



For Immediate Release

IDS A & FICCI come together to Stimulate Policy Framework for Direct Selling Industry

MARK 'E' DIR : An initiative to protect and strengthen the potential of Direct Selling Industry in India

New Delhi, 17th April 2013: To stimulate the policy framework for Direct Selling Industry in India, Federation of Indian Chambers of Commerce and Industry (FICCI), Indian Direct Selling Association (IDSA) & World Federation of Direct Selling Association (WFDSA) organized a conference on “**MARK 'E' DIR – “BRINGING MARKET TO CONSUMER”** today at FICCI Federation House, New Delhi. The Indian direct selling industry started harnessing potential in 2009 while gathering speed in 2010 wherein it has expanded its horizons in 2011 and finally beating the economic slowdown in 2012, notching up remarkable double digit growth over the last couple of years and has reached a turnover of INR 6,385 Crore in 2011-12.

The event was inaugurated by **Shri Pankaj Agrawala**, Secretary, Dept. Of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution and guest of honour were **Shri Prem Narain**, Secretary, Ministry of Women & Child Development, and **Shri Alok Nigam**, Joint Secretary, Ministry of Finance. Various stakeholders of the industry have agreed to participate in the event.

Shri Pankaj Agrawala, Secretary, Dept. Of Consumer Affairs, Ministry of Consumer Affairs, Food & Public Distribution congratulated FICCI, IDSA and WFDSA for organising this event. He said that we support the Direct Selling Industry and the ministry would emphasize on encompassing the aspects of Money Back Guarantee, Cooling off period and return policies especially in this service sector so that there will be credibility in the market. As this industry provides huge employment opportunity for women and we are looking to address the concern of the industry.”

Siddharth Birla, Senior Vice-President, FICCI said, “With economic development and growing consumerism, the retail and FMCG sector in India also underwent significant changes. Various store and non-store retail formats have evolved to cater to this growing market and direct selling is one such non-store retail format OR we can say it is an alternative channel to distribute various Fast Moving Consumer Goods and also some services to the consumer. This industry is even more important as 70% work force involved in women.”

Mr. Didar Singh, Secretary General, FICCI said, “In order to provide a platform to discuss the opportunities and challenges that Direct Selling sector faces, we have partnered with a World Body i.e World Federation of Direct Selling Association (WFDSA) and their Indian chapter i.e. Indian Direct Selling Association (IDSA) who have been working as the fore front towards legislative framework for direct selling industry. As an initiative and being a premier chambers of commerce in India, FICCI has formed a direct selling sub-committee under the aegis of FMCG Committee”

Amarnath Sengupta, Chairman IDSA said, “Indian Direct Selling Association (IDSA) have been continuously advocating with the Govt. of India since last many years and we as an industry body

association would want to emphasize on separate regulation that should govern this industry. The pyramid schemes and the modes of operation of fraudulent players change frequently and dupes the consumers at large, it may be easier to lay down the procedures for identification of legitimate direct selling companies. Such procedures can be drawn up carefully by studying the code of conduct for direct selling companies across the world. The industry has brought various benefits to the society like employment for non-

technical workforce, education, empowerment and higher contribution to exchequer by widening the tax net. This event will help in addressing these challenges and will provide a roadmap for the industry to grow and contribute top Nation & Society.”

Ms. Chavi Hemanth, Secretary General of IDSA said, “I feel proud that Direct Selling Industry has reached a turnover of INR 6,385 Crore in 2011-12. Industry is estimated to scale upto INR 10,844 Crore by 2015 and hopefully reaching to INR 34,000 Crore by 2020. In India, the direct selling is still evolving. Global best practices which have been shared today by the eminent panellists can be taken into consideration while designing a regulation for direct selling in India. The focus of regulation should be to identify which practices are fraudulent and it should lay down certain specifications, particularly for the protection of consumers purchasing products through direct selling so that the consumers are not duped.” She stressed that the need of the hour is definitional and operational clarity followed by separate law and exclusion from Prize Chits and Money Circulation Scheme (Banning) Act 1978.”

Tamuna Gabilaia, Executive Director, WFDSA said, “WFDSA’s mission is to build understanding and support formation of policy framework for direct selling in all countries. We are very keen and would love to work very closely with Indian Government towards formulation for policy framework in India as well.”

She also emphasized on the adherence to the code of ethics for direct selling companies while stating that “WFDSA also advocates policies that allow governments to regulate the industry in ways that protect those individuals who invest in direct selling opportunities and consumers who purchase goods and services from direct sellers.”

Ms. Shilpa Gupta, Head-Retail, FICCI said, “India's direct selling industry, where products are sold directly to customers rather than through retail shops, is fast emerging as a viable career option for women, empowering them to be independent. It enables them to get self-employed by using their networking techniques to sell the product. This industry enables women to be financially independent and supplement the family income.”

Dr. Bibek Debroy, Indian Economist and Chief Economic Consultant FICCI said, “Policy and legislation that do not adequately understand the nuances of any industry have the potential of not only adversely impacting that industry, but other complementary upstream and downstream industries as well. Direct sales and multi-level-marketing are all being in inadvertently bracketed with pyramid and Ponzy schemes; consequently consumer protection considerations are being imposed on perfectly legitimate and beneficial economic activities with significant positive externalities.”

This event was first of its kind involving participation from various International Organizations like World Federation of Direct Selling Association (WFDSA), DSA Malaysia and DSA Australia etc which came together to apprise all the stakeholders on the potential, legitimacy and way forward for Direct Selling Business look forward to a favorable response.

Other key speakers from the industry were Ms. Tamuna Gabilaia, Executive Director, World Federation of Direct Selling Association, Mr. Richard Holwill, Global Vice President- Public Policy, Amway, Mr. John P. Venardos, Senior Vice President, Worldwide Regulatory, Government & Industry Affairs, Herbalife, Ms.

Michaela Beltcheva, Advisor, Former VP-Government and Legal Affairs at Oriflame, Mr. John Kramer, VP International Govt. Affairs, Johnson & Johnson, Mr. P.A. Joseph, secretary, INTUC All-India committee and were also present at the event.

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