



Himachal Pradesh Kaushal Vikas Nigam

(An H.P. Government Undertaking)

Block No. 24, 2nd Floor, STPI Building, SDA Complex

Shimla-171009



Retail

The Indian retail market has been ranked the second most attractive emerging market for investment after Vietnam. The Indian retail industry is estimated to be worth Rs 13-14 lakh crore in FY 2008. The Indian retail sector is highly fragmented in nature. The penetration of Organized Retail in the Indian market is much below the levels in other countries. Organized/Modern retailing refers to trading activities undertaken by licensed retailers and includes formats such as hypermarkets and supermarkets, and retail chains. Organized Retail, valued at Rs 96,500 crore in 2008, accounts for around 5% of the total retail market. Organized Retail has been growing at an impressive rate of 35% to 40% Y-O-Y in the last few years compared to 9-10% growth in the overall retail industry. Traditional/unorganized retailing contributes to about 95% of total retail revenues. Traditional/unorganized retailing which involves the local kirana shops, paan /beedi shops, hand cart and pavement vendors, etc. continues to be the backbone of the Indian retail industry. India has one of the highest densities of shops per population with 1.5 crore⁴ small retail outlets in India (14 shops per 1,000 people).