ABSTRACT

Retailing is the mode that connects the individual consumer with the manufacturing and distribution chain. Retailing in India is one of the pillars of its economy and accounts for 14 to 15% of its GDP. Indian retail industry is one of the sunrise sectors with huge growth potential. But it does not give so much contribution in economy as compare to rest of the world due to absence of FDI in retail sector in India. In this context, the present paper attempts to analyses the strategic issues concerning the influx of foreign direct investment in the Indian retail industry. This paper would like to show the impact of changes in retail sector on GDP growth of economy. The findings of the study point out that FDI in retail would undoubtedly enable India to integrate its economy with that of the global economy. This paper traces the economic progress made by India’s Retail Sector in the planning era, and the emerging issues under globalization. It examines the socio-economic magnitudes, problems and challenges of the country as well as the pitfalls in FDI planning in India.