

Govt close to finalising e-commerce policy: DPIIT secy

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The government is at a “fairly advanced stage” of finalising a well-coordinated e-commerce policy and consumer protection rules, which will incorporate provisions of Open Network for Digital Commerce (ONDC), Department for Promotion of Industry and Internal Trade (DPIIT) Secretary Rajesh Kumar Singh said on Thursday.

“E-commerce rules and e-commerce policy will be congruent with each other... That exercise is at a fairly advanced stage,” Singh told reporters.

Amid fears that food aggregators Zomato and Swiggy will be under pressure from competition from government-backed ONDC, Singh said the government doesn't want to move anyone out of business and wants all e-commerce players to be a part of the network.

The online food delivery space is currently a duopoly. Zomato is the

MARCHING AHEAD		
Category	January	May (till now)
Daily transactions	50 orders per day	25,000+ orders per day
Retail merchants	800	35,000+
Cities	85	230+
Rides	N/A	35,000+
Network participants	26	46

Source: ONDC



top player in the market with a 56 per cent share, while Swiggy commands the remaining 44 per cent, as of Q4 of FY23, according to analysts at HSBC.

Singh said the idea behind the ONDC was to try and create a fairly inclusive playing field for different businesses, particularly smaller players, who may not get access to the e-commerce portals directly.

“Because of the enhanced competition, the consumer also gains. But that is not the immediate intention. It's not like we are trying any-

body out of business or we are an upfront competitor to any particular portal or e-commerce provider. We want all e-commerce players to be part of this network,” he said.

Meanwhile, ONDC on Thursday said the number of retail merchants on the network grew to over 35,000, up from about 800 since January. The total daily order volume has increased from 50 to over 25,000, as of last week. ONDC has also expanded its geographic footprint from 85 cities at the start of the year to over 230 now. The government-

backed network has also made considerable progress in the mobility space. It had onboarded Namma Yatra, a Bengaluru-based auto booking app, in April this year to help local businesses compete with bigwigs such as Ola and Uber.

In Kochi, ONDC entered the mobility sector in January. The two cities combined, it said, are witnessing more than 35,000 rides a day. “ONDC is a network enabler and not a platform, and therefore it has systematically worked towards adding more network participants, merchants, cities and transactions (orders per day) to the network,” the company said.

Its network participants have increased from 26 in January to 46. Notable additions on the buyer side include PhonePe's Pincode and Airpay, while enterprises such as HUL and ITC have gone live on the seller side. The network commenced its 'Alpha' testing, with its first-ever real-world transactions, in

April last year. It subsequently began its 'beta testing' in Bengaluru via the grocery and food delivery segments at the end of September.

ONDC also ventured into other domains such as fashion, beauty and personal care, electronics and appliances in January, which are also gradually expanding. Since they went live, these segments have recorded over 1,300 transactions, while 600 merchants have been added. Most of these orders have been intercity, with major logistics providers such as ShipRocket, Delhivery, Loadshare, etc., being a part of the network.

The network recently made a big splash in the online food delivery space, butting heads with Swiggy and Zomato by offering cheaper food items. As a result, traffic on the network has greatly increased.

Despite the recent surge in volumes, the network said it has maintained key performance indicators, such as order fill rate and delivery timelines, that are consistent with current industry standards.