

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

UNSTARRED QUESTION NO:5128
ANSWERED ON:25.08.2000
SETTING UP OF NATIONAL COMMODITIES EXCHANGE
MOHAMMED SHAHABUDDIN

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

- (a) whether the Government have decided to set up National Commodities Exchange in the country;
- (b) if so, the details thereof;
- (c) the time by which this Exchange is likely to be set up; and
- (d) the benefits likely to be accrued by setting up of this Exchange?

Answer

MINISTER OF STATE IN THE MINISTRY OF CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION (SHRI V. SREE PRASAD)

- (a) & (b): In principle approval to set up a National Multi Commodity Exchange has been given by the Government and the Forward Markets Commission has been advised to take further necessary action to complete the formalities.
- (c) : No time frame for setting up the National Commodity Exchange has been specified as of now.
- (d) : The proposed Exchange would be a professionally managed, equipped with modern technological facility of integrated screen based transparent trading at one central place. It will, thus, provide the participants in the commodity sector, an efficient competitive price signals and price risk management mechanism on the lines of National Stock Exchange.