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

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UNSTARRED QUESTION NO. 2278.
TO BE ANSWERED ON FRIDAY, THE 07TH AUGUST, 2026.

ENCOURAGING INVESTMENTS BY GLOBAL E-COMMERCE COMPANIES

2278. SHRI SANJAY SETH:

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

(a) whether Government is encouraging investments by global e-commerce companies to strengthen India's logistics and fulfilment infrastructure, if so, the details thereof;

(b) the manner in which such investments align with Government's policy to promote digital commerce and retail modernization;

(c) whether these initiatives are expected to create employment opportunities and improve working conditions in warehousing and delivery services, if so, the details thereof; and

(d) the steps taken to ensure that technology adoption enhances service delivery in Tier 2 and Tier 3 cities for the benefit of the common man?

ANSWER

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

(a) to (c): The Government has been taking various measures to encourage foreign investments for manufacturing and infrastructure development including by global e-commerce companies for strengthening logistics and fulfilment infrastructure in the country and promoting digital commerce and modernization of the retail sector. Such investments are expected to enhance efficiency in supply chains, improve market access for businesses, particularly MSMEs, and create direct and indirect employment opportunities across various segments of the economy. The details of such measures are as under:

i. India has embarked on a series of reforms aimed at liberalizing its Foreign Direct Investment (FDI) policies, with the goal of stimulating economic growth and encouraging foreign capital inflows. To promote Foreign Direct Investment (FDI), the Government has put in place an investor friendly policy, wherein most sectors, except certain strategically important sectors, are open for 100% FDI under the automatic route. More than 90% of the FDI inflow is received under the automatic route.
ii. PM Gati Shakti National Master Plan (PMGS NMP) has been launched with an aim at integrating infrastructure development projects to enhance logistics efficiency, reducing transit time, costs and improve supply chain efficiency through multimodal connectivity across highways, railways, ports, airports, logistics infrastructure, and inland waterways.
iii. National Logistics Policy (NLP) was launched in September 2022 to develop a technologically enabled, integrated, cost efficient, resilient, sustainable and trusted logistics ecosystem in the country for accelerated and inclusive growth. One of the

objectives of NLP is to reduce the cost of logistics in India so as to enable the country to compete with global benchmarks. As per the latest assessment of logistics cost conducted by Department for Promotion of Industry and Internal Trade (DPIIT) in association with National Council of Applied Economic Research (NCAER), the logistics cost in India is estimated at about 7.97% of GDP, which is comparable to the advanced economies.

iv. Department for Promotion of Industry and Internal Trade (DPIIT) also pioneered the initiative of Open Network for Digital Commerce (ONDC). ONDC is a neutral, interoperable and open network that enables small sellers, including those in rural and uncovered areas, to participate in digital commerce without dependence on any single proprietary e-commerce platform. 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 plays a big part in ensuring that small businesses, local traders and MSMEs are not digitally excluded in the emerging e-commerce environments by providing a fair, transparent, and non-discriminatory discovery within emerging e-commerce environment through size, scale or digital sophistication. ONDC has enabled partnerships with a wide range of logistics service providers to improve last-mile delivery, warehousing and fulfilment options for small and rural sellers.

v. The Code on Social Security, 2020 has come into force on 21.11.2025 with the objective to consolidate and simplify the existing social security laws into a single framework and to extend social security coverage to all workers, including organized, unorganized, gig, platform and self-employed workers. The Code provides for framing of suitable social security measures for gig workers and platform workers on matters relating to life and disability cover, accident insurance, health and maternity benefits, old age protection, etc. The Code provides for setting up of a Social Security Fund to finance these welfare schemes. The Code also has provisions to constitute a National Social Security Board for the purposes of the welfare of gig workers and platform workers.

(d): The open-network architecture of ONDC ensures that a single integration by a seller app, buyer app, or logistics provider automatically extends services network-wide, including to smaller towns, without requiring separate business cases for each geography. This lowers the cost of market entry for participants seeking to serve non-metro geographies.

As of 2026, the network's reach extends across 600+ cities, with growth specifically observed among sellers in Tier 2 and Tier 3 towns, giving small local businesses the same network access as larger metro-based players.

Collaboration of ONDC with the Department of Posts for warehousing capabilities has improved access to e-commerce for sellers from remote areas. Further, onboarding of the Department of Posts as a Logistics Service Provider strengthens last-mile delivery reach into smaller towns and rural pin codes where private courier density has traditionally been lower.

DigiDukaan, an ONDC initiative for onboarding small kiranas and retail traders onto the digital commerce network, is currently operational in Hyderabad and Jaipur, with support from a network of distributors and wholesalers, thereby increasing technology adoption by kirana stores and the distribution network.

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