quantity of rice. Dr. Razzaque also met Minister of Commerce and Industry on 12th February, 2011. No MOU has been signed between the two countries with regard to export of foodgrains.

(c) and (d) Do not arise in view of (b) above.

Reduction of FDI in pharmaceutical sector

166. SHRI R.C. SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that allowing 100 per cent FDI through automatic route in pharmaceutical sector is causing a lot of problems not only with regard to availability of cheap drugs but also acquisitions by foreign Multi National Companies;

(b) whether it is also a fact that many sections are demanding for reduction of FDI in pharma sector from the present 100 per cent to 40 per cent;

(c) if so, the details thereof;

(d) whether any consultations in this regard have been held with stakeholders and others; and

(e) if so, the outcome of such consultations?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) to (e) As per extant Foreign Direct Investment (FDI) policy, 100% FDI is allowed in the automatic route in the Drugs & Pharmaceuticals sector. Concerns have been expressed that the recent takeovers of Indian Pharmaceuticals Companies by Multi National Companies would result in their gaining market supremacy affecting the prices of generic drugs. Stakeholders have made suggestions to address these concerns. The suggestions include imposing a cap of 49% and shifting FDI in the pharmaceutical sector from the automatic route to Government route. The Government has initiated Inter-Departmental consultations on how best to address this issue.

Opposition to FDI in retail sector

†167. SHRI SHIVANAND TIWARI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

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†Original notice of the question was received in Hindi.

(a) whether it is a fact that the members of the Confederation of All India Traders (CAIT) are expressing indignation at Government's decision to open up the retail sector for Multinational companies because it would adversely affect their production and employment opportunities;

(b) if so, whether Government proposes to take consensus-based decision after considering problems of Confederation of All India Traders; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI JYOTIRADITYA MADHAVRAO SCINDIA): (a) The Department of Industrial Policy and Promotion had released a Discussion Paper on the subject of 'Foreign Direct Investment in Multi-Brand Retail Trading', with the aim of generating informed discussion on the subject and obtaining the views and comments of various stakeholders. Views and suggestions on the discussion paper were received from a number of stakeholders, including the Confederation of All India Traders (CAIT). CAIT has opposed FDI in multi-brand retail trading, mentioning its possible adverse impact on employment and retail trade.

(b) and (c) All the views/suggestions received in response to this Discussion Paper will be carefully considered by the Government before taking an appropriate decision.

Threat to chemical exports by EU's legislation

168. SHRI A. ELAVARASAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the European Union's legislation popularly called REACH-Registration Evaluation Authorisation and Restriction of Chemical Substances, threatens 24 per cent of India's chemical exports by pushing up the cost per exporter per chemical by Rs.50-60 lakhs according to a data collected by the Ministry;

(b) if so, the details thereof;

(c) whether Government is examining the possibility of challenging the EU's legislation at the WTO since it violates two basic principles of WTO i.e. most favoured nation and technical barriers to trade; and

(d) if so, the details thereof?