

CCI RULES OUT CARTELISATION AMONG TYRE COS

New Delhi, Oct. 30: In a relief to tyre makers, the Competition Commission on Tuesday said it has not found any evidence of cartelisation among the country's tyre manufacturers including Apollo, MRF and Ceat.

In its order, the commission said there is "no sufficient evidence to hold a violation by the tyre companies Apollo, MRF, J K Tyre, Birla, Ceat and ATMA (Automotive Tyre Manufacturers Association) of provisions of Competition Act."

Cartelisation generally refers to entities entering into agreements whereby they decide not to compete on price or product or customers.

Such practices, which adversely impact overall competition in the market, are prohibited under Section 3 of the Competition Act.

The commission in June 2010 had directed its director general (DG) to carry out an investigation on the issue, specifically on the five major domestic tyre makers — Apollo Tyres, MRF, Ceat Tyre, Birla Tyre and JK Tyre.

The DG, investigation arm of the CCI, had concluded that tyre makers violated some provisions of the Competition Act.

However, the fair trade regulator said that taking into consideration the act and conduct of the tyre companies/ ATMA, "it is safe to conclude that on a superficial basis the industry displays some characteristics of a cartel there has been no substantive evidence of the existence of a cartel."

— PTI