Open Network for Digital Commerce (ONDC)

July 7, 2021
In news

The Ministry of Commerce and Industry has initiated a project on Open Network for Digital Commerce (ONDC).

About Open Network for Digital Commerce (ONDC)

- It is an initiative of the Department for Promotion of Industry and Internal Trade (DPIIT) under the Ministry of Commerce.
- The task has been assigned to the Quality Council of India (QCI).
- ONDC **aims at promoting open networks developed on open sourced methodology**, using open specifications and open network protocols independent of any specific platform.
- It is also aimed at **curbing "digital monopolies'**.
- ONDC is **expected to digitize the entire value chain, standardize operations, promote inclusion of suppliers,** derive efficiencies in logistics and enhance value for consumers.
- This is a step in the direction of making e-commerce processes open source, thus creating a platform that can be utilised by all online retailers.
- ONDC is envisioned to bring together all of India's e-commerce marketplaces on a single network and empower India's digital revolution.
- As UPI is for the digital payment domain, and as HTTP is for data communication on the World Wide Web, the ONDC is intended to become the same for e-commerce in India.

What processes are expecting to be open-sourced with this project?

Several operational aspects including onboarding of sellers, vendor discovery, price discovery and product cataloguing could be made open source on the lines of Unified Payments Interface (UPI)

Advisory council

An advisory council has been constituted to advise the Government on measures needed to design and accelerate adoption of ONDC. The members of the Advisory council will be:

- Shri R.S. Sharma, CEO, National Health Authority
- Shri Nandan M. Nilekani, non-executive Chairman of Infosys
- Chairman, QCI and Capacity Building Commission
- Founder & Chairperson, Avaana Capital
- Co-founder & Head, Digital India Foundation
- MD & CEO, NPCI
- MD & CEO, NSDL
- Secretary-General, CAIT
- CEO, RAI.

Significance

Making a software or a process open-source means that the code or the steps of that process is made available freely for others to use, redistribute and modify it.

If the ONDC gets implemented and mandated, it would mean that all e-commerce companies will have to operate using the same processes. This could give a huge booster shot to smaller online retailers and new entrants.