

India Competition & Regulation Report (ICRR) IV Cycle

QUESTIONNAIRE – Business (India Competition Perception Survey)

The country is following a policy of market-oriented economic reforms for the past two decades, there is a need to assess the perception of stakeholders about the competition and regulation regimes prevailing in the country and also on the quality of regulation. Accordingly, a questionnaire has been designed to get feedback from stakeholders on the following four broad issues:

- Awareness/knowledge regarding competition and regulatory Issues
- Assessment of the quality of regulation
- Assessment of the level of competition and nature of practices that prevail in the economy
- Opinion about the nature and impact of government policies/measures

We thank you in advance for your valued cooperation and assure you of strict confidentiality. Neither your name nor the name of your organisation will be revealed in any document based on this survey.

Name: _____

Organisation: _____

Address: _____

City/State: _____

Email: _____ Tel. No. _____

Date: _____

Please identify the stakeholder group you belong to, by putting a [X] against relevant category:

- [] Policy-maker/Government official (parliamentarians, central or state government officials, regulators)
- [] Business (manufacturers, service providers, representative of business chamber, business associations, service provider's association)
- [] Sectoral experts/practitioners (please specify _____)

Each question below has various options. We request you to please give your response by selecting the most appropriate option. Please select **only one** response by putting a [X].

PART: A

I. Level of Competition that Prevails in the economy

1. How important do you think is the role of competition in reducing price of the following products?

Product	i. Not at all important	ii. Slightly important	iii. Fairly important	iv. Very important	v. Can't say/ Don't know
a. FMCG (Toothpaste/ Soap/ Shampoo etc)					
b. Coffee/Tea					
c. Wrist Watch					
d. Electrical fan					
e. Refrigerator					
f. Colour TV					
g. Washing Machine					
h. Desert Cooler/AC					
i. Computer					
j. Mobile Handset					
k. Bicycle					
l. Motor cycle/Scooter					
m. Car (small segment)					

2. Suppose, you wish to switch suppliers, how easy is to do so? Answer this question for all the services listed below:

Service	i. No option to change supplier	ii. Very Difficult	iii. Difficult	iv. Easy	v. Very Easy	vi. Can't say/don't know
a. Telephone/Internet/leased circuit service						
b. Accounting/ auditing service						
c. Management Consultant service						
d. Courier service						
e. Advertising agency service						

3. Consider the manufacturing sector in India; please tell us if any of the following issues are a problem for starting a manufacturing unit. Please indicate a separate response for SMEs.

Issue	Small-scale units					Large-scale units				
	i. No obstacle at all	ii. Manageable	iii. Cumbersome	iv. Very cumbersome	v. Can't Say/Don't know	vi. No obstacle at all	vii. Manageable	viii. Cumbersome	ix. Very cumbersome	x. Can't Say/Don't know
a. Approval under land laws										
b. Approval under labour laws										

Issue	Small-scale units					Large-scale units				
	i. No obstacle at all	ii. Manageable	iii. Cumbersome	iv. Very cumbersome	v. Can't Say/Don't know	vi. No obstacle at all	vii. Manageable	viii. Cumbersome	ix. Very cumbersome	x. Can't Say/Don't know
c. Pollution and environmental clearance										
d. Telecom connection										
e. Electrical connection										
f. Water connection										
g. Construction-related permit										
h. Operating license/permit										
i. Finance										
j. Private anti-competitive practices (e.g. private entry barriers)										
k. Shop/Establishment Act										
l. Fire & Safety rules										

4. Consider the manufacturing sector; please tell us if any of the following issues are a problem for the operation/running of a manufacturing unit. Please indicate a separate response for SMEs.

Issue	Small-scale units					Large-scale units				
	i. No obstacle at all	ii. Manageable	iii. Cumbersome	iv. Very cumbersome	v. Can't Say/Don't know	vi. No obstacle at all	vii. Manageable	viii. Cumbersome	ix. Very cumbersome	x. Can't Say/Don't know
a. Electricity supply										
b. Transportation (inbound and outbound)										
c. Tax administration/inspections by Tax inspectorate										
d. Labour Regulations/inspections by labour inspector										
e. Environment Regulations/inspections										
f. Financing (access/cost of financing)										

Issue	Small-scale units					Large-scale units				
	i. No obstacle at all	ii. Manageable	iii. Cumbersome	iv. Very cumbersome	v. Can't Say/Don't know	vi. No obstacle at all	vii. Manageable	viii. Cumbersome	ix. Very cumbersome	x. Can't Say/Don't know
g. Policy/regulatory Uncertainty										
h. Anti-competitive practices (e.g. in purchasing or selling goods)										

II. Nature of Practices that prevail in the market place

5. Please give your opinion on the various promotional schemes run sellers to attract customers. Please indicate your opinion on such schemes:
 - a. They are in the interest of consumers []
 - b. They do not deliver promised rewards and are designed to dupe consumers []
 - c. Some schemes are good, some are designed to dupe consumers []
 - d. Can't say/don't know []

6. We often face the practice of 'tied selling', viz. doctors asking patients to get diagnostic tests done from prescribed laboratories, or schools asking students to buy uniforms from prescribed shops/sellers. Do you think that this practice is appropriate?
 - a. Yes, it is an effective way to ensure quality, since reliability is a matter of concern in these services. []
 - b. No, this is just a means to make easy money and limits choice for consumers []
 - c. Not always, sometimes it does help to ensure quality []
 - d. Can't say/don't know []

7. Presently certain professions (medical, accounting, legal etc.) are restricted from advertising of their members/services. Do you think that such restrictions are justified?
 - a. Yes, such restrictions protect the public from misleading information []
 - b. No, restrictions on advertising favour established firms, restricts entry and has anti-competitive effects []
 - c. No, instead of outright bans, clear parameters should be defined for truth in advertising, ruling out inducements, misleading claims, etc. []
 - d. Can't say/don't know []

8. Certain industries in the country are characterised by one or two dominant firms. Please indicate if you think that such dominance is a matter of concern
 - a. Yes, emergence of dominant position is a matter of concern []
 - b. No, there is nothing to worry; market forces ensure enough competition []
 - c. No, it is a natural monopoly due to the nature of the industry/technology []
 - d. Can't say/don't know []

9. In certain product categories, there are complaints of excessive pricing by users of the intermediate inputs. How often do you think businesses face anti-competitive practices while purchasing raw materials or intermediate inputs?
- There are many such cases of anti-competitive practices faced by business []
 - There are occasional cases of such anti-competitive practices faced by business []
 - There are no such cases []
 - Can't say/don't know []
10. In products like pharmaceuticals or FMCG goods, there are often complaints that producer companies have to come down to sizable profit margins to the retail seller to get their products sold. Do you feel such practices raise the final price for consumers?
- Yes []
 - No, the MRP puts a ceiling on final prices []
 - No, on the other hand there are instances where retailers share a part of that margin with consumers and sell below the MRP []
 - Can't say/don't know []

III. Awareness/Knowledge on Competition and Regulatory Issues

11. Are you aware of the "Competition Commission of India"?
- Yes []
 - No []
 - Can't say/don't know []
12. (*In case of answer to Question 11 is "b" or "c", then skip to Question 14*) Can you please tell the purpose of the Competition Commission of India?
- To monitor competition of Stock Market []
 - To promote competition amongst manufacturers and retailers []
 - To restrict inflow of FDI (Foreign Direct Investment) []
 - To investigate anti-competitive action []
 - To monitor competition in distribution of FMCG/non-FMCG products []
 - To combat monopolistic trade practices []
 - All of the above []
 - Can't say/don't know []
13. (*In case of answer to Question 12 is "g", then skip to Question 14*) In case a monopolistic supplier increases the service charges/price of products sold significantly, do you feel that the Competition Commission of India is empowered/will be able to investigate such anti-competitive actions?
- Yes []
 - No []
 - Can't say/don't know []
14. Do you think that the existing mechanisms (e.g. competition authority or any other agency at state/sub-state level) for addressing anti-competitive practices are effective?
- Yes, always []
 - Yes, sometimes []
 - No, never []
 - Can't say/don't know []

15. Are you aware of economic regulators in the telecom, electricity sectors? []
 a. Yes []
 b. No []
16. What according to you is the role of an economic regulator? []
 a. To develop & implement rules that create a competitive environment in the market []
 b. To implement the Competition Law []
 c. To facilitate business arrangements []
 d. Can't say/don't know []
17. Do you think that the independent regulators (Like TRAI) have been effective in enforcing their tariff/regulatory orders at the local level? []
 a. Yes, always []
 b. Yes, sometimes []
 c. No, never []
 d. Can't say/don't know []
18. Have you or your fellow stakeholders ever been invited to participate in stakeholders' meetings organised by economic regulators? []
 a. Yes []
 b. No []
19. If yes, was the meeting participatory? []
 a. Not at all []
 b. Somewhat []
 c. Fully []
20. How can the quality of regulation be improved? Please rank these measures on a scale of 1-4 (choose only 1, 2, 3 or 4) in order of increasing importance. []
 a. By making regulatory bodies more independent []
 b. Allocating more budget []
 c. Good quality personnel []
 d. Reducing political interference []

21. How would you rank the quality of regulation in India?

Quality	Coal	Railways	Finance	Healthcare	Electricity	Oil & Gas	Ports
Very poor							
Poor							
Satisfactory							
Good							
Excellent							

IV. Nature and Impact of Government policies/measures

22. Please indicate if you think Government intervention in pricing of essential commodities (to make it more affordable for the ordinary consumers/farmers) is correct?
- a. Yes, always []
 - b. Yes, sometimes []
 - c. No, never []
 - d. Can't say/Don't know []
23. India has experimented with price controls of select patented products. Do you think that such action of fixing prices is the right way to protect consumer interest?
- a. Yes []
 - b. No, the government should have entrusted the task of evaluation to a specialised body such as the patents authority []
 - c. No, the government should have instead encouraged competition []
 - d. Can't say/don't know []
24. Is the government neutral among bidders (public and private) when granting public contracts?
- a. Private and public sector players are always given equal treatment []
 - b. Private players get equal treatment only in some cases []
 - c. Contract terms and conditions are always loaded in favour of public sector units []
 - d. Can't say/don't know []
25. Do you think that the number of procedures/ formalities (on an average) needed for an entrepreneur to setup a business has come down within the past five years?
- a. Yes, it has come down significantly []
 - b. Yes, there has been some reduction []
 - c. No, there is no change []
 - d. No, the number of procedures has actually increased []
 - e. Can't say/don't know []
26. Do you think Government's policy of giving purchase preference to public sector units in government procurement (to ensure their viability in the long run) is right?
- a. Yes, it compensates PSUs for social objectives they are required to achieve and enables them to compete with private companies []
 - b. No, it creates an uneven playing field and distorts the market process []
 - c. No, the government should instead give PSUs autonomy and allow them to operate on a purely commercial basis []
 - d. Can't Say/Don't know []
27. Do you think it is right to appoint retired/retiring bureaucrats and judges as regulators?
- a. Yes, given India's political-economy (where line ministers have a tendency to intervene in regulator's functioning), such appointments allow regulators to maintain a congenial relationship with the government and enhances regulatory effectiveness []
 - b. No, this precludes appointment of professionals and undermines regulatory effectiveness []
 - c. Can't say/don't know []

PART B: SECTORAL REGULATION

VIII. Private Healthcare

28. Please give your opinion on the need of an independent regulator for the healthcare sector?

- a. Yes, we need an independent regulator to regulate the health sector []
 b. The existing setup of regulation is fine []

29. Do you agree that there is information asymmetry in the healthcare sector between providers and consumers regarding availability of :

Quality	Health care facilities	Cost of medicines	Services provided in hospitals	Treatment procedures
Yes				
No				
Can't Say/ Don't Know				

30. Do you agree that there exists collusion/nexus among various actors in the healthcare supply chain

Quality	Doctors/Doctors	Doctors/Pharma company	Doctors/hospital	Hospital/diagnostic centre	Doctors/diagnostic centre
Yes					
No					
Can't Say/ Don't Know					

31. The cost of delivering healthcare services by private establishments has increased manifolds over the period of time. What's your take on this

- a. The disease pattern has changed and hence there is increase in cost []
 b. The high cost of drugs/medicines contribute to higher healthcare cost []
 c. Increase in Income level of households is one of the reason []
 d. Lack of price regulation in the private healthcare sector []
 e. costs increase because for all ailments doctor insist on diagnostic tests []
 f. All of the above []

32. There are various bodies which looks at different aspects of healthcare regulation such as MCI, State department of health, state medical councils, consumers courts, etc. however, do you feel that on their own, none of these can effectively address key regulatory concerns of the sector

- a. Yes []
 b. No []
 c. Can't say/Don't know []

33. Do you know that there is no standard treatment cost in healthcare i.e even for the same treatment there is differential pricing? In other words do you think that there should be a standard pricing policy/standard cost of treatment in the healthcare sector

- a. Yes []
 b. No []
 c. Can't say/Don't know []

34. Are you aware about the model Clinical Establishment Act?
- a. Yes []
- b. No []
35. If yes, do you think that every state should adopt it to make the healthcare sector more accountable
- c. Yes []
- d. No []
- e. Can't say/Don't know []
36. Tied selling in private healthcare sector is rampant. Such as getting diagnostic test done from a specific centre or within the hospital only and similarly for medicines, doctors would make the choice for you as to which brand of medicine should be consumed. Do you think this is an appropriate practice
- a. Yes []
- b. No []
- c. Can't say/Don't know []
37. Establishing a hospital and getting the approval from licensing authority is time consuming and difficult. Do you agree with this
- a. Yes []
- b. No []
- c. Can't say/Don't know []
38. Government is considering a proposal to bring all essential drugs under price control in order to make them affordable and accessible, especially to poor people. Do you think that controlling the price of all essential drugs is the right way?
- a. Yes, controlling the price of all essential drugs is the best option considering that it is the doctors and retailers that play an important role in purchase decisions []
- b. No, price control is not required at all; government should instead encourage competition with appropriate monitoring of prices []
- c. No, price control should instead be restricted to only a few medicines that have seen excessive price increase, and others should be put on a watch list []
- d. Can't say/don't know []
39. If the independent regulator is setup, who should the regulator be accountable too?
- a. Ministry of Finance []
- b. Department of Pharmaceutical under Ministry of Chemical & Fertiliser []
- c. Ministry of Corporate Affairs []
- d. Parliamentary Standing Committee
- e. Ministry of Health and Family Welfare []
- f. Any other []

**THE SURVEY ENDS HERE. THANK YOU VERY MUCH FOR YOUR
COOPERATION**