

# Info Capsule

## **CCI FINDS CONTAINER TRAILER OWNERS COORDINATION COMMITTEE (CTOCC) AND ITS SUB-ASSOCIATIONS TO BE INDULGING IN ANTI-COMPETITIVE CONDUCT-DIRECTS THEM TO DESIST FROM INDULGING IN THE ANTI-COMPETITIVE CONDUCT DATED AUGUST 1<sup>st</sup>, 2017<sup>1</sup>**

The Competition Commission of India ('Commission') has found Container Trailer Owners Coordination Committee (CTOCC) and its four participating associations, namely Cochin Container Carrier Owners Welfare Association (CCCOWA), Vallarpadam Trailer Owners Association (VTOA), Kerala Container Carrier Owners Association (KCCOA) and Island Container Carrier Owners Association (ICCOA), to be in contravention of the provisions of the Competition Act, 2002 ('the Act').

In a reference filed by the Cochin Port Trust, it was brought to the notice of the Commission that these associations, under the garb of 'Turn System', have indulged in unilateral fixation of prices. It was alleged that, during the Turn System, the users and container trailers were obliged to book services only through this centrally controlled system and that CTOCC was restraining outside transporters from lifting the containers which was impeding the ability of the users to hire trailers of their choice.

Following a detailed investigation by the Director General ('DG'), the Commission has found that CTOCC, along with the participating associations (namely, CCCOWA, KCCOWA, ICCOA and VTOA), has resorted to price fixing under the garb of the Turn System. In terms of Section 3(3)(a) read with Section 3(1) of the Act, the presumption arose against the said arrangement leading to AAEC, which was not satisfactorily rebutted by these associations, despite being given ample opportunity.

Thus, the Commission held them to be in contravention of the provisions of Section 3(3)(a) read with Section 3(1) of the Act. However, on the allegation pertaining to limiting and restricting the provision of services under Section 3(3)(b) read with Section 3(1) of the Act, the Commission found the evidence to be insufficient to hold CTOCC or any of its participating association responsible.

Through this Order, the Commission has unequivocally clarified that though forming an association for furthering the legitimate trade activities does not fall foul of the Act, transgressing the legitimate boundaries and indulging in anti-competitive activities does. When the trade associations are used as a platform to promote anti-competitive ends, it becomes necessary for the Commission to intervene, for penalizing the anti-competitive conduct.

Further, the Commission also mentioned in its order that though 'Turn System' may have efficiency justification in a particular trade, no such efficiency or redeeming virtue were shown by CTOCC or any of its sub-association in the present case.

The Commission has thus held CTOCC, CCCOWA, KCCOWA, ICCOA and VTOA to be in contravention of the provisions of Section 3(3) (a) read with 3(1) of the Act.

Further, the Commission has also found 10 of office bearers of CTOCC, CCCOWA, KCCOWA, ICCOA and VTOA, responsible under Section 48 of the Act, on account of the positions of responsibility held by them in these associations during the period of contravention.

<sup>1</sup> Available at : <http://www.cci.gov.in/orders-commission/102>

Accordingly, CTOCC, CCCOWA, KCCOWA, ICCOA and VTOA and their office bearers have been directed to desist from indulging in the anti-competitive conduct found to be in contravention of the provisions of the Act. But considering certain mitigating factors, the Commission decided not to impose any monetary penalty on any of the parties.

A copy of the CCI's order passed in Case No. 06 of 2014 is also available at the website of CCI at: <http://www.cci.gov.in/sites/default/files/Ref.%20Case%20No%20%2006%20of%202014.pdf>.

## **SOCIAL SECURITY BENEFITS TO WORKERS THROUGH LABOUR CODE<sup>2</sup>**

The Second National Commission on Labour has recommended that the existing Labour Laws should be broadly grouped into four or five Labour Codes on functional basis. Accordingly, the Ministry has taken steps for drafting four Labour Codes on Wages; Industrial Relations; Social Security & Welfare; and Safety and Working Conditions respectively, by simplifying, amalgamating and rationalizing the relevant provisions of the existing Central Labour Laws. Ministry of Labour and Employment has prepared a preliminary draft on Labour Code on Social Security 2017 by simplifying, amalgamating and rationalizing the relevant provisions of the 15 existing Central Labour Laws and placed on the website of the Ministry on 16.3.2017, inviting comments of the public/stakeholders. The provisions of the Code on Social Security 2017 are under consideration.

This information was given by Shri Bandaru Dattatreya, the Minister of State (IC) for Labour and Employment, in a written reply to a question in Rajya Sabha, on August 2, 2017.

## **TRADE RELATED ENTREPRENEURSHIP DEVELOPMENT ASSISTANCE SCHEME (TREAD) WOMEN ENTREPRENEURSHIP PROGRAMME<sup>3</sup>**

Trade Related Entrepreneurship Development Assistance Scheme (TREAD) envisages economic empowerment of women. There is a provision of Government of India Grant up to 30% of Loan/credit sanctioned subject to maximum ceiling of 30 Lakhs to NGOs as appraised by Lending Institutes/Banks for undertaking capacity building activities such as Training, counselling, Participation in exhibitions, establishment of new SHGs etc. and other components as approved by Bank/Steering Committee.

The non-farming activities taken up by women are Tailoring, Handicrafts, Embroidery, Toy making, Readymade garments, Candle making, Agarbatti making, paper cup and plate making, Masala powder making, Saree weaving, Coir mat making, Pickles making, Readymade garments, basketry and brooms making, Jute bag making etc.

The focus of the scheme is to promote self-employment and income generation activities for women mostly from SHG groups in non-farm sector.

This Press Release is based on information given by the Minister of State for MSME, Shri Haribhai Parathibhai Chaudhary in a written reply to a question in Rajya Sabha on August 2, 2017.

### **Team ICSI**

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<sup>2</sup> Available at: <http://pib.nic.in/newsite/erelease.aspx>

<sup>3</sup> Available at: <http://pib.nic.in/newsite/erelease.aspx>