

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

UNSTARRED QUESTION NO:5986

ANSWERED ON:14.05.2012

. MULTINATIONAL COMPANIES INVOLVED IN TRADE

Pakkirappa Shri S.

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

- (a) the number of Multinational companies involved in trade at present in the country and the areas left out of bounds for them;
- (b) the number of Small, Medium and Cottage industries that have been closed so far since the entry of multinational companies;
- (c) whether the multinational companies are rampantly exploiting Indian resources;
- (d) if so, the facts thereof and the reaction of the Government thereto;
- (e) whether the Government proposes to make any law in this regard; and
- (f) if so, the the time by which the decision is likely to be taken in this regard?

Answer

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

(a): As on 10th May, 2012, there were 3196 foreign companies as defined under section 591 of the Companies Act, 1956. Currently, the Foreign Direct Investment is prohibited in the Retail Trading (except single brand product retailing); Lottery Business including Government/private lottery, online lotteries, etc.; Gambling and Betting including casinos etc.; Business of chit fund; Nidhi company; Trading in Transferable Development Rights (TDRs); Real Estate Business or Construction of Farm Houses; Manufacturing of Cigars, cheroots, cigarillos and cigarettes, of tobacco or of tobacco substitutes; Activities/sectors not opened to private sector investment including Atomic Energy and Railway Transport (other than Mass Rapid Transport Systems). Foreign technology collaboration in any form including licensing for franchise, trade mark, brand name, management contract is also prohibited for Lottery Business and Gambling and Betting Activities.

(b): The year-wise number of small, medium and cottage industries that have closed so far since entry of Multi-national Companies is not available. However, the total number of closed Micro, Small, Medium Enterprises (MSME) as per the latest Census of Registered MSME Sector, i.e., 4th All India Census of Registered MSMEs with reference year 2006-07, stands at 4.96 lakh. However, there are several reasons for closure of an enterprise ranging from problems of credit, marketing, raw materials and competition.

(c): No, Madam.

(d) to (f): Do not arise.