

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

UNSTARRED QUESTION NO:1266

ANSWERED ON:18.07.2014

. FOREIGN DIRECT INVESTMENT IN E COMMERCE

Kumar Shri P.

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

- (a) the percentage of Foreign Direct Investment (FDI) allowed in e-commerce activities along with the safety measures taken by the Government in this regard;
- (b) the total FDI inflow in the sector since its opening along with the benefits accrued to the industry as a result thereof;
- (c) the percentage of its contribution in India's economy at present along with its expected growth by the year 2020;
- (d) whether the Government proposes to ease curbs on foreign online retailers; and
- (e) if so, the details thereof?

**Answer**

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF COMMERCE AND INDUSTRY (SHRIMATI NIRMALA SITHARAMAN)

(a): As per extant FDI policy, FDI up to 100% under the automatic route is permitted in B2B e-commerce activities. The present policy does not permit retail trading, in any form, by means of e-commerce, for companies with FDI engaged in the activity of single/multi brand retail trading.

The following announcement in respect of FDI with reference to manufacturing sector was made by FM during his Budget Speech on 10.07.2014:

"FDI in the manufacturing sector is today on the automatic route. The manufacturing units will be allowed to sell its products through retail including E-commerce platforms without any additional approval".

Government takes into consideration the concerns of all stakeholders including domestic industry and consumers while formulating FDI policy. Safeguards are put into the FDI policy wherever necessary.

(b): The total FDI inflow in the sector from April 2000 to April 2014 is US \$ 37.10 million.

(c): Total FDI equity inflows during April 2000 to April 2014 in E-Commerce into India is at US\$ 37.10 million, being 0.02% of the total FDI equity inflows of US \$ 219,286 million. No targets are fixed for FDI inflows, nor is an assessment of future inflows possible, as FDI is largely a matter of private business decisions.

(d): No, such proposals have been initiated.

(e): Does not arise.