

BEWARE: MULTINATIONAL COMPANIES AND BIG CORPORATE HOUSES ARE PREPARED TO INVADE YOUR TRADECOURTSY GOVERNMENT OF INDIA

The Discussion Paper on FDI in Retail Trade, released sometime ago, by the Ministry of Commerce, Government of India, has charged the traders as big profiteers and hoarders and also charged that the produce of farmer is being sold by intermediaries (traders) thrice the purchase price of farmer and therefore has suggested that the intermediaries from farmer to the consumer needs to be removed and for this purpose the FDI in Retail is all the more necessary and the Multinational Companies and big corporate houses should be allowed to enter into retail trade of India so that they may purchase produce of the farmer and may sell directly to the consumer removing all intermediaries. The Govt has forgotten that large number of taxes it imposes many times on such products and a huge share of the total price is going to Government in shape of taxes.

Friends, it is not the matter of Farmer alone as these Multinational Companies do sale all sorts of items from needle to airplane and therefore we all are going to be badly affected whatever trade we are into. On the one side the Government is committed to remove the small shopkeepers who are playing as intermediaries but celebrities like M.S.Dhoni, who is being paid Rs.210 crore and several other persons who acts as Brand Ambassadors of the MNC's and big corporate houses are not the intermediaries of such big Companies ? Surprisingly, they are allowed to have intermediaries. It is a clear discrimination and against the letter and spirit of the Constitution of India.

As you are well aware that for opening a shop, the trader has to face several number of trade laws, Acts and Rules and in this era of acute competition the trader are working on a very small profit and that too while complying formalities of all laws and Acts. The allegation that Traders are big profiteers is therefore baseless and needs to be condemned. On the other hand, the Government is inviting Multinational Companies into Retail Trade by providing them all sorts of assistance which will enable the MNC's to control not only the land of farmers but even our trade. With this move of the Government more than 5 crore business establishments across the Country and about 30 crore people including employees and other sections who are dependent upon the traders for their livelihood will be rendered jobless. Taking the shelter of farmer, the Government is making all efforts to dislodge our business.

A Parliamentary Standing Committee headed by Dr. Murli Manohar Joshi consisting of about 42 MP's from all political parties carried out an extensive survey and deep study of the retail trade of India and submitted its unanimous report to the Parliament on 8th June, 2009 making one important recommendation that 'blanket ban be imposed on entry of MNC's and Big Corporate Houses in retail trade of India' as it will adversely affect the existing retail structure. It is regretted that the Government has not taken any cognizance of the report of the said Committee.

LATEST DEVELOPMENTS

- a. Most of the Ministries of the Union Government have by and large advocated the need of allowing FDI in Retail Trade. The Agriculture Ministry, Consumer Affairs Ministry, Planning Commission etc. are of the opinion that FDI in Retail should be allowed may be with some cap.
- b. As per news reports appeared in the media, even the Prime Minister's Office has also given a push to such an idea.
- c. It is reported that the Union Finance Ministry has so far not agreed for this concept and feels it little more early to comment and seems to be of the view that presently there should not be any change in the existing policy.
- d. The global retailers like Walmart, Tesco, Carefour, Metro etc. are lobbying hard to pressurize the Government to allow FDI in Retail Trade of India. Walmart CEO Mr. Mike Duke is in India and making hectic canvassing to impress upon the concerned authorities to give green signal for allowing FDI in Retail Trade.
- e. US President Mr. Barak Obama is visiting India in the first week of November and in all probabilities will strongly take up the issue of FDI in Retail Trade.

NOTABE INCIDENT

On September, 30, 2010, the Punjab Excise & Taxation Department raided the Bharti-Walmart Store in Jullunder (Punjab) which was having the Wholesale Cash & Carry Licence but was found indulging in tax evasion activities in selling goods in retail for which the store was not authorised (Details of the case published in News Papers is enclosed herewith)

Under the backdrop of above scenario which looks very critical for the survival of our trade, we have to deliberate the issue with all seriousness keeping into consideration its likely adverse impact on us and have to draw a conclusive strategy as to how we can impress upon the Government and political parties to stand with the traders and small scale sector of the Country on this issue.