

## **FOREIGN DIRECT INVESTMENT IN INDIAN RETAIL MARKET: CHALLENGES AND OPPORTUNITIES**

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### **ABSTRACT**

*The Indian retail sector has emerged as one of the most dynamic and fast-paced industries due to the entry of several new players and the rising consumer demand. Foreign Direct Investment (FDI) in retail has been a subject of extensive policy debate in India, especially with the gradual liberalization of FDI norms. This paper explores the multifaceted impact of FDI in the Indian retail market, focusing on both the opportunities it presents and the challenges it poses. On the opportunity side, FDI brings in capital investment, global supply chain practices, technological innovation, employment generation, and improved consumer choice. However, challenges such as regulatory hurdles, opposition from local retailers, infrastructure bottlenecks, and cultural and consumer behaviour mismatches hinder its seamless integration. The paper also examines the implications of FDI in single-brand and multi-brand retail, evaluating its role in modernizing the retail landscape and contributing to India's economic growth. Through a balanced analysis, the study aims to provide insights into how India can harness the benefits of FDI while mitigating its adverse effects on small and traditional retailers.*

**KEYWORDS:** Retail, Foreign Direct Investment, Capital Investment etc.

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