

telecast of that programme, whether any survey has been conducted about the reaction among the people after seeing the programme by the Ministry.

SHRI PRIYARANJAN DASMUNSI: Sir, it was a very interesting reaction. I did contact my department and also tried to contact my officials in Gujarat. Obviously, people who have abundant faith in secularism are astonished to see the inner design of what happened in 2002. At the same time, I also gathered that there was a definite design every day to see to it that these exposures continue till before the day of elections. And every intelligent Member of the House knows these things better and, therefore, they must be knowing that many of the Collectors did not agree to this kind of action in spite of the normal law prevailing there, but there was only one Collector, Dhananjay Dwivedi, who stood firm and the Election Commission justified his action.

*185. [The questioner (Shri Varinder Singh) was absent. For answer *vide* page 23.]

MR. CHAIRMAN: Q. No. 186.

SHRI DATTA MEGHE: Sir, Q.No. 194 is the same as this question.

MR. CHAIRMAN: No, It is listed separately. Q. No. 186

Resentment among small traders against FDI in retail

*186. SHRI AMAR SINGH:††

SHRI ABU ASIM AZMI:

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

(a) whether Government is aware about the strong resentment amongst the small traders over the entry of Foreign Direct Investment (FDI) and corporate houses in the retail sector;

(b) whether Government had received any protest from the small traders in this regard and if so, the details thereof; and

(c) Government's reaction in regard thereto?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI KAMAL NATH): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) and (b) The Government has received a number of representations against permitting Foreign Direct Investment (FDI) in retail trade from various industry associations, including small scale industry and retail traders. List of representations is enclosed as statement. (*See below*)

(c) The present policy does not permit FDI in retail trade except in Single Brand retail. Government has allowed FDI up to 51%, with prior Government approval, in retail trade of 'Single Brand' products with the following conditions:

(i) FDI up to 51% would be allowed, with prior Government approval, for retail trade of Single Brand Products;

(ii) Products to be sold should be of a 'Single Brand' only;

*Expunged as ordered by the Chair.

††The question was actually asked on the floor of the House by Shri Amar Singh.

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

Products sold under Single Brand Retail with FDI cater to the brand-conscious, young, middle class clientele having a different niche as compared to that served by the small traders. Hence, FDI in retail trade of single brand products is not expected to affect the existing small traders. Government has recently instituted a study to assess the impact of organised retailing on unorganised retail trade through Indian Council for Research on International Economic Relations (ICRIER).

Statement

List of Representations from Industry Associations against FDI in Retail Trade

Sl. No	Association	Main issue in the representation
1	2	3
1.	Federation of Associations of Maharashtra (Representations being received since 2000)	Wholesale/retail traders from the backbone of the middle class population and their business ethos will be disturbed by induction of foreign players in this area. Retail/wholesale trading does not involve any specific technology and does not require large scale investment. Hence FDI should not be permitted. Report of McKinsey & Co. on "India-The Growth Imperative" also covers the experience of Thailand. The Thai experience has resulted in the Retailers fighting for their survival forcing the Government of Thailand to consider a law for controlling large MNCs in the retail sector.
2.	Bombay Small Scale Industries Association (Representations being received since 2000)	Support drawn from the Planning Commission Reports submitted by a Group headed by Dr. S.P. Gupta on targeting 10 million employment opportunities; and that submitted by Shri N.K. Singh against FDI in retail.
3.	Madhya Pradesh Laghu Udyog Sangh	Entry of multinational retailers like M/s Marks & Spencer would hurt the small traders and industries.
4.	Mahakoshal Chamber of commerce & Industry	Action should be taken to prevent proliferation of multinational trading companies in the retail sector-specific reference made to Marks & Spencer.
5.	Federation of Retail Traders Welfare Association	Retail trade sector in India is based on the family concept. WTO agreement does not make it mandatory to allow FDI in retail trading. Therefore FDI should not be allowed in this sector.
6.	Consumer Welfare High Power Committee.	Allowing FDI in retail will kill lakhs of small scale suppliers.
7.	All India Organisation of Chemists & Druggists	Decision to allow FDI in retail may be deferred to a more appropriate time to provide a breathing time to our members to prepare themselves to face the competition with foreign investors.
8.	Federation of Association of Small Industries in India	Impact of entry of MNCs like Marks & Spencer on the local retailers.

1	2	3
9.	Wadhawan Industries Association	Entry of MNCs in the retail sector will adversely affect the small scale manufacturers as the sourcing would no longer be made locally.
10.	Ambattur Industrial Estate Manufacturers Association	Safeguards may be put in place to protect the Indian Small Scale Industry which is providing employment to lakhs of people.
11.	Zilla Adhikari District Udyog Vyapar Mandal, Lalitpur, Shri Rajni Kant Srivastava and Shri Nimarjit	Representation to the President regarding FDI in Retail Trade
12.	Shri Rajesh Jaiswal, Delhi	FDI in Retail Trade
13.	Bhartiya Janata Party Vyapar Prakoshat, Uttar Pradesh.	Against the entry of Walmart in India
14.	Nag-Vidarbha Chamber of Commerce, Nagpur	Protest against entry of FDI & Big corporate houses, in retail trade.
15.	The Madras General Merchants Association, Chennai	Foreign Investment in retail trade.
16.	Tamilnadu Chamber of Commerce and Industry.	Permitting FDI in retail and entry of domestic corporate heavy weights in grocery, fruits and vegetables retail trade-opposed.
17.	M/s. Acorn through PMO	Impact of allowing FDI in retail trade.
18.	M/s. GADAG District Chamber of Commerce & Industry	FDI in retail trade.
19.	M/s. Federation of Associations of Maharashtra, Mumbai	FDI in retail trade Walmart - Bharti for Cash & Carry Wholesale circumvents all regulations.
20.	Federation of Traders' Organisations of West Bengal	Change of Retail Trade scenario.
21.	Shri C.B. Aggarwal, Gondia	Retail Trade.
22.	M/s Purasai Merchants Association, Chennai through PMO	Foreign Investment in Retail Trade.
23.	M/s. Tamilnadu Thangam, Velli, Vyran, Nagal Vyaparigal Sammelanam, Chennai through PMO	Foreign Investment in Retail Trade.
24.	Eastern Bihar Chamber of Commerce & Industries, Patna.	FDI in retail Trade.
25.	Vyapari Ekta Samiti, Bharatpur	FDI in Retail Trade.
26.	Shri Rasik Lal Mardia, Ahmadabad.	Not to allow Reliance Fresh or Reliance Group of Industries by any name entry into Agriculture (Farm Product) Retails Business.
27.	Shri Jethmal Lakhani, Bikaner	Retailers agitated due to Reliance shops selling goods Cheaper.

1	2	3
28.	The Southern Gujarat Chamber of Commerce & Industry, Suran	Assistance to retail traders and other industries.
29.	Federation of Rajasthan Trade and Industry, Jaipur	Licence to Retail Trade.
30.	Bihar Rajya Khadyanna Vyavasai Sangh, Patna.	FDI in Retail Trade.
31.	The Retail & Dispensing Chemists' Association (Mumbai)	To enter the retail sector in the form of FDI.
32.	Raniganj Chamber of Commerce, Burdwan (W.B.)	FDI in retail trade.

श्री अमर सिंह: सर, मेरा पहला सप्लीमेंटरी यह है कि क्या सरकार को इस बात की जानकारी है कि बड़े घरानों के रिटेल सेक्टर में आ जाने से छोटे व्यापारियों का रोजगार खत्म हो रहा है? इन लोगों के पास अपनी भूमि नहीं होती और ये छोटे किसानों से सब्जियाँ और अनाज आदि खरीद कर बाजार में बेच देते हैं, जिससे इनका गुजारा होता है। यदि बड़े औद्योगिक घराने इस क्षेत्र में आकर सीधे ही छोटे किसानों से सामान खरीद कर बाजार में बेचेंगे, तो इन छोटे खुदरा रिटेलरों और व्यापारियों की आय का जरिया बन्द हो जाएगा। इस संबंध में सरकार उनकी सुरक्षा के लिए क्या करना चाहती है और सरकार की क्या प्रतिक्रिया है?

SHRI ASHWANI KUMAR: The hon. Member is aware that as on date the Government has only allowed FDI in the retail sector as far as the 'Single Brand' items are concerned. As regards the further opening up of the retail sector to Foreign Direct Investment, we have, Sir, instituted two studies by expert groups, namely, ICRIER and NCAER. The terms of reference of those two studies are very comprehensive. They are expected to report back to the Government as to the possible adverse or negative impact of allowing FDI into various sectors of the retail. So, as of now, the Government has not allowed the kind of Foreign Direct Investment in these sectors with respect to which the hon. Member has raised apprehensions. It is only after the thorough study of the recommendations of the expert groups that the Government will take any further action.

श्री अमर सिंह: सर, मेरा दूसरा सप्लीमेंटरी यह है कि क्या सरकार ने इस संबंध में सर्वे किया है कि बड़े रिटेलर्स के आने से छोटे निवेशकों अर्थात् छोटे दुकानदारों पर क्या प्रभाव पड़ेगा? अगर आपने सर्वे नहीं किया है, तो क्या आप यह बताने का कष्ट करेंगे कि क्या कारण है कि विभिन्न राज्यों में एक बड़े औद्योगिक घराने के आ जाने से काफी लोग उद्वेलित हैं और आन्दोलन कर रहे हैं?

SHRI ASHWANI KUMAR: Sir, as far as the impact of, possible negative impact of, permitting FDI in the retail sector is concerned, as I already said, this is going to be a matter of detailed study. It is only thereafter that we would know what are the further policy initiatives that we have to take. As regards the impact of a particular or a number of houses that sought to begin the activities in the retail, that is a matter of public knowledge, but there is no embargo as far as policy is concerned for allowing domestic companies in the retail sector.

श्री अबू आसिम आज़मी: थैंक्यू सर। सर, हम सबको अच्छी तरह मालूम है कि देश में unemployment बढ़ती जा रही है, लोगों को काम नहीं मिल रहा है। जब लोगों को ग्रेजुएट, पोस्ट-ग्रेजुएट करने के बाद भी काम नहीं मिलता, तो बेचारे सो, दो सौ, पाँच सौ रुपए में सब्जियाँ और फल वगैरह लेकर सड़क पर बेच कर अपना गुजारा कर लेते हैं। सर, आपके माध्यम से मंत्री जी से मेरा क्वेश्चन है कि क्या सरकार ने बड़ी कंपनियों को, जिन्होंने सीधे किसानों से ख़ाद्यान

आदि सामान लेकर होलसेल व्यापार करना शुरू कर दिया है, जिससे छोटे रिटेलरों और होलसेलरों को घाटा हो रहा है, इस क्षेत्र में आने से रोकने के लिए कोई कानून बनाया है? यदि हाँ, तो इसका क्या विवरण है और यदि नहीं, तो इसका क्या कारण है, मैं यह जानना चाहता हूँ?

شری ابو عاصم اعظمی : تھینک یو سر۔ سر، ہم سب کو اچھی طرح معلوم ہے کہ دیش میں ان ایمپلائمنٹ بڑھتی جا رہی ہے، لوگوں کو کام نہیں مل رہا ہے۔ جب لوگوں کو گریجویٹ، پوسٹ گریجویٹ کرنے کے بعد بھی کام نہیں ملتا، تو بے چارے سو، دو سو، پانچ سو روپے میں سبزیوں اور پھل وغیرہ لیکر سڑک پر بیچ کے اپنا گزارا کر لیتے ہیں۔ سر، آپ کے مادھیم سے منتری جی سے میرا کونشن ہے کہ کیا سرکار نے بڑی کمپنیوں کو، جنہوں نے سیدھے کسانوں سے کھادمان وغیرہ سامان لیکر بول سیل ویپار کرنا شروع کر دیا ہے، جس سے چھوٹے ریٹیلروں اور بول سیلروں کو گھٹا ہو رہا ہے، اس چھتر میں آنے سے روکنے کے لئے کوئی قانون بنایا ہے؟ اگر ہاں، تو اس کا کیا وورن ہے اور اگر نہیں، تو اس کا کیا کارن ہے، میں یہ جاننا چاہتا ہوں؟

श्री अश्विनी कुमार: सर, जैसा मैंने पहले कहा कि ICRIER और NCAER के माध्यम द्वारा जो स्टडी authorise की गई है, उसमें इन सभी पहलुओं पर विचार होगा। उनकी recommendations के अध्ययन करने के बाद ही सरकार कोई नीतिगत फैसला करेगी। जहाँ तक आज की स्थिति का सवाल है, इस क्षेत्र में काम करने पर देश की कंपनियों पर कोई बाधा नहीं है, मगर हम इसका इन्तजार कर रहे हैं। सर, यह बिग और स्मॉल का सवाल है, यह फॉरिन और डोमेस्टिक कंपनियों का सवाल नहीं है। सही मायने में जैसा माननीय सदस्यों ने कहा कि जब बड़ी कंपनियाँ उन क्षेत्रों में काम करने लग जाती हैं, जहाँ आज तक छोटे व्यक्ति काम करते थे, उसका employment पर कोई negative असर पड़ेगा, इन सारी चीजों का अध्ययन ये दो कमेटीयों कर रही हैं। एक स्टडी NCAER की है, जिसका specific focus एग्रीकल्चर पर है और एक स्टडी ICRIER कर रही है, जिसका एक comprehensive स्टडी का mandate है। उसके बाद ही सरकार इस पर कोई निर्णय लेगी।

श्री अबू आसिम आज़मी: सर, मैं यह जानना चाहता हूँ कि इसकी रिपोर्ट कब तक आ जाएगी?

شری ابو عاصم اعظمی : سر، میں یہ جاننا چاہتا ہوں کہ اس کی رپورٹ کب تک آ جائے گی؟

श्री अश्विनी कुमार: पहले उनको 6 महीने का समय दिया गया था। उन्होंने कुछ समय और मांगा है, क्योंकि terms of reference को enlarge किया गया है। बहुत जल्द इसकी रिपोर्ट आने की सम्भावना है।

श्री सुरेन्द्र लाठ: सभापति महादेय, धन्यवाद। माननीय मंत्री जी ने अभी कहा कि अभी तक हमने उन्हें FDI in retail trade allow नहीं किया है, किन्तु जैसी सूचना मिल रही है Walmart company भारत के उद्योगपतियों के माध्यम से या कहें कि बैंकडोर से इस देश में प्रवेश करने जा रही है और बड़ी संख्या में प्रवेश करने जा रही है ... (व्यवधान)...

एक माननीय सदस्य: प्रवेश करने नहीं जा रही है, आ चुकी है।

श्री सुरेन्द्र लाठ: जी हाँ, सर, आ चुकी है। मैं यह जानना चाहता हूँ कि इस बारे में क्या सरकार को जानकारी है? मैं सरकार से यह भी जानना चाहता हूँ कि बड़े-बड़े कॉर्पोरेट हाउस, जो रिटेल सैक्टर में घुस रहे हैं, उनके द्वारा हजारों और 'डों' की संख्या में जो छोटे-छोटे दुकानदार हैं, वे बेरोज़गार होने जा रहे हैं, इन छोटे-छोटे दुकानदारों को प्रोटेक्शन देने के क्या सरकार कोई कानून बनाने के संबंध में विचार करेगी?

श्री अश्विनी कुमार: चेयरमैन साहब, मैं आपके माध्यम से माननीय सदस्य को आश्वस्त करना चाहता हूँ कि जहाँ तक छोटे-छोटे दुकानदारों आदि का सवाल है, हमारी सरकार पूरी तरह से उनकी भलाई के प्रति वचनबद्ध है, इसी कारण से हमने इन दो कॉम्प्रिहेंसिव स्टडीज़ का फैसला लिया है। सरकार के द्वारा ऐसा कोई भी काम नहीं किया जाएगा, जिससे देश में बेरोज़गारी बढ़े या जो छोटे व्यवसायी हैं, उन पर प्रतिकूल असर पड़े। पहले भी मैंने यह कहा था और फिर मैं इसे दोहरा रहा हूँ... (व्यवधान)...

श्री सुरेन्द्र लाठ: मैंने Walmart के बारे में पूछा था।

श्री अश्विनी कुमार: जहाँ तक Walmart का सवाल है, मैं माननीय सदस्य को आश्वस्त करना चाहता हूँ कि किसी भी तरह Walmart या किसी भी अन्य कंपनी को सरकार की किसी भी नीति या कानून का उल्लंघन करने नहीं दिया जाएगा।

PROF. P.J. KURIEN: Sir, the Government should be aware that there are more than 30 million small traders in the country. And, in this very House, the Commerce Minister has stated that it is not the policy of the Government to allow FDI in retail sector. In spite of that, the reply comes that the FDI in retail sector is allowed for single brand. What does that mean? That means you have already allowed it. Today, it is single brand; tomorrow, the next step will come. Sir, if we look at this answer, it states that from every State of the country, all important industrial organisations and consumer organisations have given representations objecting to FDI in retail sector. It is there. And, the sense of this House is also against the FDI in retail sector. In that context, what is the need of a study for assessment of FDI in retail sector? The Government should forthwith withdraw that keeping in view the fact that FDI in retail sector will adversely affect three crores of ordinary and poor retailers. Therefore, I would like to know whether the Government would reverse this policy of FDI in retail sector.

SHRI ASHWANI KUMAR: Sir, through you, I would like to assure the hon. Member that the question of reversal of permitting FDI in the entire retail sector does not arise because the Government has not so far permitted FDI in retail except for single brand which has the specific, limited connotation. Our reply has never been that single brand has not been allowed... (Interruptions)...

SHRI AMAR SINGH: Sir, What is the difference between monopoly and big corporate houses? There is no difference. They are one and the same... (Interruptions)...

MR. CHAIRMAN: Let the hon. Minister finish.

SHRI ASHWANI KUMAR: If I am permitted. I think I will be able to assuage feelings of my colleagues and hon. Members. I was replying to the specific question of my friend, Prof. P.J. Kurien, who talked about FDI in single brand. I said, "FDI in single brand alone has been permitted so far". As far as opening up further of the retail sector for FDI is concerned, we are still awaiting recommendations of expert group. It is equally true that the issue also is of big versus small. Therefore, we have added in the terms of reference before this Committee to let us know what would be the impact of permitting large domestic companies also in the retail sector. After the recommendations and conclusions are received and studied by the Government, we will be able to discuss further about the policy.

MR. CHAIRMAN: Shri Tapan Kumar Sen. (Interruptions)...

SHRI TAPAN KUMAR SEN: Mr. Chairman, Sir, the hon. Minister has just admitted... (Interruptions)...

श्री राम नारायण साहू: सभापति महोदय, हम चार बार अपना हाथ उठा चुके हैं ... (व्यवधान)... हमें भी बोलने का मौका दीजिए ... (व्यवधान)...

MR. CHAIRMAN: Please (*Interruptions*) Please allow the Question Hour to proceed. (*Interruptions*)

SHRI TAPAN KUMAR SEN: Sir, the hon. Minister has just admitted that the issue is big ... (*Interruptions*)...

श्री राम नारायण साहू: महोदय, ... (व्यवधान)...

MR. CHAIRMAN: Please allow the question to proceed. (*Interruptions*) Hon. Member may kindly resume his seat. (*Interruptions*) No hon. Member has the right to speak from the Well. You please go back. (*Interruptions*). Please go back. (*Interruptions*) Do not interrupt the proceedings. (*Interruptions*) Please go back to your assigned place. (*Interruptions*)

SHRI TAPAN KUMAR SEN: Sir, the hon. Minister has just admitted that the issue is big versus small and because of the big sector entering into retail trade area, people are already losing jobs. The list that has been given by the hon. Minister about the representations not only pertains to FDI in retail but also the infiltration of the big houses in the retail sector. In many of the States, there is physical resistance by the small traders and, many monopoly houses have gone back.

MR. CHAIRMAN: Question please.

SHRI TAPAN KUMAR SEN: So, in this situation, my question is: (a) whether the Government is considering to have an appropriate legislation to ban big houses in the retail trade sector in line with the proposals for regulatory mechanism and regulatory legislation in the retail trade sector, which has already been submitted by the Left parties, and, (b) till the study of the Government on assessing the impact of big houses in the retail sector comes — let it come and see the results -- there must be executive intervention so that big houses are not allowed to enter into the retail sector. I want reply from the hon. Minister on these points.

SHRI AMAR SINGH: Sir, I associate myself with this point.

SHRI VIRENDRA BHATIA: Sir, this is what we want to ... (*Interruptions*)...

SHRI ASHWANI KUMAR: Mr. Chairman, Sir, I have already ... (*Interruptions*)...

SHRI DATTA MEGHE: Sir, my question is on the same issue ... (*Interruptions*)...

MR. CHAIRMAN: Please allow the hon. Minister to answer the question. (*Interruptions*) Please. (*Interruptions*) Let the hon. Minister answer the question.

SHRI ASHWANI KUMAR: Sir, I have answered this earlier. I will again repeat that the Government is more than sensitive to the concerns of small shopkeepers, and, those, who believe would be affected negatively if FDI is allowed into the retail sector and also ... (*Interruptions*)... and also large domestic ... (*Interruptions*)...

MR. CHAIRMAN: Please allow the Minister to complete. ... (*Interruptions*)...

SHRI AMAR SINGH: What is the question of if ... (*Interruptions*)... they are affected. ... (*Interruptions*)... That is why, in Uttar Pradesh, Madhya Pradesh ... (*Interruptions*)...

MR. CHAIRMAN: Please allow the answer to be completed. ... (*Interruptions*)...

SHRI MATILAL SARKAR: Mr. Chairman, Sir, this policy of the ... *(Interruptions)*...

श्री सुरेन्द्र लाठ: सर, यह तो आ चुका है ... *(व्यवधान)*...

SHRI AMAR SINGH: Sir, the entire nation is burning and this ... *(Interruptions)*...

MR. CHAIRMAN: Please allow the answers to be completed ... *(Interruptions)*...

SHRI ASHWANI KUMAR: Therefore, Sir, I am informing the House that the Government is seized of the concerns of small shopkeepers who believe that the entry of large domestic companies and foreign companies might adversely affect their interest. Therefore, showing sensitivity and concern to the number of representations that we have received, we have constituted an expert group, mandated them to study all the consequences, the pros and cons. It is only after receiving those recommendations that the Government will apply its mind and come forward with the requisite policy that would be in accord with the felt sensitivities of the Government and the ... *(Interruptions)*...

*187. [The questioner (Shri Ali Anwar) was absent. For answer *vide* page 24 *infra*].

Initiatives to check crime rate in Metropolitan Cities

*188. SHRI M. V. MYSURA REDDY: Will the Minister of HOME AFFAIRS be pleased to state:

(a) whether any effective initiatives with planning have been taken by Central Government to check the growing crime rate in the metropolitan/big cities of the country;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF HOME AFFAIRS (SHRI SRIPRAKASH JAISWAL): (a) to (c) A Statement is laid on the Table of the House.

Statement

(a) to (c) 'Police' and 'Public Order' are State subjects under the Seventh Schedule to the Constitution of India and therefore, the State Governments are primarily responsible for prevention, detection, registration and investigation of crime and for prosecuting the criminals through the machinery of their law enforcement agencies.

The analysis of crime data in 35 metropolitan/big cities (having a population of 10 lakhs or more) for the last 5 years (2002-2006), indicates varying trends in respect of crime rate including decline in the case of some cities.

The Union Government, however, supplements the efforts of the State Governments by providing them financial assistance for modernization of their Police Forces, in terms of weaponry, communication equipment, mobility, training and other infrastructure under the Scheme for Modernization of State Police Forces. During 2006-07, Rs. 96.43 crore have been released to the various States for focused attention on policing metro cities of Hyderabad, Bangalore, Chennai, Mumbai, Ahmedabad and Kolkata in the spheres of surveillance and crime investigation, traffic management, special needs for security related communication systems, PCR van net work, digital radio trunking, etc. as a specific component under the Scheme of Modernisation of State Police Forces. Further, intelligence inputs are regularly