

Foreign direct investment and its impact on Indian farmers

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ABSTRACT

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. The unorganized retail sector in India occupies 93 per cent of the retail sector and the rest 7 per cent is contributed by the organized sector. FDI in retail sector 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 total retail sector is expected to grow from Rs. 7,000 billion in 1999 to Rs. 24,000 billion in 2013. The organized retail sector is expected from Rs. 50 billion in 1999 to Rs. 2400 billion in 2013. As a result, the share of organized retail in total retail is expected, although slowly, from 0.70 per cent in 1999 to 10.00 per cent in 2013. On 20th September, 2012, 100 per cent FDI in single brand and 51 per cent in multi brand retailing have been allowed in India, subject to certain conditions. Organized retail with its variety of products and multitude of malls and supermarkets is fueling their addiction. Their new mentality, in turn, is fueling the growth of organized retail in India. This paper firstly speaks about the growth of organized retail sector in India. The second part shows chronologically development in organized retail sector with FDI policy in India. The third part reveals the SWOT analysis in retail sector. The last part reviews the impact of FDI on the Indian farmers.

KEY WORDS : FDI, Retail sector, SWOT analysis, Impacts on Indian farmers

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