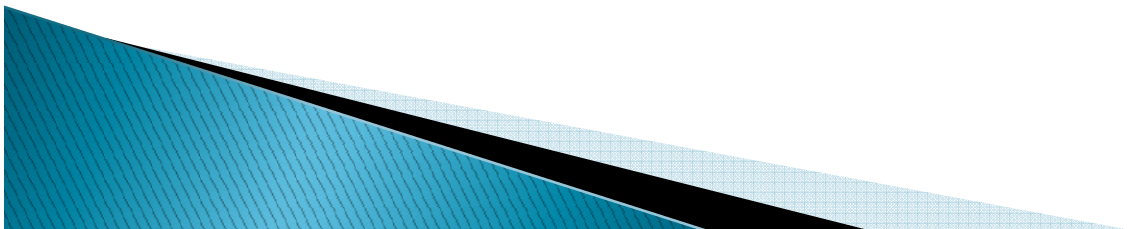


Foreign Direct Investment : Advantages and Disadvantages On Retail Sector

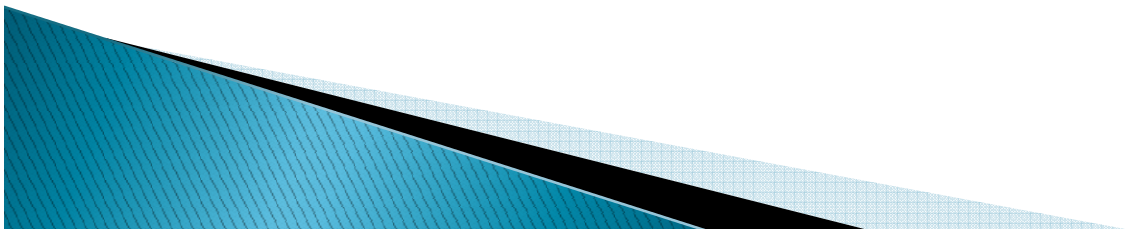
Presented By

Amol G.Sonawale



Introduction :

Foreign direct investment is an activity in which an investor resident is the one who lives **in a country**, and obtain a lasting interest in and makes a significant influence on the management of an entity resident **in another country**. This may involve either creating an entirely new enterprises or more typically changing the ownership of existing enterprises. Other types of financial transaction are related to enterprising like reinvesting the earning of the foreign direct investment enterprise or other capital transfers are also defined as foreign direct investment

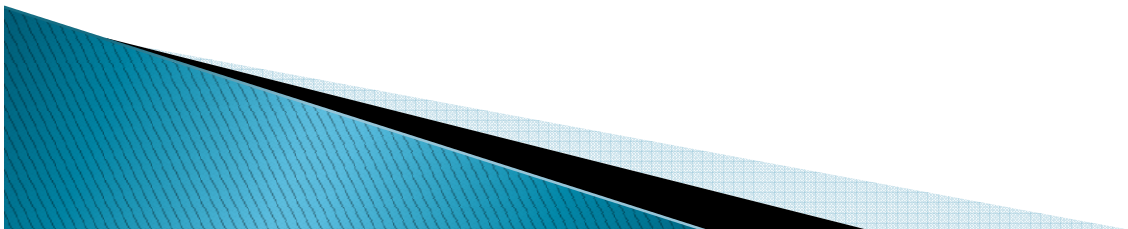


Object of the Study :

1. To know and understand the concept of foreign direct investment in retail sector .
2. To study the background of foreign direct investment.
3. To know the advantages and disadvantages of foreign direct investment.

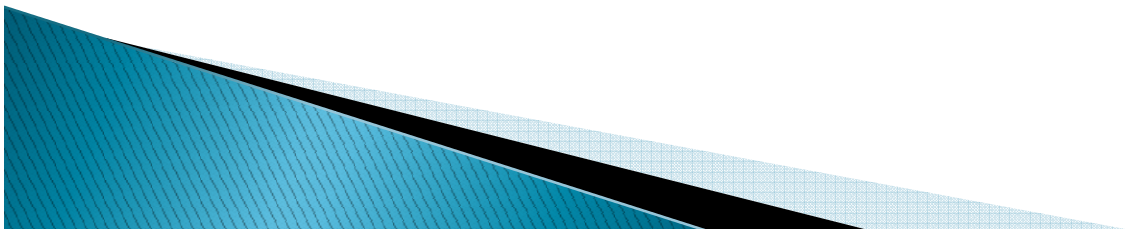
Methodology :-

The present study is completely based on secondary data. Data collected from the various sources such as Journals, Internet and News papers.



What is Foreign Direct Investment (FDI)?

Foreign direct investment is that investment, which is made to serve the business interests of the investor in a company, which is in a different nation distinct from the investor's country of origin. On fact foreign direct investment constitutes capital provided by foreign investors, directly or indirectly to enterprises in another economy with an expectation of obtaining profits derived from the capital participation in the management of the enterprises in which they invest.



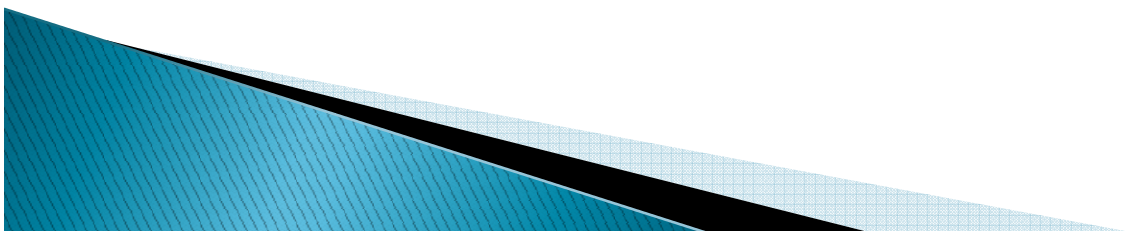
FDI IN THE RETAIL SECTOR

- ▶ As we know retailing is one of the world's largest private industries. Liberalization in FDI have caused a massive restructuring in retail industry. The benefit of FDI in retail industry superimposes its cost factors. Opening the retail industry to FDI will bring forth benefits in terms of advance employment, organized retail stores, availability of quality products at a country's products or service to enter into the global market.



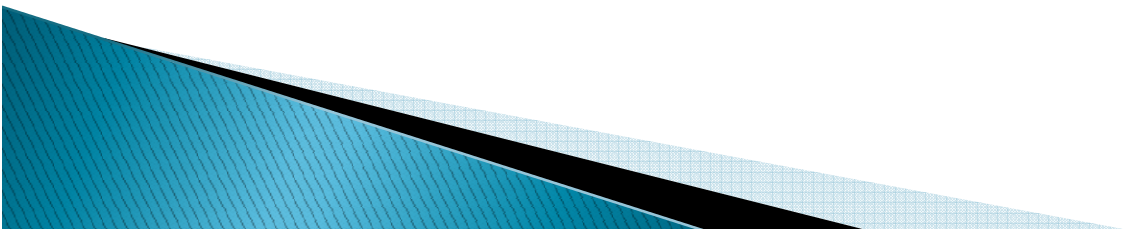
Background of FDI :-

- ▶ After the Vietnam war in 1975 Vietnam isolated itself from countries existing outside block. In the 1980, however Vietnam once again opened it's doors to the world and promised a reform that would great the largest investment opportunity for ambitious foreign investors since china in 1986 Vietnam launched the doi moi or restructuring a governmental initiative aimed at improving the countries ailing economic condition.



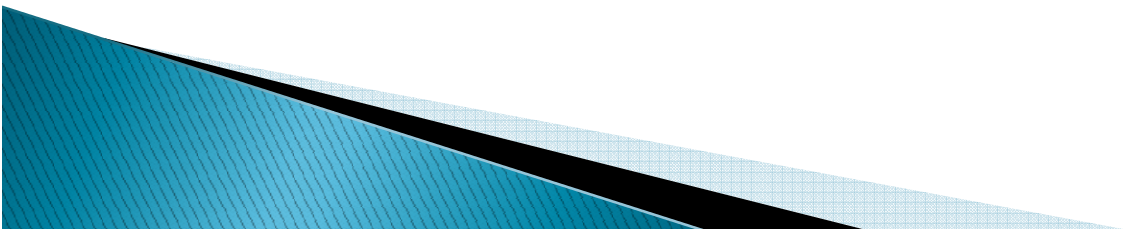
Advantages

- ▶ Growth in Economy
- ▶ Employment Opportunities
- ▶ Benefits to Famers
- ▶ Benefit to Consumers
- ▶ Channelizing the Recourses



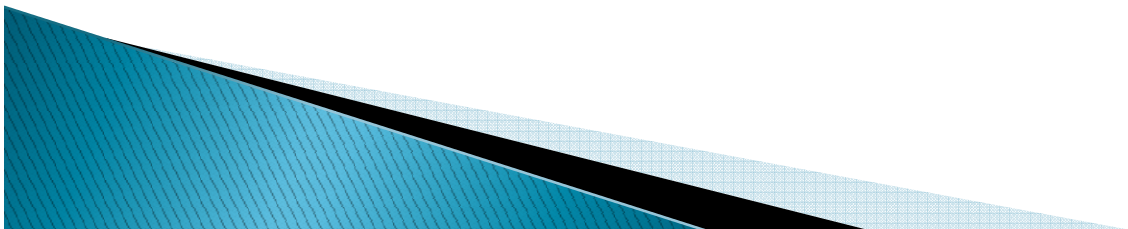
Disadvantages

- Negative impact on Economy
- Lose of Market Shares
- Loss of Jobs

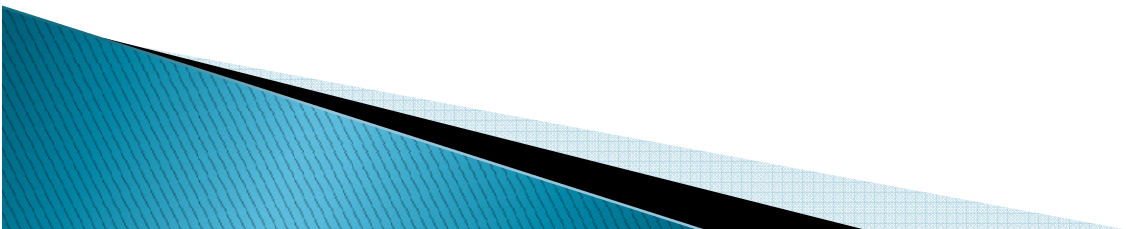


Conclusion :

- It has become essential to understand of the nature and objectives of the foreign direct investment which would be helpful in solving the increasing problem of unemployment in India.
- The foreign direct investment would be a remedy in empowering Indian financial strata at national and international level. As far as the advantages of the FDI are concerned, I think that it would enhance investment in retail sector benefiting the industries and secondary sector of the society.
- It would create employment opportunities culminating growth in national income. The farmers would be co-operated for financial needs for cultivating their fields using modern science and technology.



- The customers would get various goods at reasonable price in abundance and financial it would be a channelizing resources associated with human recourses.
- At the end practically implementation of the foreign direct investment would be used carefully considering its pros and cons for the we being of the citizens and the country.



THANK YOU

