



Vol 08, Issue 01

## Welcome Note

Welcome Readers!

In lieu of our quest for redefining regulatory and competitive regime across various sectors in India and abroad we bring you the latest edition of CIRCular, a quarterly newsletter published by CIRC.

Through this platform we aim to keep you more up-to-the-minute with CIRC's events, news, upcoming courses and much more spread over four issues per year. This edition will yet again unfold the journey of CIRC beyond the territorial waters of India, with new projects and research studies undertaken by the organisation. This edition also encompasses a preview to our upcoming publications in form of issue notes and working papers.

Happy reading!

Arun Talwar  
COO, CIRC

# circular

April- June 2013 Edition

A Quarterly Newsletter



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### COVER STORY

- CIRC @ Malaysia

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### CIRC's TRAINING ON COMPETITION LAW FOR MALAYSIAN COMPETITION COMMISSION.

June 2013, Malaysia.

It was a liberating experience when the Commissioners and staff of the Malaysian Competition Commission (MyCC) along with country's media and other Government personnel were trained during a two day training program (8-9 June, 2013) held at Kuala Lumpur by CIRC in association with CUTS, Jaipur. Since the enforcement of the Competition Act, 2010 and formation of MyCC, the need for *capacity building and development of requisite skills to detect, investigate and remedying anti-competitive conduct* was felt and therefore in order to gain technical assistance and knowledge competence, MyCC engaged CIRC in association with CUTS, Jaipur to deliver a two day training programme.

The training program saw presence of emeritus legal luminaries such as, **Dr. Frederic Jenny**, Chairman OECD Committee on Competition; **Dr. Allan Fels**, former Chairman, Australian Competition & Consumer Commission, **Dr. Shyam Kemani**, former advisor on competition policy at the World Bank and **Mr. Pradeep S. Mehta**, Chairman CIRC & Secretary General CUTS, among other luminaries and government officials from various countries and representing various institutions.

### CIRC-CYBERSECURITYMALAYSIA-PAGE SEMINAR ON PROTECTING THE DATA PRIVACY.

June 2013, Malaysia.

With increasing use of computers and cloud computing services in Malaysian schools and universities experts are urging the government to *enact strict and effective guidelines to protect the online privacy of students in the face of service providers seeking to extend their penetration and influence to hundreds of schools nationwide.*

To generate awareness of the trend, Cyber Security Malaysia together with CUTS Institute for Regulation & Competition (CIRC) and Parent Action Group for Education hosted a seminar in Kuala Lumpur on 7th June. The seminar brought in leading speakers on internet privacy and students rights advocates.

The seminar featured a distinguished panel of speakers including **Pradeep S. Mehta**, Chairman of CIRC and Secretary General of CUTS International (Consumer Unity & Trust Society), India, **Noor Azimah Abdul Rahim**, President of Parent Action Group for Education Malaysia (PAGE), **Encik Rosly Yahil**, Cyber Security Malaysia's Head of Outreach and student's rights advocate **Jeff Gould** from SafeGov.org, USA.

### CIRC-NLUD CPL COURSE AND CIRC'S ON-LINE COURSE ON COMPETITION ACT, 2002.

Advancing with the vision of empowering students and professionals with the knowledge of Competition laws and practices in India, CIRC in association with National Law School of Delhi, New Delhi, commenced its six month Certificate and one year Diploma Courses on Competition Policy and Law.

CPL courses are specially designed for practitioners, working professionals and students of Law, Business Management, Economics, Chartered Accountancy (CA) and Company Secretaryship (CS), to acquire deep understanding and knowledge of competition law and related issues. The Certificate Course in Competition Policy and Law is a fundamental course dealing primarily with markets and business laws, competition policy and law, in general, and the Competition Act, 2002 as amended in detail. The certificate course also covers fundamentals of Economics essential for studying competition law. The Diploma Course in Competition Policy and Law is an advanced course dealing, in detail, with topics related to abuse of dominance, anti-competitive agreements, and regulation of combination across select jurisdictions.. The participants of Diploma course are exposed to emerging issues such as: interface between IPRs and competition law, cross border issues, and issues related to business strategy.

Final examination for batch-1 (44 participants) was held on 25<sup>th</sup> and 26<sup>th</sup> April, 2013 and that for batch-2 (52 participants) on 12<sup>th</sup> and 13<sup>th</sup> April, 2013. The results were announced in the month of June.

### COMPETITION REFORMS IN KEY MARKETS FOR ENHANCING SOCIAL & ECONOMIC WELFARE IN DEVELOPING COUNTRIES (CREW PROJECT)

CUTS International along with CIRC is implementing a project titled 'Competition Reforms in Key Markets for Enhancing Social & Economic Welfare in Developing Countries' (CREW Project), in India and across two common sectors: i) Staple Food and ii) Passenger Transport, with the support from DFID (United Kingdom) and BMZ (Germany) facilitated by GIZ (Germany). Through this project CUTS & CIRC aim to develop an approach, which would help in assessing benefits of competition reforms on consumers and producers in select two sectors. One of the main goals of this project is to demonstrate the benefits of competition reforms for consumers and producers, so that greater attention and support can be provided to this issue by policymakers based in developing countries.

The Opening Meeting in India took place on May, 28, 2013. The meeting was organised jointly by CUTS and CIRC. India being a vast country has varied geography and preferences. Along with defining the goal, objectives and anticipated outcomes of the CREW project, the aim of the Opening Meeting was to get an idea for the state and city selection for India. The Fact Finding Mission (FFM) was undertaken with the experts in the respective sectors and a discussion paper has been developed to gain insights about the two project sectors.



Stakeholders at the Opening Meeting of the CREW Project

Discussion pertaining to the nature of issues involved in the sectors, States to be considered for the key research and stages of reforms in various states were done.

The event saw an intense brainstorming on the impact of regulation on the quality and pricing in the staple food and passenger transport sector. Among the honoured guests were **Mr. Pradeep S. Mehta**, Chairman CIRC & Secretary General CUTS ; **Mr. Raghav Narsalay**, India Lead, Accenture Institute of High Performance; **Dr. Subir Gokarn**, Director (Research), Brookings Institution India; **Mr. Sanjeev Chopra**, Joint Secretary (NHM) NAFED; **Prof. A.V.Manjunatha**, Assistant Professor, Agriculture Development and Rural Transformation Centre Institute for Social and Economic Change; **Dr. Rajesh Chadha**, Economic Advisor, NCAER; **Dr. V.C. Mathur**, Professor, Indian Council of Agricultural Research, New Delhi; **Prof. S. Sriraman**, Professor, University of Mumbai; **Mr. Chittaranjan Dass**, Secretary General (ACOGA); **Dr. Poonam Pandey**, Technical Advisor, GIZ, who dedicated their precious time towards this Project.



Mr. Pradeep S. Mehta presiding the Opening Meeting

### SUMMER COURSE ON COMPETITION LAW AND PRACTICE IN INDIA.

CIRC organised a *three day summer course on Competition Law and Practice in India* from 27<sup>th</sup> June to 29<sup>th</sup> June 2013. This course was structured in a manner to first introduce the participants to the basics of competition Law and Practices in India and then on the basis of that foundation, build an in-depth knowledge and understanding of the subject mentioned.

The course saw an overwhelming student's participation with 63 student's registrations from four corners of the country. Not only law students, but students from various other disciplines too participated.



Participants at the three day Summer Course on Competition Law and Practices in India

The panel for this course embraced coveted presence of **Ms Surbhi Mehta**, APJ SLG Law Offices, New Delhi; **Dr. Vijay K. Singh**, Deputy Director (Law), Competition Commission of India; **Mr. K.K. Sharma**, KK Sharma Law Offices, New Delhi; **Dr. Harpreet Kaur**, Professor, National Law School Delhi, New Delhi. All the sessions were highly interactive and saw a lot of participation with constant discussions. The case based strategy of teaching was appreciated by the participants.

The course concluded with the Certificate Distribution Ceremony by **Ms. Arvinder Kaur**, Assistant Director, CIRC, **Mr. Arvind Kumar**, Advisor, CIRC and **Dr. Vijay K. Singh**, Deputy Dir. (Law), Competition Commission of India & **Mr. Sandeep Kumar** (CIRC).

Following the immense success of the three day summer course, CIRC is organising Winter Course, a three day course on Competition Law and Practices In India, in December this year.

## THE INDIA COMPETITION AND REGULATION REPORT (ICRR)-IV

CUTS Centre for Competition, Investment and Economic Regulation (CUTS-CCIER) and CIRC has undertaken the project on **India Competition and Regulation Report (ICRR)** against the background that while India has embraced market-oriented economic reforms, there is, as yet, no periodic review to assess functioning of markets in the country.

This is desirable given the existence of distortions in economic management of the country that impede realisation of competitive outcomes. Considering the important role of market forces in a liberalised economic regime, there is a need to do periodic assessment of competition and regulation scenario in the country. ICRR is an attempt to fill this vacuum.

*It would highlight various distortions in economic management of the country and provide inputs on a periodic basis to policy community as well as other stakeholders for taking necessary actions to promote well-functioning markets. The project is supported by Ministry of Foreign Affairs through the Royal Norwegian Embassy in New Delhi (India).*

The project undertakes research to evaluate the quality of regulations and competition in chosen sectors like coal, railways, primary health, financial services and regulatory issues. Research design and TOR were discussed in the meeting of ICSSR Research Design meeting was held on 1<sup>st</sup> May, 2013. The next report shall be published in November this year.

## LATEST PUBLICATIONS

### CIRC WORKING PAPER 01 ON REGULATING MICROFINANCE INSTITUTIONS IN INDIA: NEED FOR REFORMS.

CIRC proudly announces its first addition to the Working Paper Series, *Regulating Microfinance Institutions in India- Need for Reforms* co-authored by **Mr. Santadarshan Sadhu, Mr. Kenny Kline and Mr. Justin Olive, (IFMR)**. This paper is based on Chapter 5: Regulation of Microfinance Institutions in India, in Pradeep S Mehta (ed.) *Competition and Regulation in India 2011: Leveraging Economic Growth Through Better Regulation*, Jaipur: CUTS International & CIRC.

The paper analyses the growth and development of Microfinance institutions (MFIs) in India. Currently MFIs serve 31.4 million clients with an average loan size under ₹ 10,000 and ₹ 207.5bn loans outstanding. Yet, proper regulation had largely been missing for MFIs leading to abuse of the consumers. In this context, the paper examined the Micro Finance Institutions (Development and Regulation) Bill, 2012 from consumer welfare perspective. The Bill aimed to make financial access easier for consumers and regulate abuse of dominance of MFIs. Assessing the competition norms in the instant regulation various limitations emerge, such as lack of jurisdictional operational capability of Centre and the States, diminishing consumer protection and diversification of funds among others. This paper also covers global practices in regulating microfinance institutions.

However, authors find, an ideal regulation should require registration for all MFIs, encourage extension of services to underserved populations through priority sector lending qualification, clarify state and central regulatory jurisdiction, require institutions to submit information to a credit reference service, address consumer protection issues, enable qualified MFIs to accept deposits, and encourage diversification of funding for institutions. The authors also find that the MFIDR Bill, 2012 lacks an integrated regulatory approach including RBI and other relevant market players.

You can read the complete working paper on our website: <http://circ.in/pdf/Working Paper 01.pdf>

### CIRC WORKING PAPER 02 ON PUBLIC ROAD (PASSENGER) TRANSPORT REGULATION IN INDIA.

The second addition to the Working Paper Series was *Public Road (Passenger) Transport Regulation in India*, written by **Prof. S. Sriraman**, Walchand Hirachand Professor of Transport Economics in Department of Economics, University of Mumbai. This paper is based on Chapter 9: Public Road (Passenger) Transport Regulation in India, in Pradeep S Mehta (ed.) *Competition and Regulation in India 2011: Leveraging Economic Growth Through Better Regulation*, Jaipur: CUTS International & CIRC.

Over the years, road transport sector has emerged as a dominant mode of transport accounting for about five per cent of India's GDP.

However, the road transport sector is beset with problems. Growth in vehicular population above 10% per annum has outstripped the modest growth in expansion of road network leading to severe congestion on many stretches of National/State highways. Over the years, road transport sector has emerged as a dominant mode of transport accounting for about five per cent of India's GDP.

Besides, high growth in motor vehicle population has inflicted negative externalities on the society in the form of rising pollution, road accidents and time loss in commuting due to congestion. Over the years the share of buses in the vehicle population has fallen from more than 11% to barely 1% as a result of growth in personalised motorised mode (two wheelers and cars). Road transport being a State subject has led to complex and diverse regulations in terms of motor vehicle taxes; permit fees; passenger taxes etc. across the States making interstate operation of buses problematic.

It is against this backdrop, that the paper examines the elements of the existing policy and a regulatory framework that ought to be in place for public passenger bus transport. Besides, the paper outlines the international experience of regulation and deregulation to offer some lessons for India. The paper acknowledges that recent initiatives by both the central and state governments, like JNNURM and Bus Rapid Transit System, are innovative approaches to address the derelict state of urban bus passenger transport in India.

You can read the complete working paper on our website: <http://circ.in/pdf/Working Paper 02.pdf>

### CIRC ISSUES NOTE 01: 2013- REGULATING THE RACE TO RENEWABLES.

*Regulating the Race to Renewables* is the first issue note which is prepared by **Dr. Ashwani K. Swain**, an Associate Fellow with CIRC.

Keeping with the global trend, India has been an active player in the race to renewables, seeking to expand its renewable energy portfolio. Given its role, the state seeks to promote RE development through market players by setting up a favourable policy environment, with complementary policies, incentive mechanisms and R&D support.

India has adopted a unique approach to RE development by combining all the policy and regulatory drivers practised globally. It offers the RE producers preferential or feed-in tariffs, based on the cost of generation for each technology. While the existing policy instruments for RE promotion are being executed by the sector regulators, there is need for their proactive engagement in monitoring, evaluation and impact assessment.

To achieve India's ambitious renewable goals as envisaged in 12<sup>th</sup> Five Year Plan, the issue note suggests, the electricity regulators have to play the key role of arbitrator and facilitator.

You can read the complete issue note on our website: <http://circ.in/pdf/Issue Note 01.pdf>

## UPCOMING EVENTS & COURSES @ CIRC

### COMPETITION REFORMS IN KEY MARKETS FOR ENHANCING SOCIAL & ECONOMIC WELFARE IN DEVELOPING COUNTRIES (CREW PROJECT)- 1<sup>st</sup> NRG MEETING

The National Reference Group (NRG) form an integral part of the CREW Project. The Phase I of the project would involve the identification of the country specific NRG members. The NRG members would perform an advisory role (country specific as this project is being implemented in three more countries apart from India) and provide guidance to undertake the activities in the respective project countries. The NRG is designed to act as a platform for the project implementers (CUTS partners organisations, in each country) to seek views and guidance from these stakeholders on key aspects of the project. The purpose of the first NRG meeting is to orient the members of the project about its progress and discuss the methodology for undertaking research.

The meetings of the NRG would be conducted in all the four project countries i.e. Ghana, India, The Philippines and Zambia, at various stages in all the three phases of the project. In India, the 1<sup>st</sup> NRG Meeting would be held at IIC, New Delhi and participation from various stakeholders and media personnel is expected.

### CIRC-PHDCCI SEMINAR ON 'REGULATING THE RACE TO RENEWABLES'.

Renewable energy (RE) seems to be considered as a panacea for global climate challenge, while it is perceived to offer developmental co-benefits. Consequently, there is a race among nations to raise their respective renewable portfolios. Keeping with the global trend, India has been an active player in this race to renewables, seeking to expand its RE portfolio. The country has set a target to raise its RE capacity to 74 GW by 2022, including 22 GW of solar capacity, and procure 15 per cent of consumable electricity from RE sources by 2020.

The country has certainly set an ambitious target for RE development. Achieving needs an enabling regulatory framework, proactive interventions from sector regulators and vibrant private sector participation.

In this backdrop, *CIRC and PHDCCI aim to organise a one-day conference on 'Regulating the Race to Renewables', on 04<sup>th</sup> October 2013*, bringing together private sector stakeholders, policy makers and regulators. The conference aims to offer a vibrant platform to brainstorm on regulatory challenges and opportunities in the transition to RE. Further information is available on our website: [www.circ.in](http://www.circ.in)

## UPCOMING COURSES @ CIRC

**CIRC taking its vision forward will soon launch comprehensive capacity building solutions on regulatory matters pertaining to various sectors and related aspects. The list of upcoming courses at CIRC is as follows:**

### Competition Act, 2002: Online Course 5th Batch

Eight weeks online Certificate course on "Competition Act 2002 in India" is intended to introduce participants to the provisions of the Competition Act, 2002 in India and its enforcement. The registrations will commence from October'2013.

### Online course on Law and Practice of Public Private Partnerships (PPPs)

CIRC has decided to go ahead with the launch of 8 week on line course on "Law and Practice of Public Private Partnerships (PPPs)". The course is specially designed for Government & corporate officials involved in activities related to PPP projects, Officials of Municipal Corporations, Local Bodies, Infrastructure Project Developers, Financial Institutions. etc.

### Winter Student Course on 'Competition Law & Practice in India'

CIRC is going to announce the Winter Student Course on "Competition Law & Practice in India", which will be held at Indian Social Institute, Lodhi Road, Delhi from 21<sup>st</sup> to 23<sup>rd</sup> December 2013 (from 10:00am to 4:00pm). The Course is mainly designed for law and economics students and career aspirants.

### Dedicated sector based Online Courses

Energy Law & Policy      Corporate Social Responsibility  
Water Law & Regulation      Regulatory Impact Assessment  
Public Procurement Practices & Law

### Certificate & Diploma Course on Competition Policy & Law: CIRC- NLUJ

CIRC- NLUJ would be bringing forward the next term of the most sought after certificate & diploma courses in the industry on the Competition Policy & law. The fourth intake of the CPL course has been announced. For any further query contact through website or on the following email id: [sk@circ.in](mailto:sk@circ.in)

### CIRC-CRESSE Winter School on "Role of Economics in Competition Law"

CIRC in association with Competition and Regulation European Summer School and Conference (CRESSE), is holding a five day winter school for young professionals, to familiarize participants with the new economic literature, legal developments and to establish a clear link between the new theories and the day to day work of practitioners.

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