

1409 hours

Title: Introduction of Competition Bill, 2001.

THE MINISTER OF LAW, JUSTICE AND COMPANY AFFAIRS AND MINISTER OF SHIPPING (SHRI ARUN JAITLEY): Sir, I beg to move for leave to introduce a Bill to provide 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.

MR. SPEAKER: Motion moved:

"That leave be granted to introduce a Bill to provide 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."

SHRI VARKALA RADHAKRISHNAN (CHIRAYINKIL): Sir, I rise my objection to leave being granted to introduce this Bill.

This Bill, as you know, will bring in far-reaching changes in our economy. The purpose of this Bill is to gear up the Indian markets to face the international competition. That process has not taken place so far. Secondly, the existing MRTP Act gives some protection to our public sector undertakings. That protection will also go away once this Bill is passed.

So, the entire economy, the entire infrastructure of industrial development will be left to the mercy of the international competition. We are not prepared to face international competition at this stage. Without sufficient protection to our home made industry, passing of this Bill will be disastrous, suicidal. We have the bitter experience of putting our signatures to the World Trade Organisation. We

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are now suffering from that. Passing of this Bill, at this stage, without bringing necessary protection to infrastructure development, will be detrimental. Moreover, whatever is left behind of MRTP, is also done away with. So, I strongly oppose this Bill at the introduction stage.

I am not oppose to globalisation. It may take its own course but we are not prepared to face such a situation. So, I strongly oppose the introduction of this Bill which will bring far-reaching changes in our economy.

MR. SPEAKER: Do you wish to give any clarification?

SHRI ARUN JAITLEY: This is the stage of introduction. At the stage of introduction, an objection could be raised either with regard to the legislative competence or with regard to the Constitutional vires, where an objection is being made on merit. If my learned friend goes through the Bill, the Bill seeks to check practices which may come about as aberrations in a market economy. Therefore, the Bill is intended to protect the consumer interest. The Bill in no way says that it is going to encourage competition of the kind which is going to put any Indian company to a disadvantage. The Bill seeks to check anti-competitive practices. The Bill seeks to prevent any abuse of dominance. The Bill seeks to prevent such amalgamation which will have an appreciable adverse effect on competition itself. Therefore, the Bill seeks to protect those very factors about which my learned friend is concerned. Therefore, I do not see any reason why the Bill should be opposed at the introduction stage.

MR. SPEAKER: The question is:

"That leave be granted to introduce a Bill to provide 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. "

The motion was adopted.

SHRI ARUN JAITLEY: Sir, I introduce* the Bill.

* Introduced with the recommendation of the President.