



News: Special Stories

TS Govt to come up with new policy for Direct Selling

Hyderabad, Dec 10 (INN): 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 here on Thursday.

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 Rajat Banerji, Chairman, IDSA

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

President, Telangana Chambers of Commerce and Industry.

Civil Supplies Commissioner Dr. Rajat Kumar said that Direct Selling was an area with huge potential. It is due to lack of clarity in law we haven't had faster growth. However it has addressed the issues of employment and gender to a great extent as 60 percent of the self employed direct sellers are women. Thus the industry has contributed significantly to women empowerment, skill development and make in India.

Dr. Rajat Kumar also felt that lack of policy framework that governs the industry has become a bane for the industry. Confusion of definition etc have actually killed the golden goose. You need to engage with the government, he said. Hyderabad has been a big center for Direct Selling, but, it slipped somewhere. The Telangana Government will come up with forward looking, progressive policy. We have been discussing among the government to come out very soon, may be in next six months a clear cut guidelines and policy frame work on Direct Selling in the Telangana state he said

Vivek Katoch, Treasurer, IDSA 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. 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.

M. Venkateshwarlu, President, Telangana Chambers of Commerce and Industry, The government of Telangana is very optimistic about its prosperity and taking adequate measures in formulating guidelines for the development of this activity which makes its own contributes to MSME sector, the backbone of the country's economy.

Anil Reddy Vennam, President, Federation of Telangana and Andhra Pradesh Chambers of Commerce & Industry said, There is demand from the Industry Associates to bring about regulatory clarity to build an environment of trust in order to reap multiple benefits that the industry has to offer.

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.

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).

http://www.telugupeople.com/news/article_00100865_TS_Govt_to_come_up_with_new_policy_for_Direct_Selling.asp