

**GOVERNMENT OF INDIA
MINISTRY OF COMMERCE & INDUSTRY
DEPARTMENT FOR PROMOTION OF INDUSTRY AND INTERNAL TRADE
RAJYA SABHA**

**UNSTARRED QUESTION NO. 1479.
TO BE ANSWERED ON FRIDAY, THE 15TH DECEMBER, 2023.**

**BENEFITS TO SMALL BUSINESSES AND CONSUMERS BY ONDC IN REMOTE
AND RURAL AREAS**

1479. Shri Aneel Prasad Hegde:

Will the Minister of **Commerce and Industry** be pleased to state:

- (a) whether small businesses and consumers both will benefit by switching/on-boarding to ONDC, if so, details thereof;
- (b) whether switching to or on-boarding ONDC will help both small-businesses and consumers in remote and rural areas, if so, details thereof;
- (c) whether the Ministry intends to and has made efforts to rope-in maximum number of retailers, distributors and micro-scale manufacturers to register on ONDC platform, if so, details thereof, if not, reasons therefor;
- (d) number of delivery partners, businesses, sellers who have so far registered with ONDC; and
- (e) whether Government has fixed service/delivery charges for ONDC, if so, details thereof?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI SOM PARKASH)**

(a) & (b) ONDC benefits both small businesses as well as consumers. ONDC protocols standardize operations like cataloguing, inventory management, order management and order fulfillment. Thus, small businesses are able to use any ONDC compatible applications instead of being governed by specific platform centric policies. This provides multiple options to small business to be discoverable over network and conduct business. It also encourages easy adoption of digital means by those currently not on digital commerce networks.

ONDC helps small businesses in remote and rural areas by eliminating the high entry barriers and increasing the choice of platforms that sellers can use to do business online, thus providing a more inclusive e-commerce ecosystem.

ONDC makes e-Commerce more inclusive and accessible for consumers. Consumers can potentially discover any seller, product or service by using any compatible application,

thus increasing freedom of choice for consumers. It enables the consumers to match demand with nearest available supply. With ONDC, consumers have access to more sellers and therefore more choices. Also, the open network concept enhances the scope of innovation for various businesses which paves the way for enhanced customer experience.

(c) The Government's endeavour is to encourage retailers, distributors and micro-scale manufacturers to register on the ONDC Network. The various steps taken in this regard include:

- Conducting awareness workshops across the country to educate the small sellers and businesses about ONDC and its benefits.
- ONDC is working actively with various departments of States/UTs. Each State/ UT has appointed a Nodal Officer to accelerate the state level engagements with ONDC.
- ONDC has launched a Feet on Street program to support the Network Participants (NPs) in educating the sellers about the benefits of ONDC and handholding them.
- ONDC is actively working with Ministry of MSME to onboard MSMEs to the network and to integrate MSME- Mart, which has over 2 lakh MSMEs, with ONDC.

(d) Being a network, ONDC does not directly onboard delivery partners, businesses or sellers. ONDC is a network of independent Buyer Apps and Seller Apps conducting transactions, enabled through a common language of commerce which is compliant with ONDC protocol.

(e) No, Government has not fixed service/delivery charges for ONDC.
