

**GOVERNMENT OF INDIA  
FINANCE  
LOK SABHA**

UNSTARRED QUESTION NO:2624  
ANSWERED ON:08.08.2003  
PERMISSION FOR MARKETING BY MULTI NATIONAL COMPANIES  
HARIBHAU MAHALE;PRAKASH YASHWANT AMBEDKAR

**Will the Minister of FINANCE be pleased to state:**

- (a) whether the Government have given permission of marketing by Multi National Companies to trade beyond the two years without setting up the industry;
- (b) if so, the reasons for the same; and
- (c) the likely effect of this decision on domestic trade?

**Answer**

Minister of State in the Ministry of Finance (Shri Anandrao V. Adsul)

(a),(b) & (c) : As per the extant policy, FDI upto 100% is permitted for specified activities such as exports; bulk imports with ex-port/ex-bonded warehouse sales; cash and carry wholesale trading activity; project imports; provision of after sales services, trading of hi-tech medical and diagnostic items, domestic sourcing of products for exports etc. Since FDI in retail trading is not permitted, it is not likely to affect domestic retail trade.