

Retail in India to lose out on FDI

Based on the Parliamentary panel of Commerce recommendations last week, it is estimated that the Indian retail may lose foreign direct investment of up to Rs 400 crore this fiscal year. The panel opposed further latitude to the entry of international retail brands in the country. According to market reports, major Indian retail players are also likely to be affected if the panel's recommendations are implemented. Following the panel report, IKEA, the Swedish home furnishing major, last week announced its decision to shelve plans for venturing into single format retailing in India. Other foreign retailers are likely to re-examine their plans in the wake of the government's FDI policy on retail. However such a scenario will prove to be a big boon for small retailers and family-owned businesses, as well as some big homegrown players.