her study the result highlighted that weakness of multi brand retail trading is does not having any business models, lack of motivated manpower, supply chain and innovative management system and losses in store. So, it does a right time to FDI enter in retail trading and also it's given a positive growth in India. Finally, the study recommended to encouraging co-operative stores and unorganized retail stores by the way of direct procurement from suppliers and farmers. *(Kamaladevi Baskaran, 2012).*

(Chellasamy, P., and Ponsabariraj, N 2013) the author conducting a study on *"Profitability and Trend Analysis of Select Retail Companies in India",* from this study the authors analyse the profitability position and prospectus of the selected retail companies in India. The study covers a period of ten years from 2002-2003 to 2011-2012. The study has using financial tool namely "Profitability Scoring Multiplier Analysis". From this analyzes to measure operating, non-operating and financial indicators on profitability position of select retail companies in India. The final results depict that the profitability position of few of the selected retail companies was not satisfactory during the study period. This was due to the poor cost of production, return on investment, non-core assets and increasing bad debts. The debt capital greatly affected the profitability position and the trend of the company. Finally the study conclude that, return on investments in terms of using capital and reduce production cost it will help to increase the profits of the concerned companies.

Research by *(Nidhi Bagaria and Swarup Santra, 2014)* was done on *"Foreign Direct investment in Retail market in India",* the authors reported in their paper evidence on foreign policies in Indian investment can be study four phases (i.e) first phase on initiation of foreign investment policy (1947-1966), the second phase on oil crisis (1979), the third foreign investment policy on oil exporting and importing for developing countries and finally, the fourth phase on liberalization (1991) open the door for foreign investment accelerate economic growth. The Indian agricultural sector is dominated by small farms and involved in dealing with the millions of small suppliers. Implications of FDI in retail sector especially food retail sector impact on farmers. From this study the author define that an analyze of traditional retail and retail employment shows the increasing consumer aspirations, growing middle class incomes, improving demand from rural markets, economic liberalization of the Indian economy, increased spending per capita income even small towns also now consumer preference and practices shift in to demanded foreign brands. Finally the study concludes impact of FDI it also helps to improve the supply chain in India especially for the perishable goods and agricultural produce.

PROBLEM THAT HAS BEEN FOCUSSED IN THE STUDY

The retail sector developing into new formats such as hypermarkets which includes departmental stores, discount stores, malls, etc., now the customers wants to meet their needs and wants to be through affordable price, quality of products, demand on branded items, service quality, freedom in choosing products and customer relationship are the reason for consumers switch over to Hypermarket. Even though, in India and other host countries retail context still largely dominated by the unorganized retail sector. The retail industry financial position was generally is very low and holding the share on (FDI entry) retail sector in host countries is witnessing a huge revamping exercise as traditional marketers make

a way for new formats such as departmental stores, Hypermarkets, super markets and specialty stores in India. The FDI investment in India and other host countries retail context its create immediate fluctuation on macro-economic indicators such as GDP, Exchange rate, Inflation, Wholesale Price Index and Consumer Price Index. This has been due to the large scale of investments in the retail industry with major national and International players were investing. So, the researcher interested to find out is there any impact on performance due to the FDI retail context in host countries. With this background, the current research work aspires to analyze the performance of retail context in host countries - A Study with respect to select macro-economic variables based on the above issues the researcher has probed the following research question;

- What is the performance of retail context on select macro-economic variables in host countries?

STUDY OBJECTIVE

- To study the performance of retail context on select macro-economic variables in host countries.

RESEARCH DESIGN APPLIED

Sources of data and Framework of Analysis:-

The host countries to having the 85 per cent of organized retail store format compare with other developed countries and also the country was attracting macro-economic variables have been used to measure the impact of FDI in retail sector. Before carrying the analysis the select variables are consider to log (L) value for the reason getting similar value for all the variables. The select variables are LBOT (Balance of Trade) (X_1) , LCPI (Consumer Price Index) (X_2) , LEXRATE (Exchange Rate) (X_3), LGDP (Gross Domestic Product) (X_4), LIIP (Industrial Investment Production) (X_5), LINFL (Inflation Rate) (X_6) , LIR (Interest Rate) (X_7) , LPPI (Producer Price Index) (X_8), LTR (Total Reserve) (X_9) and LUR (Unemployment Rate) (X_{10}) for using this study. The data collected for the study is secondary one. The required data for the study were collected and compiled from the Reserve Bank of India (RBI), Organization for Economic Co-operation and Development (OCED), Economic Research and International Monetary Fund (IMF).The study cover the period of fourteen years from 2000 Q1 to 2014 Q4. The collected data have been analyzed with the help of econometric analysis namely Ordinaly Panel Least Squares (OLS) on probhit and logit Regression analysis. The study involves two sections: Section-1: Model fit for Macro-economic variables and Section-2: examine the impact of FDI in retail sector on select macro-economic variables in host countries. Impact on FDI in Retail Context for host countries - A study with respect to select macro-economic variables

Section-1: Model fit for Macro-economic variables:-

$$BOT_{it} = \beta_{11} + \beta_{12} * CPI_{it} + \beta_{13} * EXRATE_{it} + \beta_{14} * GDP_{it} + \beta_{15} * IIP_{it} + \beta_{16} * INFL_{it} + \beta_{17} * IR_{it} + \beta_{18} * PPI_{it} + \beta_{19} * TR_{it} + \beta_{20} * UR_{it} + \varepsilon_{it} \quad \text{..... (Model-1)}$$

$$CPI_{it} = \beta_{21} + \beta_{22} * BOT_{it} + \beta_{23} * EXRATE_{it} + \beta_{24} * GDP_{it} + \beta_{25} * IIP_{it} + \beta_{26} * INFL_{it} + \beta_{27} * IR_{it} + \beta_{28} * PPI_{it} + \beta_{29} * TR_{it} + \beta_{30} * UR_{it} + \varepsilon_{it} \quad \text{..... (Model-2)}$$

$$EXRATE_{it} = \beta_{31} + \beta_{32} * BOT_{it} + \beta_{33} * CPI_{it} + \beta_{34} * GDP_{it} + \beta_{35} * IIP_{it} + \beta_{36} * INFL_{it} + \beta_{37} * IR_{it} + \beta_{38} * PPI_{it} + \beta_{39} * TR_{it} + \beta_{40} * UR_{it} + \varepsilon_{it} \quad \text{..... (Model-3)}$$

$$GDP_{it} = \beta_{41} + \beta_{42} * BOT_{it} + \beta_{43} * CPI_{it} + \beta_{44} * EXRATE_{it} + \beta_{45} * IIP_{it} + \beta_{46} * INFL_{it} + \beta_{47} * IR_{it} + \beta_{48} * PPI_{it} + \beta_{49} * TR_{it} + \beta_{50} * UR_{it} + \varepsilon_{it} \quad \text{..... (Model-4)}$$

$$IIP_{it} = \beta_{51} + \beta_{52} * BOT_{it} + \beta_{53} * CPI_{it} + \beta_{54} * EXRATE_{it} + \beta_{55} * GDP_{it} + \beta_{56} * INFL_{it} + \beta_{57} * IR_{it} + \beta_{58} * PPI_{it} + \beta_{59} * TR_{it} + \beta_{60} * UR_{it} + \varepsilon_{it} \quad \text{..... (Model-5)}$$

$$INFL_{it} = \beta_{61} + \beta_{62} * BOT_{it} + \beta_{63} * CPI_{it} + \beta_{64} * EXRATE_{it} + \beta_{65} * GDP_{it} + \beta_{66} * IIP_{it} + \beta_{67} * IR_{it} + \beta_{68} * PPI_{it} + \beta_{69} * TR_{it} + \beta_{70} * UR_{it} + \varepsilon_{it} \quad \text{..... (Model-6)}$$

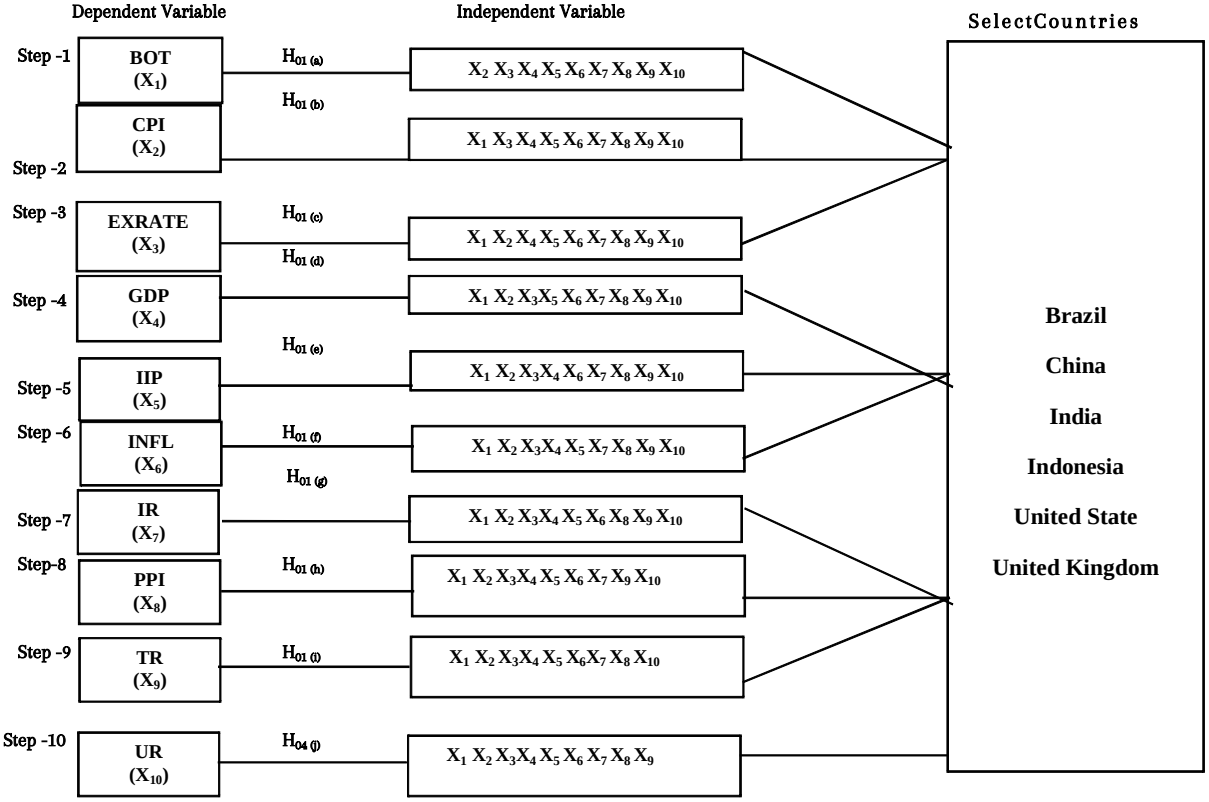
$$IR_{it} = \beta_{71} + \beta_{72} * BOT_{it} + \beta_{73} * CPI_{it} + \beta_{74} * EXRATE_{it} + \beta_{75} * GDP_{it} + \beta_{76} * IIP_{it} + \beta_{77} * INFL_{it} + \beta_{78} * PPI_{it} + \beta_{79} * TR_{it} + \beta_{80} * UR_{it} + \varepsilon_{it} \quad \text{..... (Model-7)}$$

$PPI_{it} = \beta_{81} + \beta_{82} * BOT_{it} + \beta_{83} * CPI_{it} + \beta_{84} * EXRATE_{it} + \beta_{85} * GDP_{it} + \beta_{86} * IIP_{it} + \beta_{87} * INFL_{it} + \beta_{88} * IR_{it} + \beta_{89} * TR_{it} + \beta_{90} * UR_{it} + \varepsilon_{it}$ ..... (Model-8)

$TR_{it} = \beta_{91} + \beta_{92} * BOT_{it} + \beta_{93} * CPI_{it} + \beta_{94} * EXRATE_{it} + \beta_{95} * GDP_{it} + \beta_{96} * IIP_{it} + \beta_{97} * INFL_{it} + \beta_{98} * IR_{it} + \beta_{99} * PPI_{it} + \beta_{100} * UR_{it} + \varepsilon_{it}$ ..... (Model-9)

$UR_{it} = \beta_{101} + \beta_{102} * BOT_{it} + \beta_{103} * CPI_{it} + \beta_{104} * EXRATE_{it} + \beta_{105} * GDP_{it} + \beta_{106} * IIP_{it} + \beta_{107} * INFL_{it} + \beta_{108} * IR_{it} + \beta_{109} * PPI_{it} + \beta_{110} * TR_{it} + \varepsilon_{it}$ ..... (Model-10)

Hypotheses Developed



Section-2: Examine the impact of FDI in retail sector on select macro-economic variables in host countries:-

$H_{o1\,(a)}$: There is no significant relationship between balance of trade and its impact on the select macro-economic variables.

Table- 1 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LCPI	-3028.876	4554.342	-0.665052	0.5065
LEXRATE	-0.249188	0.181162	-1.375498	0.1699
LGDP	0.266610	0.694097	0.384111	0.7011
LIIP	-0.634779	0.795854	-0.797607	0.4256
LINFL	3024.648	4555.210	0.663998	0.5071
LINTEREST_RATE	-0.031546	0.182983	-0.172400	0.8632
LPPI	-4.589493	5.593631	-0.820485	0.4125
LTOTAL_RESERVE	-0.927554	1.725196	-0.537652	0.5912
LUR	-2.218911	1.472619	-1.506779	0.1328
FDI	1.080666	0.697562	1.549203	0.1222
C	57.16568	44.68239	1.279378	0.2016
R-squared	**0.074632**	**Adjusted R-squared**		**0.048117**
F-statistic	**2.814739**	**Durbin-Watson stat 0.468917**		
Prob(F-statistic)	**0.002269**			

Note: Significant level is 0.05(*).and Dependent Variable: BOT.

Source: Compiled and Calculated from the data published in various reports.

From table-1 describe the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the BOT and the other independent variables which are found to be R^2= 0.07. It means that all the independent variables have contributed (Influenced) 7 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is more than the table value and it's not significance. So, the null hypothesis is accepted and hence there is no significant relationship between the BOT and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 0.46 indicates the positive autocorrelation among the independent variables.

$H_{o1\ (b)}$: There is no significant relationship between consumer price index and its impact on the select macro-economic variables.

Table-2 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LEXRATE	-2.6207	2.1306	-0.122775	0.9024
LGDP	**2.1505**	**8.0706**	**2.667284**	**0.0080**
LIIP	-1.6005	9.3206	-1.721494	0.0860
LINFL	**1.000187**	**0.000102**	**9802.856**	**0.0000**
LINTEREST_RATE	**5.1706**	**2.1306**	**2.424553**	**0.0158**
LPPI	-1.5705	6.5805	-0.238862	0.8114
LTOTAL_RESERVE	1.9905	2.0205	0.983422	0.3261
LUR	**3.5105**	**1.7305**	**2.036985**	**0.0424**
FDI	-1.0205	8.2006	-1.243619	0.2145
LBOT	-4.1807	6.2807	-0.665054	0.5065
C	-0.001044	0.000523	-1.994989	0.0468
R-squared	**0.984632**	**Adjusted R-squared**		**0.99000**
F-statistic	**4.870008**	**Durbin-Watson stat 2.652284**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: CPI.

Source: Compiled and Calculated from the data published in various reports.

Table-2 reveals the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the CPI and the other independent variables which are found to be R^2= 0.98. It means that all the independent variables have contributed (Influenced) 98 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the CPI and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 2.65 indicates the negative autocorrelation among the independent variables.

$H_{o1\ (c)}$: There is no significant relationship between exchange rate and its impact on the select macro-economic variables.

Table- 3 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LGDP	**-2.030970**	**0.173300**	**-11.71939**	**0.0000**
LIIP	**1.197217**	**0.225816**	**5.301747**	**0.0000**
LINFL	161.3655	1343.135	0.120141	0.9044
LINTEREST_RATE	0.040852	0.053879	0.758227	0.4488
LPPI	-0.336204	1.649802	-0.203784	0.8386
LTOTAL_RESERVE	**-3.776507**	**0.466683**	**-8.092229**	**0.0000**
LUR	-0.623554	0.434074	-1.436516	0.1518
FDI	-0.129278	0.206145	-0.627123	0.5310
LBOT	-0.021638	0.015731	-1.375498	0.1699
LCPI	-164.8719	1342.881	-0.122775	0.9024
C	65.17208	12.72826	5.120265	0.0000
R-squared	**0.575774**	**Adjusted R-squared**		**0.563618**
F-statistic	**47.36744**	**Durbin-Watson stat**		
Prob(F-statistic)	**0.000000**	**1.967749**		

Note: Significant level is 0.05(*).and Dependent Variable: EXRATE.

Source: Compiled and Calculated from the data published in various reports.

Table-3 shows the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the EXRATE and the other independent variables which are found to be R^2= 0.57. It means that all the independent variables have contributed (Influenced) 57 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the EXRATE and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 1.96 indicates the positive autocorrelation among the independent variables.

$H_{o1\ (d)}$: There is no significant relationship between GDP and its impact on the select macro-economic variables.

Table-4 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LIIP	0.438699	0.056753	7.730004	**0.0000**
LINFL	-934.2020	347.8703	-2.685489	**0.0076**
LINTEREST_RATE	-0.081914	0.013411	-6.108131	**0.0000**
LPPI	-2.926878	0.402273	-7.275857	**0.0000**
LTOTAL_RESERVE	-0.291566	0.132156	-2.206236	**0.0280**
LUR	-0.744424	0.106716	-6.975746	**0.0000**
FDI	0.202252	0.052872	3.825298	**0.0002**
LBOT	0.001585	0.004126	0.384111	0.7011
LCPI	927.8216	347.8524	2.667286	**0.0080**
LEXRATE	-0.139047	0.011865	-11.71939	0.0000
C	47.58775	2.331545	20.41039	0.0000
R-squared	**0.918513**	**Adjusted R-squared**		**0.916178**
F-statistic	**393.3870**	**Durbin-Watson stat 1.654494**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: GDP.

Source: Compiled and Calculated from the data published in various reports.

Table-4 reveals the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the GDP and the other independent variables which are found to be R^2= 0.91. It means that all the independent variables have contributed (Influenced) 91 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the GDP and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 1.65 indicates the positive autocorrelation among the independent variables.

$H_{o1\ (e)}$: There is no significant relationship between IIP and its impact on the select macro-economic variables.

Table-5 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LINFL	528.2147	304.9871	1.731925	0.0842
LINTEREST_RATE	0.074355	0.011635	6.390777	**0.0000**
LPPI	1.050849	0.372016	2.824742	**0.0050**
LTOTAL_RESERVE	-0.142058	0.115729	-1.227512	0.2205
LUR	0.687724	0.092201	7.458942	**0.0000**
FDI	0.175121	0.046092	3.799347	**0.0002**
LBOT	-0.002866	0.003594	-0.797607	0.4256
LCPI	-524.9593	304.9453	-1.721487	0.0860
LEXRATE	0.062259	0.011743	5.301748	**0.0000**
LGDP	0.333221	0.043107	7.730002	**0.0000**
C	-17.18058	2.865659	-5.995334	0.0000
R-squared	**0.439978**	**Adjusted R-squared**		**0.423932**
F-statistic	**27.41903**	**Durbin-Watson stat 1.030075**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: IIP.

Source: Compiled and Calculated from the data published in various reports.

From table-5 describe the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the IIP and the other independent variables which are found to be R^2= 0.43. It means that all the independent variables have contributed (Influenced) 43 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the IIP and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 1.03 indicates the positive autocorrelation among the independent variables.

$H_{o1\ (f)}$: There is no significant relationship between inflation and its impact on the select macro-economic variables.

Table-6 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LINTEREST_RATE	-5.2106	2.1306	-2.443148	**0.0151**
LPPI	1.5005	6.5705	0.228853	0.8191
LTOTAL_RESERVE	-1.9405	2.0205	-0.960429	0.3375
LUR	-3.5605	1.7205	-2.062531	**0.0399**
FDI	1.0305	8.2006	1.261683	0.2079
LBOT	4.1707	6.2807	0.663999	0.5071
LCPI	0.999810	0.000102	9802.856	**0.0000**
LEXRATE	2.5607	2.1306	0.120141	0.9044
LGDP	-2.1705	8.0706	-2.685488	**0.0076**
LIIP	1.6105	9.3106	1.731932	0.0842
C	0.001058	0.000523	2.023268	0.0438
R-squared	**1.000000**	**Adjusted R-squared**		**1.000000**
F-statistic	**4.880008**	**Durbin-Watson stat 2.651938**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: INFL.

Source: Compiled and Calculated from the data published in various reports.

Table-6 reveals the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the INFL and the other independent variables which are found to be R^2= 1.00. It means that all the independent variables have contributed (Influenced) 100 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the INFL and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 2.65 indicates the negative autocorrelation among the independent variables.

$H_{o1\ (g)}$: There is no significant relationship between interest rate and its impact on the select macro-economic variables.

Table-7 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LPPI	-15.20474	1.421301	-10.69776	**0.0000**
LTOTAL_RESERVE	1.697406	0.496624	3.417893	**0.0007**
LUR	-5.850392	0.297828	-19.64356	**0.0000**
FDI	-0.393110	0.203669	-1.930141	**0.0544**
LBOT	-0.002699	0.015658	-0.172400	0.8632
LCPI	3205.279	1322.007	2.424555	**0.0158**
LEXRATE	0.040257	0.053094	0.758227	0.4488
LGDP	-1.179029	0.193026	-6.108131	**0.0000**
LIIP	1.408997	0.220473	6.390778	**0.0000**
LINFL	-3230.059	1322.088	-2.443150	**0.0151**
C	169.0293	9.475052	17.83940	0.0000
R-squared	**0.791149**	**Adjusted R-squared**		**0.785164**
F-statistic	**132.2044**	**Durbin-Watson stat 1.523186**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: IR.

Source: Compiled and Calculated from the data published in various reports.

Table-7 shows the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the IR and the other independent variables which are found to be R^2= 0.79. It means that all the independent variables have contributed (Influenced) 79 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the IR and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 1.52 indicates the positive autocorrelation among the independent variables.

$H_{o1\ (h)}$: There is no significant relationship between PPI and its impact on the select macro-economic variables.

Table-8 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LTOTAL_RESERVE	0.104092	0.015531	6.702135	**0.0000**
LUR	-0.135604	0.012117	-11.19160	**0.0000**
FDI	-0.038253	0.006371	-6.004329	**0.0000**
LBOT	-0.000419	0.000511	-0.820485	0.4125
LCPI	-10.40610	43.56533	-0.238862	0.8114
LEXRATE	-0.000354	0.001737	-0.203784	0.8386
LIIP	0.021270	0.007530	2.824741	**0.0050**
LGDP	-0.044999	0.006185	-7.275857	**0.0000**
LINFL	9.971970	43.57383	0.228852	0.8191
LINTEREST_RATE	-0.016241	0.001518	-10.69776	**0.0000**
C	5.575505	0.307029	18.15955	0.0000
R-squared	**0.865500**	**Adjusted R-squared**		**0.861646**
F-statistic	**224.5797**	**Durbin-Watson stat 0.721554**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: PPI.

Source: Compiled and Calculated from the data published in various reports.

Table-8 reveals the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the PPI and the other independent variables which are found to be R^2= 0.86. It means that all the independent variables have contributed (Influenced) 86 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the PPI and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 0.72 indicates the positive autocorrelation among the independent variables.

$H_{o1\ (i)}$: There is no significant relationship between total reserve and its impact on the select macro-economic variables.

Table-9 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LUR	0.312633	0.042656	7.329165	**0.0000**
FDI	-0.093974	0.021118	-4.449927	**0.0000**
LBOT	-0.000892	0.001659	-0.537652	0.5912
LCPI	138.8062	141.1462	0.983421	0.3261
LEXRATE	-0.041835	0.005170	-8.092229	**0.0000**
LGDP	-0.047176	0.021383	-2.206235	**0.0280**
LIIP	-0.030261	0.024653	-1.227512	0.2205
LINFL	-135.5949	141.1818	-0.960427	0.3375
LINTEREST_RATE	0.019081	0.005583	3.417894	**0.0007**
LPPI	1.095479	0.163452	6.702135	**0.0000**
C	-8.056029	1.320430	-6.101066	0.0000
R-squared	**0.953054**	**Adjusted R-squared**		**0.951709**
F-statistic	**708.5147**	**Durbin-Watson stat 0.780694**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: TR.

Source: Compiled and Calculated from the data published in various reports.

From table-9 describe the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the TR and the other independent variables which are found to be R^2= 0.95. It means that all the independent variables have contributed (Influenced) 95 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the TR and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 0.78 indicates the positive autocorrelation among the independent variables.

$H_{o1\ (j)}$: There is no significant relationship between unemployment rate and its impact on the select macro-economic variables.

Table-10 Panel Data Regression Analysis Selected Countries during the Study Period from 2000 Q1 to 2014Q4

Variables	Coefficient	Std. Error	t-Statistic	Prob.
LBOT	-0.002913	0.001933	-1.506779	0.1328
LCPI	334.3574	164.1435	2.036983	**0.0424**
LEXRATE	-0.009427	0.006562	-1.436516	0.1518
LGDP	-0.164380	0.023564	-6.975746	**0.0000**
LIIP	0.199929	0.026804	7.458943	**0.0000**
LINFL	-338.5642	164.1501	-2.062528	**0.0399**
LINTEREST_RATE	-0.089752	0.004569	-19.64355	**0.0000**
LPPI	-1.947608	0.174024	-11.19160	**0.0000**
LTOTAL_RESERVE	0.426653	0.058213	7.329165	**0.0000**
FDI	-0.005389	0.025359	-0.212510	0.8318
C	24.28220	0.971454	24.99572	0.0000
R-squared	**0.891841**	**Adjusted R-squared**		**0.888742**
F-statistic	**287.7722**	**Durbin-Watson stat 1.298482**		
Prob(F-statistic)	**0.000000**			

Note: Significant level is 0.05(*).and Dependent Variable: UR.

Source: Compiled and Calculated from the data published in various reports.

Table-10 reveals the Panel Data Regression analysis of Select macro-economic variables in select countries during the study period from 2000 Q1 to 2014 Q4. The relationship between the UR and the other independent variables which are found to be R^2= 0.89. It means that all the independent variables have contributed (Influenced) 89 per cent on the dependent variable on select countries. The regression ANOVA indicates the calculated value of F is less than the table value and it is significance. So, the null hypothesis is rejected and hence there is a significant relationship between the UR and its impact on the select macro-economic variables in select countries. The Durban-Watson statistics value of 1.29 indicates the positive autocorrelation among the independent variables.

POLICY FOR IMPLICATION AND CONCLUSION

From the result balance of trade does not influencing the select macro-economic variables in host countries. Hence, there is no relationship between retail performance and balance of trade. The GDP, Interest rate, unemployment rate, producer price index and total reserve has determined the performance of retail, the variables it may be increase or decrease due to the it's part of retail industry performance base. In countries inflation rate is high and consumer price index is low among the select variables due to the retail market price of product is very high when compare with the standard of living. So, in order to minimize the inflation and maximization of consumer price the country to make a decision in order to increase the sustainable investment in Indian retail sector and attract low price of service given by the consumer to increasing the stable economy especially in retail. It will attract more investment avenues in the retail segment, maintain healthy financial factors and it will help to maintain positive growth on particular price. Finally, the result depicts the few macro-economic variables performance are not satisfactory during the study period of host countries. The overall performance of select macro-economic variables determines the policies taken by the government so, the government to improve new privileges like relaxation of tax and to create new path of investment of channel in home countries it will stabilize retail segment market in future.

STUDY LIMITATIONS

- For this study the performance of FDI consists during specific period from 2000 Q1 to 2014 Q4 so findings and suggestion based on that.
- The study is confined only to those who are all performed and having retail context in their countries (host countries), the result does not applicable to any other countries.
- The study is based on the official sources of websites as such. So, the findings depend entirely on the accuracy of such data.

SCOPE FOR FURTHER RESEARCH

- ✓ Financial Performance of Select Retail companies in India.

- ✓ Impact of FDI in Retail Sector - A Comparative Study in India and Developing Countries.
- ✓ Determinants of Foreign Direct Investment (FDI) on Select Indian Retail Industry- An Econometric Analysis
- ✓ Impact of FDI in Retail Sector and Select Macro-Economic Variables - A study with OECD countries.

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