

Trigger Question: Prof. Ramesh Vemuganti FDI in Retail

**Interaction: Shri Virendra Goel**

The PPT is very educating too. Thanks to Shri Ramesh Vemuganti. This needs to be taken as a futuristic case study in business schools in light of the latest uproar in parliament on the same subject.

**Interaction: Brig (Retd) P Ganesham,VSM**

Many Thanks to Mr Shekar Swamy, CEO for providing us a well researched and very informative ppt on FDI in retail and so timely. Thanks to Sh Ramesh Venuganti for connecting us. I am sure all the MTCians have benefited by reading it. The USP of MTC Global is free knowledge sharing.

We need to see the big picture of globalization and privatization. How long we continue to live with small retailers in towns and cities? FDI in my view, will not affect the villages as these retailers do not go to villages being highly unviable business proposition. There must be a trade off. We may find a common ground. FDI may be allowed for those products which do not affect the retailers of our country. Especially food items should be banned for FDI. All other utility items, luxury goods which are required by high consumerism of urban population with high disposable incomes could be considered for FDI. It would help us in our growth and employment. While the argument in the ppt is very forceful against the FDI in retail, MTCians may also discuss the advantages of the initiative for evolving an objective view. May be we send our consolidated views to the Govt of India as policy intervention from the Experts from the field of Management. I also earnestly urge the eminent Faculty and members of MTC Global to educate the students on FDI, while the topic is hot and the National debate is on.

**Interaction: Dr.M.G.Krishnamurthy**

Excellent presentation! Thanks a lot for your comprehensive and research-backed analysis. In the backdrop of all the hype going around this issue, I find your presentation quite thought-provoking and enlightening, and deserves appreciation and propagation.

**Interaction: Prof. Vagadevi**

Thanq Ramesh sir for bringing this thought to us  
The Ppt is statistical and also prepared from past data but i would not go with it in few aspects, A SMALL LINE WILL BE ONLY IDENTIFIED WHEN A BIG LINE IS BESIDE IT .So I think that this would be a opportunity to India to face the challenge and there would be a change in the traditional retail system

,as Mr. Miller has stated there could be some strategies to be adopted like tie up or merges etc.....INDIA WILL MAKE WALMART AND OTHERS COMPANYS GET MORE POPULARITY RATHER THAN THOSE COMPANYS MAKING INDIA POPULAR.....

**Interaction: Mr. R.P. Singh**

Dear All, Needless debate and misplaced ideas about Retail FDI. Same thing happened at the time of introduction of Computers, Colour TV, Globalization and it will happen at any new change. The results are there for all to see. What would have happened to all of us, if these things were stopped at the first opposition by some misguided or misinformed ones. India and Indians have enough resilience to face and meet the challenges of change and growth. Only some of us should not bind them, blind them misguide them and discourage them. You can not stop the winds of change, happening world over , You can only take precautions and prepare yourself for future needs and requirements of change.

All political parties have common stakes in delaying or denying the opportunity of passage of strong Lokpal Bill in this session. The tactics is geared for that, FDI is an excuse. Regards,

**Interaction: Prof. Arun K Desmukh**

It is not the point of dominance of dependence but it is based on the principle of synergistic effects and to compliment the deficiencies of each other. The same is the case with Bharti-Walmart.

Both needed each other to harvest the benefits by the time they build their brand independently. Same thing happened with Hero- Honda partnership which recently came to an end.

**Interaction: Prof. Ratan Reddy**

The views of Shri Chandrkanth Sharma are more relevant to today's competitive world. In my view as for as our country is concerned, we should take care of social concern. i.e. the responsible of the Government and Corporates. Corportes are taking up very big way through CSR projects.

Let there be healthy competition, Cooptation in the changing scenario. Tthe faculty and students of Ratan Global Business School have debated in one day workshop, and totally agreed with the similar views of Shri Chandrakanth Sharma.

**Interaction: Prof. C.P.Chandrasekar**

Greetings. I think your posting need to examine the macro and micro dimensions relating to the FDI in Retail. I found no evidence in your posting except a tell tale talk of Government which is trying to promote at

the behest persons who have no interest in our country. Please tell me why 2.5 lakh farmers committed suicide in our country and no one is bothered about it especially government. Why 79.95% of Indians still live under 2\$ per day after the great globalization? How billions of rupees are looted by the nexus of politicians and capitalists? The Economic Times publishes the FM with Ambani, whose organization is fully involved in scam discussing how Indian economy can be improved. Do you think that these are all great achievements to gloat about? Why everyone, prime minister, finance minister all run to help the playboy of Indian business Vijay Mallayya and not the poor farmer who provides us food. You need not change if everyone changes. We have our own way of dealing with things that can help our country and FDI in retail to solve the issue of farmer and farm produce is a cruel joke. The 30% reservation to buy from SME is from any where in the world and it is self disclosure. That is nobody will monitor from where they will buy. Is it possible to implement such a clause? It is just fraud on people. I agree with your last statement, the issue to delay the lok pal bill.

**Interaction: Dr. K. Prabhakar**

<http://www.thehindu.com/opinion/columns/Chandrasekhar/article2672067.....>

I may suggest you to read the shallow analysis of Rama Bijapurkar , trying to sit at a coffee shop in a five star hotel and suggesting expert opinions regarding FDI with no research support, probably some multinational will give her good consultancy fee to convince us to kill ourselves. I wish my fellow MCTians to read the true Indian economic picture by reading articles of P.Sainath and his books. They are based on real research, with real characters and not manufactured consent. Thanks for your posting, but for it i would not have out poured my utter contempt to these corporate leeches who are bleeding the country.

**Interaction: Prof. Krishan**

Today there are too many middlemen, too much wastage, eg 40% of fruits and vegetables perish in the supply chain, farmers get low prices, and customer gets high prices. Organized retail can never kill the neighborhood store. It has not been able to do so in USA or EU or Japan.

Its share will probably go up from presently 1% to 20% in the next 15 years. Also many big chains will help improve productivity, improve cost and increase exports of many retail items which are now being imported.

### **Interaction: Shri Virendra Goel**

We should not compare manufacturing with retailing. Definitely, any manufacturing activity leads to generation of lot more other opportunities but the same can not be said of pure trading that is run on the bases of money muscle. It may be interesting for members to read the book 'walmart effect'.

In my regular visits to USA, I have not seen neighborhood stores – though there are mom and pop stores and/or restaurants but they are more like boutiques. Even grocery stores are now in the hands of retail chains. Can't stay about EU and Japan. Our present system of neighborhood retailer has its own advantages e.g. home deliveries for sick and old people or large orders (not large enough for retail chains), a bond of mutual trust between the seller and the buyer etc. I wonder if these stores will survive on the basis of these strengths.

Regarding prices, I have had the experience of Best Price, Easy Day and more and comparing the price with our old grocery man or subjiwallah. After initial euphoria, I had to ultimately move back to my grocers and my subjiwallah where I experienced that I was getting better deal in comparison to these stores – somewhere in terms of quality (specially in case of food products) and somewhere in terms of prices.

### **Interaction: Dr. K Prabhakar**

Dear colleagues, If we think that there will be lot of employment, investments, growth, supply chains. Please see the video based on extensive research in US on great Wal Mart.

<http://www.youtube.com/watch?v=dp0O9jxLS64><[http://www.facebook.com/l.php?u=http%3A%2F%2Fwww.youtube.com%2Fwatch%...>](http://www.facebook.com/l.php?u=http%3A%2F%2Fwww.youtube.com%2Fwatch%...)

If you are dreaming of a great EDLP. Every day low prices. Please see this funny clipping.

[http://www.youtube.com/watch?v=pKv6RcXa2UI&feature=player\\_embedded](http://www.youtube.com/watch?v=pKv6RcXa2UI&feature=player_embedded)<[http://www.facebook.com/l.php?u=http%3A%2F%2Fwww.youtube.com%2Fwatch%...>](http://www.facebook.com/l.php?u=http%3A%2F%2Fwww.youtube.com%2Fwatch%...)

The present supply chain is inefficient. However, do you think who is responsible for this? The roads are in poorest conditions. 40,000 crores are paid as bribes to RTOs and Police to pass through the check posts. There is no storage facilities for farmers for produce. He cannot reach the customer directly. Do you think Wal Mart Sam is going to solve all these issues? It is just fraud and sham.

### **Interaction: Dr. Manoj Kumar Dash**

First of all i think it is a good decision taken by Govt of India. every decisions has some pros and cons, and in the long term the

decision will provide good result. If any decisions is taken by government , they will not taking their own, they have studied each aspect and from various agency. it might be wrong what walmart doing and others doing but when the points come to India it will be different. they are coming to do their business not for 50 lakhs people rather that second populous country of world. so it will help all the layers of bottom of pyramid. May be at this point of time it affected some , but in the long run they will accepted their model and doing accordingly. Indian likes number for getting the number they will do some innovation and which is good for country. Now one has accepted and believed the contribution of English at that time, but due to their effort India stands, we developed, added, refined their policy and accepted .Our constitution of India borrowed maximum word and sentences from other countries ? why?. As a citizen of India please feel how your children will live after 15 years not you. you add or do dome good things for the country... and government is trying that.... so support them, help them, provide them platform and let wait 2020 ..Some great change will be occurred. then the problem of migration, urbanization, infrastructure, foreign exchange etc. will solve. No doubt petrol price is increasing, my question -is there it affect any to common man, or business of automobiles ? answer is not, people consume same things as before no on can affected... the reason is people have enough money... and this is all because of last 30 years government plan. So no one will take any credit... credit goes to us as we accepted each policy not for this present generation but for our future generation we are happily live in India because our past generation accepted all policy happily ... so don't follow what our neighbour countries are doing ... they will always tell 10 wrong things to us but never highlight our good things to others . so let us welcome this policy..

Interaction: Mr. Stephen

There is always a resistance to a change. Our Policy Makers and Economists would definitely have undertaken a lot of exercise to see that our SME and Supply Chain get benefit from the FDI in Retail. Those who are now sitting in the Opposition and shouting hoarse were themselves hobnobbing with the European powers for FDI in retail in 2002 when they were in power...and now when they see that things are taking a definite shape, they feel that their agenda is being hijacked by the UPA and perhaps that is the reason why they feel insecure and are airing false propaganda about the loss to the Country. Take a look at today's new....Farmers in Punjab who reaped a bumper harvest

of potato's are not even getting Re.1/- a KG and have decided to dump their entire stock on the road and let it rot. Sometime back the same was the case with Tomatoes and Onions aswell...and we all know how the price of tomatoes and onions skyrocketed sometime back with hoardings by scrupulous profiteers where I'm sure some or the other politician would definitely have had a hand. Bumper stock of paddy was stocked in Railway Yard in Ghaziabad ( U.P ) as the FCI Godowns were full and the gunny bags which were exposed to nature were soaked in rain and the grains were rotting...and our Agriculture Minister ( who got it in good measure a few days back ) would not want to distribute it to the poor through the P.D.S. even when the Court took notice of the media expose and ordered the Ministry to either distribute it or send it to poor country where people were dying of hunger.

But then are we really bothered about our own poor....does a few thousand farmers committing suicide affect us ? And if a politician goes and visits the grieving family members...the media highlights the visit of the politician and the opposition shouts that it is a publicity stunt and a few empty promises latter the family is left to fend for itself. When imports were banned there were Custom Notified Gift shops which used to do good business as people had purchasing power and were ready to pay for quality products. When FDI in retail is allowed we would get better quality products and Government has also kept some bye-laws that 30% sourcing would be done from the locals and 1,00,000 would be rolled back from the profits for expansion which will lead to more jobs. Competition encourages quality at competitive pricing and allow people access to choose from a wider range. If we allow politicians to dictate terms and close the doors to globalization we would be taking a reverse step to stone age.

### **Interaction: Prof. Arun Singh Ruhela**

I am thinking on different plane of references regarding FDI.. and these are some points which according to me are interrelated..

#### Point 1.

Some very senior person Tweeted on FDI as he is with Hori of Prem Chand. Now prem Chand is injected to color the picture as Pain.. also true for Suicide Prone area.. BUT still we have conditions like British RAJ? Still we live in era of GODAN and KAFAN or Mahesh?

#### Point 2.

Some 30 years back, My hometown Modinagar was industrial hub, also on Tyre, polyester, cloth, steel map.. but in last 20 years most factories have shut down.. due to many reasons.. There were around 80000 employees and so their families in small township.. and most were

from eastern Up and Bihar.. less were local.. . So manpower is there with out work.. and that is not even reported in Newspapers and Reports.. as the labor were not registered..

After the closure, those who were without anything went back to their native place or other towns.. but some even try to sustain.. they them become Vegetable Vendors, some become Street hawkers.. !!!!

Point 3. From Reports..

Spikes in the prices of onions and other vegetables sent thousands into the streets to protest, a reminder that despite India's 8% growth, it is also home to 64 million malnourished children, nearly half the world's total. India produces enough food for them, but not all their families can afford to buy it. "There is a very vulnerable section who may not have seen any change in their income levels," says Kaushik Basu, India's chief economic adviser. "If income does not change and if prices rise, you're being hit badly."

The target is a 20% increase in farmers' incomes in five years. Raj Jain, head of Walmart India, says this is the only way to build a sustainable business. If incomes rise, farmers will sell their produce to Walmart first; if incomes rise enough, they will also become its customers. That's about to happen in Malerkotla, where Bharti Walmart will open a new store later this year, Jain says. "The only way that we can make a difference to a country like India would be to close that circle." [From <http://www.time.com/time/magazine/article/171,2071030,00.html#ixzz1f5rmfoJC>]

Point 4. I must share another side..

The local corner shop : --They are no model of gainful retail employment, operating in open defiance of laws against child labor and offering meager wages and no benefits to employees. -- relying on informal labor and making minimal investment in any technology, even refrigeration.

The buyers & producers :: -- Will get fresher produce while the farmer doesn't have to spend as much money on transportation. -- By the time it reaches the consumer, that produce will have been marked up by three to four times or more, but nearly all of that goes to the middlemen, not the farmer. [From :: <http://globalspin.blogs.time.com/2011/11/28/why-india-should-stop-fea...>

Point 5. What is NEED of Indian Retail?

Point 6. CAN ANYONE SUGGEST ONE WORK OR BOOK OR RESEARCH FOR INDIAN vs Bharat RETAIL? I must get picture of retail of all four corners of India with clear shaded of Central area.. Do you think is it possible ?

So MTC, This can be a great Platform for Sharing Knowledge.. To understand This FDI and Retail Combination in Much deeper form..