Clarion call to enforce competition law

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Even though the government enacted competition law some five years ago, experts and consumers’ rights activists on Monday lamented over lack of implementation of the law and lashed the government for not being able to deliver desired benefits to both consumers and industries.

Interestingly, even senior government officials supposed to enforce the Competition Promotion and Market Protection Act (CPMPA) themselves expressed their helplessness in fighting cartel, syndicates and other forms of anti-competitive practices running deep in the market.

“The influence and nexus of business community with political leaderships runs deep. In such a situation, political costs and risks becomes too heavy for us to take action against the anti-competitive forces,” said Lekh Raj Bhatta, Minister for Commerce and Supplies.

Speaking at a program organized to mark World Competition Day, Minister Bhatta admitted that cartels and syndicate present in almost all businesses were preying on general consumers’ rights and eroding level-playing field for genuine businessmen. “Sadly, we still have not been able to do anything even as it is causing heavy costs on the economy,” he stated.

Experts, on the other hand, demanded that the government bolster state’s presence in the market to correct the anomalies in the market. They also pushed for the formation of an autonomous and resourceful Competition Board, a separate institution, to foster fair competition in the market.

“The Competition Board presently envisaged in the Act depends on government for resources and also the appointment of senior officials. In such a situation, we do not expect it to work strongly for upholding norms of competition,” said Dr Dhruvesh Chandra Regmi, program director of South Asia Watch on Trade Economics and Environment.

Tika Ram Bhandari, director of Department of Commerce, presently entrusted to enforce the CPMPA opined that the government should amend the Act, set up a separate institution to implement it and provide more teeth to the market inspectors if it wishes the Act to be implemented effectively.

He also sought changes in Firms Registration Act that presently restricts the government from scrapping the firms once they are registered.