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No FDI in retail, says UP govt

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 Print Story

Lucknow Within a fortnight of taking over the reins of the state, the Samajwadi Party government in Uttar Pradesh has started giving shape to the commitments that it made to the people during election campaigning. The promises have now started figuring as the priorities for the state government.

In a directive issued by the chief minister's office to all senior officials of various departments last night, two dozen odd priorities have been spelt out, among which is the explicit one that says that no FDI and corporate intervention in the retail sector would be allowed "under any circumstances".

Apart from this, the industry department has been directed to form a strategy to provide all kinds of licenses with "lifetime validity" on payment of ten years of licence fee.

The trade tax department has also been asked to lower VAT on food commodities as well as on the Samajwadi Party symbol, the cycle and all its parts, as per the Jyoti Basu committee recommendations and also bring down VAT at par with that of other neighbouring states of Delhi, Punjab, Haryana Rajasthan, Madhya Pradesh and Bihar, in order to stop the illegitimate entry of these products.

The directive expresses the new government's commitments and seeks proposals to implement them from various departments and it would be interesting to see how the loss in the state's tax revenue (OTR) will be balanced.

Talking to FE, a senior official of the state government said since the central government is committed to allow FDI in retail sector, it has to be examined legally whether the state governments have any option to opt out of it.