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Q7

Discuss the role of the Competition Commission of India in containing the abuse of dominant position by the Multi-National Corporations in India. Refer to the recent decisions.

UPSC Civil Services Mains 2023 · GS II · 10 marks · Governance and Policy

Government policies and interventions for development in various sectors and issues arising out of their design and implementation.

Core demand of the question

- Discuss the role of the **Competition Commission of India** in containing the abuse of dominant position by Multi-National Corporations in India
- Refer to recent well-known public decisions

Revision summary

Section 4 of the Competition Act, 2002, bans abuse of dominance, including by MNCs.

The CCI investigates, orders modification of terms, and may penalise; NCLAT hears appeals.

2022 public orders against Google on Android licensing and Play billing are the main digital-abuse precedents.

The 2022 MakeMyTrip-Goibibo order and the Amazon-Flipkart investigation show platform intermediation is inside CCI's reach.

Enforcement works when the Indian relevant market is defined; monitoring of remedies is the unfinished part of the role.

Introduction

The **Competition Act, 2002**, prohibits abuse of dominant position under **Section 4**, whether the enterprise is Indian or a multi-national corporation. The **Competition Commission of India** investigates, orders cease-and-desist, modifies agreements, and may impose penalties; appellate review then sits with the National Company Law Appellate Tribunal.

Body

Legal role

- **Section 4 of the Competition Act, 2002, lists abuses:** unfair or discriminatory conditions or prices, limiting production or technical development, denying market access, and using dominance in one market to enter another.
- Dominance is not illegal; abuse is. MNCs are judged by the same relevant-market and dominance tests as domestic firms.
- The Commission can order a Director General investigation, pass interim orders, and require modification of platform or licensing terms that lock in users.
- Combinations under **Sections 5** and **6** (now with the 2023 amendment's deal-value threshold) let the CCI look at mergers of global firms that affect Indian markets.

Recent public decisions involving large digital and platform firms

- In 2022 the CCI held that Google had abused its dominant position in licensable mobile operating systems and in the Play Store by restrictive Android licensing and pre-installation conditions (the Android case).
- In a related 2022 order the CCI held that Google had abused dominance in the app-store billing market by forcing Play billing on app developers (the Play billing case).
- In 2022 the CCI found MakeMyTrip-Goibibo to have abused dominance in the online hotel intermediation market, including through arrangements that hurt competing hotel chains such as OYO; this is a platform case with global investors, not a small domestic shop.
- The CCI directed investigation into Amazon and Flipkart in 2020 on allegations of deep discounting and preferential listing; that probe is a public enforcement step against large e-commerce MNCs, even where a final penalty order was not the 2023 headline.
- These matters went through stay and appeal; the role of the CCI is to open the Indian relevant market, not to write the last appellate word.

Limits

- Global pricing, data localisation, and app-store rules change faster than a [Section 26](#) inquiry.
- Remedies on algorithms and self-preferencing need technical monitoring that a small commission can under-staff.
- Overlap with the [Digital Personal Data Protection Act, 2023](#), telecom licensing, and incoming digital-competition proposals can fragment the same MNC conduct across regulators.

Recommendations

- Staff digital units that can monitor behavioural remedies after Google-type orders, not only levy a first penalty.
- Use the deal-value merger threshold so asset-light MNC acquisitions of Indian start-ups do not escape notice.
- Coordinate CCI, TRAI, and MeitY so platform dominance is not litigated three times with three inconsistent definitions of the market.

Flow diagram

Competition Act 2002 s.4 -> CCI
CCI -> Google Android and Play 2022
CCI -> MakeMyTrip-Goibibo 2022
CCI -> Amazon Flipkart probe
Google Android and Play 2022 -> Conduct remedies and appeal
MakeMyTrip-Goibibo 2022 -> Conduct remedies and appeal
Amazon Flipkart probe -> Conduct remedies and appeal

Conclusion

The CCI contains MNC abuse by applying [Section 4](#) to Indian relevant markets, as in the 2022 Google Android and Play billing orders, the MakeMyTrip-Goibibo order, and the Amazon-Flipkart investigation. Its role is real where it can define the market and enforce conduct remedies; appeals and capacity remain the constraint.

Facts & figures

Competition Act, 2002, Section 4

Prohibits abuse of dominant position; dominance itself is not an offence.

CCI Google Android order, 2022

Found abuse in Android OS licensing and Play Store restrictions; subject to later appellate proceedings.

CCI Google Play billing order, 2022

Found abuse in mandatory in-app billing conditions on the Play Store.

CCI MakeMyTrip-Goibibo order, 2022

Found abuse of dominance in online hotel bookings, including exclusionary terms affecting hotel partners.

CCI Amazon-Flipkart investigation, 2020

Commission directed a DG investigation into alleged anti-competitive e-commerce practices; a probe is not by itself a proved penalty.

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