

COMPETITION LAW AND THE JUTE SECTOR – ANALYSING THE IMPACT OF THE LAW ON THE GOLDEN FIBRE

Abstract

Jute, the golden fibre, is a natural plant fibre that has huge economic and social significance in India - in terms of employment generation, cultivation and commercial utility as synthetic substitutes, specially in the wake of the rising environmental concerns across the globe. In the commercial operations, the importance of competition law has huge implications. However, due to very specific characteristics of the jute sector, the implications of the competition laws needs to be analysed from the lens of the economic viability of the sector and social impacts that it may probably cast on nearly 40 lakh families that are dependent on the industry for their survival. In this context, the present paper aims to analyse the importance of competition law and its application on the jute sector and examines the way that the sector has been dealt by the competition authorities in recent times.

I Introduction

JUTE, A natural plant fibre, is considered to be the second most widely used textile fibre, commercially after cotton. It is cultivated as a crop and being a vegetable fibre, it is completely bio-degradable. Jute is also versatile in its usage, and with recent research and innovations its usage has been extended in the automobile, construction, paper industries as well. Traditionally, jute finds its extensive usage in the textile sector primarily as a packaging materials and gunny bags. It displays high tenacity, strong insulation properties both for sound and heat, it has low thermal conductivity and most importantly have high tensile strength. Therefore, jute fibres are used for manufacturing industrial yarn, ropes, strong fabrics, nets, and sacks. Jute is also referred as the golden fibre due to the golden and silky shine of the fibre. Jute is largely cultivated in India primarily in the State of West Bengal. Other states like Assam, Bihar, Orissa, and Andhra Pradesh also grow jute. India and Bangladesh are the two countries which are primarily involved in jute cultivation and accounts for more than 99 percent of the world jute production.¹ Other countries in the South-Asian parts also cultivate jute in smaller quantities like Myanmar, Indonesia, Nepal, Thailand also cultivate jute but in smaller quantities.

The jute sector in India is a highly regulated one with a number of laws operating. Some of the important laws include the Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987, the Jute Manufactures Development Council Act, 1983, the National Jute Board Act, 2008, *etc.* Additionally, there are various government agencies that are established pertaining to different aspects of the jute sector, like the

1 Food and Agricultural Organisation of the United Nations, “Statistical Bulletin 2018- Jute, kenaf, sisal, abaca, coir and allied fibres” (2018).

Directorate of Jute Development, Office of the Jute Commissioner, Jute Corporation of India, *etc.* Amidst the robust regulatory framework and operation of government agencies, arises the question of competition and its importance for the sector.

In this context, the paper aims to study the importance of competition law and its application on the jute sector. The sector is often referred to as a sunset one, implying that it is in ailing conditions. Therefore, it becomes important to examine the operation and implications of the competition laws in the jute industry. This article further tries to scrutinise that how far the competition authorities in India can influence the operation of the sector and examines the way that the sector has been dealt by the competition authorities in recent times.

II Competition laws and policy

Competition implies a market situation where the firms, entities, or sellers operating in the market, strive for higher buyers base so that the business aims of profits, sales, market share, *etc.*, are achieved. This particularly focuses on the availability of best products and services at minimum prices. For competition to prosper, it is essential that business entities not only reduce costs, but also innovate, invest in technology, and imbibe better managerial practices to increase productivity. This in turn leads to increased choices and lower prices for consumers. It is important to note here that the state of free and fair competition in the market to ensure the best possible results is not an automatic phenomenon. It is required to promote, protect and more importantly regulate it with proper mechanism and regulatory framework. Competition policy is a set of government measures, policies, statutes, and regulations that include a legal framework aiming towards promoting competitive market structure and behaviour of entities in an economy. Competition law is in fact a sub-set of the competition policy.

The World Trade Organisation (WTO) working group defines competition policy as, “the full range of measures that may be used to promote competitive market structures and behaviour, including but not limited to a comprehensive competition law dealing with anti-competitive practices of enterprises.”² Similarly, the World Bank defines competition policy as, “government measures that directly affect the behaviour of enterprises and the structure of industry. An appropriate competition policy includes both: (a) policies that enhance competition in local and national markets, and (b) competition law, also referred to as antitrust or antimonopoly law.”³

Competition is an important measure to encourage innovation, productivity and growth, all of which in turn, is essential to create wealth and reduce poverty. Weak competition

2 WTO Working Group on the Interaction between Trade and Competition Policy, “The Fundamental Principles of Competition Policy”, WT/WGTCP/W/127, (1999).

3 *Ibid.*

often results in anti-competitive conduct by firms. Effective competition, which is not automatic, can be harmed by inappropriate government policies and legislation, and by the anti-competitive conduct of firms.⁴ Competition gives firms continuing incentives to make their production and distribution more efficient, to adopt better technology, and to innovate. These sources of productivity improvement lead to growth and poverty reduction.⁵ Adopting competition policies would also result in the entry of more players and this would reduce the tendency of companies to produce less than the competitive output levels, which typically happens in a monopolistic market. Thus, a competitive market may be very helpful for small entrepreneurs, businesses, and even farmers to operate. They can benefit if entry and exit barriers are low. If they can purchase inputs at fair prices, and are able to sell their output on fair terms, they can access a level playing field, which can result in not just economic growth but also poverty reduction. With competition in the market, enterprises would be more interested to re-invest in new production technologies, new production processes and new products. In addition to customer benefit, this would also help to reduce slackness and inefficiencies.⁶

III Competition in the jute sector

The jute sector was once a prosperous and profit making industry. In fact, it can be said to be the pioneer sector that promoted private entrepreneurship in India during the 1800s. But gradually, it could not sustain the changing market demands and the stiff challenges from the synthetic substitutes. Hence, it began to decline with time. However, jute still happens to be a major economic support for more than 40 lakh families in India.⁷ From jute farmers, to mill workers, to jute traders, the sector is a source of survival for numerous families. Hence, its importance in the economy is undeniable. Additionally, with the increasing environmental awareness of the world community, the natural fibres like jute are being preferred for a number of purposes instead of its synthetic substitutes. With innovation in the sector, its multi-usage properties have been further explored. It is found that jute fibres can be used in the automobile sector as a substitute of glass fibres,⁸ they find extensive utility as jute

4 Nick Gogfrey, "Why is Competition Important for Growth and poverty Reduction?", *OECD Global Forum on International Investment* (Mar. 2008)

5 Paul Cook, Raul Fabella, *et al.*, (eds.), *Competitive Advantage and Competition Policy in Developing Countries*, (Edward Elgar Publishing, 2008).

6 CUTS Center for Competition, Investment and Economic Regulation, "Competition Policy and Economic Growth - Is there a causal factor?" (2008).

7 Press Information Bureau, Government of India, "Cabinet approves MSP for Raw Jute for 2017-18 season" (Apr. 2017), *available at*: <https://pib.gov.in/PressReleaseDetail.aspx?PRID=1514141> (last visited on Jan 20, 2022).

8 Alcides L. Leao, Roger Rowell, Nilton Tavares, "Applications of Natural Fibers in Automotive Industry in Brazil" in P.N. Prasad, J.E. Mark, *et al.*, (eds.) *Science and Technology of Polymers and Advanced Materials* 755-761 (Springer, Boston, 1998).

geotextiles for civil engineering works,⁹ it can be used in the construction industry as parts of building materials,¹⁰ it can also be used as a raw material in the paper industry instead of wood pulp.¹¹

But the moot question that arises is whether the sector operates with competition principles. In this context again, it is important to note that despite its recently developed multiple usage, the sector is primarily engaged in manufacturing textiles for the packaging industry. And since the packaging market is also flooded with a variety of synthetic materials made of polypropylene and polyethylene fabrics, jute faces existential crisis extensively. In view of its condition and the fact that so many families are dependent on it for their living, the government has strongly regulated the market. The Central Government under the Jute Packaging Materials (Compulsory use in Packing Commodities) Act, 1987 spells out the percentage of mandatory packaging of food grains and sugar that are to be done in variety of jute bags. Moreover, these bags are directly procured by various government agencies like the Food Corporation of India and other such state agencies. In fact, there is no market for jute packaging materials other than the government procurements throughout the year. Therefore, the scope and possibility of competition in the sector is limited, specially when the traditional jute products¹² are considered. However, as far as the price, variety and quality of the products are concerned, the competition policy can be invoked to examine its operation on the sector.

It is also pertinent to mention that the apex organisation that represents the jute industry in India is the Indian Jute Mills Association (IJMA). The IJMA maintains all data and statistics relating to the sector. It majorly functions to promote research in the sector, promote better competition and cast down restrictive trade practices. Another association that operates in the sector is the Gunny Trades Association (GTA) which primarily is involved in regulating the trade related aspects of manufactured jute goods and look into dispute resolution in jute trading. The membership of the Association includes gunny merchants, jute goods dealers, shippers of jute goods, jute mills and jute brokers.

IV Analysing the application of competition law in the jute sector

Being under the competition regulator has been one of the major legal challenges for the sector in the recent years. With the robust corporate legal framework being

9 Tapobrata Sanyal, *Jute Geotextiles and their Applications in Civil Engineering* 19-31 (Springer, Singapore, 2017).

10 M.A. Mansur, M.A. Aziz, "A Study of Jute Fibre Reinforced Cement Composites" 4(2) *International Journal of Cement Composites and Lightweight Concrete* 75-82(1982).

11 Mahasweta Das, "Utilisation of Jute Sticks in Paper Industry" 15 (40) *Economic and Political Weekly*, 1679 (1980)

12 Traditional Jute Products include packaging materials like Hessian, Sacking, Jute Yarn, and Carpet Backing Clothes

established in the country, the dynamics of trading in a sector like jute which is vigilantly overseen by the government, has also evolved and have been brought under several legal lenses. The jute sector very recently faced the legal challenge pertaining to operations of the competition laws. It was brought under the scanner of the competition regulator – the Competition Commission of India (CCI). In this section, the case has been analysed in the context of the existing conditions of the sector and the applicability of the competition laws in its trade.

The order of the CCI

The jute sector, as already discussed is predominantly involved in manufacturing jute bags and packaging materials of different variety. In 2014, the CCI dealt with the matter of cartelisation in the jute sector in *Indian Sugar Mills Association v. Indian Jute Mills Association*.¹³ This case related to an alleged anti-competitive agreement by the members of Indian Jute Mill Association (IJMA) and Gunny Trade Association (GTA) in fixing of sale price of jute packaging materials by issuing of daily price bulletin (DPB). The DPB is published by GTA pertaining to various types of jute bags that the members of the IJMA and the GTA manufacture and trade. In this case, the allegations were based on the price determination of A-Twill jute bags variety which were procured by the informants for packaging sugar.

The informants, Indian Sugar Mills Association (informant 1), National Federation of Co-operative Sugar Factories Ltd (informant 2), and All India Flat Tape Manufacturers Association (Informant 3) contended that due to the operation of the Government's mandate¹⁴ under the Jute Packaging Materials (Compulsory Use In Packing Commodities) Act, 1987, (JPM Act), the sugar mills were mandated to procure jute bags for packaging 100% of their produce. This created a monopoly for the jute mills in the markets as far as packaging sugar is concerned. Due to this government created monopoly, the other packaging goods were unable to enter the markets despite having alternative products at lower prices. Informant 3, the national association of PP/HDPE woven sack (plastic bags) joined the matter since they wanted to enter the sugar packaging market but was unable to, despite jute bags being higher priced than their products.

It was alleged that with this monopoly, the jute mills hiked the prices of jute bags from Rs/-53.50/bag in April 2010 to Rs/- 64.50/bag in February 2011. This price jump was contended to be a result of an agreement/understanding among jute mills which

13 CCI order dated Oct. 31, 2014, Case No. 38 of 2011, *available at*: https://www.cci.gov.in/sites/default/files/382011_0.pdf(last visited on Feb. 20, 2022).

14 The Cabinet Committee on Economic Affairs (CCEA) mandated that 100 percent foodgrains and sugar was to be mandatorily packaged in various jute packaging materials for the jute year 2009-10 extending from July 31, 2009 to June 30, 2010. (Press Information Bureau, Government of India, Sep. 7, 2009).

were members of the IJMA and GTA. Hence this formed a cartel that operated in the jute packaging material market which infringed section 3(3) of the Competition Act, 2002 by jointly deciding sale prices and limiting technical development of the industry.

After deliberating on the issue, the CCI deducted that the alleged conduct of IJMA and GTA were contravening the provisions of section 3(1)¹⁵ read with section 3(3)(a) / 3(3)(b)¹⁶ of the Competition Act, 2002 and held that the persons in-charge of IJMA/ GTA were liable for the said acts under the provisions of section 48¹⁷ of the Act.

The investigations revealed that there were contradictions regarding the publication of the DPB by the GTA. While, on one hand, the GTA submitted that the stated prices related to the transactions that takes place on the previous day, on the other hand, it was found to be an indicative pricing for trend forecast for the ensuing day and also for future months. Further, the procedure of setting the price was also found to be opaque as no member could provide any satisfactory response to justify the requirements of the DPB. In fact, the CCI concluded that the entire exercise of fixing and publishing the prices were done arbitrarily and members could not provide any scientific method for such calculations. Additionally, the tender price for procuring

15 Competition Act, 2002, s. 3(1). Anti-competitive agreements (1) No enterprise or association of enterprises or person or association of persons shall enter into any agreement in respect of production, supply, distribution, storage, acquisition or control of goods or provision of services, which causes or is likely to cause an appreciable adverse effect on competition within India

16 *Id.*, s.3(3) reads: Any agreement entered into between enterprises or associations of enterprises or persons or associations of persons or between any person and enterprise or practice carried on, or decision taken by, any association of enterprises or association of persons, including cartels, engaged in identical or similar trade of goods or provision of services, which—

- (a) directly or indirectly determines purchase or sale prices
- (b) limits or controls production, supply, markets, technical development, investment or provision of services;

17 *Id.*, s. 48. (1) reads: Where a person committing contravention of any of the provisions of this Act or of any rule, regulation, order made or direction issued thereunder is a company, every person who, at the time the contravention was committed, was in charge of, and was responsible to the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing contained in this sub-section shall render any such person liable to any punishment if he proves that the contravention was committed without his knowledge or that he had exercised all due diligence to prevent the commission of such contravention.

(2) Notwithstanding anything contained in sub-s. (1), where a contravention of any of the provisions of this Act or of any rule, regulation, order made or direction issued thereunder has been committed by a company and it is proved that the contravention has taken place with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that contravention and shall be liable to be proceeded against and punished accordingly.

jute bags by cooperative sugar mills, were also based on the GTA DPB. The CCI also found that there was close communication between the members of the IJMA and the GTA and 30 out of 34 members of IJMA were also members of the GTA in various capacities. This further strengthens the claim that there has been contravention of section 3(3)(a) in determining the sale and purchase prices of jute bags. Again, the CCI found that there was no correlation between the prices of the A-Twill Bags and B-Twill bags (two varieties of jute bags) despite the raw materials in both cases being the same. While the prices of B-Twill bags are decided by the Jute Commissioner, the prices of the A-Twill bags are dependent on the market forces. Owing to all these factors, the CCI concluded that an agreement as per section 2(b)¹⁸ of the Act existed that created an appreciable adverse effect on the competitive spirit in the jute market.

Interestingly, since this market requirement of mandatory procurement of jute bags for sugar packaging is created by the statute and renewed through notification from the Ministry of Textile (MoT), the CCI also examined the involvement of the MoT in this matter. Although the Ministry was not found to contravene section 3 of the Act, the CCI noted that it must revisit the provisions of the JPM Act. The CCI was of the opinion that the mandate of packing 100% sugar produce in jute bags produced in India only (the mandate that continued till 2012 and then was eventually diluted),¹⁹ is against the principle of competitive neutrality. Specially with various entities manufacturing similar products, denying their access to the sugar packaging segment, restricts the choice of consumers which might lead to cost escalation which in turn is borne by the end consumer, *i.e.*, common people.

The CCI further pointed that the JPM Act was passed in 1987 for protecting the interest of the people involved in production of raw jute and jute packaging material. But it has been about three decades of its operation, and the conditions of the jute industry may have undergone a change which has probably obliterated the need of protecting the industry. The Commission expected the MoT, Government of India to reassess the situation in context of the changing market dynamics and undo the distortions which act against the principles of free and fair competition in the economy.

Accordingly, the CCI slapped a penalty on IJMA and GTA at the rate of 5% of their average turnover for the past three years. The total amount of penalty payable by

18 *Id.*, s. 2(b) reads: “agreement” includes any arrangement or understanding or action in concert,—
(i) whether or not, such arrangement, understanding or action is formal or in writing; or
(ii) whether or not such arrangement, understanding or action is intended to be enforceable by legal proceedings;

19 The Cabinet Committee on Economic Affairs (CCEA) decided that 90 percent of the production of food-grains and 20 percent of the production of sugar will be required to be mandatorily packaged in jute bags for the jute year 2013-14 (July 1, 2013- June 30, 2014) which could be further diluted upto 30 percent in case of shortage of jute materials. (Press Information Bureau, Government of India, dated Nov. 28, 2013).

IJMA was indicated as INR 7,68,527/- and on GTA as 35,169/-. Similarly, the CCI also imposed a penalty on 25 members of IJMA and 19 members of GTA@ 5 percent of their average income of the last three financial years.

Analysis

It is interesting to note here that while the CCI based its understanding on the free economic aspects, there are various other factors that influence the jute industry and the people who are engaged in it. Although implications of competition policies might propagate for a free capitalistic economic structure, whether all sectors are ready to accept such challenges, is a major question. The conditions of the jute industry with little or no innovation on one hand, and the huge number of Indian families, about 40 lakh farming families and 4 lakh mill workers and traders, dependent on the industry for their livelihood are essential factors that need to be incorporated in the policy decisions. While there is no denial that every sector needs to be self-sufficing and cannot depend on government policies perpetually, the viability of leaving an ailing sector outside policy framework may also pose a variety of challenges. The correctness of the policy frameworks and whether adequate steps are being taken towards establishing self-sustenance are a matter of a different debate altogether, but given the current scenario, the feasibility of removing the sector from government protection may be difficult.

It must be mentioned here that in 2014, the government did plan for diluting the mandatory jute packaging and eventually phasing it out completely, as far as the sugar sector is concerned. In fact before that in 2012, the mandatory packaging rules for sugar industry was drastically reduced from 100 % to 40%,²⁰ which further reduced to 20% sugar in 2013.²¹ In 2014 when the newly formed NDA government planned to dilute the jute packaging further and gradually phase out jute packaging, there were huge speculations in the jute producing states specially West Bengal. Chief Minister Mamata Banerjee had written to Union Textile Minister Santosh K Gangwar with the request of not going ahead with such plans since a huge population in Bengal and adjoining states are dependent on the sector for their livelihood.²² Currently, as of 2020, the mandatory jute packaging extends upto 100% food-grains and 20% sugar with 30% dilution in respect of food-grains is permissible in case of shortage or

20 PTI, "Jute Packaging Mandatory Norms for Sugar eased", *The Hindu*, Nov. 2, 2012.

21 Press Information Bureau, Government of India, "Mandatory use of jute in packaging for the jute year 2013-14", Decision of the Cabinet Committee on Economic Affairs (CCEA), Nov 28, 2013.

22 PTI, "West Bengal Chief Minister Mamata Banerjee and Left oppose jute packaging Act dilution" *The Economic Times*, Dec 21, 2014.

disruption of supply.²³ Hence, the implications of policy framework on the sector is huge, and for making changes it is essential to plan very carefully. It cannot be an abrupt decision of the government.

The order of the COMPAT

The order of the CCI was brought in appeal before the erstwhile Competition Appellate Tribunal (COMPAT) which was the Appellate body established under the Competition Act, 2002. From May 2017 the jurisdiction of the Competition Appellate Tribunal has been vested upon the National Company Law Appellate Tribunal (NCLAT).

On appeal before the COMPAT, it elaborately dealt with the competition law provisions and the allegations made by the informants in the light of various issues of the jute sector. In its elaborate judgement of 586 pages, the COMPAT reversed the CCI Order in 2016 in the case of *Indian Jute Mills Association v. Secretary, Competition Commission of India*.²⁴

There were two main grounds on which the COMPAT set aside the CCI order. Firstly, it was found that there were violations of the principles of natural justice in the procedure of the CCI. U.C. Nahata, the Chairperson of the CCI when the order was passed, who also authored the said order, was not present for three days of the hearing and therefore did not hear the arguments of most of the senior advocates. The COMPAT was of the opinion that this was against the rule of law and natural justice principles established in our country, specially because the order was adversely affecting the party with a hefty fine of Rs. 6100 crore. Further, even the Competition Act, 2002 had the principles of natural justice embedded within the scheme of the Act under section 36(1).²⁵ In this context, the COMPAT referred to several Supreme Court judgements to conclude the importance of hearing the arguments personally for being able to write a judgement.

Further, the COMPAT found that as far as the provisions of the Competition law is concerned, the CCI's findings displayed gaps there as well. At the first instance, the COMPAT opined that no express or tacit agreement or understanding according to section 2(b) of the Act could be established between the IJMA and GTA. Thus, the alleged price fixing of the jute bags used for packaging did not have conclusive grounds.

23 Press Information Bureau, Government of India, "Cabinet approves Extension of Norms for Mandatory Packaging in Jute Materials", decision by the Cabinet Committee on Economic Affairs (CCEA), Oct. 29, 2020

24 *Indian Jute Mills Association v. CCI*, COMPAT order dated July 1, 2016.

25 Competition Act, 2002 s. 36(1) reads: Power of Commission to regulate its own procedure (1) In the discharge of its functions, the Commission shall be guided by the principles of natural justice and, subject to the other provisions of this Act and of any rules made by the Central Government, the Commission shall have the powers to regulate its own procedure.

Further, for proving any violation under section 3(3)(a) and 3(3)(b) read with section 3(1) of the Act, as alleged, it needs to be established that there was an agreement, or such practice, or decision of the association, that can show that such act was a result of concerted actions between the parties.²⁶

The COMPAT has also placed significant emphasis on the economic and social aspects of the jute sector and how it supports the livelihood of the numerous families. The Jute Packaging Materials Act, 1987 was also examined by the tribunal since it was alleged to be the primary reason for creating monopoly of jute bags in the sugar industry. The objective of the Act, legislative debates, and other policies such as the Seventh and Eighth Five Year Plans, were all read together to understand the implications of the Act on the farmers and other people who are dependent on the sector for their livelihood.

Analysis of the COMPAT decision

Therefore, it can be noted that the approach of the tribunal has been much different from that of the CCI. On one hand, the Commission based its views on the concept of free economy and competitive neutrality, the tribunal on the other hand based its view on the principles of welfare and support that the state extends to numerous families through this statute. While the principles of free market economy and competitive products happen to be the underlying ideology behind the operation of competition law, it is also essential to keep in mind that the laws and policies need to be applied only after considering the special aspects of the industry. Although the tribunal did not entirely base its understanding on these aspects of the sector, it was discussed elaborately in the light of the plight that the jute farmers and the industry at large would face in case it is left out of the regulatory protection. It is pertinent to point here that the lack of alternative market for jute bags has been a major concern for the sector for a long time. Thus, unless the laws and policy are successful in establishing a strong base that can enable the sector to sustain on its own, the opinion of the CCI that the JPM Act could have been obliterated, may not be entirely true.

V Conclusion

While the importance of a sound competition policy and robust competition laws need not be exaggerated in the context of a free economy, it is also essential to scrutinise the sector specific needs and conditions before any law can be applied. In most instances the application of competition law improves the health of the enterprises and promotes innovation and better products/services. However, if the jute sector in India is analysed, it can be seen to display certain typical features, *viz.*, its ailing conditions, the strict regulatory framework governing it, lack of planning and innovation, minimum technological application in its cultivation and production, the strong competition

²⁶ COMPAT Order, para 24.

from substitutes, *etc.*, Jute which had been a very flourishing industry till the mid-1960s, began to suffer steep decline in its trade and sales after the petro-chemical products like PP(Polypropylene) and HDPE(High-density polyethylene) items began to appear in the market.²⁷ These products being abundantly available and low priced, the market rapidly skewed towards these products. Interestingly, one of the informants in the current case before the CCI was the All India Flat Tape Manufacturers Association, which is the national association of PP/HDPE woven sack and plastic bag manufacturers in India. In the absence of regulatory protection, the packaging market is also dominated by these items. In fact, the JPM Act only extends to the food-grains and sugar sectors, packaging in all other sectors is primarily concentrated with these synthetic products. One important factor that is gaining a lot of impetus currently is the rising environmental concerns in the world community. In this context, it is desirable to bring forth such policies that promote natural fibres to reduce carbon footprints. The environmental hazards of plastic and synthetic products are well known and the havoc they create is also tremendous. Hence laws like the JPM Act cannot just be given a limited understanding of promoting jute packaging materials but it must rather be viewed from the environmental lens as well. Even the world forums are increasingly propagating for shifting the business trajectories towards more environment friendly raw materials and processes.²⁸ Thus, in the light of these factors as well, the promotion of jute packaging materials by the government has huge significance.

As far as the applications of the principles of competition law in the jute sector is concerned, it is very much applicable and the provisions of section 3 of the Act definitely need to be implemented. However as far as the argument of the statute created monopoly is concerned, there are numerous justifications for it. Its compulsory implementations also have greater good to serve in terms of socio-economic and environmental perspectives.

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27 Commission of the European Communities, “Commission Communication to The Council Concerning Guidelines For A Community Position In The Future Work On UNCTAD on Jute and Jute Products” 3 (Brussels, Oct. 26, 1979)

28 Goal 9 (Industry, Innovation and Infrastructure) of Sustainable Development Goals, 2015.

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