

Keynote Address by Shri Sachin Pilot,
Hon'ble Minister of State (IC) of Corporate Affairs
At
CCI Annual Day Lecture
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Finance minister, Secretary MCA, Chairman CCI, ladies and gentlemen.

It gives me great pleasure to be part of Competition Commission of India's annual day commemoration. As we all know, CCI commenced enforcement of the Act on May 20, 2009 amidst lot of speculation about competition regulation in India. Today, CCI has completed four years of credible and successful enforcement of Competition Act, 2002. CCI has grown by leaps and bounds with every passing year, and has become one of the most important regulatory institutions of the country. I congratulate Chairperson, Members and staff, who are working tirelessly to propagate competitive markets in India.

Annual day is a day to focus upon the targets and outcomes by an institution. It is also the time for introspection

and setting future goals. During the last four years, CCI has continued to focus on detecting anti-competitive practices in the market and on removing various market distortions. Enforcement actions have been undertaken against anticompetitive agreements including cartels, collusive bidding, and abuse of dominant position. On the side of merger review, CCI instituted a fast and transparent review process since 2011. This has gained confidence of business enterprises in India, and has also proved credibility of its merger regime to international community.

Competition is considered a central driver for productivity growth in the economy, and international competitiveness. It also keeps industries sharp and efficient – characteristics which are of great importance in the increasingly global economy. From the perspective of especially less affluent consumers, competition generates considerable savings and increased disposable income. Free and flexible markets allow businesses, which have run the course, to exit and be replaced by more efficient firms. Finally, competitive markets may reduce the need for regulation, which is both expensive and inherently imperfect. Competitive markets are also vital for generating growth and expanding opportunities for poor people. What is very often ignored is the fact that the prevalence of anti-competitive practices in markets hurt the poor disproportionately more as they have to spend a greater proportion of their income on goods and services, and therefore, high prices arising from anti-

competitive practices will have a greater impact on them. Competition Commission's role in making markets competitive through its enforcement actions to check anti-competitive practices and advocacy efforts to spread culture of competition are extremely important.

A competition regime cannot be successful unless it is understood and accepted by the people. For this purpose, it is required that enterprises as well as other stakeholders know about complexities of the statutory provisions of competition law and functioning of CCI in a simple way. The present endeavour of CCI to bring out a book on the Commission and enforcement of competition law is an important step in this direction. It has been a great pleasure to release the book on CCI today, contents of which are designed for the common man to have a quick grasp and understanding of the Commission and its functions in lucid and simple language, so that common man can understand about CCI and easily approach them, whenever needed. I complement the Commission for bringing out this useful publication.

For the first time, Commission has unveiled its vision and Mission 2020 as a step towards that wider vision. Commission's vision to promote and sustain an enabling competition culture through engagement and enforcement, which would inspire businesses to be fair, competitive, and innovative; enhance

consumer welfare; and support economic growth is truly a lofty vision and totally in accordance with mandate given under the competition law.

The Commission's focus on consumer welfare is very apt, as promotion of consumer welfare is the common goal of consumer protection and competition policy. At the root of both, is the recognition of an unequal relationship between the consumers and producers. Even in advanced industrial economies, consumers have fallen victim to domestic and international cartels and other anticompetitive business practices—despite well-developed institutional structures. Therefore, competition in markets needs to be protected and nurtured through a well-designed and effectively implemented competition law competition law and policy. I am happy to note that the Commission is performing its duty well towards the objective of enhancing consumer welfare. Commission through its various orders has given a fillip to consumer welfare from a competition law and policy perspective.

Through its Mission statement, CCI seeks to engage with various stakeholders, which include consumers, industry, government, judiciary, parliamentarians etc. to foster greater understanding and appreciation of the benefits of competition and encourage grassroots ownership and demand for pro-competition policies. I am glad to note that the Commission has

kept up the advocacy initiatives to sensitise all stakeholders through advocacy campaigns, numerous workshops and interactive sessions. Such initiatives are significant for development of competition culture in the economy. It has simultaneously used legal provisions to send a signal that those who violate the cardinal business practice of "*fair play*" will not go unpunished. Given vast size of our country, economic activity at various levels, so many languages, lack of competition in many sectors and so on, CCI has to work tirelessly on advocacy. Commission also needs to strengthen competition awareness amongst market players, thereby encouraging self-compliance and reducing the need for direct action against erring enterprises. The Commission also needs to assume the role of a competition advocate, acting proactively to bring about Government policies that lower barriers to entry, promote de-regulation and trade liberalisation and promote competition in the market place.

CCI is an expert body to deal with the issues relating to enforcement of competition law. Professionalism, transparency, resolve and wisdom in enforcement should be reflected in all the activities of the Commission, either it be the enforcement of the provisions of the Act, advocacy functions of the Commission or even the representation of the Commission at international forums.

Jurisprudence of modern competition law is evolving under the Commission, which would be further shaped by the Competition Appellate Tribunal and the Supreme Court. Thus, Commission bears the responsibility of developing a strong knowledge base for itself and for various stakeholders.

Competition law has got extra-territorial application under the Act. Towards this, the Commission has to engage with the other competition agencies for capacity building and cooperation in enforcement. The MOUs entered with US and Russia are significant efforts put in by CCI. More such MOUs are required. CCI has been active in international forum through its representation by its Chairperson/Members and officers. This representation should grow stronger and CCI should be looked upon as a strong competition agency both in terms of enforcement and evolution of competition law principles at global level.

We do realise that competition is not an objective, but an instrument for achieving wider societal goals. It requires supporting regulation and institutions if it is to work well and have the desired developmental effects. During the last two decades, the Indian economy has been substantially liberalised and vigorous competition in many sectors of the economy is benefiting consumers as well as making market players internationally competitive. While earlier reforms have removed

legal barriers to entry in most of the sectors, barriers to competition which harm innovation, productivity, and growth are pervasive in many sectors. Creating more competition in markets involves breaking down these barriers to competition. These factors make competition policy reforms a very high-priority area for the next phase of economic reforms in the Indian economy. Ministry of Corporate Affairs is tirelessly working towards adoption of National competition Policy so that across sectors and at various levels of government, all policies are assessed on the lens of competition. The introduction of competition assessment into Government policies, laws and regulations has the potential to yield strong economic benefits by identifying areas, where market activity is unduly restricted and suggesting policy alternatives that will continue to meet policy goals while promoting competition as much as is possible.

At the end, I would say that Competition Commission of India has indeed emerged as a strong institution in a short span of time. At the same time, it has a long road ahead. Enforcement is strengthened by an active advocacy, and advocacy cannot be truly effective in the absence of effective enforcement. It is imperative that the CCI successfully prosecutes cases that are widely viewed as beneficial to society, whether they involve destructive cartels, high profile anti-competitive mergers or abusive conduct by notorious dominant firms.

I wish the Commission and its staff all the best in the days and years ahead.