

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

**UNSTARRED QUESTION NO. 2122.
TO BE ANSWERED ON FRIDAY, THE 13TH DECEMBER, 2024.**

POLICY INTERVENTIONS TO SUPPORT SMALL BUSINESSES

2122. Shri Derek O' Brien:

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

- (a) whether Government maintains data on the number of small businesses that have stopped operations since 2020;
- (b) if so, the details thereof, if not, the reasons therefor;
- (c) whether Government is contemplating policy interventions to make a level playing field for all players with the advent of e-commerce; and
- (d) if so, the details thereof, if not, the reasons therefor?

ANSWER

**THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE & INDUSTRY
(SHRI JITIN PRASADA)**

- (a) & (b):** Operations of a business depends upon various internal as well as external factors like a strong management team, a comprehensive business plan, demand-supply balance, and the ability to work within financial constraints etc. Data on stoppage of operations of small business is not centrally maintained.
- (c) & (d):** Government has been focusing on the protection of the interest of small businesses by putting in various measures in the form of Acts, Rules and Policies to ensure a level playing field and act against practicing anti-competitive conducts by e-commerce platforms. Some of the Acts applicable to e-Commerce Sector are Consumer Protection Act, 2019; Consumer Protection (E-commerce) Rules, 2020; Competition, Act, 2002; Central Goods and Services Act (CGST) Act, 2017; Information Technology Act, 2000; Payment and Settlement Systems Act, 2007; Income Tax Act, 1961; Companies Act, 2013; Copyright Act, 1957 etc. FDI policy and Foreign Exchange Management Act, 1999 contain provisions related to Foreign Direct Investment (FDI) in e-Commerce Sector.

The Competition Act, 2002 mandates the Competition Commission of India to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India. The CCI looks into the matter relating to anti-competitive agreements and abuse of dominance by enterprises in all the sectors of the economy.

In addition to the already existing comprehensive legislative framework mentioned above, the Department for Promotion of Industry and Internal Trade (DPIIT) has also pioneered the initiative of Open Network for Digital Commerce (ONDC). The initiative aims at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks. ONDC protocols standardize operations like cataloguing, inventory management, order management and order fulfilment. Thus, small and medium-sized businesses can use any ONDC compatible applications instead of being governed by specific platform centric policies. This provides multiple options to them to be discoverable over network and conduct business. It also encourages easy adoption of digital means by those currently not on digital commerce networks.

A National Traders' Welfare Board has also been established to advise the Government for fulfilling various objectives including identification of policy measures for welfare of traders and their employees, simplifications in the Acts and Rules applicable to traders, improve access to funds for traders, make recommendations regarding social security benefits like insurance, pension, healthcare for traders and their employees etc.
