

CCI to meet CEOs of top 100 Indian Companies



New Delhi 3rd December:

Speaking at a seminar in Delhi last week, Ashok Chawla, Chairman, Competition Commission of India said that they are gearing up their awareness campaign. In January, the CCI will organize a roundtable with 100 CEOs of listed companies early next year to enhance voluntary compliance.

The seminar on Competition Law Enforcement and Business Strategy was organized by PHD Chamber of Commerce & Industry and CUTS Institute for Regulation and Competition (CIRC).

Mr. Chawla also said that in recent times the fair trade regulator has imposed penalties on some industry associations, such as cement, pharmaceuticals, LPG cylinders etc. He further spoke about the positives outcomes which have emerged for the last 3 years and said they are reasonable, robust and aggressive.

The CCI will also meet major trade associations in December. The reason for engaging association is the fact that several of these bodies are falling foul of the competition law. Therefore efforts are being made for more advocacy and communication related to competition laws.

“There is a problem of too many regulators in the country which he hopes that these issues would be sorted out gradually” said Mr Chawla. “There are issues of alleged cartelization by domestic airlines on fixing fares for which we are gathering information and will take a call on whether to probe the matter”.

Pradeep S Mehta, Secretary General, CUTS International and Chairman, CIRC, while delivering the Key Note Address highlighted and applauded the positive outcomes of various steps taken by CCI until now and its limitations also.

“Considering the performance of the Commission in last three years, refinements in the process of ensuring competition compliant business decisions can be seen on the cards”, said Mr. Mehta. “There is a global shift and emerging complexities in the behaviour of the firms which may perhaps be taken note of by the Commission in dealing with the complaints”.

Mr. Mehta said that competition has proved to be a fundamental characteristic of a flexible and dynamic market economy which has reduced costs, increased productivity, made investments encouraging and facilitated innovation in products and processes. As a result, both economic efficiency and consumer welfare have enhanced. Further he emphasized on numerous other areas in which CCI can potentially play a role in promoting efficiency and consumer welfare.

In his address, Mr. Suman Jyoti Khaitan, Sr. Vice President, PHD Chamber talked about the compliance issue related to enforcement of Competition Act and various difficulties faced by the common man which is ignored by CCI. He said that CCI is working on macro level but ignoring micro level problems.

The Session on Three years of CCI: Successes and Challenges chaired by Mr. Mehta, with Mr. John C. Beyer, Chief Executive Officer and Chairman of the Board, Nathan Associates Inc, Mr. Amitabh Kumar, Partner, JSA Associates. Mr. Suhail Nathani, Partner, Economic Laws Practice and Mr. M. M. Sharma, Head-Competition Law and Policy, Vaish Associates. Among other issues, speaker raised serious concerns on the quality of orders and variances in approaching similar cases. It was emphasized that competition law being an economic law, there is an urgent need for good economic analysis in the case handling.

The Session on Cross border M&As in Developing Countries: Issues and Challenges highlighted that the burning issue of challenges faced in cross border M&A has been that many a times it is noticed that due to some ambiguity in computation of threshold or other such factors, companies fail to file in time.

Third Session was on Competition issues in platform markets/network industries which was chaired by Mr. Vipul Maheshwari, Chairman, Law & Justice Committee, PHD Chamber. Noted speakers included Ms. Payal Malik, Advisor, CCI; Dr Ram Tamara, Managing Director, Nathan Economic Consulting India Pvt Ltd and Dr. Joseph Wilson, Member, Competition Commission of Pakistan. The discussion highlighted and analyzed some of the recent orders of the Commission and discussed in brief the cases pertaining to NSE vs MCA-SX and Springer India Pvt Ltd vs Prints India Pvt Ltd.

Roundtable discussion on 'Experience from other countries: Lessons for India' was chaired by Mr. Dhanendra Kumar, former Chairman of CCI and Principal Advisor, IICA and was focused on learnings from both emerging and mature jurisdictions as Kenya, Finland, Canada, Nepal, Ethiopia, Malawi and others. The speakers, which included R. Shyam Khemani formerly with World Bank, highlighted the need of the various anti-trust infringements and primarily the modus operandi followed by them which exercise could help the Commission in robust adjudication of similar violations in the home country.

In conclusion, the seminar was summed up by Mr. Mehta that if the quality of orders of CCI needs to be improved, they would need to engage more professionals such as economists and lawyers and find better salary scales for them.

He added that like in Pakistan, there is a need to appoint younger professionals on the board of the Commission rather than retired bureaucrats and judges. "The Pakistan competition authority has done very well in its three years of functioning because of the quality of their personnel at both levels: board and staff", he emphasized.

For further information please call 011-26463021-22

Mr. Kamal Sharma, Chief Operating Officer, CIRC (ks@circ.in)
Mr. Hariprasad C. G., Associate Fellow, CIRC (hcg@circ.in)