



For immediate release

## **Direct Selling market stands at INR 79,583 million: IDSA-PHD Annual Survey Report**

- The Direct Selling Industry has registered a growth rate of 6.5% in 2014-15
- The Southern region holds 23% share in 2014-15
- Wellness/healthcare products continues to lead with 42% share in Total Sales Turnover

### **Hyderabad, 10<sup>th</sup>December 2015:**

**Indian Direct Selling Association (IDSA)** in association with **PHD Chamber of Commerce and Industry** released Annual Survey Report 2014-15 on the Indian Direct Selling Industry today in Hyderabad. The gross sales by the Direct Selling Industry stands at INR 79,583 million in 2014-15 as against INR 74,722 million in 2013-14. The Direct Selling Industry has registered a growth rate of about 6.5% in 2014-15 as compared to 4.3% in 2013-14, informed **Mr. Abhishek Kumar, Manager-Corporate Communication, IDSA.**

The survey report was unveiled by **Mr. Rajat Banerji**, Chairman and **Mr. Vivek Katoch**, Treasurer of IDSA along with **Dr. SP Sharma**, Chief Economist, PHD Chamber, **Mr. Bejon Misra**, International Consumer Policy Expert, **Mr. Anil Reddy Vennam**, President, Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry and **M. Venkateshwarlu**, President, Telangana Chambers of Commerce and Industry.

**Mr. Vivek Katoch** highlighted that the Southern Region contribution has been around INR 18,304 million in 2014-15. This region holds 23% share to gross sales of the industry in 2014-15 as against 25% in 2013-14. **Mr. Rajat Banerji** expressed concern over the growth of the region, which stood at (-) 1.8% in 2014-15 as against (-) 13.3% in 2013-14.

**Mr. Vivek** also informed that Direct Selling industry has been making steady growth over the years making significant contribution to exchequer. He highlighted the contribution of the Industry among the lives of millions of people associated. Rajat also pointed out that due to lack of regulatory framework and some unfortunate incidents in the country, the Industry has witnessed a decline in the number of Direct Sellers from 43,83,287 in 2013-14 to 39,29,105 in 2014-15. However, the industry still has witnessed growth, which proves that this distribution model is gaining popularity among the consumers.



The survey highlighted that the Northern region has contributed around INR 23,875 million to the gross sales in 2014-15, scripting marginal increase in share to gross sales at 30% in 2014-15 from 29% in 2013-14. It has also registered a growth rate of 10% in 2014-15 as against 12.2% in 2013-14.

The Eastern and North-Eastern regions have contributed around INR 14,325 and 10,346 million respectively to the gross sales in 2014-15. The Eastern region share in gross revenue stands at 18% in 2014-15 whereas North East accounted for 13% of the pie.

The Western region has contributed around INR 12,733 million in 2014-15. The region's share in gross revenue stands at 16% in 2014-15 and registered no change against 2013-14. It has registered a growth rate of 6.4% in 2014-15 as against 11.4% in 2013-14.

**Mr. Bejon Misra** "Consumer is the king and Direct Selling is a great option for them. Direct Selling is a viable sales distribution channel. However, in the wake of some unfortunate events, where consumers have been duped of their hard earned, it is pertinent to protect the interest of the consumers. This can happen by giving appropriate recognition to the Industry and bringing regulatory clarity.

**Dr. S.P. Sharma, Chief Economist, PHD Chamber of Commerce and Industry,** The total tax paid by the IDSA Direct Selling Entities (member) amounts to INR 11,715 million in 2014-15 as against INR 10,631 million in 2013-14. The tax paid as reported by the IDSA Direct Selling Entities (member) has increased to 10.2% in 2014-15 over 2013-14. The direct taxes have increased to INR 3,550 million in 2014-15 from INR 3,179 million in 2013-14. While indirect taxes have scaled up to INR 8,165 million in 2014-15 from INR 7,452 million in 2013-14.

Direct Selling Industry has registered a modest recovery in 2014-15 as compared to the previous year. **Dr. S P Sharma** added that on the basis of growth perceptions of the Direct Selling Entities, the industry has the potential to enter double digit growth, going ahead, on account of strong legislation, reviving investments in economy and expanding consumer base across all segments of the economy. According to the survey, the industry is estimated to reach up to INR 2,36,543 million by 2019-20 on account of conducive policy framework in our country.

IDSA in collaboration with PHD Chamber, as an ongoing process, has benchmarked monitoring of the Direct Selling Industry in India. These statistics are one of the imperatives from World Federation of Direct Selling Association (WFDSA).



**About IDSA:** Incorporated in 1996 and headquartered in Delhi, IDSA strives to create an environment conducive to the growth of Direct Selling Industry in India, partnering Industry and government alike through advisory and consultative activities. IDSA is affiliated to World Federation of Direct Selling Association established in 1978, which has 60 Direct Selling Associations across the world as its members. WFDSA is a non-government voluntary organization, representing Direct Selling Industry globally as a federation worldwide. It is reported that worldwide retail sales is USD 178,521 million through the activities of more than 96,257,679 independent sales consultants as per the latest WFDSA Statistical Report.

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