

# **Competition Commission orders probe against GoIbibo-MakeMyTrip, OYO**

The Competition Commission of India (CCI), in a latest anti-trust order, said that prima facie, there exists a case for investigation against online travel agencies Go-MMT (GoIbibo-MakeMyTrip) and hospitality firm Oyo. The CCI has directed the Directorate General to carry out a detailed investigation in the matter and submit a report to it within 150 days.

“The commission is of the view that there exists a prima facie case for investigation against Go-MMT and OYO for alleged violation of the provisions of Section 3(4) of the Competition Act 2002. Further, a prima facie case for investigation under Section 4 of the Act is made out against Go-MMT, as elucidated in the earlier parts of this order,” it said. The CCI order was based on a complaint filed by industry body Federation of Hotel and Restaurant Associations of India (FHRAI) against Oyo and Go-MMT for alleged predatory pricing, anti-competitive agreements, deep discounting and excessive commissions.

FHRAI alleged that MMT and Oyo have entered into confidential commercial agreements wherein MMT has agreed to give preferential treatment to Oyo on its platform, leading to a denial of market access to rival firms Treebo and Fab Hotels, in contravention of Section 3 and 4 of the Competition Act 2002.

While an MMT spokesperson told TNIE that they would co-operate with CCI and demonstrate that the allegations are unfounded, Oyo spokesperson said they are thankful for CCI’s recognition that OYO is a hotel chain and “for dismissing certain prima facie allegations regarding price parity, predatory pricing, exorbitant commissions, etc.”

The FHRAI has also alleged that the commission charged by MMT at times turns out to be around 22-40 per cent (from standalone hotels), which is grossly disproportionate and is in violation of norms. CCI in its observation said since MMT-Go has been prima facie found to be in a dominant position.