

AP CM assures the direct selling industry to create regulatory framework

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New Delhi, Nov 5 (KNN) Andhra Pradesh Chief Minister N Chandrababu Naidu has assured the industry to address the need of creating a regulatory framework for the direct selling in the greater advantage of the industry players as well as the national economy as a whole.

A FICCI delegation consisting of key industry leaders, Government officials and FICCI representatives on Wednesday met at Andhra Bhawan in the national capital and presented him FICCI's 'Direct Selling report on Andhra Pradesh and Telangana'.

While releasing the report Naidu stated about the importance of the Self Help Groups (SHGs) as like 'Dokra' for the growing importance of women empowerment in the society. This sector in particular, has a major chunk of women retailers working independently.

According to the report, the direct selling industry has the potential to attain a market size of Rs 50 billion in Andhra Pradesh and Telangana itself by 2025, driven by growth in the consumer **MARKETS** and an increase in the penetration of direct selling to globally comparable levels.

"This is likely to have a cascading effect on the socio-economic parameters, along with attracting commensurate capital **INVESTMENTS** in manufacturing as well as technology acquisition," the report highlighted.

According to the key findings of the FICCI-KPMG report - There is a need to revisit laws and bring regulatory clarity on direct selling; The sector has the potential to engage over 0.8 million women as direct sellers in Andhra Pradesh and Telangana states by the year 2025; The sector's revenue contribution to the state governments revenue is expected to reach Rs 4.5 to 5 billion by 2025.

The report further highlighted the need to bring in regulatory certainty for the industry, which is mistakenly coupled with fraudulent **MONEY** circulation schemes because of a lack of clarity in existing legislations.

It recommended the immediate need to formulate sector specific rules/guidelines and standard operating procedures for law enforcement agencies, followed by an amendment in the governing legislation and a clear definition of direct selling, giving it a dedicated industry status, as well as enactment of a thorough sector specific legislation and recognition of the Ministry of Consumer Affairs as a nodal ministry for the industry thereafter.

The delegation also **COMMUNICATED** the need for clarity on the legislations governing this vital sector, so that not only the industry grows in the state but also "fly-by-night operators" and scams can be checked effectively. **(KNN Bureau)**

<http://www.knnindia.co.in/states/ap-cm-assures-the-direct-selling-industry-to-create-regulatory-framework-/32-12283.go>