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ಪತ್ರಿಕೆಯ ಹೆಸರು

PER:

The Hindu

ದಿನಾಂಕ : DATE : 29/08/2019

# Cabinet eases rules for FDI in retail, media

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The Union Cabinet on Wednesday announced a number of decisions designed to attract increased foreign direct investment (FDI) into the country, including easing local sourcing norms for single-brand retail companies.

Currently, the FDI policy says that a single-brand retail company with more than 51% FDI needs to source 30% of its goods from within India. The new decision says that this 30% can be calculated over the first five years of operation.

Further, sourcing for exports will also count to-

## Subsidy for sugar exports

With record sugar production continuing to drive down prices, the Centre has decided to offer a ₹10.45 per kg subsidy to incentivise mills to export their surplus stocks. > PAGE 13

towards the local sourcing requirement, the government said. The government also updated the FDI policy in keeping with prevalent business practices, it said.

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# Cabinet eases FDI rules in retail, media

"With a view to provide greater flexibility and ease of operations to SBRT (single brand retail trade) entities, it has been decided that all procurements made from India by the SBRT entity for that single brand shall be counted towards local sourcing, irrespective of whether the goods procured are sold in India or exported," the government said in a release.

The current FDI policy provides for 100% FDI under the automatic route in the manufacturing sector. There was no specific provision for contract manufacturing in the policy. It has now decided to allow 100% FDI under the automatic route in contract manufacturing in India as well.

Another change the Cabi-

net has approved is that single-brand retail companies can now start selling online before setting up a brick and mortar store as long as they set one up within two years of starting online sales.

Earlier, they had to set up a brick and mortar store before selling online.

"Online sales will lead to creation of jobs in logistics, digital payments, training and product skilling," the government said.

Apart from single brand retail, the Cabinet also approved changes to the FDI rules for digital media and coal mining. It has decided to permit 26% FDI, with government approval, for uploading and streaming news and current affairs using digital media, on the lines of print media.

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