

Competition policy

7.61 In recent decades, the focus of industrial policy has increasingly emphasised the importance of competition as a tool for disciplining firms, and fostering allocative efficiency. However, in many industries, there are innate problems with obtaining conditions of competition with free entry. In order to

improve competition, and thus contain the distortions caused by monopoly power, the Competition Act, 2002 has been enacted in December, 2002. It is a landmark legislation that aims at promoting competition through prohibition of anti-competitive practices, abuse of dominance and through regulation of companies beyond a particular size. This Act will replace the MRTP Act.