**MARKET SIZE**

**SECTOR COMPOSITION**

**KEY TRENDS**

**GOVERNMENT INITIATIVES**

**ADVANTAGE INDIA**

---

**Gross Value Added By E-Commerce Sectors (US$ billion)**

![Gross Value Added By E-Commerce Sectors (US$ billion)](chart)

Note: F – Forecast

**Shares of Various Segments in e-commerce Retail by Value (2020)**

![Shares of Various Segments in e-commerce Retail by Value (2020)](chart)

**Online Retail vs. Total Retail**

![Online Retail vs. Total Retail](chart)

**India’s Smartphone Shipments (million)**

![India’s Smartphone Shipments (million)](chart)

---

**GOVERNMENT INITIATIVES**

- **Advantage India**
  - **Government e-Market Place (GeM)**
  - **National Retail Policy**
  - **Consumer Protection Rules 2020**

---

**Growing demand:** India's e-commerce order volume increased by 36% in the last quarter of 2020, with the personal care, beauty & wellness (PCB&W) segment being the largest beneficiary. Driven by beauty and personal care (BPC), India's live commerce market is expected to reach a gross merchandise value (GMV) of US$ 4-5 billion by 2025. Due to a surge in e-commerce, annual warehousing transactions in the top eight Indian cities will increase to 76.2 million sq. ft. by March 2026, up from 31.7 million sq. ft. in 2021.

- **Increasing investment:** The rise in digital literacy has led to an influx of investment in e-commerce firms, levelling the market for new players to setup their base, while churning out innovative patterns to disrupt old functioning.

- **Policy support:** 100% FDI is allowed in B2B e-commerce. As per the new guidelines on FDI in E-commerce, 100% FDI under automatic route is permitted in the marketplace model of E-commerce.

- **Attractive opportunities:** Despite depressed consumer spending, economic slowdown and uncertainty created due to COVID-19, e-commerce players are expecting strong sales growth in 2021. Online grocery, e-pharmacy and social commerce are expected to see a bulk of the action in 2021.