

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2570
ANSWERED ON:25.07.2014
PREDATORY PRICING STRATEGY
Panda Shri Baijayant "Jay"

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the Government has assessed the adverse impact of the predatory pricing strategy adopted by Multi National Companies (MNCs) on Indian industries especially those related to trade of undervalued import of butyle acrylate and methyl methcrylate;
- (b) if so, the details thereof; and
- (c) the counter measures taken/ proposed to be taken by the Government in this regard?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE) (SMT. NIRMALA SITHARAMAN)

(a) to (c) : The Competition Act prohibits anti-competitive agreements, abuse of dominant position by enterprises and regulates combinations (acquisition, acquiring of control and M&A), which causes or likely to cause an appreciable adverse effect on competition within India. This includes predatory pricing which means the sale of goods or provision of services, at a price which is below the cost, as may be determined by regulations, of production of the goods or provision of services, with a view to reduce competition or eliminate the competitors. As per information available, Competition Commission of India has neither received any information nor taken any suo moto action in the matter pertaining to the adverse impact of the predatory pricing strategy adopted by Multi National Companies (MNCs) on Indian industries especially those related to trade of undervalued import of butyle acrylate and methyl methcrylate. The Directorate General of Anti-Dumping & Allied Duties (DGAD) under Department of Commerce initiates anti-dumping investigations on the basis of a duly substantiated petition filled by the domestic industry with a prima-facie evidence of dumping of goods into the country causing injury to the domestic industry. Such petitions are processed as per the procedure and within the time limits specified under the Customs Tariff Act, 1975 and the rules made there under. DGAD conducts investigations and recommends imposition of duty, wherever appropriate, to the Department of Revenue. Acting upon such recommendations of the DGAD, the Department of Revenue may impose the provisional or definitive anti-dumping duties. None of the parties have filed any petition/ application alleging injury due to import of dumped butyle acrylate and methyl methcrylate.