



Competition Commission of India



Department of Consumer Affairs
Government of India



Backgrounder Note

(National Conference on ‘Competition Regime – Benefiting the Consumer’)

Competition is in the interest of common man, says CCI chief

Competition by its very definition means a struggle or contention for superiority, where producers or suppliers of goods or services vie for the custom of the consumer, which means that in a competitive regime, consumer is the king. As described by UK Competition Commission, competition is a “a process of rivalry between firms.....seeking to win customers’ business over time”

“The effective competition regime creates an environment which maximizes the welfare of consumer as well as producer by bringing in the allocative, static and dynamic efficiencies. The objective of Competition Act 2002 is to promote and sustain competition in the markets, in the best interests of the consumer, said Dhanendra Kumar, Chairperson, Competition Commission of India. He mentioned that competition is about giving wider choice to the consumer, in terms of price and quality. Being a continuous process, it leads to continuing innovations, and therefore, dynamically improving his choice. This has been evident from a number of instances, like Telecom, Transport, Civil Aviation, etc. He was speaking at a “meet the press” event in the run-up to a National Conference on “Competition Regime – Benefiting the Consumer” to be held on 20th October 2010 in New Delhi. The Conference



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is being organized jointly by the Competition Commission of India, Department of Consumer Affairs, Government of India and CUTS International, a consumer advocacy group. Its objective is to broad-base the virtues of competition culture by sensitizing consumer groups and other stakeholders on the benefits of competition to the common man as the consumer.

In his remarks, Rakesh Kacker, Additional Secretary, Department of Consumer Affairs said that “competitive markets bring greater choices and affordability to consumers however anti-competitive practices in the market place can mar the benefits”. Consumer organizations in India have been playing a meaningful role to ensure consumer protection under the Consumer Protection Act, 1986 he noted. Further he said that the new Competition Act provides them an effective platform for seeking redressal of anti-competitive practices such as cartels etc. which are not covered elsewhere.

Addressing the media, Pradeep S. Mehta, Secretary General of CUTS International said: “In order to ensure maximum benefits to consumers and businesses, competition must be maintained in the market.” He said that CCI is doing a commendable job in spreading “competition literacy” across the country. However, much more is to be done, particularly raising the awareness of consumer organisations about the benefits that could accrue to average consumers as a result of effective functioning of a modern competition regime. Several path-breaking initiatives by the Department of



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Consumer Affairs, such as the Jago Grahak Jago Campaign, have helped in taking the consumer movement forward to the masses, he added.

This initiative by the three bodies aims at generating awareness that could be helpful for a common person to identify anti-competitive practices in the market place and seek action to rectify the same. Competition in the market place is not only about enhancing consumer welfare but it is also concerned with public interests. The essential aim of an effective competition regime is to ensure that consumers enjoy good quality products at affordable prices.



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Dignitaries who would be speaking at this conference include the Union Law Minister M.Veerappa Moily, Corporate Affairs Minister Salman Khurshid and Minister of State for Consumer Affairs, Food and Public Distribution K. V. Thomas. It will be attended by representatives of consumers and civil society organization from across the country, government, regulators, academia, and media. A book entitled “Why Should Consumers be Interested in a Competition Law & Policy?” written by Pradeep S. Mehta will be released on this occasion.
