

COMPETITION COMMISSION OF INDIA
NATIONAL CONFERENCE ON ECONOMICS OF COMPETITION LAW
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SPECIAL ADDRESS

Respected Dr. Bibek Debroy, Member of Niti Aayog, my colleagues from the Commission and distinguished participants

1. A very good morning to all of you! It's my pleasure to welcome you to this annual national conference on economics of competition law. Like the last four editions, this fifth edition too is an attempt to bring together research and researchers to deliberate on the economic principles underpinning the competition law and to have a robust exchange of insights and perspectives on the appropriate use of economic tools and evidence in antitrust enforcement.

2. As we are all aware that the economy-wide productivity depends on the results achieved by individual firms. And **competition provides the key incentive** for firms to improve economic efficiency. Consumer welfare too depends on the health of competitive rivalry. Hence the need for a legal framework and a competition authority to protect and promote the competitive process in markets.

3. This task, however, is far from simple. There is often **a fine line between good, hard-nosed competition and anticompetitive practices**. Further, competitive struggle means that there would be "winners" and "losers." The competition enforcers' task is not to protect competitors that have fallen by the way side, but to preserve competitive opportunities for efficient enterprises. Doing so means to be able to accurately account for the complexities of different markets and that of seller and buyer behaviour. As enforcers of this law, we must not only understand how the market operates today, but also how it would have operated in the past or is likely to operate in the future both with and without the conduct in question. We also **need to balance anticompetitive effects and efficiencies**. And in all of this, our aim is to reduce the elements of perception and subjectivity. Economic thinking, tools and evidence bring us closer to that objective.

4. As I said, approach to antitrust has to match with the economic realities of the time. For instance, currently the challenge of enforcing in the area of digital platforms presents new issues. The platforms create new competitive environments; How to assess and **balance the short term and long term effects on consumer welfare?** Answer to this question is critical for choosing enforcement priorities and remedies to generate optimal deterrence of anticompetitive conduct while preserving the incentives for innovation, which is becoming a key determinant of overall economic progress.

5. In order to find an answer to this question and with a view to better understand the functioning of e-commerce in India and its implications for markets and competition, the Competition Commission of India launched a **market study in the e-commerce sector** in May of last year. The objective of the study was to engage with industry and ascertain the Commission's enforcement and advocacy priorities in relation to e-commerce, based on a greater clarity on the market developments and emerging competition-barriers, if any.

6. The competition concerns that emerged from the study include the issues of alleged lack of platform neutrality, unfair platform-to-business contract terms, exclusive contracts between online marketplace platforms and sellers/service providers, platform price parity restrictions and deep discounts.

7. Besides, many India centric insights have emanated from the report submitted by the Competition Law Review Committee (CLRC). The CLRC largely found the provisions of the present law sufficient to deal with competition concerns in the digital economy. However, it has suggested certain additional provisions e.g. an enabling provision in combination regime empowering the government to introduce a 'deal value threshold' for notification, in addition to assets & turnover at present. Further, in the interest of speedier resolution of cases, which is particularly critical in the context of fast changing digital markets, the Committee has recommended additional enforcement mechanisms in the form of **Settlement and Commitments**.

8. Our work, in the advocacy ambit, involves exposing more sectors and areas to competition and incentives. We would like to receive ideas and inputs from the sector experts and scholars for meaningful competition advocacy with businesses and government. Here I may mention that with a view to **formalise our engagement with academia**, the Commission has recently built a **Network of Competition Experts** in the country. I am glad that some of these experts are present here at the Conference and I welcome them to the antitrust community. Further, to stimulate research and scholarship focused on antitrust, particularly in the Indian market context, the Commission has decided to bring out a **Journal on competition law and policy** – the first edition is likely to come out in a few months. These steps towards building capacity can help place the antitrust regime in India on a strong intellectual foundation.

9. Before I conclude, I would like to apprise the audience about our **latest advocacy and enforcement initiatives**. Our past experience reveals, that regulatory and policy framework can also inadvertently impede competition. In this regard, I am happy to inform you that currently 17 legislations/ rules/regulations referred to by various Deptts/Ministries are undergoing an assessment from the competition perspective by institutions empanelled by CCI for this purpose. We have also successfully launched a **state resource person scheme** where we have partnered with state governments for creating a competition culture country wide. In a federal set up competition advocacy requires support and a buy in from the state governments and this is a step in that direction.

10. The most recent reform in combination regulations is the introduction of an **automatic approval system under 'Green Channel'**. Parties to the combination now have an option to avail Green Channel by making a declaration that their business activities do not exhibit horizontal, vertical and complementary overlap. Around 30% of the cases notified to us this year are under Green Channel and going forward, we expect this to be the norm for all cases that do not require an investigation. Overall, we are confident that Green Channel would promote a speedy and transparent process for approval of combinations and create a culture of self-compliance.

11. Friends, economics itself is evolving and economists are designing new models of competition which we hope will factor in the real world imperfections and the new digital scenarios. The new learnings will inform our policy choice. The idea behind organising this annual Conference is precisely to familiarise ourselves with new research as also to present before the academia the emerging issues and questions that the competition authorities are grappling with.

12. With these words, I welcome all the paper presenters, experts and participants to this Conference. It's our privilege to have Dr. Bibek Debroy, Chairman, Economic Advisory Council to the Prime Minister, as the Keynote Speaker. An eminent economist and author, Dr. Debroy has made significant contributions to game theory, economics of income and social inequalities, law reforms, railway reforms, to mention a few. He has been a Member of NITI Aayog and is a recipient of Padma Shri. We look forward to hear him today. I wish the Conference all success!