

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

**LOK SABHA**

**UNSTARRED QUESTION NO. 2388.  
TO BE ANSWERED ON MONDAY, THE 1<sup>ST</sup> AUGUST, 2016.**

**FDI IN RETAIL SECTOR**

**2388. DR. UDIT RAJ:  
SHRIMATI POONAMBEN MAADAM:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the policy to allow 100 per cent FDI under automatic route will bar Indian e-commerce companies from flouting previous policy norms to gain an unfair advantage, given that the Government does not allow FDI in multi-brand retail companies;
- (b) if so, the details thereof along with the manner in which the Government intends to protect small and medium enterprises with the new policy;
- (c) whether the new guidelines are likely to settle the feud between the online and offline retailers; and
- (d) if so, the details thereof along with the quantum of FDI inflow expected in B2B sector in the country during the current year?

**ANSWER**

**वाणिज्य एवं उद्योग राज्यमंत्री (स्वतंत्र प्रभार)(श्रीमती निर्मला सीतारमण)**

**THE MINISTER OF STATE (INDEPENDENT CHARGE)  
OF THE MINISTRY OF COMMERCE & INDUSTRY  
(SHRIMATI NIRMALA SITHARAMAN)**

**(a) to (c):** As regards FDI policy on e-commerce sector, 100% FDI under automatic route has been permitted in B2B activities since 2000 notified vide Press Note 7 (2000) dated 14.07.2000. The Government has recently issued guidelines clarifying that marketplace model of e-commerce is equated as B2B e-commerce.

FDI in B2C e-commerce activities has been permitted only for single brand retail trading entity operating through brick & mortar stores, food product retail trading entity in respect of food products manufactured and/ or produced in India and a manufacturer in respect of goods manufactured in India.

Thus, the above mentioned guidelines for e-commerce including allowing FDI in B2C e-commerce activities in a calibrated manner would *inter alia* bring clarity in the FDI policy on e-commerce sector and create a level playing field between e-commerce entities and offline retailers including small and medium enterprises.

**(d):** FDI inflows in a sector cannot be anticipated as FDI is largely a matter of private business decisions. FDI inflows depend on a host of factors such as availability of natural resource, market size, infrastructure, political and general investment climate as well as macro-economic stability and investment decision of foreign investors.

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