

State Workshop on Competition Laws - "Exploiting Benefits of Competition"

- **Fair competition enhances economic efficiency & consumer welfare : Chief Secretary**
- **Knowledge, Advocacy and Guidance is important for proper enforcement of competition laws : Anurag Goel, Member CCI**
- **Steering Committee under Chief Secretary and Core Group under IIDC formed**
- **U.P. State Administration & Management Academy will be the anchor institute for extension of competition laws in the State**

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*"Competition – the process of fair rivalry between business enterprises for customer – is a fundamental characteristic of a flexible and dynamic market economy,"* **stated Chief Secretary, Jawed Usmani.**

*"By responding to the demands for goods and services at lower prices and higher quality, competing businesses are spurred to reduce cost, increase productivity, make investments and innovate in products and processes, as a result both economic efficiency and consumer welfare are enhanced,"* **added the Chief Secretary.** He was inaugurating the Competition Commission of India (CCI) **Workshop on "Exploiting Benefits of Competition"** at *Paryatan Bhawan* here today.

**He said** that lot of knowledge needed to be internalized and that knowledge had to be extended to government officers of U.P. for ensuring proper compliance of competition laws in the State. To achieve this objective the state government has already put in place a system with **U.P. State Administration and Management Academy** as the anchor institute and a **core group** has been formed under Infrastructure & Industrial Development Commissioner, with Dheeraj Sahu, MD-PICUP as convener-member, while a **steering committee** chaired by the Chief Secretary has been formed at the highest level in the state.

The workshop covered various important issues like mandate of CCI, benefits from competition in public procurement, monitoring the bid process behaviour, prevention of bid rigging, competition issues and fair practices in trade and business for ultimate benefit to the consumers, etc. However, the **focus was mainly on** effective application of competition laws in public procurement and for ensuring transparent and competitive bidding process. The Competition of India is a quasi-judicial body established for enforcing provisions of Competition law.

Addressing a select audience of top state government officials of 44 departments and representatives of industrial associations in the august presence of CCI officials, the **Chief Secretary said** that as a result of liberalization-privatisation-globalisation, Indian market needed a strong legislation in commercial matters and thus the Competition Act, 2002 was passed.

Explaining the importance of holding the workshop, **Member, CCI, Anurag Goel said**, "Enforcement of competition laws in India are still evolving based on the practices and experiences, we have to work on another kind of **KAG** – 'K' for **knowledge** dissemination through an institution, 'A' for **advocacy** through a core group to reach out to all stakeholders through training and awareness drives and 'G' for **guidance** for larger interaction and guidance to top executives." **He informed** that at present there were 100 cases under CCI investigation.

**He said** that the mandate of CCI was to eliminate practices having adverse effect on competition, promote and sustain competition in markets, protect the interest of consumers and ensure freedom of trade carried on by other participants in markets in India.

On the issue of ensuring competition compliant government policies, **Anurag Goel said** that for the time being the CCI was ready to advise government in competition assessment of policies formulated by it. However, the commission might start taking action on its own after some time if it found any government policy to be anti-corruption.

Speaking on the benefits of fair competition, **Advisor (Law), CCI, Dr Sadhna Shanker said**, *“Fair competition leads to lower prices, improved quality of goods or services, presents a wider choice and creates environment for innovation, which ultimately helps to boost the economy and consumer benefits.”*

**Dr Sadhna Shankar** dwelt in detail on functions, powers, enforcement and penalties provided in the Competition Act for the CCI. She also explained the process of reporting of instances of anti-competition practices to CCI and process of investigation and decisions taken by the commission. She informed that in addition to governments and citizens reporting the cases to CCI, the commission can also take suo moto action on finding any anti-competitive activity.

Earlier welcoming the members and officials of CCI along with other delegates, Infrastructure & Industrial Development Commissioner (**IIDC**), **Alok Ranjan said**, *“Free competition means total freedom to develop optimum size without any restriction. Limitation, if at all necessary, is not limitation of size but of competition power.”* *“The ultimate raison d'être of competition is the interest of the consumer,”* **he added.**

The day-long workshop was organized by Pradeshia Industrial & Investment Corporation of U.P. (PICUP) in collaboration with Infrastructure & Industrial Development Department, U.P. at the initiative of Competition Commission of India (CCI). State government officials who participated in this programme included principal secretaries of departments of Food Processing-Juthika Patankar, Information Technology & Alternative Energy-Jivesh Nandan, Animal Husbandry & Fisheries-Yogesh Kumar, Science & Technology-Har Saran Das, Stamp & Registration-Brij Mohan Meena, Director General, U.P. State Administration & Management Academy, Netram, etc., along with principal secretaries and secretaries of various other major procuring departments.

With senior officials of the most of the important state government departments in attendance, subject of **Public procurement and competition issues** was pertinently deliberated upon in detail. Speaking on the issue, **Deputy Director (Law), CCI, Dr V K Singh said**, *“Keeping in view of the enormous scale of public procurement, processes and procedures have to be transparent and fair to uphold competition element fairly.”*

He informed in detail about various indicators and signs of bid rigging, case studies, etc in public procurement. **Dr V K Singh also highlighted** the *potential areas of intervention* by competition law and the way forward. Various forms of bid rigging/collusion bidding viz. collusive biddings, with rotations, cover bidding, bids separation and market allocation etc. were explained. The workshop also discussed the monitoring of bid process behaviour. It was informed that several IT tools were available that were being used globally to detect anti-competition behavior of procurement process. Prevention of bid rigging by way of gathering market information, sensitization, unambiguous specifications, structured tendering process and transparent evaluation criteria were also discussed.

Member and officials of CCI also clarified fine nuances of competition law in practice and replied to various queries raised by the delegates.

Concluding the workshop, **Managing Director, PICUP and Secretary, Infrastructure & Industrial Development Department, Dheeraj Sahu** thanked the visitors from Competition Commission of India, New Delhi for enlightening the delegates on competition laws in India. He also expressed gratitude to senior state government officials and representatives of business and industry for actively participating in the deliberations.