Strategy planned for effective expansion of e-commerce

762. DR. V. MAITREYAN: Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) the details of strategy planned for effective expansion of e-commerce in India;

(b) the top 20 item-wise growth in e-commerce products achieved in the last three years and revenue earned for each of those top 20 items;

(c) whether as per regulations framed under the Foreign Exchange Management Act, 1999 (FEMA), 100 per cent FDI is allowed on an automatic basis, without prior approval of the Ministry in e-commerce activities but FDI is not permitted in Indian entities that carry out single brand retail/multi-brand retail *via* e-commerce; and

(d) if so, the details thereof ?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) to (d) The following steps have been taken for effective expansion and foreign investment promotion of e-commerce in India:

(i) the FDI policy provides FDI up to 100% under the automatic route in B2B e-commerce activities.

(ii) Finance Minister, in his Budget Speech, given on 10.7.2014, has made following statement:

"FDI in the manufacturing sector is today on the automatic route. The manufacturing units will be allowed to sell its products through retail including e-commerce platforms without any additional approval."

However, present FDI policy does not permit retail trading, in any form, by means of e-commerce, for companies with FDI engaged in the activity of single/multi brand retail trading.

Performance of industrial sector

763. SHRI AJAY SANCHETI: Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) the year-wise and sector-wise performance of industrial sector in the country during last three years;

(b) whether all the sectors especially the capital goods and consumer goods sectors had failed to record appreciable growth during above period;

(c) if so, the reasons for the poor industrial growth;

(d) the details of factors responsible for this poor performance; and

(e) the steps taken to accelerate pace of industrial growth in the country?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) and (b) As per the Index of Industrial Production (IIP), the year-wise and sector-wise performance of industrial sector during the last three years is given in the Table below. The growth of the IIP has declined from 2.9% in 2011-12 to 1.1% in 2012-13 and further to (-) 0.1% in 2013-14. The annual growth of Capital Goods sector has been negative during the period, and the growth of Consumer Goods sector which had slowed down during 2012-13, became negative in 2013-14.

Table: Year-wise and Sector-wise Performance of Industrial Sector in Terms of IIP

Groups	Weight	Annual Growth (%)		
		2011-12	2012-13	2013-14 (Provisional)
Basic Goods	456.82	5.5	2.4	2.1
Capital Goods	88.25	-4.0	-6.0	-3.6
Intermediate Goods	156.86	-0.6	1.6	3.1
Consumer Goods	298.08	4.4	2.4	-2.8
(i) Consumer Durables	84.60	2.6	2.0	-12.2
(ii) Consumer Non-durables	213.47	5.9	2.8	4.8
General Index	1000.00	2.9	1.1	-0.1

However, the growth of IIP (provisional) has somewhat picked up in the first two months of 2014-15, recording 4.0% growth in April-May 2014, with Capital Goods sector recording 9.3% growth, although growth of Consumer Goods sector has been marginally negative at (-) 0.7%.

(c) and (d) The reasons/factors for the decline in growth of manufacturing sector in recent years *inter-alia* are moderation in domestic demand, inflationary pressures, increase in input costs and slowdown in economies of other parts of the world etc.

(e) Apart from the measures taken by the Government in the recent past to revive the industrial growth including announcement of National Manufacturing Policy (NMP) in 2011, simplification and rationalization of the Foreign Direct Investment (FDI) Policy, implementation of Delhi Mumbai Industrial Corridor (DMIC) project, conceptualization of Amritsar Kolkata Industrial Corridor, Chennai-Bengaluru Industrial Corridor, Bengaluru

Mumbai Economic Corridor and East Coast Economic Corridor, launching of the e-biz Mission Mode Project under the National e-Governance Plan, taking proactive steps for ease of doing business by taking stock of best practices across states and endorsing them, identifying and simplifying the approval procedures etc, the Union Budget 2014-15 presented on 10th July, 2014 in the Parliament has also announced a number of measures to revive the industrial growth in the country.

The measures outlined in the Union Budget *inter-alia* include increasing composite caps of foreign investment in Defence and Insurance sectors to 49%, easing norms of built up area and capital conditions for FDI for development of smart cities, capital investment of more than ₹ 2 Lakh crore by Public Sector Undertakings, incentives for Real Estate Investment Trusts and Infrastructure Investment Trusts to attract long term finance from foreign and domestic sources, raising scope and period of investment allowance to industry and correction of inverted duty structure in manufacturing products etc.

Modification of Price Stabilization Fund Scheme

764. DR. PRADEEP KUMAR BALMUCHU: Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) whether it is a fact that Government is planning to bring modifications to the Price Stabilization Fund Scheme with a view to lower the prices of the commodities, if so, the details thereof;

(b) the quantum of funds earmarked to this scheme and the commodities which are being extended this facility; and

(c) the other objectives and aims of this Scheme?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN): (a) The Price Stabilisation Fund (PSF) Scheme for the Plantation crops, namely, tea, coffee and rubber set up in 2003 has been reviewed by the Government from time to time to address the identified bottlenecks of the existing Scheme and to increase its effectiveness in dealing with the price risk faced by growers. Discussion on evolving a comprehensive insurance based scheme in this regard with various stakeholders is underway.

(b) Existing corpus of the Price Stabilisation Fund is ₹ 500 crores. Commodities covered by the approved scheme are tea, coffee and rubber.

(c) The objective of modifying the Price Stabilisation Fund (PSF) Scheme is to make it more easily accessible to the growers and address both the price risks as well crop risks and also to help India remain a credible supplier in international arena, through sustained and enhanced exports.