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## **Allowing multinational e commerce companies to buy directly from Indian sellers for exports will be detrimental to small businesses in India**

The Confederation of All India Traders (CAIT) strongly objects to the reported draft proposal under consideration by the Government of India that seeks to relax foreign investment rules to allow e-commerce multinationals like Amazon to buy directly from Indian sellers for exports.

CAIT National President Shri B. C. Bhartia said that while this move is being projected as a step to boost Indian exports, CAIT firmly believes that such a proposal is both unnecessary and dangerous. It carries grave risks of misuse, a backdoor entry into India's domestic retail sector, and further marginalisation of the country's 9 crore small traders and crores of small industries.

He said that India's entrepreneurs are more than capable of taking Indian products to global markets on their own – all they need is a fair, transparent, and supportive policy environment. Under the leadership of Prime Minister Narendra Modi, we are confident that India can emerge as a global export powerhouse without bowing to foreign monopolies.

Allowing foreign e commerce companies to directly purchase from Indian sellers under the pretext of exports would be tantamount to legitimising what they have been doing illegally. It will create a slippery slope, making it nearly impossible to monitor whether goods are genuinely meant for exports or being diverted into the domestic market, thus bypassing FDI rules and further harming small retailers.

Most importantly, India does not need foreign e-commerce multinationals to promote exports. Indian entrepreneurs, MSMEs, start-ups, and traders have already demonstrated their resilience and capability to access global markets on their own strength under the visionary leadership of Prime Minister Shri Narendra Modi. With flagship initiatives like Make in India, Vocal for Local, and One District One Product, and with strong government support through export promotion councils, the GeM portal, and trade facilitation schemes, India already has the foundation to build a robust and indigenous export ecosystem.

The so-called "export facilitation entities" mentioned in the draft are nothing but clever fronts to allow foreign e-commerce players deeper control over India's supply chains, pricing, and market access. Past experience clearly shows that promises of "strict penalties" have failed, given the poor track record of enforcement against these companies.

CAIT urges the Government to categorically reject this proposal and instead work with domestic trade bodies, MSMEs, start-ups, and exporters to build a truly indigenous digital export ecosystem. This will not only boost India's exports but also safeguard the livelihoods of millions of small traders while ensuring that India's economic growth remains firmly rooted in the principles of Digital Atmanirbharta.

For years, CAIT has repeatedly exposed how global e-commerce giants have blatantly exploited regulatory loopholes, engaged in predatory pricing, deep discounting, and extended undue preference to select sellers, causing irreparable damage to fair competition and small businesses. Despite restrictions, violations have continued unabated, and both government agencies as well as the Competition Commission of India have flagged such anti-competitive practices.

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