

Andhra CM Naidu releases FICCI–KPMG Report on Direct Selling in Andhra Pradesh and Telangana in New Delhi

- *Direct selling sector has the potential to engage over 0.8 million women sellers in Andhra and Telangana by 2025*
- *Contribution from the industry to the state revenue may reach INR 4.5 to 5 billion by 2025*

New Delhi, 4 November 2015: A FICCI delegation consisting of key Industry leaders, Government officials and FICCI representatives today met the Chief Minister of Andhra Pradesh Shri N. Chandrababu Naidu at Andhra Bhawan in New Delhi. The delegation presented him FICCI's 'Direct Selling report on Andhra Pradesh and Telangana'.

While releasing the report Shri Naidu assured that his Government is keen to address the need of creating a regulatory framework for the direct selling in the greater advantage of the industry players as well as the national economy as a whole. He further stated about the importance of the Self Help Groups (SHGs) as like 'Dokra' for the growing importance of women empowerment in the society. This sector in particular, has a major chunk of women retailers working independently.

Going forward, the direct selling industry has the potential to attain a market size of INR 50 billion in Andhra Pradesh and Telangana itself by 2025, driven by growth in the consumer markets and an increase in the penetration of direct selling to globally comparable levels. This is likely to have a cascading effect on the socio-economic parameters, along with attracting commensurate capital investments in manufacturing as well as technology acquisition.

The key findings of the FICCI-KPMG report are as per below:

- There is a need to revisit laws and bring regulatory clarity on direct selling
- The sector has the potential to engage over 0.8 million women as direct sellers in Andhra Pradesh and Telangana states by the year 2025.
- The sector's revenue contribution to the state governments revenue is expected to reach INR 4.5 to 5 billion by 2025.

The report further highlights the need to bring in regulatory certainty for the industry, which is mistakenly coupled with fraudulent money circulation schemes because of a lack of clarity in existing legislations. It recommends the immediate need to formulate sector specific rules/guidelines and standard operating procedures for law enforcement agencies, followed by an amendment in the governing legislation and a clear definition of direct selling, giving it a dedicated industry status, as well as enactment of a thorough sector specific legislation and recognition of the Ministry of Consumer Affairs as a nodal ministry for the industry thereafter.

The delegation also communicated the need for clarity on the legislations governing this vital sector, so that not only the industry grows in the state but also "fly-by-night operators" and scams can be checked effectively.

The FICCI delegation comprised of Mr. Swaranjit Sen, Former DGP, Andhra Pradesh; Mr. Rajat Wahi, Partner, KPMG; Mr. Vivek Katoch, Director, Corporate Affairs, Oriflame; Mr. Anshu Budhraj, CEO, Amway and Chair FICCI Direct Selling Task Force; Mr. Rajat Banerji, Chairman, Indian Direct Selling Association (IDSA) and Ms. Shilpa Gupta, Head – Retail & FMCG, FICCI.

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