

Cos seek FDI in e-comm 'inventory' for exports

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New Delhi: Industry players have asked the government to examine the possibility of allowing FDI in the inventory-based model for e-commerce only for the purpose of exports, Director General of Foreign Trade (DGFT) Santosh Kumar Sarangi said on Friday.

The suggestion, if considered, will essentially allow e-commerce firms like Amazon and Walmart's Flipkart to hold inventory, which the current policy norms don't allow them to. At present, FDI is not permitted in the inventory-based model of e-commerce; sectoral firms having FDI can only operate as a marketpla-

ce. "For export purposes, if this could be revisited is something that we are requesting DPIIT (department for promotion of industry and internal trade) to examine and explore... This could be one step forward for creating the e-commerce export zones that DGFT and its team have been working on," Sarangi said at a Ficci event.

An industry executive said that allowing e-commerce firms to hold inventory for exports could ensure faster deliveries and better capital management. "Exports market is capital and compliances intensive and by allowing marketplaces to hold export inventory, small sellers can bene-

fit immensely. We have been engaging with various departments for facilitating the shift in approach," said Vinod Kumar, president at Forum for Internet, Retailers, Sellers and Traders (FIRST).

Sarangi said that the government is working on an 'array of issues' to give a leg up to e-commerce exports, which have the potential to touch \$200 billion in the next six-to-seven years. "That will not come in a vacuum or in a policy as usual kind of a space. We need to bring about a lot of changes in the way logistics is handled in India, the way RBI looks at e-commerce exports," Sarangi said.