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

LOK SABHA

UNSTARRED QUESTION NO. 2545.
TO BE ANSWERED ON WEDNESDAY, THE 4TH AUGUST, 2021.

OPEN NETWORK FOR DIGITAL COMMERCE

2545. MS. DIYA KUMARI:

Will the Minister of **COMMERCE AND INDUSTRY** be pleased to state:
वाणिज्य एवं उद्योग मंत्री

(a)   the salient features of new Open Network for Digital Commerce (ONDC) project;

(b)   the manner in which its open network is likely to empower small businesses by the adoption of e-commerce;

(c)   whether the Government proposes to ensure that consumers from local areas can also actively participate; 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 an initiative aiming at promoting open networks for all aspects of exchange of goods and services over digital or electronic networks. ONDC is to be based on open-sourced methodology, using open specifications and open network protocols independent of any specific platform.

The foundations of ONDC are to be open protocols for all aspects in the entire chain of activities in exchange of goods and services, similar to hypertext transfer protocol for information exchange over internet, simple mail transfer protocol for exchange of emails and unified payments interface for payments.

These open protocols would be used for establishing public digital infrastructure in the form of open registries and open network gateways to enable exchange of information between providers and consumers. Providers and consumers would be able to use any compatible application of their choice for exchange of information and carrying out transactions over ONDC.

Thus, ONDC goes beyond the current platform-centric digital commerce model where the buyer and seller have to use the same platform or application to be digitally visible and do a business transaction.

(b): ONDC protocols would standardize operations like cataloguing, inventory management, order management and order fulfilment. Thus, small businesses 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 to be discoverable over network and conduct business. It would also encourage easy adoption of digital means by those currently not on digital commerce networks.

(c) & (d): Yes, Sir.

ONDC is expected to make e-Commerce more inclusive and accessible for consumers. Consumers can potentially discover any seller, product or service by using any compatible application or platform, thus increasing freedom of choice for consumers. It will enable the consumers to match demand with the nearest available supply. This would also give consumers the liberty to choose their preferred local businesses. Thus, ONDC would standardize operations, promote inclusion of local suppliers, drive efficiencies in logistics and lead to enhancement of value for consumers.

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