

AIOVA SELLERS ASSOCIATION

ALL INDIA ONLINE VENDORS ASSOCIATION
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To
The Office of,
Cabinet Secretary,
Government of India.

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Commerce Minister,
Commerce Secretary,
DPIIT Secretary

Subject : Everyone wants to protect sellers and claim to protect sellers but nobody is talking to sellers

Dear Sir,

We are All India Online Vendors Association, a group representing more than 3500 sellers selling on ecommerce marketplaces.

Our constituents are the largest stakeholders who will be affected by any policy changes or reforms in the ecommerce sector.

If looked at carefully, the sector has evolved as an industry providing service to our constituents.

Our constituents have contributed thousands of crores in indirect taxes directly and equivalent amount indirectly by generating business for ancillaries like ecommerce marketplaces, IT companies, logistic companies, payment enablers and many other intermediaries. Due to ecommerce selling and also generated direct employment of 3 humans per seller and indirect job creation for 10 humans per seller.

Our sector has a potential of creating a 100 Billion Dollar industry over the next 5 years with a major pie being generated from cross border retail trade of goods.

The Commerce Ministry has claimed to hold discussions regarding formulating a policy for the ecommerce industry in India. A leaked copy of the draft policy is already in public circulation.

Ironically the draft puts a condition on “operators to ensure equal treatment to all sellers registered on their platforms” and “manage its relation with the sellers in an agnostic and impartial manner” while the department and government has ignored the cry of our industry since past many years on specific complaints and evidence of violation of these principles.

The departments also repeatedly take at face value ecommerce platform operators fake claim affirming to the above principles. Despite a recent news report exposing internal documents of one such operator, the operator also claims publicly that they are neutral and impartial.

The former is showing its intention of protecting interests of our constituents, the latter is claiming to be protecting the same however none of them are engaging in discussions with us. This shows hypocrisy and farce which we have regularly exposed publicly through documentary evidences and legal petitions.

Such discussions are not new and have been conducted since 2017 in multiple ways and methods. Many draft policies have been abandoned and many committees changed. However, none of the constructive suggestions have been implemented in absence of intent.

We would like to draw your attention to the United States Congressional Committee of Justice investigations and reports on conduct of E-Commerce players in USA and the reforms proposed by them. It is surprising that when USA where the current players are domestic and there is no policy for foreign players is acknowledging a problem and bringing solution to that problem, our officers are proposing legalizing a hybrid model of a market in which the market operator also acts as a participant in the market. **The conduct of the officers fairly seems to conclude that they are acting independent to the demand of the internal market and**

its participants and are their thought process is highly influenced by external sources.

We humbly write to you today regarding the exclusion of our organization and constituents from any discussion related to our industry being held by the Government of India through the Ministry of Commerce and Department of Planning, Investment and Internal Trade who have been allocated Ecommerce, Retail and Internal Trade as per Rules of Allocation of Business.

Our organization has at multiple times requested to be made a part of these discussions and we have also sent in comments on an earlier policy in pursuit of a public invitation of comments by the concerned department.

In past, our letters to various higher authorities have always been forwarded to DPIIT which has sat on our letters and internally decided not to engage with our organization.

Our request for meeting with officers and ministry of Commerce has also been rejected and unanswered.

We would like to inform you that Competition Commission of India had held a detailed study on ecommerce market in July 2019 and had suo moto sought our inputs on the same. Our relevant inputs were mentioned in their eventual report released in January 2020.

We pray to your good office to intervene in this situation and compel the offices in charge of our industry to not hold any discussions which do not have inputs or participation from our fraternity whose livelihoods and survival depends entirely on the decisions being taken by the closed group of individuals and officers conducting the entire exercise which has resulted in unnatural gain of market size for certain violating entities due to absence of policy and potential flawed policy.

We reiterate the below paragraphs from our earlier letter to Joint Secretary Commerce Ministry -

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We make it clear through this letter and past letters that we are disappointed with this Ministry for not having included us in the policy

discussions and for neglecting our issues due to which the growth of our industry has been transferred to the hands of a few individuals and has hampered the overall growth of the industry which was supposed to be a USD 45 Billion Industry in 2017 against the current estimate of USD 20 Billion.

We are further disappointed that the government is looking at this sector only with the focus of FDI and Retail and ignoring the potential of e-marketplaces of goods to be an economic powerhouse like our stock markets.

We hope that some changes are brought into our industry through the efforts of the commerce ministry which have gained pace in the last 6 months. We hope the pace is driven through positive thinking and maintaining a balanced approach.

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Looking forward to a positive future.
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Thanking you.
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