

**GOVERNMENT OF INDIA
MINISTRY OF CORPORATE AFFAIRS**

**LOK SABHA
UNSTARRED QUESTION NO. 4296
ANSWERED ON MONDAY, THE 22ND MARCH, 2021
[CHAITRA 1, 1943 (SAKA)]**

INVESTIGATION BY CCI

QUESTION

4296. MANISH TEWARI:

**Will the Minister of CORPORATE AFFAIRS
be pleased to state:**

कारपोरेट कार्य मंत्री

- (a) whether the Competition Commission of India has decided to conduct an investigation/ market study into the monopolistic practices of market dominance in the telecom, pharmaceuticals and the digital market sectors of the economy and if so, the details thereof;
- (b) the number of such studies conducted into various sectors of the economy by the CCI since its inception and the action that has been taken to prevent monopolies in the economy as a consequence of these studies;
- (c) whether the current studies being commissioned are based on complaints received with regard to monopolies and abuse of dominance in the telecom, pharmaceuticals and digital marketing sectors respectively and if so, the details thereof;
- (d) the reaction of the CCI on the award of six airports to the Adani Group of companies and it acquiring a controlling stake in the Mumbai and Navi Mumbai Airport and whether this tantamounts to creation of monopolies in the aviation sector; and
- (e) if so, whether the CCI proposes to conduct suo-moto investigation into it and if so, the details thereof?

ANSWER

**THE MINISTER OF STATE FOR FINANCE (SHRI ANURAG SINGH THAKUR)
AND CORPORATE AFFAIRS**

वित्त एवं कारपोरेट कार्य मंत्रालय में राज्य मंत्री

(श्री अनुराग सिंह ठाकुर)

(a) to (c): The Market Study on E-commerce in India was initiated by the Competition Commission of India (CCI) in April 2019 with a view to better understand the functioning of e-commerce in India and its implications for markets and competition. The objective was also to identify impediments to competition, if any, emerging from e-commerce and to ascertain the Commission's enforcement and advocacy priorities in this regard. The market study was a combination of secondary research, questionnaire survey, focused group discussions, one-on-one meetings and a multi-stakeholder workshop. The study covered three verticals in the e-commerce space, namely online retail shopping, online hotel booking and online food delivery. The final report of the e-commerce study was released on 8th January, 2020.

The 'Market Study on the Telecom Sector in India' was initiated in January 2020. The objective was to better understand the unfolding competition dynamics in the sector, and to identify impediments to competition, if any. Interactions with stakeholders, including telecom operators, OTT, equipment manufacturers, content companies, academicians, sector experts, business associations and government bodies formed a core part of the study. An online survey was also designed to capture changing consumer preferences for telecom services in India. The final report of the telecom market study was released in January, 2021.

The 'Market study on Pharmaceutical Sector' was launched in October 2020 and is a combination of secondary research and stakeholder/expert consultation. It intends to focus on the distribution segment of the pharmaceutical market in India with a view to understand: (i) discounts/margin policies at wholesale and retail levels of the distribution system; (ii) the role of trade associations vis-à-vis various aspects of the distribution business; (iii) regulatory rationalization of trade margins and its impact on price and competition; and (iv) the impact of e-commerce on price and competition. Other additional points of research are the Branded Generics and their impact on competition. The stakeholders being reached out to include pharmaceutical companies, stockists, chemists, trade associations, online pharmacies, doctors, sector experts and regulators.

Since the inception of the Commission in 2003-04, approx. 28 studies have been undertaken so far by CCI in various sectors and industries. 26 (twenty-six) have been completed and 02 (two) are ongoing.

The mandate of the Competition Act, 2002 is not to prevent monopolies but to prevent abuse of dominance so that competition does not get inhibited in the market. The e-commerce study pointed out an imbalance in bargaining power and information asymmetry between e-commerce platforms and the business users of these platforms. Therefore, certain areas were enumerated for self-regulation by the platforms. These have been advocated with a view to reduce information asymmetry, improve transparency and promote competition on the merits.

The telecom study and the e-commerce study were prompted by rapidly changing competition landscapes owing to technological advancements and digitisation of markets. The Pharmaceutical study was launched in view of the observable demand side issues that characterise the sector, such as lack of effective consumer choice and also given that the Commission has received multiple cases pertaining to the distribution segment of the pharmaceutical sector.

(d): In regard to acquiring of controlling stake, Commission received notice in relation to acquisition of GVK Airport Developers Limited ("GVKADL") by Adani Airport Holdings Limited ("Acquirer") under the Green Channel route.

In relation to the acquisition of sole control of GVKADL by Adani Airports Holdings Limited, the Acquirer operates in the airport services sector in India but at a different geographical location than GVKADL. GVKADL is primarily engaged in the business of developing infrastructure facilities and holding investments directly and indirectly in companies engaged in the development and operation of the Chhatrapati Shivaji Maharaj International Airport ("CSMIA") through its step-down subsidiary, i.e., Mumbai International Airport Limited ("MIAL") and the Navi Mumbai International Airport ("NMIA") (where the airport is currently in the design and construction phase), through a subsidiary of MIAL.

Parties submitted in the Notice that the Adani group does not provide any products/services in CSMIA or the NMIA, nor does GVKADL provide any services in Mundra, Ahmedabad, Lucknow, Mangaluru, Jaipur, Guwahati or Thiruvananthapuram airports. Hence, there is no overlap in the relevant geographic market(s). Further, there are no vertical or complementary linkages between the activities of the Adani group and GVKADL in India. Accordingly, Parties submitted that since they operate in completely different geographic locations it is unlikely that the proposed combination will give rise to any appreciable adverse effect on competition in India. The controlling stake acquisition was thus approved by the Commission under the Green Channel route.

(e): In view of reply to (d) above, question does not arise.
