**E-COMMERCE**

**MARKET SIZE**

**SECTOR COMPOSITION**

**KEY TRENDS**

- **Growing demand:** India’s social commerce has the potential to expand at a CAGR of 55-60% to US$16-20 billion in FY25. Driven by beauty and personal care (BPC), India’s live commerce market is expected to reach a gross merchandise value (GMV) of US$ 4-5 billion by 2025. E-commerce in India is at an all-time high owing to the country’s 830 million internet users 2021.

- **Increasing Investment:** The recent rise in digital literacy has led to an influx of investment in E-commerce firms, levelling the market for new players to set up 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. India’s e-commerce market is expected to reach US$ 350 billion by 2030. India’s e-commerce market is expected to reach US$ 111 billion by 2024 and US$ 200 billion by 2026.

**GOVERNMENT INITIATIVES**

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

**ADVANTAGE INDIA**

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

<table>
<thead>
<tr>
<th>Year</th>
<th>Consumer electronics</th>
<th>Apparels</th>
<th>Food and grocery</th>
<th>Jewellery</th>
<th>Furniture</th>
<th>Others</th>
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<td>2022F</td>
<td>74.80</td>
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<td>2030F</td>
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</tbody>
</table>

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

- Consumer electronics: 40.0%
- Apparels: 40.0%
- Food and grocery: 7.0%
- Jewellery: 7.0%
- Furniture: 4.0%
- Others: 2.0%

**Online Retail vs. Total Retail**

- 2019: 4.7%
- 2024F: 10.7%

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

- 2020: 152.0
- 2021: 169.0