

Indians to protest against foreign retailers

NEW DELHI, INDIA: Indian traders and farmers said on Tuesday they would stage a nationwide protest next month against any government move to open up the nation's retail sector to competition from foreign supermarkets.

Overseas retail giants such as Wal-Mart of the United States and Britain's Tesco have been pushing for a government green light that would clear the way for them to enter the vast sector.

"We refuse to become puppets in the hands of foreign corporate players. Foreign Direct Investment (FDI) will kill the retail business forever," said Praveen Khandelwal, secretary of the Confederation of India Traders.

The protest organisers said they hoped more than one million traders and farmers would take part in the pan-India event on 9 August.

India's 1.2-billion-strong population looms large in the aspirations of international retailers, who are faced with saturated Western markets and want to develop new outlets to sell directly to Indian customers. However, to protect local firms India's tight foreign investment rules allow no overseas chains in the multi-billion-dollar retail sector, except for single-brand outlets such as Nokia or Reebok.

Up against the wall when it comes to allowing in large supermarket chains

Investor hopes have been rising that the government could take new action on introducing long-delayed economic reforms after Prime Minister Manmohan Singh said he wanted to revive the Indian economy's "animal spirit".

Opposition to such measures has been mounting in recent days. Critics fear the effect of competition on small retailers who still dominate India's commercial landscape. They also say the entry of large foreign retailers could lead to "industrialisation" of India's agriculture sector and put an end to small farm operations.

"Why will an international company care about an Indian farmer or trader when the government does not worry about our future?" asked Naresh Sirohi of All India Farmers Association.

In December, the government said it would allow in foreign supermarket chains such as Wal-Mart, but it backtracked two weeks later amid parliamentary uproar.

On Tuesday, junior planning minister Ashwani Kumar said the government "will not proceed on contentious issues until political consensus has been arrived at".

Other reforms pending include raising the FDI cap in insurance and allowing foreign airlines to invest in domestic carriers.

Source: *AFP* via I-Net Bridge

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