



Indian Direct Selling Industry Gross Sales stand at INR 83,085 million in 2015-16, Witnesses a 4.4% growth

- India's ranking in terms of size of the sector improved from 22nd in 2014-2015 to 20th in 2015-2016
- The Northern region has contributed the highest that stands around INR 24,926 million to the gross sales in 2015-16
- Lifestyle, wellness and healthcare products contribute to 43% of the gross sales followed by Beauty/cosmetics and personal care products
- The Industry is poised to reach up to INR 2,58,261 million by 2024-25

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Indian Direct Selling Association (IDSA) in association with **PHD Chamber of Commerce and Industry** released **Annual Survey Report 2015-16** on the Indian Direct Selling Industry today in New Delhi. According to the survey, India's ranking in terms of size of the sector improved from 22nd in 2014-2015 to 20th in 2015-2016. The gross sales by the Indian Direct Selling Industry stands at INR 83,085 million in 2015-16 as against INR 79,583 million in 2014-15, INR 74,722 million in 2013-14 and INR 71,641 million in 2012-13. The Direct Selling Industry has registered a growth rate of 4.4% in 2015-16 as compared 6.5% in 2014-15.

The survey report that was unveiled by **Ms. Madhulika P. Sukul, Additional Secretary at the Department of Consumer Affairs** along with, Mr. Bejon Misra, International Consumer Policy Expert, Mr. Praveen Khandelwal, Secretary General, Confederation of All India Traders (CAIT), Mr. Jitendra Jagota, Chairman, IDSA, Mr. Vivek Katoch, Vice-Chairman, IDSA, and Mr. Amit Chadha, Secretary General, IDSA.

Ms. Madhulika Sukul commented, "Direct Selling has become one of the most operative and competent channel of distribution in meeting demands of the consumers. Although, Direct Selling stakeholders are facing concerns over certain issues, the introduction of Direct Selling Guidelines by the Central Government has provided much awaited interim relief to these stakeholders. We believe that this would strengthen the trust and confidence of the Direct Selling Industry and will also boost the growth of Direct Selling in the coming times."

Dr. S.P. Sharma, Chief Economist, PHD Chamber of Commerce and Industry informed that According to the Survey Report, the total tax paid by the IDSA Direct Selling Member Companies amounted to INR 12,583 million in 2015-16 as compared to INR 11,715 million in 2014-15, registering an increase of 7.4% as compared to 2014-15. The direct taxes have increased to INR 3,875 million in 2015-16 as against INR 3,550 million in 2014-15. While indirect taxes have scaled up to INR 8,708 million in 2015-16 from INR 8,165 million in 2014-15.

Dr. Sharma added that though the Industry has registered a decline in growth rate 2015-15 as compared to the previous year, the situation is expected to improve, especially after the Central Government issued the Direct Selling Guidelines 2016. These Guidelines will give the much-needed impetus to the Direct Selling Industry having 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.

The survey revealed that the Northern region contributed around INR 24,926 million to the gross sales in 2015-16. The region has contributed share of 30% to gross sales in 2015-16 and has registered growth rate of about 4.4% in 2015-16 as against 10% in 2014-15. Eastern region contributed around INR 15,786 million to the gross sales in 2015-16. The share of Eastern region to gross sales has increased to 19% in 2015-16 and has registered a growth rate of 10.2% in 2015-16 as against 6.5% in 2014-15.

The North- Eastern region has contributed around INR 10,801 million in 2015-16. The North- Eastern region share to gross sales as remained same at 13% in 2015-16 and 2014-15. The region has exhibited a growth rate of 4.43% in 2015-16.



The Western region has contributed around INR 14,124 million in 2015-16. The Southern region has contributed around INR 17,448 million in 2015-16. The region holds second highest share in India's gross sales of Direct Selling in 2015-16. About 21% share to gross sales of the industry is contributed in 2015-16 as against 23% in 2014-15. However, the region witnessed a 4.6% decline in sales in 2015-16 as compared to FY'2014-15.

Mr. Jitendra Jagota informed, "Direct Selling has been contributing significantly to socio-economic development of the nation with regards to generating enormous self-employment opportunities, providing a source of earning supplementary income, encouraging entrepreneurship, empowering women, imparting skill through various training programmes and encouraging growth of MSMEs sector. The Industry is poised towards further growth while being focused to provide high-quality products to its consumers. At the same time, the Industry will also look to further strengthen its already existing sales-force.

The survey also disclosed that due to rising inclination towards healthy lifestyle, wellness & healthcare products have been in demand significantly. As a result, it has contributed the largest share to the gross sales of the organised Direct Selling Industry at 43%, followed by beauty/cosmetics and personal care (35%), home ware and home improvements products (12%), consumer and household durables (6%) and others including food and beverages, agricultural products, ayurveda products, educational products, utilities, promotional items, plant growth promoters, etc (4%).

Consumer policy expert, **Mr. Bejon Mishra** stated "Direct Selling is great option for consumers, who are always looking for options and hence cannot be denied choices. Direct Selling also enables the consumers to have a look and feel of the products before deciding to buy the same. And with companies offering buy-back guarantee, the consumers remain even more assured about their purchase. However, in the wake of some unfortunate incidents of fraudulent players duping money from the consumers and to ensure consumer gets the choicest products, consumer protection has to come at the forefront to clear all ambiguities, to make consumer the king for today and forever.

. According to the survey, Direct Selling Industry is estimated to reach up to INR 2,58,261 million by 2024-25 on account of supportive policy framework, , expanding consumer base, widening acceptance and awareness about Direct Selling in our country. It may be mentioned that during the last eight years, Industry has shown 12.13% CAGR.

Mr. Amit Chadha said that the Industry has received a 'shot-in-the-arm' in form of the Direct Selling Guidelines 2016. These Guidelines has not only given a definitional clarity to the Industry but has further created a 'strong' identity for the Industry. We are hopeful that in the coming years, the Direct Selling Industry will witness a multi-fold increase in its consumer base and sales force. And with the Indian economy witnessing burgeoning income, urbanisation implementation of various socio-economic reforms along with favourable policy environment would boost the growth momentum of Direct Selling in the coming times."

Direct Selling, as a business model, provides plethora of opportunities of engaging friends and peers to build a strong network of sellers. Those who work hard, make the best of Direct Selling by gaining monetary benefit and successful career. Moreover, those who do not succeed in business by making profit margins may still succeed in knowledge gained, experiences that are valuable and a new belief in one's ability to achieve more of their human potential.

Mr. Vivek Katoch, thanked the Department of Consumer Affairs, Government of India for bringing the Direct Selling Industry under the ambit of Ministry of Consumer Affairs, Food and Public Distribution by the way of 'Model Guidelines.' He also thanked all the stakeholders and IDSA member companies for their relentless support to the Association and the Industry as a whole.

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.