

COMPETITION COMMISSION OF INDIA

Case No. 68/2012

Dated: 06/03/2013

Mr. Manjit Singh Sachdeva,
East Patel Nagar, New Delhi.

Informant

Director General, Directorate General of Civil Aviation
Government of India, New Delhi

Opposite Party-1

Secretary, Ministry of Civil Aviation
Government of India, New Delhi

Opposite Party-2

Order Under Section 26(2) of the Competition Act, 2002

The informant in this case has approached the Commission alleging that OP-1 and OP-2 being the regulator of Aviation sector have not evolved a pricing policy of air tickets like Indian Railway and State Transport Corporations so as to fix MRP of air fares to be charged from the passengers for service offered by various airlines. Because of this, various airline operators were charging arbitrarily high airfares from the consumers. It is alleged that OP-1 gave an uncalled for liberty to airlines to fix their own fares and thus they were arbitrarily and whimsically fixing air fares from time to time. This was contrary to the known principles of law. He wanted the Commission to intervene and pass an order directing OP-1 & OP-2 to fix MRP for airfares for the regular airlines and for non-frill airlines separately and carry out investigation in this respect, as it may deem fit.

2. The informant in this case has not made any of the airlines as a party to the case, neither it has alleged that there was any abuse of dominance by OP-1 or OP-2. He had made general allegations about liberty being given to airlines for fixing airfares from time to time and as a result of which he alleged that airlines were fixing airfares arbitrarily.

3. The information does not raise any competition issue. The Commission can neither go into the issue of MRP i.e. what should be the MRP for any product or service and fix the MRP, nor the Commission can give direction to the Government of India that it should fix MRP of a service being provided by private entrepreneur. In fact that will be contrary to the spirit of competition law. Today, the forces of demand and supply govern the air fares. Whenever supply is more and demand is less, air fares fall and in lean season the airlines do decrease air fares. It is only when demand is more and supply is less that the airlines venture to increase the air fares. No competition issue has been raised by the informant. The matter deserves to be closed and is hereby closed under section 26(2) of the Competition Act.

4. The Secretary is directed to inform the parties accordingly.

Sd/-
(H.C. Gupta)
Member

Sd/-
(Geeta Gouri)
Member

Sd/-
(Anurag Goel)
Member

Sd/-
(M.L. Tayal)
Member

Sd/-
(Justice S.N. Dhingra) {Retd.}
Member

Sd/-
(Ashok Chawla)
Chairperson