Govt to pilot-launch e-com network in Apr

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A small-scale implementation of the government's ambitious Open Network for Digital Commerce (ONDC) will be rolled out across two cities by April to see how the technology-enabled infrastructure works before it is officially launched.

Spearheaded by the Department for Promotion of Industry and Internal Trade (DPIIT), ONDC is a Unified Payments Interface (UPI) equivalent but for the e-commerce space.

"We have two pilot (launches) coming up in two different cities in the country– one probably in the north and one in the south. We will onboard local retailers and buyers on the platform and see how it works," Anil Agrawal, additional secretary at the industry department, told *Business Standard*.

Officials believe that ONDC has already a lot of interest among a lot of startups who are willing to join the network. As of now, more than 50 players, including top digital payment providers such as PhonePe, Paytm, tech start-ups GoFrugal, among others, are looking at integrating with ONDC, officials aware of the matter said.

ONDC goes beyond the current platform-centric models where a buyer and seller will have to use the same application. It aims to reduce the cost of doing business, benefit small, traditional retailers, while curbing digital monopolies. It aims to empower merchants and consumers by breaking silos to form a single network to drive innovation and scale, transforming all businesses from retail goods, food to mobility.

Over the next six months, the aim is to institutionalise ONDC as a private, not-for-profit company that was incorporated on December 31. However, the company is yet to commence its business.

Meanwhile, Department for Promotion of Industry and Internal Trade Secretary Anurag Jain said that while ONDC can be another disruptive change, there is a need to reach out to retailers and help them understand the benefits of this platform.

Jain was speaking at one of the sessions in the Start-up India Innovation Week.

"Three important things in ONDC are dynamic pricing, inventory management, and optimisation of delivery cost. All these facilities will actually reduce the cost of doing business for everybody," he said, pointing out that so far only bigger players are able to take advantage of e-commerce and small traders are still out of it.