

## Indian retail market likely to reach \$1t by 2020

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The Indian retail market is expected to grow over 60 per cent to hit \$1.1 trillion in the next three years, said a joint report by Assocham and MRRSIndia.com.

This growth in retail market will be led by factors such as change in lifestyle and rising income of middle-class, which helped the FMCG industry to grow at a rapid speed over the past few years. Retail market in India is estimated to reach \$1.1 trillion by 2020 from \$672 billion at present, with modern trade expected to grow at 20 per cent per annum, which is likely to boost revenues of FMCG companies, the report said. It further added: "FMCG market in India is expected to grow at a CAGR (compound annual growth rate) of 21 per cent and is expected to reach \$103.7 billion by 2020 from \$49 billion in 2016". Retail and FMCG markets in India are exponentially growing and are expected to grow at 20 per cent and 21 per cent, respectively, said the study by industry body Assocham and media group MRRSIndia.com.

The rural FMCG market in India is expected to grow at a CAGR of 14.6 per cent, and reach \$220 billion by 2025 from \$29.4 billion in 2016.

Moreover, e-commerce will also play a role in the growth story of the sector.

"E-commerce and digital connectivity is not limited to the urban localities, with rural population using these services with high penetration of smartphones, credit cards/debit cards and online banking services. There are customers sitting in far and wide corners of India waiting to be serviced," it added. PTI