

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

UNSTARRED QUESTION NO:3040
ANSWERED ON:27.07.2009
FDI IN RETAIL SECTOR
Balram Shri P.

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

- (a) whether the retail sector may lose substantial amount of Foreign Direct Investment (FDI) during the current fiscal year;
- (b) if so, the details thereof and the reasons therefor; and
- (c) the steps being taken in this regard?

Answer

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

(a) & (b): The extant policy does not permit Foreign Direct Investment (FDI) in retail trading. The policy only allows FDI up to 51% in retail trading of single brand products, subject to the following conditions:

- i Products should 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.

As per the study conducted by the Indian Council for Research on International Economic Relations (ICRIER), on the subject 'Impact of Organised Retail on unorganised Sector', the retail business is estimated to grow at 13% per annum from US \$ 322 billion in 2006-07 to US \$ 590 billion in 2011-12.

(c): Does not arise.