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Title: Need to safeguard the interest of local retail traders by imposing ban on Foreign Direct Investment (FDI) in retail sector.

SHRI S.S. RAMASUBBU (TIRUNELVELI): Mr. Chairman Sir, thank you very much for giving me this opportunity to raise the issue regarding the retail trade in our country.

As our country is having huge resources, opening up of multinational brands, through Foreign Direct Investment, from multinational companies will jeopardize not only retail trade but also the farming community in our country.

India is having 1.5 crore retail trade units which cater employment directly to four crore persons and indirect employment to 16 crore persons and a huge section of Indian population prefer this trade and depend upon this retail trade. The entire retail trade business amounts to Rs.16 lakh crore to Rs.18 lakh crore per annum and is likely to touch Rs.20 lakh crore shortly. Groceries and food grains retail sector contribute Rs.8 lakh crore to Rs. 10 lakh crore.

The argument is that the MNCs would provide better chances for consumerism by checking price rise, will give healthy competition and the farmers will get better price for their produce. It is not true. With the advent of MNCs, the retail trade was totally wiped out of England.

Another most important thing that needs to be considered is opening up the doors for MNC soft drink companies in India. As soon as they entered, there was no healthy competition. They purposefully procured the empty bottles of the local players.

And they broke them into pieces as the bottles were the main investment of these local players. This led to the closure of many local soft drink brands. After stabilizing in a field, what they fix will be the price and no one can question that. The companies who are supplying goods to these big players are providing them more percentage of gain and commission than the retail traders. In view of this factor, the retail traders who are already in existence in the field are finding it very difficult to compete with the big companies and hence they are almost on the verge of closing their outlets. This is also the case with the farmers.

I would, therefore, urge upon the Union Government to impose a permanent ban in FDI in retail trade on groceries, food grains, fruits and vegetables and to safeguard the livelihood of crores and crores of people and small retail traders.