

GOVERNMENT OF INDIA
MINISTRY OF MICRO, SMALL AND MEDIUM ENTERPRISES

RAJYA SABHA
UNSTARRED QUESTION No. 118
TO BE ANSWERED ON 22.07.2024

**PARTICIPATION OF MSMEs IN DIGITAL COMMERCE
WITHOUT PAYING HIGH COMMISSION**

118. SHRI JAGGESH:

Will the Minister of MICRO, SMALL AND MEDIUM ENTERPRISES be pleased to state:

- (a) whether it is a fact that Micro, Small and Medium Enterprises (MSMEs) have to pay 30 to 40 percent commission to sell on other e-commerce platforms;
- (b) whether the Government proposes to launch a trade marketing scheme to help MSMEs onboard the Open Network for Digital Commerce (ONDC) and participate in digital commerce without paying high commission; and
- (c) if so, the details of the proposed scheme and the number of MSMEs targeted to be covered through the scheme and details thereof;

ANSWER

MINISTER OF STATE FOR MICRO, SMALL AND MEDIUM ENTERPRISES
(SUSHRI SHOBHA KARANDLAJE)

(a) & (b): Marketing on e-commerce platforms opens a wide market for MSMEs. However, it is associated with significant transaction costs. To help micro and small enterprises market their products through ecommerce platform, and reach wider markets, the Ministry of Micro, Small and Medium Enterprises launched a sub-scheme under RAMP namely “MSME Trade Enablement and Marketing Initiative” (MSME-TEAM Initiative) on 27th June, 2024. This initiative aims at assisting five lakh MSMEs to on board the Open Network Digital Commerce (ONDC) platform, through awareness workshops which will include hand-holding assistance for on boarding onto ONDC. This helps MSMEs in significantly reducing their transaction costs.

(c): MSME TEAM initiative aims to provide financial assistance to micro and small enterprises (MSEs) through Seller Network Participants, for catalogue preparation, account management, logistics and packaging material and design. The MSME TEAM initiative would enable MSMEs to present their products to a wider audience, thus unlocking new market prospects beyond their conventional customer base. As the MSMEs will have access to a greater number of suppliers and service providers, this Initiative would help in bringing down their cost of doing business. The commission for online commerce on ONDC would be lower than what is charged by traditional e-Commerce platforms. This will allow even the smallest of the micro/small enterprises to conduct online transactions. MSME TEAM initiative aims to benefit five lakh MSEs, of which half would be women –owned MSEs.
