

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

**UNSTARRED QUESTION NO. 2284.
TO BE ANSWERED ON FRIDAY, THE 19TH DECEMBER, 2025.**

DOMESTIC CONSUMPTION AND FORMAL MARKET INTEGRATION

2284. SHRI IRANNA KADADI:

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

- (a) whether rising middle income consumption is contributing to India's domestic market resilience, if so, the details thereof;
- (b) the policies implemented to support retail demand through local manufacturing, digital commerce, and rural market access;
- (c) in what manner these efforts are generating employment and improving consumer choice across income groups; and
- (d) the steps taken to ensure that small businesses and self-employed retailers benefit from increased domestic consumption and formal market integration?

ANSWER

**THE MINISTER OF COMMERCE & INDUSTRY
(SHRI PIYUSH GOYAL)**

(a) to (d): The National Statistics Office (NSO) conducts survey on Household Consumption Expenditure at regular interval. As per the Household Consumption Expenditure Survey 2023-24, the estimated average monthly per capita consumption expenditure at current prices for rural areas have increased from ₹ 3773 in 2022-23 to ₹ 4122 in 2023-24, whereas in urban areas have increased from ₹ 6,459 in 2022-23 to ₹ 6,996 in 2023-24 (without taking into account the values of items received free of cost by the households through various social welfare programmes). This rising middle income consumption contributes to the country's domestic market resilience.

The Government has taken various initiatives for supporting retail demand, stimulating overall economic growth, improving ease of doing business, enabling an ecosystem for skill development and job creation and promoting infrastructure and urban development. Some of the steps are given below:

- i. Make in India, Start-up India, PM GatiShakti, National Industrial Corridor Programme, Production Linked Incentive (PLI) Scheme, promoting Ease of Doing Business (EoDB) and reducing compliance burden, Business Reform Action Plan (BRAP), National Single Window System (NSWS), India Industrial Land Bank, Project Monitoring Group (PMG), liberalization of FDI policy, Production Linked Incentive (PLI) Schemes, Indian Footwear and Leather Development Programme (IFLDP) Schemes are some of the major initiatives that have been undertaken to boost local manufacturing in the country.

- ii. GST 2.0 has simplified and rationalised the rate structure. The reduction in tax burden on essential goods, services and emerging sectors is expected to lower the cost of living, improve affordability, and stimulate household consumption demand. Lowering of GST rates on basic consumer items and certain specified services is expected to enhance trade competitiveness and support domestic industry. At the same time, a simplified two-rate structure is expected to reduce transaction costs, ease compliance burden, and encourage small businesses to enter the formal sector, thereby supporting greater formalisation, and widening the tax base. These measures collectively are likely to boost GDP growth by stimulating consumption, encouraging investment, and promoting job creation.
- iii. Open Network for Digital Commerce (ONDC), unlike traditional e-commerce platforms that operate in silos, creates an open ecosystem where sellers can reach customers across multiple platforms without being restricted by platform-specific terms and conditions. ONDC supports small businesses, local traders, and MSMEs by providing a fair, transparent, and non-discriminatory discovery within emerging e-commerce environments through open protocols that make all sellers equally visible across network regardless of size, scale or digital sophistication. Common open specifications adopted by all network participants further enhance transparency and prevent opaque or biased listing practices.
- iv. Ministry of MSME's Trade Enablement and Marketing (TEAM) scheme has been launched to strengthen the digital capabilities of small sellers including Self Help Groups (SHGs), Farmer Producer Organisation (FPOs), artisans, rural entrepreneurs, and local retailers by providing support in digital literacy, awareness, cataloguing, and onboarding, with a focus on inclusivity by targeting 50% of beneficiaries as women-led SMEs.
- v. Ministry of Rural Development under Deendayal Antyodaya Yojana-National Rural Livelihoods Mission (DAY-NRLM) has undertaken tie-ups with e-Commerce Players for promotion of Self Help Groups (SHGs) products. In collaboration with Government e-marketplace (GeM) a "Saras Collection" has been created as a Store Front in GeM for marketing of SHG products.
- vi. The Ministry of Electronics and Information Technology's network of Common Services Centers (CSCs) is being utilised to connect every village in India to the national digital market through ONDC. With their network of 4 Lakh+ Village Level Entrepreneurs (VLEs) - CSC through ONDC is unlocking Assisted e-Commerce across rural India. This integration allows rural citizens to access a vast e-commerce network, thereby boosting entrepreneurship opportunities and incomes for VLEs.
- vii. The Ministry of Agriculture is supporting Farmers Producers Organisation (FPOs) and making it easier for them to access markets nationwide through ONDC. More than 7000 FPOs have already been onboarded to ONDC-compliant applications, enabling them to sell their produce in 160+ cities across India supported with innovative joint digital demand generation initiatives.

These measures have broadened demand, integrated rural and urban markets, and have contributed in the resilience of India's retail and domestic consumption ecosystem.
