

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
LOK SABHA**

**UNSTARRED QUESTION NO. 3854.
TO BE ANSWERED ON WEDNESDAY, THE 11TH DECEMBER, 2019.**

IMPACT OF e-COMMERCE BUSINESS ON RETAIL TRADERS

3854. SHRI SATYADEV PACHAURI:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether there is an increase in e-commerce business and if so, the details thereof;
- (b) whether there is an apprehension that the increasing e-Commerce business will bring down the sales of shopkeepers and retail traders; and
- (c) if so, whether the Government has made/is making any policy on investment in the increasing e-Commerce business in order to safeguard the interests of consumers and the retail traders; and
- (d) if so, the details thereof and if not, the reasons therefor?

ANSWER

वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

- (a): At present no such data is collected, however as per the National Association of Software and Services Companies (NASSCOM); "The Information Technology –Business Process Management Sector in India: Strategic Review 2019" report, Indian e-commerce market registered an estimated growth of approximately 24% in 2018 to reach USD 43 billion. Further, it is estimated that it will reach to USD 54 billion in 2019. Further, as per information available in Ministry of Corporate Affairs' (MCA21), there are 256 e-Commerce companies registered with Activity Code (NIC-2004) amongst (51902 & 52512), of which 110 are active e-commerce companies.
- (b): No such study has been undertaken by the Government. As per FDI policy, 100% FDI under automatic route is permitted in only marketplace model of e-Commerce(where products of other suppliers/vendors only can be sold). Inventory based model of e-Commerce is not permitted. E-Commerce is rather expected to provide better outreach to Indian retail traders for selling their products.

(c) & (d): The FDI policy on e-Commerce, first pronounced through Press Note 2 of 2000, permitted 100% FDI in B2B e-commerce activities. In order to provide better clarity and to ensure implementation of policy in letter and spirit, Press Note 3 of 2016 and Press Note 2 of 2018 were issued. This has been done keeping in mind Indian interest and after stakeholder discussions. Any violation of FDI regulations are covered by the penal provisions of the Foreign Exchange Management Act(FEMA).

Further, the draft e-commerce policy was put up on the public domain on February 23, 2019 for comments/suggestions on which comments/suggestions from over 120 stakeholders (companies, Industry associations, think tanks, foreign governments) have been received.
