Draft “New e-Commerce Policy”

What is the issue?

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- Inter-ministerial task force constituted to evolve a “new e-commerce policy” has submitted its report to the government.
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- The policy will seek to define e-commerce, strengthen FDI laws in the sector, address regulatory and competition issues and customer concerns.
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What are the expected tenets of the policy?

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- **Overall -** The policy will seek to define e-commerce, strengthen FDI laws in the sector, address regulatory and competition issues.
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- It will also focus on consumer interests, including data protection and privacy.
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- **Data privacy -** The task force has recommended the local storage of data generated by users in India from various sources.
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- Data sources include e-commerce platforms, social media and search engines.
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- The policy is likely to tow a nuanced approach on data localisation in order to balance the free flow of businesses with privacy concerns.
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- **Structures -** Development of a suitable framework for sharing the data within the country has also been recommended.
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- An online grievance redressal mechanism is also on the cards and division of powers between the Centre and States is being worked out.
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- Further, a single central e-com regulator is also likely to be established on

the lines of the Telecom Regulator TRAI.
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- **Competition -** The draft policy has recommends tightening the scrutiny of mergers & acquisitions in the sector.
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- Further, it also seeks to ensure fairness in the market place and prevent predatory pricing by imbibing aspects of competition principles.
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How does the future look?

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- India’s e-commerce market, currently valued at about $ 27 billion, is one of the fastest growing in the world.
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- A comprehensive e-commerce policy would encourage further investments in the sector that has immense potential for growth.
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- A clear policy framework would also help in taking a well-informed stand on issues concerning e-commerce at global forums.
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- Notably, India is under immense international pressure to start negotiations for liberalising the Indian e-commerce sector.
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Source: Business Line

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