

**GOVERNMENT OF INDIA  
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION  
LOK SABHA**

UNSTARRED QUESTION NO:1697  
ANSWERED ON:04.12.2006  
CORPORATE HOUSES IN RETAIL BUSINESS  
Yadav Shri Ram Kripal

**Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:**

- (a) whether the Government has allowed the big corporate houses to enter into retail outlet business in the country;
- (b) if so, whether this would adversely affect the retail outlets in the unorganized sector; and
- (c) if so, the steps being taken by the Government to protect the interest of the people employed in retail business in unorganized sector?

**Answer**

THE MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE AND THE MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a) & (b): There is no restriction on the entry of the big corporate houses and other domestic investors into the retail sector. The organised retail sector would reduce the cost of intermediation on account of economies of scale benefiting consumers and producers/ farmers. It also helps in establishment of cost effective supply chains. Besides, the organised retailing sector would create more employment opportunities and improve the quality of employment in the long run. The share of organised retailing in the total retail trade is very small and it would not have any major adverse impact on retail outlets in the unorganised sector.

(c) : No action seems to be necessary at present in view of replies to (a) and (b) above.