



FDI in multi-brand retailing - challenges and opportunities

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ABSTRACT

India is acknowledged as the biggest retail market in the world next to China. The sector is the largest source of employment after agriculture. Nearly 40 million people employed in retail sector which accounts for 8% of the total employment and 4% of the entire population. According to the A.T. Kearney Global Retail Development Index (2011), Indian retail sector accounts for 22 percent of the country's GDP. Total retail market in India which stood at Rs. 20,00,000 Crores in 2009-10 which increased to Rs.23,50,000 crores in 2010-11 which is estimated to attain Rs.28,65,000 Crores by 2012-13. An ASSOCHAM report states that India's overall retail sector is expected to rise to Rs.41,65,000 by 2013 and to Rs.USD 1.3 trillion by 2018, at a compounded annual growth rate of 10% driven by the emergence of shopping centers and malls. India's organized retail market was estimated to be Rs.96500 Crores in 2008 accounts for around 5 percent of the total retail market, which increased to Rs.1,50,000 crores in 2011 accounting for 6-7 per cent of total retail. Organized Retail has been growing at an impressive rate of 35 to 40 percent per year compared to 9 to 10 percent growth in the overall retail industry. The business in the organized retail sector of India is expected to reach the level of \$100 billion by the year 2015. In India 98 percent of business is being run by the unorganized retailers. Recently, the government of India has permitted a FDI in multi-brand retailing which has triggered a debate on whether India should allow entry of foreign retailers or not. In the light of this development, a study has been conducted to find out the challenges and opportunities of allowing FDI in multi-brand retailing. It is observed that multi-brand retailing will have positive as well negative impact on Indian economy, Indian retail sector, customers, farmers and society. It is also found that there are several challenges before foreign players which are needed to be addressed by them before entering into India.

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Introduction

Retailing is defined as all activities involved in selling goods directly to the final consumer for their personal, non-business use via Kirana shops, (Mom and Pop stores), supermarket, Janata Bazaar, malls, door-to-door selling, weekly bazaar, hand car, mail-order or over the internet. India is acknowledged as the biggest retail market in the world next to China. Food constitutes 70 per cent of retail sector. The sector is the largest source of employment after agriculture. Nearly 40 million people employed in retail sector which accounts for 8% of the total employment and 4% of the entire population. According to the A.T. Kearney Global Retail Development Index (2011), Indian retail sector accounts for 22 percent of the country's GDP. The value of retail trade in India's GDP at constant prices has grown from Rs 433,967 crore in 2004-05 to Rs 7,42,621 crore in 2010-11, at a CAGR of 9.4 per cent. Total retail market in India which stood at Rs. 20,00,000 Crores in 2009-10 which increased to Rs.23,50,000 crores in 2010-11 which is estimated to attain Rs.28,65,000 Crores by 2012-13. An ASSOCHAM report states that India's overall retail sector is expected to rise to Rs.41,65,000 by 2013 and to Rs.USD 1.3 trillion by 2018, at a compounded annual growth rate of 10% driven by the emergence of shopping centers and malls. According to the report prepared by PricewaterhouseCoopers, the Indian retail industry is pegged at \$500 billion and is expected to reach \$1.3 trillion by 2020.

India's organized retail market was estimated to be Rs.96500 Crores in 2008 accounts for around 5 percent of the total retail market, which increased to Rs.1,50,000 crores in 2011 accounting for 6-7 per cent of total retail. Organized Retail has been growing at an impressive rate of 35 to 40 percent per year compared to 9 to 10 percent growth in the overall retail industry. The business in the organized retail sector of India is expected to reach the level of \$100 billion by the year 2015. According to the report prepared by PricewaterhouseCoopers, the Indian organized retail's growth rate is expected to reach 25 per cent by 2020. In India 98 percent of business is being run by the unorganized retailers.

Multi Brand Retailing

The marketing of two or more similar and competing products, by the same firm under different and unrelated brands is called as multi-brand retailing. In other words, Multi-brand retail means selling different brand products under a single roof. FDI in multi-brand retailing is expected to open the doors for global retail giants to enter and establish their footprints in India which may revolutionize Indian retail sector. Some of the prominent big players keen to enter into India include Wal-Mart from US, Carrefour from France, Tesco from UK, Metro from Germany, etc. The US-based world's largest retailer Wal-Mart has already established its presence in the Indian market through a wholesale cash and carry stores. Other international retailer

who are expected to enter India include Costco, Target, Starbucks, Macy's, Croger, Walgreen, CVS, Michaels, IKEA, Bath-Bed & Beyond, Home Depot, Ralph Lauren, Gucci, Zara, etc.

Objectives Of The Study

- 1) To study the need of opening up of FDI in multi-brand retail.
- 2) To analyze the impacts of the FDI in multi-brand retailing.
- 3) To assess the challenges and threats of FDI in Multi-Brand Retailing to various stakeholders.
- 4) To offer suggestions to overcome such barriers.

Research Methodology

The present study was intended to assess the need for opening up of FDI in multi-brand and investigate the views of the various stakeholders and to analyze the impacts of the FDI in multi-brand retailing, etc. The descriptive research methodology has been used to collect the data. Belgaum city in Karnataka is selected for the purpose of study and 25 respondents from each stakeholder's category were randomly selected for the study. Face to face interview was conducted by using interview schedule to collect information from the respondents. The secondary data has been collected from various published sources such as newspaper, journals, magazines and research reports and websites. Interpretation of the data is more on qualitative terms than on quantitative terms. Percentage method was used to analyze data.

Results and analysis

Socio-economic status of the respondents

The table-1 reveals that 38 percent of respondents selected for survey were in the age group of 26 to 35 years followed by 36-45. 98 percent of the respondents surveyed were male. The study also reveals that only 4 percent of respondents were illiterate and they belong to retailer and customer category. Majority of the respondents were completed graduation and post-graduation. All the respondents who had completed post-graduation belong to teacher's category. It is worth to note that 54 per cent of the respondents were belonging to monthly income range of below 20000/- .

It is evident from the table-2 that majority of retailers do not have any idea about why FDI in multi-brand retailing is required. However, majority of them have opined that FDI in multi-brand retailing is required in order to control leakages and wastage of agri-produce, vegetables and fruits. Majority of entrepreneurs have opined that FDI in multi-brand retailing is required in order to improve agri-productivity and to pay remunerative prices for agri-produce. Customers do not have any idea about whether India needs FDI in multi-brand retailing or not. Majority of teachers have opined that India need FDI in multi-brand retailing in order have access to better technology, improved Logistics and Distribution system, to ensure remunerative prices for agri-produce and to control over Leakage & Wastage.

Majority of respondents are of the view that (table-3) Multi-brand retailing is not a pill for all agricultural marketing problems. It is not logical to believe that what central and state governments could not solve in 66 years, multi-brand retailing could do. Majority of respondents stated that FDI in multi-brand retailing is needed for India. But, they have apprehension that it is not the solution for reducing wastage, especially in perishables. The respondents expressed that the FDI in multi-brand retailing will not compel traditional kirana shops to modernize their store. They are also having apprehension that multi-brand retailing is not a pill for taming inflation. According

to respondents it is not possible for multi-brand retailers to eliminate the middlemen who constitute the major channel partner in Indian retail market. Majority of the respondents are of the view that multi-brand retailing will not create employment opportunities in India but also farmers will not get better or best deal from multi-brand retailers. Majority of respondents opined that foreign retailers will not sell fresh produce. The apprehension that entry of foreign retail majors will kill the Indian unorganized retailers is also proved wrong as 82 percent of respondents said that they will not kill kirana shops.

It is evident from table-4 that majority of retailers felt that the entry of multi-brand retailers will have negative impact on domestic unorganized retailing as they will try to kill the domestic unorganized retailers (80%), dump the cheap products in India (92%), may adopt predatory pricing practices (68%). Majority of retailers also felt that FDI in multi-brand retailing neither ensure the improvement in quality standards (76%) nor ensure supply of high quality products at competitive prices (72%). Majority of retailers said that they do not have any idea about whether the FDI in multi-brand retailing will ensure access to better technology, Logistics, and Distribution system, bring global practices to India, Create retail infrastructure, bring IT skills in the area of supply chain mgt., database mgt. & inventory mgt, improve cost competitiveness, improve operational efficiency, leads to monopoly market and ensure remunerative prices for produce.

It is clear from the table-5 that majority of customers felt that the entry of multi-brand retailing will not leads to improvement in service quality, availability of cheap & quality products and price saving for customers. 44 percent of respondents had also felt that entry of FDI in multi-brand retailing will not ensure remunerative prices for agri-produce. However, 64 percent felt that multi-brand retailers will introduce new products in India and customer will get more choices (88%).

It is clear from the table-6 that majority of SMEs said that the multi-brand retailers will not bring technical know-how (68%), management expertise (88%) and new business practices for small and medium enterprises (44%). They also felt that FDI will not ensure guaranteed orders for them (72%) and improvement in operational efficiency of SMEs (84%). They opined that FDI will not lead to modernization of SMEs sector (64%). They also said that FDI will not ensure cost saving for SMEs (76%) and remunerative price for agri-produce (44%). Majority of SMEs said that they do not have any idea about whether the FDI in multi-brand retailing will leads to technical collaboration, improve productivity, product innovations, application of IT in operations and increase in debt raising capacity of SMEs.

It is evident from table-7 that majority of academicians felt that the entry of multi-brand retailers will have positive impact on Indian retail sector as they offer better services (84%), offer new and quality products (60%), provide more choice for customers (88%), ensure access to better and advance technology, and Logistics & Distribution system (56%) but also introduce global best practices (76%). Majority of academicians are of the view that the multi-brand retailing will not ensure availability of cheaper product (80%), better shopping experience (72%) and price saving for customers (84%), creation of retail infrastructure such as warehousing, cold storage & new supply chains (64%). They also opined that multi-brand retailers are not always ambassador of high quality

Results And Analysis
Socio-Economic Status Of The Respondents
Table – 1
Socio – Economic Profile Of The Respondents

| Socio-Economic Factors | | Respondents | | | | | | | |
|------------------------|-----------------|-------------|-----|------|-----|-----------|-----|----------|-----|
| | | Retailers | | SMEs | | Customers | | Teachers | |
| | | Nos. | % | Nos. | % | Nos. | % | Nos. | % |
| Age | Below 25 | 02 | 8 | 00 | - | 07 | 28 | 00 | - |
| | 26-35 | 15 | 60 | 04 | 16 | 11 | 44 | 08 | 32 |
| | 36-45 | 04 | 16 | 17 | 68 | 05 | 20 | 11 | 64 |
| | 46-50 | 02 | 8 | 01 | 4 | 02 | 8 | 04 | 16 |
| | Above 50 | 02 | 8 | 03 | 12 | - | - | 02 | 8 |
| Gender | Male | 25 | 100 | 25 | 100 | 25 | 100 | 23 | 92 |
| | Female | - | - | - | - | - | - | 02 | 8 |
| Education | Illiterate | 02 | 8 | - | - | 02 | 8 | - | - |
| | Primary | 04 | 16 | 02 | 8 | - | - | - | - |
| | High School | 06 | 24 | 03 | 12 | 03 | 12 | - | - |
| | PUC | 02 | 8 | 02 | 8 | 03 | 12 | - | - |
| | Graduate | 11 | 44 | 09 | 36 | 14 | 56 | - | - |
| | Post Graduate | - | - | 04 | 16 | 03 | 12 | 25 | 100 |
| Monthly income | Other | - | - | 05 | 20 | - | - | - | - |
| | Below Rs.20000 | 17 | 68 | 19 | 76 | 18 | 72 | - | - |
| | Rs.20000- 40000 | 02 | 8 | 06 | 24 | 06 | 24 | 05 | 20 |
| | Rs.40000-60000 | 04 | 16 | - | - | 01 | 4 | 11 | 44 |
| | Above 60000 | 02 | 8 | - | - | - | - | 09 | 36 |

Source: Field work

Table –2
Need For Opening Fdi In Multi-Brand Retailing

| Need for Opening FDI in Multi-brand Retailing | Respondents | | | | | | | | | | | |
|--|-------------|----|---------|------|----|---------|-----------|----|---------|----------|----|---------|
| | Retailers | | | SMEs | | | Customers | | | Teachers | | |
| | Yes | No | No Idea | Yes | No | No Idea | Yes | No | No Idea | Yes | No | No Idea |
| To have better access to – Technology, Logistics, Distribution | 02 | 06 | 17 | 05 | 03 | 17 | - | - | 25 | 14 | 04 | 07 |
| Improving infrastructure -Cold storage & Warehousing facility | 08 | 04 | 13 | - | - | 08 | - | - | 25 | 09 | 16 | - |
| Improve Agri-Productivity | 02 | - | 23 | 11 | 09 | 05 | - | - | 25 | 02 | 10 | 13 |
| Remunerative prices for agri-produce | 04 | 08 | 13 | 07 | 11 | 07 | 02 | - | 23 | 16 | 04 | 05 |
| Off-season employment | - | - | 25 | - | - | 25 | - | - | 25 | 02 | 18 | 05 |
| Control over Leakage & Wastage | 14 | 02 | 09 | 22 | - | 03 | 14 | - | 11 | 23 | 02 | - |

Source: Field work

Table – 3
Views Of Respondents About Multi-Brand Retailing

| Views about Multi-brand Retailing | Respondents | | | | | | | | | | | |
|---|-------------|----|---------|------|----|---------|-----------|----|---------|----------|----|---------|
| | Retailers | | | SMEs | | | Customers | | | Teachers | | |
| | Yes | No | No Idea | Yes | No | No Idea | Yes | No | No Idea | Yes | No | No Idea |
| Pill for all agricultural marketing problems | 04 | 18 | 03 | 03 | 19 | 03 | 04 | 05 | 16 | 07 | 16 | 02 |
| Reduce wastage, especially in perishables | 07 | 16 | 02 | 05 | 16 | 04 | 07 | 03 | 15 | 09 | 15 | 01 |
| Compel traditional <i>kirana shops</i> to modernize their store | 08 | 17 | - | 02 | 22 | 01 | - | 19 | 06 | 02 | 19 | 04 |
| Help in taming inflation | 04 | 20 | 01 | 01 | 24 | - | - | 22 | 03 | 05 | 20 | - |
| Eliminate middlemen | 02 | 22 | 01 | 01 | 24 | - | 01 | 23 | 01 | 23 | 02 | - |
| Create employment opportunities | 02 | 23 | - | 02 | 23 | - | 03 | 22 | - | 06 | 18 | 01 |
| Farmers will get better or best deal | 03 | 22 | - | 03 | 22 | - | 02 | 20 | 03 | 03 | 15 | 07 |
| Multi brand retailer will sell fresh | 04 | 21 | - | 01 | 24 | - | 06 | 19 | - | 02 | 19 | 04 |
| Kill kirana shops | 08 | 15 | 02 | 02 | 23 | - | 01 | 24 | - | 01 | 20 | 04 |

Source: Field work

Table: 4
Impact Of The Fdi In Multi-Brand Retailing –Retailers Perspective

| IMPACT | Yes | No | No Idea |
|--|------------|-----------|----------------|
| Better access to – Technology, Logistics, Distribution | 02 | 06 | 17 |
| Global best practices | 02 | 03 | 20 |
| Creation of infrastructure, Warehousing, cold storage & new supply chains | 08 | 04 | 13 |
| IT skills in the area of supply chain mgt., database mgt. & inventory mgt. | 02 | 05 | 18 |
| Technical know-how | 02 | - | 23 |
| Quality standards | 02 | 19 | 04 |
| Cost competitiveness | 02 | - | 23 |
| Improvement in operational efficiency | 02 | 07 | 16 |
| Quality product & competitive price | 02 | 18 | 05 |
| Kill domestic unorganized retailers | 20 | 03 | 02 |
| Predatory pricing | 17 | 02 | 06 |
| Monopoly market | 07 | 05 | 13 |
| Small businesses out of business | 03 | 21 | 01 |
| Dumping of foreign products | 23 | 02 | - |
| Remunerative prices for produce | 04 | 08 | 13 |

Source: Field work

Table-5
Impact Of The Fdi In Multi-Brand Retailing – Customers Perspective

| IMPACT | Yes | No | No Idea |
|--------------------------------|------------|-----------|----------------|
| Better services | 05 | 12 | 08 |
| New products | 16 | 02 | 07 |
| Cheaper product | 03 | 21 | 01 |
| Quality product | 07 | 15 | 03 |
| More choice | 22 | - | 03 |
| Better shopping experience | 04 | 02 | 19 |
| Price Saving | 03 | 22 | - |
| Consumer welfare | - | 01 | 24 |
| Safety standards | - | 01 | 24 |
| Remunerative price for produce | - | 11 | 14 |

Source: Field work

Table-6
Impact Of The Fdi In Multi-Brand Retailing – Smes Perspective

| IMPACT | Yes | No | No Idea |
|---------------------------------------|------------|-----------|----------------|
| Technical Know-how | 02 | 17 | 06 |
| Management Expertise | 02 | 22 | 01 |
| Technical Collaboration | - | 09 | 16 |
| New Business practices | 05 | 11 | 09 |
| Guaranteed orders | 04 | 18 | 03 |
| Productivity | 02 | 03 | 20 |
| Improvement in Operational efficiency | 02 | 21 | 02 |
| Modernization | 04 | 16 | 05 |
| Product innovations | 02 | 07 | 16 |
| Cost saving | - | 19 | 06 |
| IT application | 03 | 02 | 20 |
| Increase in debt raising Capacity | 02 | 02 | 21 |
| Remunerative price for produce | 07 | 11 | 07 |

Source: Field work

Table - 7
Impact Of The Fdi In Multi-Brand Retailing – Teachers Perspective

| IMPACT | Yes | No | No Idea |
|--|-----|----|---------|
| Better services | 21 | 02 | 01 |
| New products | 16 | 03 | 06 |
| Cheaper product | 04 | 20 | 01 |
| Quality product | 14 | 10 | 01 |
| More choice | 22 | 02 | 01 |
| Better shopping experience | 05 | 18 | 02 |
| Price Saving | 02 | 21 | 01 |
| Better access to – Technology, Logistics, Distribution | 14 | 04 | 07 |
| Global best practices | 19 | 03 | 03 |
| Creation of infrastructure: Warehousing, cold storage & new supply chains. | 09 | 16 | - |
| IT skills in the area of supply chain mgt., database mgt. & inventory mgt. | 06 | 09 | 10 |
| Technical know-how, | 02 | 19 | 04 |
| High Quality standards | 06 | 15 | 04 |
| Improvement in operational efficiency | 08 | 12 | 05 |
| Rural infrastructure - Roads, Communication, Transportation | 03 | 20 | 02 |
| Increase in Agri-productivity | 02 | 10 | 13 |
| Modern agri-practices | 01 | 15 | 09 |
| Agri-technology | 01 | 09 | 15 |
| Remunerative prices for produce | 05 | 16 | 04 |
| Contract farming | 04 | 04 | 17 |
| Off-season employment | 02 | 18 | 05 |
| Control over Leakage & Wastage | 23 | 02 | - |
| Eliminates middlemen | 06 | 16 | 03 |
| Technical Collaboration | 02 | 18 | 05 |
| Guaranteed orders | 03 | 16 | 06 |
| Modernization | 01 | 19 | 05 |
| Product innovations | 02 | 07 | 16 |
| Cost saving | 01 | 17 | 07 |
| IT Application | 04 | 16 | 05 |
| Increase in debt raising Capacity | 02 | 11 | 12 |
| Increase in Agri-productivity | 04 | 17 | 04 |
| Agri-technology | 03 | 20 | 02 |

standards (60%). They also felt that the entry of FDI does not improve: operational efficiency of domestic retailers (48%), rural infrastructure such as roads, communication & transportation (80%) and IT Application in retail (64%). The academicians opined that multi-brand retailers will never introduce modern agri-practices (60%) and agri-technology (80%). They also expressed that the entry of FDI will no ensure remunerative prices for agri-produce and guaranteed orders, cost saving for SMEs, increase in agri-productivity. They felt that multi-brand retailers will not provide off-season employment. It is not possible for multi-brand retailers to eliminate middlemen from retail channel (64%). They also expressed that it is very difficult for them to comment on whether FDI will leads to increase in Agri-productivity, contract farming, debt raising Capacity of SMEs & product innovations among SMEs, FDI will bring agri-technology and improvement in IT application in the area of supply chain management & inventory management.

Conclusions

1) The study reveals that the majority of retailers opined that FDI in multi-brand retailing is required in order to control wastage of agri-produce, vegetables and fruits. Majority of entrepreneurs have opined that FDI in multi-brand retailing is required in order to improve agri-productivity and to pay remunerative prices for agri-produce. Customers do not have much idea about whether India needs FDI in multi-brand retailing or not. Majority of academicians have opined that India need FDI in multi-brand retailing in order have access to better technology, improved logistics & distribution system, to ensure

remunerative prices for agri-produce and to control over agri-wastage.



2) The respondents are of the view that Multi-brand retailing is not a pill for all agricultural marketing problems. Majority of respondents have apprehension that it is not the solution for reducing wastage, especially in perishables. The respondents expressed that the FDI in multi-brand retailing will not compel traditional kirana shops to modernize their store. They are also

having apprehension that multi-brand retailing is not a pill for taming inflation.

3) The respondents have opined that it is not possible for multi-brand retailers to eliminate the middlemen who constitute the major channel partner in Indian retail market.

4) The respondents are of the view that multi-brand retailing will not create employment opportunities in India and farmers will not get better or best deal from multi-brand retailers.

5) The retailers felt that the entry of multi-brand retailing will have negative impact on domestic unorganized retailing as they will try to kill the domestic unorganized retailers, dump the cheap products in India, may adopt predatory pricing practices.

6) Majority of retailers also felt that FDI in multi-brand retailing neither ensure the improvement in quality standards nor ensure supply of high quality products at competitive prices.

7) Customers felt that the entry of multi-brand retailing will not leads to improvement in service quality, availability of cheap & quality products and price saving for customers. However, they opined that multi-brand retailers will introduce new products in India and customer will get more choices.

8) SMEs have opined that the multi-brand retailing will not bring technical know-how, management expertise and new business practices for small and medium enterprises. 9) SMEs also felt that entry of multi-brand retailers will not ensure guaranteed orders for them and improvement in operational efficiency of SMEs.

10) Majority of academicians are of the view that the entry of multi-brand retailers will have positive impact on Indian retail sector as they offer better services, offer new and quality products, provide more choice for customers, ensure access to better and advance technology and logistics & distribution system.

11) Academicians felt that the multi-brand retailing will bring global best practices to Indian retail sector. They are also of the view that the multi-brand retailing will not ensure availability of cheaper product, better shopping experience and price saving for customers, creation of retail infrastructure such as warehousing, cold storage & new supply chains.

12) The academicians have opined that multi-brand retailers are not always ambassador of high quality standards. They also felt that the entry of FDI does not improve: operational efficiency of domestic retailers, rural infrastructure such as roads, communication & transportation and IT Application in retail.

13) The academicians opined that multi-brand retailers will never introduce modern agri-practices and agri-technology. They also expressed that the entry of FDI will no ensure remunerative prices for agri-produce and guaranteed orders, cost saving for SMEs, increase in agri-productivity.

14) Academicians have felt that multi-brand retailers will not provide off-season employment. It is not possible for multi-brand retailers to eliminate middlemen from retail channel.

Suggestions

1) The government should adopt the public private partnership mode to build up agriculture infrastructure, especially water, land development, cold storage, warehousing, rural roads, rural telecommunication, etc instead of allowing multi-brand retailers to develop such infrastructure on their own. Whereas Multi-brand retailers should be asked to build up the distribution, supply chain and retail stores. This will help to solve the problem relating to wastage of agri-produce, fruits and Vegetables.

2) The multi-brand retailers should be asked to bring agri-technology, introduce modern agriculture practices and arrange

training programmes on agriculture management covering areas such as sorting, grading, maintaining hygiene standards, packing, organic farming, storing, pesticide mgt., etc. This will help in improvement of agriculture productivity which in turn helps to farmers to get better price for their produce. The training programme can be executed in collaboration with the management education institutions, industry association and agriculture universities.

3) The government should invest in creation of infrastructure for retailing at mandis, APMC market which will enable greater employment and higher hygiene consciousness and faster turnaround of transport and higher rollover of produce.

4) The government should strengthen the Competition Commission in order to ensure stringent enforcement of rules against collusion, predatory pricing, misleading advertisement, etc.

5) There is apprehension among all respondents that the foreign retailers will dump cheap products in Indian retail market. Hence, in this regard it is suggested that government should setup anti-dumping vigilance agency to monitor dumping of cheap products.

6) There is apprehension among all respondents that entry of multi-brand retailing will not ensure improvement in quality standards and does not ensure supply of high quality products at competitive prices. In the light of this observation, it is suggested that the government of India should setup an international level laboratory for quality testing and existing quality testing mechanism need to be strengthened.

7) The government is thinking to abolish Agricultural Produce Market Committees (APMC) Act. Hence, it is suggested that the act should not be abolished as it would provide healthy competition.

8) The inflation can be controlled if the government try to bridge price difference between farm gate and consumers, in this regard, it is suggested that the government should fix price bracket.

9) The government need to accord industry status to retail before implementing reforms measures in India. This will help in fixing benchmarking standards for retail and also enable prudent practices in retail. Retail industry will also eligible for support and incentives as applicable to other industries.

10) The central government should create a single window clearance system to facilitate Multi-brand retailers to bring FDI in the country without any regulatory hurdles. This will help in streamlining the license processes associated with the establishment and management of retail stores.

11) The areas of urban planning, local employment and protecting the environment are all critical concerns and should not be overlooked as these will guarantee the protection of the Indian economy, society and environment. Therefore, it is suggested that the government should constitute a committee consisting of Environment and Ecology Dept., Industries and Commerce Dept., Town Planning Authority, APMC representative, representative of local retailers, NGO, etc. to look after these critical concerns.

12) Without rural electricity and large scale new investment in water shed management, farmers cannot produce more, even with technical inputs from foreign retailers. The government should address these concerns before allowing FDI in retail.

13) The government while allowing FDI multi-brand retailing should put following conditions: a) Multi-brand retailers should recruit 25 percent of total workforce from local areas and due weightage should be given to rural youth. b) They need to pay

attention towards agriculture food processing to boost Indian economy. c) For protecting local vendors, foreign retailers should operate only in big cities where minimum population is one million. The FDI in multi-brand retailing should be introduced in a slow and phased manner. First it should be introduced in leading retail hubs like Delhi, Mumbai, Kolkata, Pune, Hyderabad, Chennai and Bangalore and eventually move to other tier II and III cities. d) Multi-brand retailers should not be allowed to dump foreign products in the country. Instead of that the government should make the mandatory sourcing of at least 30 per cent of the value of products sold by multi-brand retailers from Indian small industries, village & cottage industries, artisans and craftsmen. This would boost employment in the country. This will solve the apprehension of SMEs that they will not get guaranteed orders from multi-brand retailers.

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