Competition Commission of India

Why in news?

As India marks 75 years of independence, Competition Commission of India reaffirms its commitment to steering India's economic journey towards a future that is competitive, inclusive, and resilient.

What is Competition Commission of India (CCI)?

It is the chief national competition regulator in India

- **Established** - 2003
- **Ministry**- Ministry of Corporate Affairs
- **Statutory body**- CCI has been established to enforce the competition law under ***Competition Act 2002***.
- **Aim**- To establish a competitive environment in the Indian economy by engaging with all stakeholders, the government, and international jurisdiction
- **Raghavan committee**- Based on the recommendations the Monopolies and Restrictive Trade Practices Act, 1969 (MRTP Act) was repealed and replaced by the Competition Act, 2002.
- **Competition (Amendment) Act 2009**- The Competition Appellate Tribunal have been established.
- **Competition Appellate Tribunal**- It is the judicial body that hears and decides appeals against the orders of the CCI.
- **Appellate mechanism**- The government of India replaced Competition Appellate Tribunal (COMPAT) with the National Company Law Appellate Tribunal (NCLAT) in 2017.
- **Composition**- CCI consists of a Chairperson and not more than 6 Members.
- **Appointment-** It is made by the Central Government.

What is the role of Competition Commission of India?

Competition is the best means of ensuring that the 'Common Man' or 'Aam Aadmi' has access to the broadest range of goods and services at the most competitive prices

- **Vision-** To promote and sustain an enabling competition culture through engagement and enforcement that would inspire businesses to be fair, competitive and innovative; enhance consumer welfare; and support economic growth.

- **Mission-** CCI aims to establish a robust competitive environment through
  - Proactive engagement with all stakeholders, including consumers, industry, government and international jurisdictions.
  - Being a knowledge intensive organization with high competence level.
  - Professionalism, transparency, resolve and wisdom in enforcement.
- **Enforcement actions**- They are taken to address potential anti-competitive practices by issuing suitable punitive and remedial solutions.
- **Advocacy measures**- They are undertaken with the stakeholders to foster a culture of competition in the markets and to nudge market participants towards competition compliance.
- **Quasi-judicial body**- It has been entrusted with implementation of law, has always believed in complementing robust enforcement with facilitative advocacy.
- **Promote market freedom**- CCI ensures that no business exploits its 'dominant position' in a market by controlling supply, manipulating purchasing prices, or engaging in tactics preventing other businesses from entering the market.
- **Competition regulator**- CCI is an antitrust watchdog for smaller companies that cannot protect themselves against major enterprises.
- **Business facilitator**-To encourage market participants to engage in fair and constructive competition.
- **Issue warnings**- CCI has the right to issue warnings to companies that export to India if it believes they are distorting competition in India's home market.
- **Provide opinion**- CCI gives opinion on competition concerns in response to a referral from a statutory authority formed under any law and to engage in competition advocacy, raise public awareness, and provide competition training.
- **Collaboration**- CCI ensure communication and collaboration with other economic and regulatory bodies, ensuring that sectoral regulatory legislation and competition laws are in sync.

Key provisions Competition Commission Act 2002
• **Objective**- To remove all impediments to competition among strong groups, whether they be private or public. • **Anti-agreements**- No individual or business shall engage in production, transmission, or supply in a way that would harm competition in India. • **Abuse of dominating position**-It will get deemed an abuse of dominant position if an enterprise or an associated individual is engaging in unfair or discriminatory acts. • **Combinations**- It is described as terms that lead to acquisitions or mergers, CCI will investigate the parties involved if such combinations breach the Act's restrictions. • **Consumer Protection Councils**- To establish the councils at the National level, State level, and District level. • **Gun jumping**- If the combining parties close a notified transaction before the approval, or have consummated a reportable transaction without bringing it to the Commission's knowledge, it is seen as gun-jumping. • **Penalty**- The penalty for gun-jumping was a total of 1% of the asset or turnover. • **Cartel**- It includes an association of producers, sellers, distributors, traders or service providers who, by agreement amongst themselves, limit, control or attempt to control the production, distribution, sale or price of, or, trade in goods or provision of service. • **Cartelisation**- It is one of the horizontal agreements that shall be presumed to have appreciable adverse effect on competition.

To know about Competition (Amendment) Bill 2022 click here

What are the landmark judgements?

- **Google Inc. vs CCI-** Google has been accused of abusing its dominant position in the internet advertising industry by promoting its vertical search services such as Youtube, Google News, Google Maps etc.,
- Delhi High Court ruled that CCI can recall or review its order to investigate Google, but only under specific conditions and not in every case.
- **Steel manufacturers case**- Steel manufacturers faced a complaint from the Engineering Export Promotion Council of India for increasing the steel prices in India more than the rest of the world.
- The CCI had to decide whether to apply the Competition Act or the previous Monopolies and Restrictive Trade Practices Act, which was replaced by the Competition Act in 2002.
- **Faridabad Industries Association vs M/s Adani Gas Limited (AGL)** - The CCI found that AGL was violating the Competition Act and ordered it to stop unfair practices and modify the Gas Supply Agreements.

References

1. Indian Express- CCI fair market environment
2. CCI- About CCI

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