

Competition law must: Experts

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The lack of a Competition Act has encouraged the cartel system putting inflationary pressure on consumers, according to experts.

“Due to the lack of enough human resources and technology, the government has been unable to regulate non-competitive market practices,” said commerce and supplies secretary Lalmani Joshi, addressing a ‘Consultative Meeting on Preliminary Draft Guidelines of the Competition Promotion Market Practice Act 2063’ jointly organised by the Department of Commerce, and South Asia Watch on Trade, Economics and Environment (SAWTEE) with support from USAID-NEAT Activity, here today.

Similarly, lack of proof of illicit activities of traders has made it difficult to initiate action against them, he said, citing the example of the transportation fare of a truckload of goods from Nepal-China border Tatopani to Kathmandu and Nepal-India border Birgunj to Kathmandu.

The transportation fare of a truckload of goods from Birgunj to Kathmandu — around 137 km — is Rs 30,000 but the transportation fare of a similar truckload of goods from Tatopani to Kathmandu — around 65 km — costs Rs 90,000, he added. How-

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ever, executive chair of SAWTEE Dr Posh Raj Pandey said that the implementation of the Competition Promotion Market Practice Act 2063 will help control such practices in the market.

“It will also change the market structure and business behaviour,” he said, adding that the Act will help regulate the market, though an effective information channel is key to check

market abuse. But according to him, a strong network of businessmen has hurt consumer welfare.

Former secretary Purushottam Ojha, on the occasion, said that traders, however, should not be involved in such illicit activities on the strong backing of their associations. “There is an invisible cartel system in the market, which is difficult to identify,” he added.

Similarly, director general of the Department of Commerce and Supply Management Narayan Prasad Bidari said that the Act is not enough to make the market competitive. “The other relevant Acts also have to be revisited for effective implementation,” he said, adding that there

is lack of coordination between the regulating agencies — chief district officer’s office, office of quality control, Department of Commerce — who are responsible for implementing the Act.

Draft Act is aimed at promoting competition in market as we already have consumer Welfare Protection Act, said NEAT Business Enabling Environment manager Devbhakta Shakya.