

GOVERNMENT OF INDIA  
MINISTRY OF COMMERCE & INDUSTRY  
(DEPARTMENT OF COMMERCE)

**LOK SABHA**  
**UNSTARRED QUESTION NO. 704**  
**TO BE ANSWERED ON 23<sup>rd</sup> JULY, 2018**

**GROWTH OF E-COMMERCE SECTOR**

704. SHRI B. SENGUTTUVAN:

Will the Minister of **COMMERCE & INDUSTRY** (वाणिज्य एवं उद्योग मंत्री) be pleased to state:

- (a) whether the e-commerce sector in India is poised for exponential growth in the country in the coming years and if so, the details thereof;
- (b) whether of late the Ministry has given clearance to any International e-commerce company to invest in India in online retail market;
- (c) if so, the details thereof, companywise;
- (d) whether the advent of foreign investors would affect the Indian origin e-retail companies and if so, the details thereof;
- (e) whether the Ministry has opened up the retail e-commerce market for FDI in the country and if so, the details thereof; and
- (f) the corrective steps taken by the Government to protect Indian interests in this regard?

**ANSWER**

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सी. आर. चौधरी)

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY  
(SHRI C. R. CHAUDHARY)

(a): As per the Economic Survey 2017-18, the electronic commerce (e-commerce) market in India is estimated at US \$33 billion with a 19.1 percent growth rate in 2016-17. As per the National Association of Software and Services Companies (NASSCOM) Strategic Review 2018 in the Information Technology and Business Process Management (IT-BPM) sector in India, the Indian e-commerce market was USD 33 billion in 2017 and reached USD 38.5 billion, growing at a rate of about 17% in the financial year 2018.

(b), (c), (d) & (e): The extant Foreign Direct Investment (FDI) policy permits 100% foreign investment under the automatic route in companies engaged in e-commerce provided that such companies engage only in Business to Business (B2B) e-commerce. Further, as per Guidelines for Foreign Direct Investment (FDI) on e-commerce, 100% FDI under automatic route is permitted in marketplace model of e-commerce but FDI is not permitted in inventory based model of e-commerce. Moreover, an entity is permitted to undertake retail trading

through e-commerce under the following circumstances, subject to conditionalities listed in the FDI policy:

- (i) A manufacturer is permitted to sell its products manufactured in India through e-commerce retail.
- (ii) A single brand retail trading entity operating through brick and mortar stores, is permitted to undertake retail trading through e-commerce.

(f): FDI in retail has been allowed in a calibrated manner after having intensive consultations with stakeholders including concerned Ministries/ Departments, State Governments, apex industry chambers, Associations and other organizations taking into consideration their views/comments.

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