

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

**UNSTARRED QUESTION NO. 400.
TO BE ANSWERED ON TUESDAY, THE 22ND JULY, 2025.**

OPEN NETWORK FOR DIGITAL COMMERCE

400. DR. D. PURANDESWARI:

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

वाणिज्य एवं उद्योग मंत्री

- (a) whether the Open Network for Digital Commerce (ONDC) will lower the cost of customer acquisition and transaction processing for sellers and if so, the details thereof;
- (b) whether any steps planned to be taken under ONDC to break the dominance of large ecommerce platforms by enabling interoperability across networks and if so, the details thereof;
- (c) the details of the steps that will be taken to empower small businesses, retailers and local artisans to access the digital marketplace under ONDC;
- (d) the manner in which ONDC plan to bridge regional and linguistic gaps in digital commerce; and
- (e) the manner in which ONDC plan to increase options for buyers to a broader array of sellers?

ANSWER

वाणिज्य एवं उद्योग मंत्रालय में राज्य मंत्री (श्री जितिन प्रसाद)

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

- (a):** Open Network for Digital Commerce (ONDC), a Section 8 company, is an initiative of the Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce and Industry, aimed at promoting open networks for all aspects of the exchange of goods and services over digital or electronic networks. ONDC reduces the cost of customer acquisition and transaction processing for sellers by enabling a decentralized and interoperable network. ONDC is not an e-commerce platform or a marketplace but an open protocol on which platforms/marketplace can be built.

Unlike conventional e-commerce platforms, ONDC fosters direct interactions between buyers and sellers across multiple platforms, reducing dependency on any single entity.

A seller onboarded through any ONDC-compliant seller application becomes discoverable to all ONDC-compliant buyer applications, enhancing market access and reducing the cost of customer acquisition. ONDC lowers the cost of customer acquisition through two key mechanisms:

- i. **Increasing the customer pool** — ONDC brings digitally underserved and unserved consumers into the e-commerce ecosystem, expanding the reach for sellers.
- ii. **Leveraging digital platforms with existing customer pools** — ONDC integrates with fintech, mobility, and other digital platforms that already have established user bases, enabling sellers to tap into a broader audience.

Further, competition among seller applications ensures that transaction fees remain competitive compared to the high commission fees charged by traditional e-commerce platforms.

The exact margin varies based on the network participants and their commercial terms.

(b): ONDC is designed as an open network where any buyer or seller can transact without being restricted to a single platform. The key features include:

- i. **Interoperability:** Sellers onboarded on any platform within the ONDC network can be discovered by buyers on any other platform, reducing the dominance of a few large players.
- ii. **Unbundling:** Unlike conventional e-commerce models, ONDC allows different entities to specialize and focus on their niche proposition without worrying about having to bring together the entire value chain of commerce. This ensures a competitive and diverse marketplace.
- iii. **Increased Competition:** The decentralized nature of ONDC promotes competition among platforms, driving down commissions and making digital commerce more viable for small and medium businesses.

(c): Several ministries at the central and state levels are driving the adoption of ONDC to empower small businesses, retailers, artisans, and suppliers. Notable measures taken by various Ministries/Departments and State Governments are as under:

Initiatives taken by Central Government:

- i. The Ministry of Micro, Small and Medium Enterprises has launched Trade Enablement and Marketing (TEAM) scheme, which facilitates the onboarding of micro and small enterprises onto ONDC by providing financial assistance for onboarding, cataloguing, account management, logistics, packaging material and design. Notably, half of these beneficiary Micro, Small and Medium Enterprises (MSMEs) will be women-owned enterprises.
- ii. eSaras.in, the e-commerce platform under National Rural Livelihood Mission (NRLM) of Ministry of Rural Development, is live on ONDC - with

operations through a central warehouse in DELHI-NCR. e-Saras is integrated with ONDC with some 800+ handcrafted products made by Self Help Groups (SHGs) now available online.

Initiatives taken by State Governments:

- i. Himachal Pradesh: The state government, through its Himlra brand under Himachal Pradesh State Rural Livelihood Mission (HP SRLM), is facilitating the onboarding of local and indigenous products onto ONDC.
- ii. Andhra Pradesh: Implementing a comprehensive program to help small businesses, including SHGs and cooperatives, sell their products through ONDC.

Additionally, ONDC has taken several measures to onboard and support local businesses and small sellers, including:

- i. Supporting a large network of startups and small entrepreneurs to build solutions for local businesses and small sellers to access and benefit from eCommerce.
- ii. Developing, supporting and disseminating Training and Capacity building programs for small businesses and local sellers to join and benefit from digital commerce including 3000+ hours of virtual training on ONDC & 200+ hours of technical training through open digital sessions, attended by 50,000+ startups, students, business leaders etc.
- iii. ONDC has developed a Handbook to help sellers (especially first time sellers) succeed in digital commerce in 14 languages and are being distributed widely
- iv. ONDC is also actively working to onboard various SHGs, social sector sellers and micro-entrepreneurs to the ONDC network with the aid of ecosystem partners like SIDBI, NABARD and other philanthropic and developmental organizations.
- v. Common Services Centers have gone live on ONDC to connect villages in India to the national digital market.

(d): ONDC has made digital commerce accessible across India. Various steps taken by ONDC for making digital commerce more accessible are as under:

- i. ONDC has developed a multi-lingual Seller Handbook to help sellers (especially first time sellers) succeed in digital commerce in 14 languages and are being distributed widely
- ii. ONDC has partnered with Bhashini to improve app development and e-commerce in Indic languages.
- iii. ONDC Sahayak - Whatsapp Bot “ONDC Sahayak” launched in 5 languages, to be extended to 22 languages, to help sellers and buyers get information about ONDC.
- iv. ONDC-enabled buyer and seller applications are encouraged to provide interfaces in Indian languages to cater to diverse users.
- v. By allowing various digital commerce platforms to participate, ONDC facilitates regional businesses in connecting with customers without language barriers.

(e): ONDC increases options for buyers in the following ways:

- i. **Enabling a wider seller base:** Any seller, irrespective of platform or location, can be discovered by buyers across multiple ONDC-compliant buyer applications.
- ii. **Diverse product offerings:** ONDC brings first-time sellers into digital commerce, allowing small businesses, local artisans, and regional brands to gain visibility alongside large enterprises, expanding the range of available products.
- iii. **Competitive pricing:** Increased seller participation enhances price discovery, fosters competition, and ensures cost benefits for consumers.
- iv. **Hyperlocal market access:** ONDC enables local businesses and niche markets to reach digital buyers, increasing the availability of region-specific and specialised products.
