

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

UNSTARRED QUESTION NO:4343

ANSWERED ON:29.08.2011

FDI IN RETAIL

Antony Shri Anto; Basheer Shri E. T. Muhammed; Devappa Anna Shri Shetti Raju Alias; Ganeshamurthi Shri A.; Mahato Shri Narahari; Majumdar Shri Prasanta Kumar; Nahata Smt. P. Jaya Prada; Natrajan Meenakshi; Owaisi Shri Asaduddin; Ponnamm Shri Prabhakar; Raghavan Shri M. K.; Ray Shri Rudramadhab; Reddy Shri Magunta Srinivasulu; Roy Shri Nripendra Nath; Saroj Smt. Sushila; Shekhar Shri Neeraj; Singh Alias Pappu Singh Shri Uday; Singh Shri Dhananjay; Singh Shri Yashvir; Sivasami Shri C.; Tagore Shri Manicka; Tirkey Shri Manohar; Upadhyay Seema; Vardhan Shri Harsh; Verma Smt. Usha; Yadav Shri Dharmendra

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

- (a) whether a study conducted by the Indian Council for Research on International Economic Relations (ICRIER) on Foreign Direct Investment (FDI) on Multi Brand Retail and its impact on retailers/vendors and various stakeholders has been assessed before opening up the FDI in retail trading;
- (b) if so, the details thereof; and
- (c) the reasons for delay to open up FDI in Multi-Brand Retail Trading and the steps taken by the Government to resolve the issue at the earliest?

Answer

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

(a): Government had instituted a study, on the subject of ``Impact of Organized Retailing on the Unorganized Sector`` through the Indian Council for Research on International Economic Relations

(ICRIER). The report was submitted to Government in 2008.

(b): Main findings of the ICRIER study are at Annex.

(c): The Government after considering the findings of the ICRIER study, released a discussion paper on 'Foreign Direct Investment in Multi-Brand Retail Trading' with the objective of obtaining the views and comments of various stakeholders, for informed policy making. Comments were received from stakeholders, including trade/industry/retailers' associations; farmers' associations; prominent retailers; consumers; small industries etc. An inter-ministerial committee analyzed the responses. The analysis indicated a mixed response from the different stakeholders to the issues raised in the discussion paper. A Committee of Secretaries

(CoS) subsequently considered the matter. The Government has not taken any decision in the matter.