

**GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA**

STARRED QUESTION NO:147

ANSWERED ON:01.12.2011

NATIONAL COMPETITION POLICY

Adhalrao Patil Shri Shivaji;Mani Shri Jose K.

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Union Government is contemplating to formulate a National Competition Policy;
- (b) if so, the salient features of the proposed policy;
- (c) whether views/suggestions from the State Governments and other stakeholders have been solicited in this regard;
- (d) if so, the response thereto; and
- (e) the time by which the new policy is likely to be introduced?

Answer

THE MINISTER OF CORPORATE AFFAIRS (DR. M. VEERAPPA MOILY)

(a) to (e) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF THE STARRED QUESTION NO. 147 FOR ANSWER IN LOK SABHA ON 01.12.2011.

Government had constituted a Committee for drafting the National Competition Policy with a view to achieve highest sustainable levels of economic growth, entrepreneurship, employment, higher standards of living for citizens, protect economic rights for just, equitable, inclusive and sustainable economic and social development, promote economic democracy and support good governance by restricting rent seeking practices. The Committee has since given its report. The salient features of the policy proposed by the Committee are as follows: -

- (1) To aim at creation of a framework of policies and regulations that will inform other policies to facilitate competitive outcomes in the market, with a view to promoting efficiency in economy, protecting consumers' interests and maximising social welfare, help in reducing inflationary pressures, accelerate inclusive growth, development of entrepreneurs and new employment opportunities and strengthen infrastructure;
- (2) To review all existing and new Acts/ regulations/ policies to correct where anti-competitive outcomes are noticed, and to proactively promote competition principles;
- (3) To provide for Institutional separation between policy making, operations and regulatory wings of the Government;
- (4) To provide for fair Market regulation procedures, whether by public authorities, regulatory bodies or through self-regulatory mechanisms;
- (5) To provide for 'Competitive neutrality', in order to establish a 'level playing field';
- (6) To provide for Fair pricing and inclusionary behaviour, particularly of public utilities;
- (7) To provide for Third party access to 'essential facilities', which require dominant infrastructure and intellectual property right owners to grant access to third parties to their essential infrastructure and platforms on agreed, reasonable and non-discriminatory terms and conditions aligned with competition principles;
- (8) To provide for Public policies and programmes to work towards promotion of competition in the market place;
- (9) To promote for National, regional and international co-operation in the field of competition policy enforcement and advocacy;
- (10) Establishment of a National Competition Policy Council for the oversight mechanism.

Suggestions have been invited from the stakeholders, including the State Government, on the recommendations of the Committee, which are awaited. Since the matter is still in consultation, no date can be specified for new policy to come into force.

