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Amazon joins ONDC, the e-commerce network that plans to challenge the giant itself

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By: [ENS Economic Bureau](#)

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“This will be Amazon’s initial collaboration with ONDC as we continue to explore other potential opportunities for stronger integration between the two in future,” the company said.

Amazon has announced that it will join the Indian government’s ONDC (Open Network for Digital Commerce) platform, a government-backed project aimed at enabling small merchants and kirana stores in parts of the country to access processes and technologies typically deployed by large e-commerce platforms

The development is particularly interesting given that ONDC’s very purpose is to “democratise” e-commerce in India which is largely captured by Amazon and Flipkart. An ONDC strategy paper published last year had flagged the rising dominance of global players in India’s e-commerce ecosystem, pointing out that the large quantum of investment required to build competitors to the integrated solutions offered by the big players has become an entry barrier for digital marketplaces.

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Amazon said that it will integrate its logistics network and its software suite called **SmartCommerce** with ONDC. SmartCommerce is an Amazon Web Services-powered suite of SaaS products that enables MSMEs in India to build and scale their business across digital mediums and will have enablers for onboarding to the ONDC network.

“This will be Amazon’s initial collaboration with ONDC as we continue to explore other potential opportunities for stronger integration between the two in future,” the company said.

“We are happy that Amazon has a definite roadmap to being a part of the ONDC network and is taking its first step in coming in as the logistics partner in the ONDC network which is a globally pioneering idea established with a view to democratise digital commerce in India, and we also hope that the buyer and seller platforms are on-boarded as early as possible,” said T Koshy, MD and CEO of ONDC.

ONDC is to be based on open-sourced methodology, using open specifications and open network protocols independent of any specific platform. It is being developed as a counter to the current duopoly in the Indian e-commerce market which is largely dictated by Amazon and Walmart-owned **Flipkart**.

In May 2022, the Department for Promotion of Industry and Internal Trade (DPIIT) went live with a test run of ONDC in cities like **Delhi-NCR**, Bengaluru, Coimbatore, **Bhopal**, and Shillong where it plans to onboard 150 sellers. In August, **Microsoft** became the first big technology company to join the network with an intention to introduce social e-commerce — group buying experience — in the Indian market.

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A number of other participants are also currently live on the ONDC network, offering a number of services in the e-commerce supply chain such as buying, selling and offering logistics services. Among those that are live are [Paytm](#), which has joined the platform as a buyer, and Reliance-backed Dunzo, which is offering logistics services for hyperlocal deliveries.

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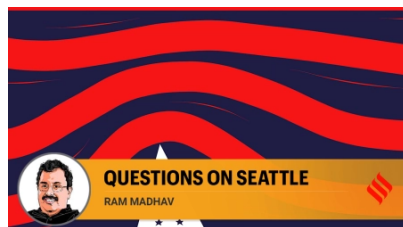
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