

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT OF INDUSTRIAL POLICY & PROMOTION**

LOK SABHA

**UNSTARRED QUESTION NO. 1050.
TO BE ANSWERED ON MONDAY, THE 17TH DECEMBER, 2018.**

FOREIGN COMPANIES IN E-COMMERCE

**1050. SHRI C.N. JAYADEVAN:
SHRI B. SENGUTTUVAN:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

वाणिज्य एवं उद्योग मंत्री

- (a) whether the e-commerce sector in India is poised for exponential growth in the country in the coming years and if so, the details thereof;
- (b) whether of late the Ministry has given clearance to any international e-commerce company to invest in India in online retail market and if so, the details thereof, company-wise;
- (c) whether the advent of foreign investors would affect the Indian origin e-tail companies and if so, the details thereof;
- (d) whether the Ministry contemplates any measures to protect Indian interests and if so, the details thereof; and
- (e) whether the foreign investors, like Walmart, who have invested in companies like Flipkart, are forcing the Indian CEOs out of their leadership positions and if so, the details thereof along with the corrective steps taken by the Government in this regard?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्यमंत्री (श्री सी.आर. चौधरी)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI C.R. CHAUDHARY)**

- (a): As per the Economic Survey 2017-18, the electronic commerce (e-commerce) market in India is estimated at USD 33 billion, with a 19.1 percent growth rate in 2016-17. As per the National Association of Software and Services Companies (NASSCOM) Strategic Review 2018, in the Information Technology and Business Process Management (IT-BPM) sector in India, the Indian e-commerce market was USD 33 billion in 2017-18 and reached USD 38.5 billion, growing at a rate of about 17% in the financial year 2018-19.

(b): As per extant Foreign Direct Investment (FDI) policy, FDI up to 100% is permitted under automatic route in companies engaged in e-commerce provided that such company engaged only in Business to Business (B2B) e-commerce. Further, 100% FDI under automatic route is permitted in marketplace model of e-commerce but FDI is not permitted in inventory based model of e-commerce. Moreover, an entity is permitted to undertake retail trading through e-commerce under the following circumstances, subject to FDI policy provisions:

- i) A manufacturer is permitted to sell its products manufactured in India through e-commerce retail.
- ii) A single brand retail trading entity operating through brick and mortar stores is permitted to undertake retail trading through e-commerce.
- iii) A food product retail trading entity is allowed to undertake retail trading, including through e-commerce, in respect of food products manufactured and/or produced in India.

For foreign investment in sectors under automatic route, no prior permission of Government of India is required.

(c) & (d): FDI in retail has been allowed in a calibrated manner after having intensive consultations with stakeholders including concerned Ministries/ Departments, State Governments, apex industry chambers, Associations and other organizations taking into consideration their views/comments.

(e): No such information is available with the Government.
