

Assocham cautions against too many curbs in e-commerce space

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Over-regulation of the e-commerce sector could stifle the growth of entrepreneurship, industry body Assocham has said and cautioned micro managing of prices by the government could lead to inspector-raj.

E-commerce and the entire online space is a fledgling area of business with a vast scope for expansion, Assocham secretary general DS Rawat said.

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SCOPE FOR EXPANSION



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ASSOCHAM SECRETARY GENERAL

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An initial draft circulated among stakeholders for discussion to frame a national

e-commerce policy has suggested to introduce a pre-set timeframe for offering differential pricing or deep discounts by e-commerce play-

ers to customers.

The suggestions are part of the strategy to address anti-competitive issues in the e-commerce sector effectively.

"The restriction imposed on e-commerce marketplace, to not directly or indirectly influence the price of goods and services, would be extended to group companies of the e-commerce marketplace.

"A sunset clause, which defines the maximum duration of differential pricing strategies (such as deep discounts) that are implemented by e-commerce platforms to attract consumers, would

be introduced," the draft said.

Mr Rawat said: "Deep discount or no discount is a commercial decision; as long as it is not resorted to in sectors like banking, insurance or other highly sensitive sectors, the decision should be purely commercial".

Besides, he said the deep discount and cash burning should be the prime concern of the promoters, venture capitalists and private equity funds betting on online entrepreneurs.

"Eventually, those with sound business models would survive; there would be churning, which has already started," Mr Rawat said.

ASSOCHAM against e-com over-regulation

PTI ■ HYDERABAD

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"While there should be rules of the game for any trade, over-reach and over-regulation should not be resorted to as it could stifle the growth of entrepreneurship," he told PTI.

An initial draft circulated among stakeholders for discussion to frame a national e-commerce policy has suggested to introduce a pre-set time-frame for offering differential pricing or deep discounts by e-commerce players to customers.

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"Eventually, those with sound business models would survive; there would be churning, which has already started," Rawat said.

"No micro managing of prices or other business practices should be encouraged; or else it could lead to inspector-raj in the cyber and online world as well, he added.

India Inc cautions against over-regulation in e-commerce space

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'No over-regulation of marketplaces'

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