



3 Years of Open Network for Digital Commerce

[Source: TH](#)

Why in News?

The **Prime Minister of India** highlighted the [Open Network for Digital Commerce \(ONDC\)](#) for its transformative impact on **e-commerce and its role in empowering small businesses**.

- ONDC recently completed 3 years with over **15 million monthly transactions**, making strides in combating platform monopolies and promoting a level playing field.

What is Open Network for Digital Commerce?

- **About:** ONDC Launched in April 2022 by [Department for Promotion of Industry and Internal Trade \(DPIIT\)](#), Ministry of Commerce, Government of India. It aims to democratize **digital commerce through an open, inclusive, and interoperable platform**.
 - ONDC was incorporated as a **non-profit company** in December 2021, with the [Quality Council of India](#) and **Protean eGov Technologies Limited** as Founding Members.
- **Objectives:**
 - **Democratization of Commerce:** Promoting interoperability to reduce the dominance of **monopolistic e-commerce platforms**.
 - **Cost Efficiency:** Lowering costs for **customer acquisition and transaction processing**.
 - **Market Expansion:** Bridging **regional and linguistic gaps** for wider market participation.
 - **Consumer Empowerment:** Providing **diverse product and service options** to buyers, with lower prices through discounts and promotions, enhancing choices and fostering competitive pricing.

Benefits of ONDC



Sr. No.	Stakeholder	Benefit
1	Sellers	<ul style="list-style-type: none"> ➤ Access to a wider audience ➤ Reduced dependence on large platforms ➤ Enhanced revenue opportunities
2	Buyers	<ul style="list-style-type: none"> ➤ Increased options for products and services ➤ Competitive pricing due to broader seller participation
3	Service Providers	<ul style="list-style-type: none"> ➤ Opportunities for logistics, fintech, and IT service providers to integrate into the network
4	Consumers	<ul style="list-style-type: none"> ➤ Discover sellers, products, and services on any compatible platform ➤ Match demand with nearby suppliers and choose local businesses

▪ Key Features:

- **Open Protocol:** Built on **open-source methodology** (which can be accessed by everyone) and protocols, ONDC allows buyers and sellers to transact seamlessly across different platforms and applications.
- **Role Segregation:** Participants include **Buyer Apps** (Connect consumers and sellers), **Seller Apps** (Interfaces for businesses to list and manage products), **Logistics Providers** (Ensure efficient transport), **Tech Enablers** (Provide IT tools).

- **Sectoral Scope:** ONDC facilitates diverse domains, from food, grocery, and fashion to financial services, agriculture, and health.

▪ ONDC Benefits:

- **MSMEs:** ONDC empowers **Micro, Small and Medium Enterprises (MSME)** by enhancing **nationwide visibility**, reducing **reliance on high-cost platforms**, and lowering operational expenses.
 - It offers training programs to **build digital skills and focuses on inclusivity** by supporting **women-owned** and **Scheduled Castes and Scheduled Tribes led enterprises** through initiatives like the **MSME-TEAM scheme**.
- **Startups:** The **ONDC Startup Mahotsav** fosters collaboration, offering startups opportunities in logistics, IT, and seller-buyer platforms to integrate into a vast e-commerce network.

▪ ONDC Initiatives for Awareness:

- ONDC is conducting workshops with industry associations like **Federation of Indian Chambers of Commerce & Industry (FICCI)** to educate small businesses.
- ONDC collaborates with **Bhashini** to enhance app development and e-commerce in Indic languages.
 - The "**ONDC Sahayak**" **WhatsApp Bot** provides information in 5 languages.

- **Achievements of ONDC:** ONDC has successfully piloted in cities like **Bengaluru and Delhi**, with the **Department of Food and Public Distribution** launching a **Fair Price Shop** pilot in Himachal Pradesh.

- Initially starting with **Food and beverage (F&B)** and Grocery, ONDC has expanded to categories like Mobility, Fashion, Health, and B2B.
- As of January 2024, it covers **over 616 cities**, **broadening its geographical reach**.



- **Awards and Recognition:** In 2024, ONDC received "**Application of Emerging Technologies for providing Citizen Centric Services**" at the National Awards for e-Governance and it was recognized as the "**Start-up of the Year**" at the **14th India Digital Awards (IDA)**.
 - In 2023, ONDC was recognized as the "**FinTech Company of the Year**" at the **Global Fintech Awards**.

UPSC Civil Services Examination, Previous Year Question (PYQ)

Prelims

Q. With reference to 'Quality Council of India (QCI)', consider the following statements: (2017)

1. QCI was set up jointly by the Government of India and the Indian Industry.

2. Chairman of QCI is appointed by the Prime Minister on the recommendations of the industry to the Government.

Which of the above statements is/are correct?

- (a) 1 only
- (b) 2 only
- (c) Both 1 and 2
- (d) Neither 1 nor 2

Ans c

Q. Consider the following: (2022)

- 1. Aarogya Setu
- 2. CoWIN
- 3. DigiLocker
- 4. DIKSHA

Which of the above are built on top of open-source digital platforms?

- (a) 1 and 2 only
- (b) 2, 3 and 4 only
- (c) 1, 3 and 4 only
- (d) 1, 2, 3 and 4

Ans: (d)

PDF Reference URL: <https://www.drishtiias.com/printpdf/3-years-of-open-network-for-digital-commerce>