

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA
UNSTARRED QUESTION NO. 2275
ANSWERED ON TUESDAY THE 21ST MARCH, 2023**

MARKET DOMINANCE BY CERTAIN COMPANIES

QUESTION

2275. DR. M. THAMBIDURAI:
DR. KANIMOZHI NVN SOMU:

Will the Minister of CORPORATE AFFAIRS be pleased to state:

- (a) whether the Competition Commission of India (CCI) had marked the various sectors including Civil Aviation, Ports and Telecom for a review of market dominance by certain companies and if so, the details thereof;
- (b) whether the Department of Economic Affairs had commented on a referral by the Public Private Partnership Appraisal Committee that not more than two airports be awarded to the same bidder, factoring high financial risk and performance issues and if so, the details thereof; and
- (c) whether Government has made certain changes in the eligibility conditions, so that the companies without prior experience can also participate in the bidding and if so, the details thereof?

ANSWER

THE MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF STATISTICS AND PROGRAMME IMPLEMENTATION; MINISTER OF STATE (INDEPENDENT CHARGE) OF THE MINISTRY OF PLANNING; AND MINISTER OF STATE IN THE MINISTRY OF CORPORATE AFFAIRS.

(RAO INDERJIT SINGH)

(a): No Sir. Competition Commission of India (CCI) had not marked the various sectors including Civil Aviation, Port, Telecom for a review of market dominance by certain companies. However, world over, market studies are considered as a versatile tool for competition authorities to analyse whether there are competition issues in any given sector, outside the context of enforcement and merger review. Understanding the potential of such market studies, CCI has been commissioning market studies in the past. Study in Competition Issues in the Air Transport Sector in India was conducted in November 2008. Study in Competition Policy in Telecommunications in India was conducted in December 2007 and study on the Telecom Sector in India was conducted in 2021.

(b) & (c): The Ministry of Civil Aviation in their reply dated 17.03.2023 has stated that Airports Authority of India (AAI) has recently awarded six airports namely Ahmedabad in Gujarat, Jaipur in Rajasthan, Lucknow in Uttar Pradesh, Guwahati in Assam, Thiruvananthapuram in Kerala and Mangaluru in Karnataka for Operations, Management and Development under Public Private Partnership (PPP) for 50 years.

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The terms and conditions of the transaction of PPP of these six airports were decided by the Empowered Group of Secretaries (EGoS) chaired by CEO NITI Aayog.

In order to ensure more competition and to give more flexibility to bidders, the following conditions among others were stipulated:-

- i. No prior airport experience;
- ii. No cap on number of airports;
- iii. Per Passenger Fee as bidding parameter instead of revenue sharing.

Further, the Department of Economic Affairs (DEA) in their reply dated 17.03.2023 has stated that in the Public Private Partnership Appraisal Committee (PPPAC) appraisal process, concerned Ministries/ Departments give their comments/ suggestions approved at appropriate level. In case of DEA, it is issued by the PPP cell with the approval of the Joint Secretary. The PPPAC being the appraisal body takes the final decision.

In this case, the appraisal note dated 10.12.2018 was given by the PPP cell of the Department of Economic Affairs which, inter-alia, included the suggestion to incorporate the clause that not more than two airports will be awarded to the same bidder.

Cabinet in its meeting held on 08.11.2018 had approved the constitution of Empowered Group of Secretaries (EGoS) headed by CEO, NITI Aayog, with Secretary MoCA, Secretary DoE and Secretary DEA as members, to take a decision on the issues falling beyond the scope of the PPPAC in the matter relating to leasing out of the six airports through PPP mode. The said EGoS, in its meeting held on 17.11.2018 decided that no restriction needs to be placed on the number of airports to be bid for or to be awarded to a single entity.

Subsequently, in the 85th meeting held on 11.12.2018, the PPPAC, acknowledging the decision of the EGoS, decided not to examine the matters which were already decided by the EGoS in its meetings held on 17.11.2018 unless there is an apparent deviation from the PPPAC guidelines.

Again, in the meeting dated 09.8.2019, the EGoS, inter-alia, deliberated upon the comments of the PPP Cell of the DEA on the issue of number of airports to be awarded to a single bidder, given vide Appraisal Note dated 10.12.2018. The EGoS while acknowledging the decision of the PPPAC in the meeting dated 11.12.2018 (not to examine the matters which were already decided by the EGoS in its meetings held on 17.11.2018 unless there is an apparent deviation from the PPPAC guidelines) reconfirmed that the decision of the EGoS in this regard was a considered decision with a view to place minimum restrictions on the bidders so that more and better bids are drawn for the project.
