



# National E-Commerce Policy

## Why in News?

The Indian government is set to introduce a **national [e-commerce policy](#)** that aims to create a **favorable environment** for the development of the sector and drive exports.

- The **e-commerce policy was first proposed in 2018** and in **2019, a draft of the e-commerce policy** was released.
- Department for Promotion of Industry and Internal Trade (DPIIT), the Ministry of Commerce and Industry emphasized the need for a streamlined regulatory framework, technological advancements, and efficient supply chain integration.

## What are the Key Points About the Upcoming E-Commerce Policy?

- **Aim:**
  - The national e-commerce policy aims to establish a regulatory framework that facilitates **[ease of doing business](#)** in the sector.
- **Boosting Exports:**
  - The policy recognizes the significant export potential of India's e-commerce sector.
    - By 2030, India's e-commerce export potential is estimated to range **between 200 billion USD to 300 billion USD annually**.
    - With global cross-border e-commerce exports projected to reach **2 trillion USD by 2025**, India aims to capitalize on this growth opportunity.
- **Regulatory Body and FDI:**
  - The possibility of establishing a regulator for the e-commerce sector is being considered, but its implementation may take time.
  - **Local traders' associations** have been advocating for an empowered regulatory body to enforce e-commerce rules and curb violations.
  - While **100% [foreign direct investment \(FDI\)](#)** is allowed in the marketplace model, FDI is not permitted in the inventory-based model.
- **Addressing Trader Concerns:**
  - Traders have expressed concerns regarding the violation of e-commerce rules, such as **deep discounts and preferences given to select sellers**.
  - The policy intends to clarify these issues and provide greater transparency in the rules governing FDI in e-commerce.
  - The **[Consumer Protection \(e-commerce\) Rules 2020](#)** and proposed amendments will be aligned with the e-commerce policy for consistency.
- **Comprehensive Framework:**
  - The e-commerce policy will serve as an overarching framework for the sector, ensuring coherence among various governing acts.
    - The sector is governed by the **FDI policy**, the **[Consumer Protection Act, of 2019](#)**, the **[Information Technology Act of 2000](#)**, and the **[the Competition Act, of 2002](#)**.
  - The policy aims to streamline these regulations and create a conducive environment for the growth of the e-commerce industry.

## What are the Other Related Indian Government's e-commerce Initiatives?

- **Launching the [BharatNet project](#):**
  - Provide internet connectivity in local bodies in every Panchayat, which will increase the reach and access of e-commerce in rural areas.
- **[Open Network for Digital Commerce \(ONDC\)](#):**
  - A network that aims to provide equal opportunities for [Micro, Small and Medium Enterprises \(MSME\)](#) to thrive in digital commerce and democratize e-commerce
- **Digital India initiative:**
  - The [Digital India initiative](#) has provided solid impetus to other government-led initiatives, including [Start Up India](#) and [Aatmanirbhar Bharat](#), which have great potential to translate into global success.

**[Source: FE](#)**

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