

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

**STARRED QUESTION NO. 107.  
TO BE ANSWERED ON WEDNESDAY, THE 9<sup>TH</sup> FEBRUARY, 2022.**

**OPEN NETWORK FOR DIGITAL COMMERCE**

**\*107. SHRI BHARTRUHARI MAHTAB:**

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

**वाणिज्य एवं उद्योग मंत्री**

- (a) whether the Government is mulling to roll out an Open Network for Digital Commerce (ONDC), an open source e-commerce platform that all online retailers can use;
- (b) if so, the details thereof along with the time by which the said platform is likely to be launched;
- (c) the increase in number of recognized startups in the country during the last three years along with the manner in which the said ONDC would empower and nurture the new startups and also the brick-and-mortar stores in the country;
- (d) whether the Government has invited suggestions from stakeholders in the ecosystem and if so, the details thereof; and
- (e) whether the said suggestions have been taken into consideration before rolling out the ONDC platform and if so, the details thereof?

**ANSWER**

**वाणिज्य एवं उद्योग मंत्री (श्री पीयूष गोयल)  
THE MINISTER OF COMMERCE & INDUSTRY  
(SHRI PIYUSH GOYAL)**

**(a) to (e):** A Statement is laid on the Table of the House.

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE LOK SABHA STARRED QUESTION NO. 107 FOR ANSWER ON 09<sup>TH</sup> FEBRUARY, 2022.**

**(a) & (b):** 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 based on opensource methodology, using open specifications and open network protocols, independent of any specific platform.

The foundations of ONDC are 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 are 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 can thus use any compatible application of their choice for exchange of information and carrying out transactions over the network. Thus, ONDC is a network, and not a platform. It goes beyond the current model of digital commerce where the buyer and seller have to be on the same platform to do a business transaction.

**(c):** ONDC protocols are meant for standardizing operations like cataloguing, inventory management, order management and order fulfilment. Hence small retailers and small businesses can easily and more economically get registered over an electronic network, be discoverable by buyers from across various platforms and conduct transactions.

ONDC has potential to open huge opportunities for startups for onboarding retailers across the country on electronic network, help them conduct transactions, assist them in fulfilment of orders and aid the entire set of activities needed to do business. Many startups are expected to provide localized services to small retailers. As small retailers mostly operate in local language, large number of Indian language applications are also expected to be developed.

The total number of recognized startups during the last three years (Financial Year wise) as on 31<sup>st</sup> January 2022 is as below:

<b>Financial Year</b>	<b>Total Number of Recognised Startups</b>
2018-2019	8,486
2019-2020	12,746
2020-2021	16,212
2021-2022 (as on 31 <sup>st</sup> January, 2022)	16,737
<b>Total</b>	<b>54,181</b>

**(d) & (e):** The conceptualization of ONDC is a result of extensive stakeholder consultations.

DPIIT constituted a Steering Committee in November, 2020 for formulation, implementation and policy oversight of ONDC. The Committee comprised of senior representatives of Department for Promotion of Industry and Internal Trade, Department of Commerce, Ministry of Electronics and Information Technology, Ministry of Micro, Small and Medium Enterprises, NITI Aayog, Quality Council of India, technology and domain experts from National Payments Corporation of India, National Securities Depository Limited and Founder of MyGov as its members. Representatives of Confederation of All India Traders and Retailers Association of India were also part of the Committee.

The Quality Council of India was assigned the work of carrying out a pilot on Open Network of Digital Commerce in December, 2020.

An Advisory Council was constituted in July, 2021 to advise the Government on measures needed to design and accelerate adoption of ONDC. The Advisory Council includes eminent personalities and experts having substantive experience in implementation of population scale public digital infrastructure.

'Open Network for Digital Commerce' has been registered as a non-profit company in December, 2021. All activities are undertaken through extensive stakeholder consultations with various stakeholders.

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