

Greetings!!!

In this era of globalization, the emergence of multinational corporations, interdependence of economies and the role of private enterprises in economic development are emerging as a watershed in the 'regulatory and reform' thinking. The Indian Competition Act 2002 is one such regulatory mechanism. The Competition Act, 2002 is an Act to provide, keeping in view of the economic development of the country, for the establishment of a Commission to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interests of consumers and to ensure freedom of trade carried on by other participants in markets, in India, and for matters connected therewith or incidental thereto. Introduction of the Act is a key step in India's march towards facing competition, both from within the country and from international players.

Objectives

- ★ Maintenance of competitive process or of free competition
- ★ Freedom of trade, freedom of choice and access to markets
- ★ Lessening adverse effects of Government intervention in the market place
- ★ Prevention of abuse of economic power
- ★ Achievement of economic efficiency

There are various activities that will be prohibited as being anti-competitive. The activities comprise:

- ★ Anti-competitive arrangements;
- ★ Abuse of dominant position; and
- ★ Mergers and acquisitions that have an appreciable adverse effect on competition in India

The Competition Act 2002, prohibits the same which causes or likely to cause an appreciable adverse effect on competition within India. A worldwide movement against anti-competitive arrangements has begun and all nations have already started observing the importance of forming and implementing a strict legal framework to ensure fair and competitive market operations.

Evolution of Competition Act in India

India was among the first developing countries to have a competition law in the form of the Monopolies and Restrictive Trade Practices (MRTP) Act, 1969. The MRTP Act was

designed to check concentration of economic power, prohibit restrictive or unfair trade practices and control of monopolies. But there was a requirement for a new competition law and India's anti-trust law became embodied in the **Competition Act, 2002** (amended by the Competition Amendment Act, 2007), which became fully operational from June 1, 2011 when the provisions regulating mergers and acquisitions were notified. While competition advocacy was notified in 2003, the provisions regulating anti-competitive agreements and abuse of dominance were notified with effect from May 20, 2009.

The Act also provides for the establishment of the Competition Commission of India (CCI), which would function as a market regulator for preventing and regulating anti-competitive practices in the country, as well as a Competition Appellate Tribunal (COMPAT) which is a quasi-judicial body established to hear and dispose of appeals against any direction issued, or decision made by the CCI. For discharging its duties/functions, CCI can enter into memorandum/arrangement with any agency of any foreign country such arrangements are important for inquiries against overseas/cross-border violations.

The Competition Commission of India, the fair-play regulator of the nation, was established with the mandate to prevent practices having adverse effect on competition, to promote and sustain competition in markets, to protect the interest of consumers and to ensure freedom of trade of market participants in India. The Commission till date has received 488 merger cases and 791 cases of alleged anti-competitive agreements and abuse of dominant position. Over the years, the Commission, through its orders in diverse sectors such as stock exchange, infrastructure, travel, automobile, real estate, pharmaceuticals, entertainment etc., has been working effectively towards implementing its mandate.

This issue presents a good number of articles on the cover story theme 'Competition Act: Key Driver of Competitiveness' by distinguished experts and authors and an important interview. We look forward to constructive feedback from our readers on the articles and overall development of the journal. Please send your mails at editor@icmai.in. We thank all the contributors to this important issue and hope our readers enjoy the articles.

