

R.I.P. to Brick-and-Mortar Stores in India

By **Christopher P. Reuscher**, Partner
Arthi G. Siva, Associate

It is a millennial world – and with that comes the ability to do almost anything online. This is not a surprise to most Americans, as many well-known American clothing retailers have fallen prey to the rise of e-commerce. However, what may come as a surprise is that this is becoming a global phenomenon.

In a recent **study**, India was recognized as having the fastest growing e-commerce business in the world, where the market is expected to reach \$64 billion by 2021. Below are three reasons why India has become the perfect platform to capitalize on e-commerce:

1. **Social Factors:** More than 50% of India's population is below the age of 25, and more than 65% of its population is below the age of 35. Last year, India hit one billion mobile phone users, which includes over 125 million smartphone users, a number that is rapidly growing. The youth of the Indian population compounded with the expansion of data usage creates a social atmosphere for e-commerce to thrive.
2. **Economic Factors:** After Prime Minister Modi's legislation to demonetize the 500 and 1,000 rupee notes, India will move towards a cashless society by default. Currently, most items in India are paid for with cash, but the lack of cash notes should incentivize Indians to spend their money electronically, facilitating a platform for e-commerce.
3. **Political Factors:** Recently, the Indian government has pushed legislation to make it easier for e-commerce companies to conduct business in India. Specifically, companies with 100 percent foreign direct investment do not need government approval to operate a retail e-commerce business in India. The legislation has made the process less bureaucratic and many Indian companies are already being flooded with foreign investments.

For companies that anticipate a future in e-commerce, either generally or internationally, Roetzel attorneys can assist you in this process to ensure an optimal outcome for your company. If you have questions about this topic, please contact one of the listed Roetzel attorneys.

Authors

Christopher P. Reuscher
creuscher@ralaw.com

Arthi G. Siva
asiva@ralaw.com

Media Contacts

Wendy Castorena
wcastorena@ralaw.com

Ashley McCool
amccool@ralaw.com