

FDI in retail sector

2340. SHRI PARIMAL NATHWANI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the present policy of Government for Foreign Direct Investment (FDI) in retail sector;
- (b) whether the policy has been functioning satisfactorily in so far for the retail sector;
- (c) whether Government is considering permitting 100 per cent FDI in single brand retail;
- (d) if so, the reasons for this action; and
- (e) how far this policy would benefit the country?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) and (b) As per extant policy on Foreign Direct Investment (FDI) for the retail sector, FDI is permitted, upto 51%, only in Single Brand product retailing, with prior Government approval and subject to the following conditions:—

- (i) Products to be sold should be of 'Single Brand' only;
- (ii) Products should be sold under the same brand internationally; and
- (iii) 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

The Government has approved 59 cases of single brand retailing since in March, 2006, when FDI was allowed in Single Brand Retail, until October, 2010.

- (c) There is no proposal in this regard at present.
- (d) and (e) Does not arise.

Effect of imports under FTAs on domestic industries

2341. SHRI SITARAM YECHURY: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the commodity-wise details of imports into India after India entered into Free Trade Agreements with number of countries over the period;
- (b) the percentage of the imported commodities in proportion to the domestic production of the same; and
- (c) the fall out of importing such a huge quantity of imports on the domestic industries?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY
(SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) Bangkok Agreement, signed in July, 1975 was India's first trade agreement in which tariff preferences were granted on a limited number of items. The Free Trade Agreement with Sri Lanka, signed in December, 1998 and implemented from March, 2000 was India's first Free Trade Agreement. Following table gives commodity-wise details of imports into India after this period:—

Commodity	2001-2002		2005-2006		2009-2010	
	Quantity	Value	Quantity	Value	Quantity	Value
1	2	3	4	5	6	7
Pulses	2217.82	3160.16	1695.95	2476.25	3448.35	9673.00
Wheat	1.35	0.84	—	—	160.08	230.82
Rice	0.06	0.07	0.26	0.34	0.06	0.04
Other Cereals	4.76	3.58	27.88	30.09	33.65	76.42
Cereal Preparation	35.13	82.34	42.4	129.23	40.14	190.37
Milk and Cream	1.17	8.39	1.63	14.2	8.24	77.55
Cashew Nuts	161.79	431.14	543.94	2089.46	691.50	3050.09
Fruits and Nuts excluding Cashew Nuts	—	756.76	—	1390.32	—	2870.86
Spices	86.29	503.87	108.93	687.81	150.03	1419.36
Sugar	25.58	32.60	558.77	651.59	2424.05	5961.24
Oil Seeds	—	1.34	—	47.03	—	183.36
Vegetable Oils Fixed (Edible)	4321.83	6464.97	4288.1	8960.99	7968.49	26483.52
Vegetable and Animal fats	1.21	10.37	1.47	14.24	1.35	23.31
Cotton (Raw and Waste)	387.04	2053.62	98.75	703.66	171.60	1241.46
Jute (Raw)	79.69	95.68	61.34	93.16	62.66	149.49
Tea	10.31	67.01	18.75	108.14	33.64	275.39

1	2	3	4	5	6	7
Wood and Wood Products	—	2583.87	—	4102.71	—	7461.34
Total Agricultural Imports		16256.61	—	21499.22	—	59367.62
Total National Imports		245199.72	—	660408.9	—	1356468.65
% Share of Agricultural Import in National Imports		6.63	—	3.26	—	4.38

Quantity in thousand tonnes

Value in Rupees crores

(b) Following table gives the percentage of major imported commodities in proportion to the domestic production of the same:—

Crop	2005-06			2009-10		
	Domestic production	Imports	Imports as % of domestic production	Domestic production	Imports	Imports as % of domestic production
Rice	91.8	0.0	0.0	89.1	0.0	0.0
Wheat	69.4	0.0	0.0	80.7	0.2	0.2
Coarse Cereals	34.1	0.0	0.1	33.8	0.0	0.1
Pulses	13.4	1.7	12.7	14.6	3.4	23.6
Oilseeds	28.0	0.0	0.0	24.9	0.0	0.0
Cotton#	18.5	0.0	0.0	23.9	0.0	0.0
Jute and Mesta@	10.8	0.1	0.6	11.3	0.1	0.6

Data in million tonnes

#Data in million bales

(c) As can be seen from the tables under sub-paragraphs (a) and (b) above commodity imports from all countries including countries with which India doesn't have any FTA are less than 5% of the total imports and less than 1% of domestic production except for pulses, hence it can be said that imports are low and hence no visible impact would be there. Pulses are imported to meet the domestic shortfall in production.