

Impact of COVID-19 on e-commerce

715. SHRI K. J. ALPHONS: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the impact of COVID-19 on e-Commerce;
- (b) whether e-Commerce firms are paying GST; and
- (c) if not, whether it is not a huge loss to the exchequer?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI PIYUSH GOYAL):

(a) Various restrictions were imposed to ensure social-distancing during lock down under guidelines released by Ministry of Home Affairs (MHA), from time to time. During this period delivery of essential goods, including food, pharmaceuticals, medical equipment were encouraged through e-commerce. Since, the pandemic is still ongoing, it is too early to make an assessment of the impact of the pandemic on the e-commerce sector.

(b) E-commerce operators are liable to be registered irrespective of the value of supply made by them. The benefit of threshold exemption is not available to e-commerce operators. On specific categories of services the GST is payable by the electronic commerce operator if such services are supplied through them. The e-commerce operators are also required to collect Tax Collection at Source (TCS) at the rate of one per cent of the net value of taxable supplies made through them, where the consideration w.r.t such supplies is to be collected by such operators. Under GST Act, every registered person shall self-assess the taxes payable and furnish a return for each tax period as specified. Therefore, e-commerce operators are liable to pay GST like any other supplier of goods or services.

- (c) Does not arise.

Strategy to reduce import dependence

716. SHRI JYOTIRADITYA M. SCINDIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Central Government has started working on a sectoral strategy to reduce import dependence in various sectors/areas in view of the coronavirus pandemic;
- (b) if so, the details thereof;

(c) whether unhindered import of goods under Free Trade Agreements has hurt domestic industries, particularly MSMEs; and

(d) if so, the corrective steps Government now proposes to take in this regard?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI PIYUSH GOYAL):

(a) and (b) With the aim of achieving key regulatory objectives related to imports and exports, the government is undertaking steps for creating/enhancement of domestic capacity, incentivizing domestic manufacturing through Production Linked Incentive Schemes, Phased Manufacturing Plans etc., timely use of trade remedy options, adoption of mandatory Technical Standards and enforcement of FTA Rules of Origin (RoO).

(c) and d) The import of products under the Free Trade Agreement (FTA) have to meet the Rules of Origin and other criteria as specified in the FTA. Further, in order to protect domestic industry, FTAs provide for maintaining sensitive/exclusion list of items, which include products of interest for MSMEs, on which limited or no tariff concessions are granted. In case of surge in imports and injury to the domestic industry, a country is allowed to take recourse to trade remedial measures by way of safeguard duties. In addition, to strengthen the enforcement procedures on Rules of Origin for imports under FTA, 'Customs (Administration of Rules of Origin under Trade Agreements) Rules, 2020' have been notified.

Review of Free Trade Agreement with ASEAN

717. SHRI JYOTIRADITYA M. SCINDIA: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government has decided to review the continuation of the Free Trade Agreement (FTA) with ASEAN in the wake of the trading bloc's reluctance to address India's concerns;

(b) if so, the details thereof;

(c) whether Government has decided to have reciprocal arrangements with the countries with whom we have opened up our markets; and

(d) if so, the details thereof?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI PIYUSH GOYAL):

(a) and (b) Government of India is engaging with ASEAN to review the FTA in