

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:363
ANSWERED ON:14.08.2007
STATEMENT OF ASSOCHAM ON FDI
Botcha Lakshmi Smt. Jhansi

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

- (a) whether the attention of the Government has been drawn to the statement of Associated Chambers of Commerce and Industry of India (ASSOCHAM) that FDI in the retail should be opened in a phased manner to allow domestic players to face competition;
- (b) if so, the reaction of the Government thereto; and
- (c) the steps taken by the Government to safeguard the interests of the indigenous retailers?

Answer

MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI ASHWANI KUMAR)

(a) : Yes, Sir.

(b): Foreign Direct Investment (FDI) policy including policy on trading is reviewed on a continuous basis. In February, 2006 Government has, allowed Foreign Direct Investment (FDI) up to 51%, with prior Government approval, in the retail trade of 'Single Brand' products subject to the following conditions:

- i. Products to be sold should be of a 'Single Brand' only.
- ii. Products should be sold under the same brand internationally.
- iii. 'Single Brand' product-retailing would cover only products which are branded during manufacturing.

(c): Government remains committed to initiating, where necessary, suitable measures for safeguarding the legitimate interests of all sections of society.