

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

UNSTARRED QUESTION NO:1259

ANSWERED ON:13.07.2009

FDI IN RETAIL SECTOR

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

- (a) whether the retail market constitutes a major part of the Gross Domestic Product;
- (b) if so, the details thereof including its share in the organised and unorganised sectors;
- (c) whether the Government proposes to increase Foreign Direct Investment (FDI) in the Indian retail market; and
- (d) if so, the reasons therefore along with the steps taken by the Government to protect the interest of the small retailers in the country?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): As per the report of Indian Council for Research on International Economic Relations (ICRIER) on the subject 'Impact of Organised Retail on unorganised Sector', the retail trade is estimated to grow at 13% per annum from US \$ 322 billion in 2006-07 to US \$ 590 billion in 2011-12, contributing around 11-12 percent to Gross Domestic Product (GDP) in 2006-07. The share of organised retail in total retail has grown from 3.3 % in 2003-04 to 4.1 % in 2006-07.

(c) & (d): Retail is a labour intensive sector and is the second largest employer after agriculture. Government is fully committed to securing the legitimate interests of all stakeholders engaged in the retail business. Government also fully recognises the need to ensure that small retailers are not adversely affected by the growing organised retail and that there is no adverse effect on employment. There is no proposal to change the current policy on FDI in Retail Trade.