

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

**UNSTARRED QUESTION NO. 816.  
TO BE ANSWERED ON WEDNESDAY, THE 07<sup>TH</sup> FEBRUARY, 2024.**

**ONDC**

**816. SHRI GYANESHWAR PATIL:**

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:

**वाणिज्य एवं उद्योग मंत्री**

- (a) the details of the achievements and policy of the Government regarding the recently launched Open Network for Digital Commerce (ONDC) initiative;
- (b) the manner in which the small traders are likely to be strengthened by adopting the open network of e-Commerce;
- (c) whether the Government proposes to enable active participation of local customers for the benefit of small traders; and
- (d) if so, the details thereof?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री सोम प्रकाश)**

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

- (a):** Open Network for Digital Commerce (ONDC) is a section 8 company, under the initiative of the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry, aimed at promoting open networks for all aspects of the exchange of goods and services over digital or electronic networks.

Achievements of ONDC so far:

- The ONDC Network started with two categories (F&B and Grocery) and have expanded to other categories such as Mobility, Fashion, Beauty and Personal Care, Home & Kitchen, Electronics and Appliances, Health & Wellness and B2B.
- The number of Network Participants on ONDC has shown tremendous increase with the onboarding of several sellers and service providers on the network.
- The sellers and service providers are spread across 540+ cities expanding the geographical coverage of the ONDC network.
- Special focus is being given to sellers who are being digitized for the first time. Various schemes are being planned and implemented to enable the “first-time digital” sellers to be a part of the ONDC network.

- ONDC is working with entities like the Ministry of Agriculture & Farmers Welfare and NABARD to onboard FPOs and farmers to the network.
- ONDC is also actively working to on-board various SHGs, social sector sellers and micro-entrepreneurs to the ONDC network with the aid of ecosystem partners like SIDBI.
- ONDC is also actively working with the Ministry of MSME for formulating a scheme to help the MSMEs to take advantage of ONDC. Currently, various MSMEs are onboarding to the ONDC network through existing ONDC seller apps.

The Government intends to promote ONDC, which is a first-of its- kind, global initiative aimed at democratizing digital commerce in India. Government's endeavour is to bring parity and provide a level playing field to large and smallscale enterprises, facilitating efficient exchange of goods and services.

**(b):** The adoption of an Open Network for e-Commerce can strengthen small traders in several ways:

- Small traders would be able to use any ONDC-compatible applications instead of being governed by specific platform-centric policies. This will provide multiple options to small businesses/traders to be discoverable over the network and conduct business.
- ONDC provides small traders with a network to reach a broader customer base and thus greater opportunities for growth.
- ONDC provides a level playing field to small traders eliminating the high entry barriers.
- ONDC offers all businesses easy participation in digital commerce irrespective of size, location, or digital quotient.
- Small traders onboarding to ONDC can expose them to a larger audience and help them establish their brand in the market.
- ONDC offers opportunities to enhance business efficiencies through a reduction in cost overheads (e.g., acquisition costs, digital presence cost) and inventory costs across businesses in India.
- Small traders discoverable through the ONDC network can enable increased trade of locally manufactured goods in India, thereby multiplying the investment and production of small and medium enterprises.
- ONDC fosters innovation in the e-commerce space and small traders can benefit from technological advancements, enhancing their capabilities and competitiveness.
- Enhanced trade can help in economic development and livelihood creation opportunities across the digital commerce value chain i.e., logistics, packaging, final-mile delivery, etc.

**(c) & (d):** Yes, the Government recognizes the importance of empowering small traders and promoting local businesses through ONDC. The Government proposes to enable the active participation of local customers for the benefit of small traders by:

- Joint promotion campaigns with industry associations and Government departments to encourage local customers to support small traders and buy from nearby stores available on the ONDC network.
- Organizing training and capacity-building programs for small traders which can help them improve their digital presence, marketing strategies, and improved customer service. This can enhance their competitiveness and attract more local customers.
- Educating consumers about ONDC through ONDC Academy and ONDC Sahayak, the benefits of supporting local businesses and the impact of their choices on the local economy.
- Investments in developing robust digital infrastructure, including reliable internet connectivity, secure network and payment gateways, automated grievance redressal mechanism and last-mile delivery facilities to facilitate smooth e-commerce transactions for small traders and customers.
- ONDC is working actively with various departments of all the States and UTs. Nodal Officers for each state and UT, have been appointed to accelerate state level engagement plans. Various ONDC awareness campaigns and workshops have been organised across the country.

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