

GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
(DEPARTMENT OF COMMERCE)

LOK SABHA
UNSTARRED QUESTION NO. 2208
ANSWERED ON 02/08/2023

DUE DILIGENCE PROPOSAL

2208. SHRI DUSHYANT SINGH:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the Government is aware that the EU's due diligence proposal would impact our micro, small, and medium enterprises (MSMEs) and reduce imports;
- (b) if so, whether the Government has conducted any cost assessment of the impact such a law could have on India's export to the EU and the health of affected MSME firms that have low capacities to implement labour, environment, and other laws;
- (c) if so, the details thereof;
- (d) whether the Government intends to raise this issue in the free-trade agreement between New Delhi and Brussels; and
- (e) if so, the details thereof including the progress made on the said free-trade agreement?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्रीमती अनुप्रिया पटेल)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SMT. ANUPRIYA PATEL)

(a) to (e): The European Commission has brought out a legislative proposal in the form of a Directive on Corporate Sustainability Due Diligence (CSDD) which is yet to be legislated by the EU's competent authorities. At present, discussion between the European Parliament and the EU Council are undergoing to find an internal agreement on the CSDD between the different EU authorities. Its full implication would be clear only when the law comes into effect. On such matters, the Government holds stakeholders' consultation with concerned Ministries/Departments, Industry Bodies and Trade Experts for firming up India's position to raise these issues at the appropriate forum.
