

Government of India
Ministry of Consumer Affairs, Food and Public Distribution
Department of Consumer Affairs

LOK SABHA
UNSTARRED QUESTION NO. 2811
TO BE ANSWERED ON 15.12.2021

E-COMMERCE

2811. SHRI JAYADEV GALLA:

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण मंत्री be pleased to state:

- (a) whether the Government is working on a revamped draft policy for the regulation of FDI in ecommerce;
- (b) if so, the details thereof;
- (c) whether comprehensive steps are being planned to restrict control of foreign marketplace platforms entities, over the sellers on their platforms that enable them to do anti-competitive practices such as predatory pricing and deep discounting through capital dump that has led to closure of a large number of small businesses and if so, the details thereof; and
- (d) whether any regulator is intended to be set up in this regard and if so, the details thereof?

ANSWER

उपभोक्ता मामले, खाद्य और सार्वजनिक वितरण राज्य मंत्री
(श्री अश्विनी कुमार चौबे)

THE MINISTER OF STATE
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
(SHRI ASHWINI KUMAR CHOUBEY)

(a) to (d) : Foreign Direct Investment (FDI) Policy is periodically reviewed in consultation with the stakeholders to ensure that the FDI regulatory regime is aligned with the larger economic & financial policy priorities and International developments. The present FDI Policy, permits e-commerce entities to engage only in Business to Business (B2B) e-commerce and not in Business to Consumer (B2C) e-commerce.

Further, 100% FDI under automatic route is permitted in marketplace model of e-commerce only. FDI is not permitted in inventory-based model. Accordingly, sellers having equity participation by e-commerce marketplace entity or its group companies, or having control on their inventory by e-commerce marketplace entity or its group companies, are not permitted to sell their products on the platform run by such marketplace entity.
