

Global B2C E-Commerce A Timely Opportunity To Grow Exports Post Covid-19

A webinar hosted by the GJEPC on May 1st explored the viability of cross border e-commerce as a medium to grow jewellery exports from India in the post Covid-19 scenario. Joining the session were Rupa Dutta, economic advisor, ministry of commerce & industry, Government of India; Manuj Goyal, director, Pinkcity Group of Companies; Anshuman Harjai, India sales leader, Amazon Global Selling; and Rajesh Neelakanta, ED & CEO, BVC Logistics. The discussion was moderated by Sabyasachi Ray, executive director, GJEPC.

In her opening remarks, Rupa Dutta said, "The idea behind today's webinar is the Government's intention to work on various e-reforms wherein the special focus is on gems and jewellery cross border B2C exports. I am aware about few of the issues pertaining to cross border e-commerce and would like to hear out other speakers to understand the issues and solutions for reducing transaction costs and increase ease of doing business."

The session was attended by 830 unique visitors

The key takeaways from the session:

Cross Border B2C e-commerce is the easiest and most economical way for manufacturers to reach out to consumers directly in various geographies without having any footprint locally in the region.

There are many advantages for sellers and buyers such as: no chance of payment going bad; increased margins due to elimination of middlemen; 24X7 shopping; timely and trackable doorstep delivery; buyers can directly source from the manufacturer; efficient return policy.

The challenges for undertaking cross border e-commerce include: minimum lead time for each shipment for customs clearance is 8 hours; high logistics charges; high bank charges ranging between \$15 and \$35 for each consignment; and no mechanism of handling return consignments.

E-commerce offers high economies of scale, and a low-cost, high-margin business model. For instance, in the US a shipment worth up to \$800 reaches the consumer without any Customs intervention.

There is a huge opportunity at hand for Indian manufacturers to transform their B2B business into a global B2C model. This has the potential to create and save many jobs.

The industry should leverage the current pro-India sentiment and benefit from the rise of e-commerce across all geographies.

In the first phase, the SEZs can be allowed to undertake B2C e-commerce through a new policy framework as they have the ideal condition, not requiring too many process changes. The system can be modified and applied to DTA.

Amazon offers a unified global supply chain that gives jewellery manufacturers direct access to 300 million customers across 180 countries.

In 2019, Amazon clocked \$1 billion in cumulative e-commerce export sales from India, and the company is targeting \$10 billion in exports from India by 2025.

Jewellery is one of Amazon's key focus areas for the Diwali Store on Amazon.com during its Prime Day promotion.

According to some estimates, e-commerce will account for 75% of all trade by 2030.

A key challenge for India is the high custodial charges at various gateway ports, which should be reduced for e-commerce shipments as they are generally of low value around \$2,000.

The common global practise of a 30-day return policy is another sticking point as returns are treated as a fresh import and Customs duty is imposed. India needs to create a 'green channel' for this export type.

The government is in a positive frame of mind and is looking forward to boost e-commerce with the involvement of other stakeholders like DPIIT, CBIC, RBI, DGFT, etc.

On its part the industry must ensure a transparent electronic audit trail of e-commerce transactions to move ahead in this regard.