

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

LOK SABHA

**UNSTARRED QUESTION NO. 1554.
TO BE ANSWERED ON WEDNESDAY, THE 28TH JULY, 2021.**

BOOST TO e-COMMERCE SECTOR

**1554. SHRIMATI SANDHYA RAY:
DR. KRISHNA PAL SINGH YADAV:**

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Government accepts that India is a big market in e-commerce, fintech, smart manufacturing and health sector;
- (b) if so, the efforts being made by the Government to boost the said sectors;
- (c) the manner in which 'GIFT' city is providing boost to foreign investment in the country;
- (d) whether the Government proposes to establish more such cities in the country and if so, the outlines thereof;
- (e) the Indian institutes (private and public) which have played key role in foreign investment during the last one year; and
- (f) whether the Government has fixed any target/ made any provision to create employment opportunities for youths in this field and if so, the details thereof?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

(a) & (b): As per National Association of Software & Services Companies (NASSCOM), India's e-Commerce market continues to grow at Year on Year rate of 5 percent with estimated revenue of USD56.6 billion in FY2021 despite COVID-19 led challenges. The key factor contributing to the growth is increased rate of digital adoption and on-boarding.

As per Department of Economic Affairs, Fintech eco-system in India is very progressive and forward looking. India has emerged as the fastest growing Fintech market and the third largest Fintech ecosystem in the world with the highest Fintech adoption rate of 87% against global

average of 64% in 2019 and continues to be ranked among the top Fintech.

The Government has put in place a liberal and transparent policy for FDI, wherein barring a select few sectors, FDI is permitted upto 100% in the automatic route in most sectors/activities, subject to applicable laws/regulations, security and other conditionalities. The Government reviews the FDI policy on an ongoing basis and makes significant changes from time to time, to ensure that India remains attractive & investor friendly destination.

Ministry of Electronics & Information Technology (MeitY) has undertaken a gamut of initiatives to support technology led startup-innovation ecosystem in the country such as: Technology Incubation and Development of Entrepreneurs (TIDE 2.0) scheme, MeitY Start-Up Hub (MSH), various Domain specific Centre of Excellences etc. Some of the prominent CoEs are Centre of Excellence (CoE) on FinTech at Chennai, Centre of Excellence (CoE) for Internet of Things at STPI Bangalore, ESDM Incubation Centre at Bhubaneswar by Software Technology Parks of India (STPI) and Centre of Excellence (CoE) on Medi-Electronics & Health Informatics at Lucknow. Further, considering the potential to revolutionize India's manufacturing and industrial production landscape, MeitY has drafted a "NATIONAL STRATEGY FOR ADDITIVE MANUFACTURING 2020" to promote all sub-sectors within the AM sector, including machines, materials, software, and design, which will further accelerate the adoption of untapped potential business opportunities in the near future.

- (c):** An International Financial Services Centre (IFSC) has been set up at GIFT City in the Special Economic Zone with the strategy to onshore those international financial services that are currently consumed offshore by both residents and non-residents resulting in inflow of foreign capital. GIFT City aims to utilize local talent with state-of-the-art technological and regulatory framework to boost foreign investment.

GIFT IFSC provides competitive cost of operations offering direct and indirect tax incentives, ease of doing business and globally competitive regulations to attract offshore funds to India.

The International Financial Services Centres Authority (IFSCA) being a unified financial regulator for IFSCs in India has notified the regulatory framework to enable various financial activities from GIFT IFSC.

- (d):** As of now, there is no such plan/proposal to create more such cities.
- (e) & (f):** Government of India in consultation with State Governments and other stakeholders have been working on attracting foreign investment on a continuous basis. Foreign Direct Investment (FDI) inflow into India in F.Y

2020-21 was US\$ 81,973 million and those investments are believed to have created newer opportunities for the youth.

National Investment and Infrastructure Fund (NIIF), a government anchored institution has played a key role in catalysing foreign investment from long term pension and sovereign wealth funds since it began operations in 2017. Large investors like ADIA, Australian Super, Ontario Teachers, CPP, PSP etc have invested in the relevant NIIF Fund.
