

# Interface between Competition and Consumer Policies : Legal Regime in India



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# Structure

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- MRTP Act 1969 (repealed now)
- Consumer Protection Act, 1986
- Competition Act, 2002
- Dual Agency System
- Complementary Role
- Concluding remarks

# MRTPA, 1969

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- Initially covered only RTPs and MTPs [both related to competition]
- In 1984, consumer protection provisions in the form of UTPs added
- Consumer Protection Act, 1986 passed to govern rest of consumer protection
- MRTP Act repealed in 2009 after enforcement of Competition Act, 2002

# Consumer Protection Act, 1986

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- Consumer Protection Act, 1986 passed for quick and cheap redressal
- Three tier system at district, State and National level introduced
- Applicable to all goods/services /SOEs
- Amended in 2002
- Covered all consumer issues except unfair trade practices



# Competition Act, 2002

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- Establishes Competition Commission of India (CCI) to protect consumer and market interest against anticompetitive conduct.
- CCI empowered to block a merger etc. (Combinations) if such merger is having AAEC in India.
- CCI is empowered to provide interim relief as well as penalize violators of the Competition Act, 2002.



# Legal Interface in India

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- MRTP Act 1969 focused on both competition and consumer protection
- Consumer Protection Act, 1986 only on consumer protection
- The Competition Act, 2002 aimed at promoting competition in markets
- MRTP Act repealed in 2009
- Unfair trade practices left uncovered

# Dual Agency in India

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- Dual agency system in India
- Necessary in view of country size, population and stage of development
- No referral/coordination system contemplated by the two legislations
- Informal interactions between CCI and Department of Consumer Affairs

# Interface: Complementary Role

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- Strong complementarity as both aim at consumer welfare
- Consumer protection brings in direct individual relief, while competition law minimizes market distortions and aims at wider body of consumers
- Consumer law complements competition law



Thank You

