19th Meeting of Competition Consultative Group

CCG

23 July 2013 Sheraton Hotel,

Karachi.

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INTRODUCTION:

The promotion of healthy competition, enhancement of economic efficiency in the creation of level playing field is the main goal of the Competition Commission of Pakistan (CCP). The former is done by the optimal use of resources and protection of consumers from anti-competitive practices. In the due course of action an informal think tank has been created under the name of Competition Consultative Group (CCG) in 2008. The group strives to solicit feedback and guidance on competition related matters from representative of sector specific regulators, relevant professional bodies, business associations and the private sector. The CCG meetings held quarterly in various cities to ensure the wider interaction with the stakeholders and so far nineteen meetings of CCG have been held since its establishment.

THE 19TH MEETING OF COMPETITION CONSULTATIVE GROUP (CCG):

The feedback and suggestions from various strata of society were adjured through the platform provided by Competition Consultative Group (CCG) in its 19th meeting. This time the meeting was in Sheraton Hotel, Karachi. Representatives from business community, legal community, academia, media, regulatory bodies and the government attended the meeting.



IN FOCUS:

The distinguished guests were eluded about the recent accomplishment and initiatives taken by Competition Commission of Pakistan. The meeting aims to illuminate the following advancements:

- ♣ Peer Review.
- **↓** Contemporary challenges faced by the commission.
- International interactions.
- Researches and
- Inquires.

THE PARTICIPANTS:

The delegates included representatives of various public and private sector's organization. The presence of most of the invited guest indicates the incessant deepening of CCP in the national economy. Therefore, proves to be an integral part in building sound national economic infrastructure of the country. The participants include:

- 1) Mr. Haseeb Hafeez, Engro Polymer
- 2) MR. Shaheen Sawar ,FPCCI.
- 3) MR. Shakeel Abbasi, I.P.O Pakistan.
- 4) Mr. Sohaib Jamli, Business Recorder.
- 5) Ms. Saima Kamila Khan, ICI Pakistan.
- 6) Ms. Kaukab Iqbal, Consumer Association of Pakistan.
- 7) Mr. Sikandar Mustafa Khan, Pakistan Business Council.
- 8) Mr. Samir S Amir, Pakistan Business Council.
- 9) Mr. Amar Naseer, Unilever Pakistan.
- 10) Mr. Omeir Dawood, PEG
- 11) Mr. Shahid Ghaffar, HBL.
- 12) Mr. Parvez Ghias, Indus Motor Limited.
- 13) Mr. Harooz Tabreez, ICAP
- 14) Mr. M Abdul Aleem, OICCI
- 15) Mr. Tasleem uddin A. Batlay, Lakson Group.

- 16) Mr. Amjad Iqbal, SEP.
- 17) Mr. Aamir Khan, SECP.
- 18) Mr. M. Umar Barakzai, Engineering Development Board.
- 19) Mr. Roshan Lal, Engineering Development Board.
- 20) Mr. I.A Osmani, Pakistan Engineering Council.
- 21) Mr. Dr. Tariq Farooq, Commercial Department.
- 22) Mr. Noorullah, Atlas Group.









THE CCP MEMBERS:

The meeting was chaired by CCP Chairperson Ms. Rahat Kaunain Hassan, and also attended by:

- Senior member, Dr. Joseph Wilson.
- Member, Mr. Mueen Batlay.
- ❖ Director General/Registrar, Ikram ul Haque Qureshi.
- Director Ms. Shaista Bano.
- Director, Ms. Nadia Nabi.





1: PEER REVIEW REPORT:

The voluntary Peer review of Competition Law and Policy of Pakistan was organized by United Nation Conference on Trade and Development (UNCTAD). The report of peer review has a country-wide recognition of excellent reputation based on integrity, technical competence and governance. The successful completion of peer review in Geneva on 08-12 July 2013 is the emblem of recognition of CCP as an example of institution building in Pakistan and the praise it has earned for the good work done; places a higher onus on CCP to pursue its mandate with greater zeal. The Chairperson briefed the participants of the meeting on successful completion of the Peer Review of Competition Law and Policy in Pakistan at the thirteenth annual session of the Intergovernmental Group of Experts (IGE) on Competition Law and Policy, at Geneva, Switzerland. She said,

"In August 2012, CCP nearing completion of 5 years of its establishment had requested and volunteered to participate in a Peer Review of Competition Law and Policy organized by United Nations Conference on Trade and Development (UNCTAD). The purpose of the Peer Review is to assess the legal framework and enforcement experience in Pakistan and to draw lessons from past experiences with a view to improving competition law enforcement in the country."

2: CONTEMPORARY CHALLENGES FACED BY THE COMMISSION:

Despite the accomplishments by CCP, there is still a lot that remains to be desired the idea was propounded by the chairperson Ms. Rahat Kaunain Hasan. She added that upon completion of her tenure, it is important to highlight some of the more critical areas that need to be pursued for Government's timely consideration.



A: FINANCIAL AUTONOMY:

The Chairperson said that for a culture of competition to take strong root in Pakistan, CCP's independent voice needs to be strengthened and for that it is important that CCP attains financial autonomy. The law provides for independent funding through tied sources, namely the 3% of fee and charges levied by five other regulatory bodies namely: PTA, PEMRA, OGRA, SECP & NEPRA as part of the CCP Fund. Having only PKR 200 Million as grant for each of the last 3 years against the average budgetary requirement of Rs. 729 million has been a real challenge in the discharge of the mandate entrusted to CCP. While the Government (Ministry of Finance as well as Ministry of Law and Justice) support this, realization of this funding has become an absolute necessity for CCP's sustainability.

B: BACKLOG OF CASES:

Commenting on the huge backlog of cases in courts, the Chairperson informed the participants that CCP has imposed over Rs. 25 billion of penalties on account of anti-competitive behavior across sectors. The Competition Appellate Tribunal could only dispose off one (1) case before it became dysfunctional again. She strongly believed that the earlier provision for direct appeals to the Supreme Court would have been a more beneficial provision. In any event, until the CAT is again rendered operational, the CCP and Government must pursue composition of a Competition Division Benches at the High Court so that over 200 pending cases may be vigorously pursued without further delay.

3: INTERNATIONAL INTERACTIONS:

CCP Member Dr. Joseph Wilson briefed the participants on the international events organized by CCP and informed that CCP recently trained officials of the Government of Afghanistan on Competition Law in a consultative experience-sharing programme organized by the US Department of Commerce, through its Commercial Law Development Program, in partnership with the US Federal Trade Commission (FTC) and CCP. Besides, the officials of the Office of Fair Trade (OFT), UK, and Turkish Competition Authority recently visited CCP to train the enforcement staff of CCP.

4: RESEARCHES:

CCP Member Mueen Batlay discussed the Research program of CCP and said that research studies were being conducted in various sectors of the economy. He said that the purpose of the research program was to identify competition vulnerabilities in all sectors of the economy.



5: INQUIRIES:

CCP Directors of the Enforcement Ms. Nadia Nabi and Director Cartel Ms. Shaista Bano briefed the participants of the meetings on the on-going inquiries. They said that enquiries are being undertaken in various important economic sectors such as banking, telecom, pharmaceuticals, and public procurement.



A VIBRANT DISCUSSION:





7: EPILOGUE:

"This Competition Consultative Group (CCG) meeting recognizes the excellent leadership provided by Ms. Rahat Kaunain Hassan during her tenure of office as Chairperson of the Competition Commission of Pakistan (CCP). With her total hard work, dedication and outstanding commitment she was able to bring about sea change in the performance of the CCP towards dispensing serious understanding of the competition law and policy in Pakistan, both for the public and private sector businesses and enterprises. The CCP achievements are well recognized internationally. This CCG wishes her every success in her future endeavors and would like to invite her to be visiting this body to benefit from her wise counsel, whenever possible."

PRESS CLIPPINGS:

The meeting has been covered by various renowned newspapers they include:

- Daily Times
- Pakistan Observer
- Business Recorder
- Jehan Pakistan

Daily Times

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CCG members laud and support actions of CCP

Staff Report

Competition Consultative Group five years of its establishment had (CCG), an informal think tank set up requested and volunteered to participate in by the Competition Commission of Pakistan (CCP) to solicit feedback and suggestions on competition-related matters from the business community, (UNCTAD). The purpose of the peer legal community, academia, media, review is to assess the legal framework regulatory bodies and the government, and enforcement experience in Pakistan was held in Karachi.

CCP Chairperson Rahat Kaunain Hassan, and also attended by CCP Member Mueen Batlay, Director General and Registrar Ikram ul Haque Qureshi and other senior officials of the commission. The participants of the meeting included representatives of State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Intellectual Property Organisation, Pakistan Engineering Council, Engineering Development Board, FPCCI, ICI Pakistan, Unilever Pakistan, Habib Bank Limited, Indus Motor Company, Lakson Group, Procter and Gamble, Atlas Group, Pakistan She informed that the implementation Business Council, the Consumers of recommendations under the peer Forum, Consumers Association of review would be under direct supervi-Pakistan, and Institute of Chartered sion of UNCTAD during the period Accountants of Pakistan (ICAP).

tiatives, actions, and decisions of CCP. ments by CCP, there is still a lot that She briefed the participants of the meet-remains to be desired. She added that ing on successful completion of the peer upon completion of her tenure, it is review of Competition Law and Policy important to highlight some of the more in Pakistan at the thirteenth annual ses- critical areas that need to be pursued for sion of the Intergovernmental Group of government's timely consideration.

Experts (IGE) on Competition Law and Policy, at Geneva, Switzerland. "In ISLAMABAD: The 19th meeting of August 2012, CCP nearing completion of a peer review of Competition Law and Policy organised by United Nations Conference on Trade and Development and to draw lessons from past experiences The meeting was presided over by with a view to improving competition law enforcement in the country," she said.

The peer review report acknowl-Senior Member Dr Joseph Wilson, CCP edged that CCP has a countrywide recognition of excellent reputation based on integrity, technical competence and governance. "In fact, there is a clear perception that it has been an essential example for institution building in Pakistan."

She added that the successful completion of peer review in Geneva with the recognition of CCP as an example of institution building in Pakistan and the praise it has earned for the good work done; places a higher onus on CCP to pursue its mandate with greater zeal. 2014 to 2017 and this, she believes will The chairperson briefed the partic- play a crucial role in institutional pants of the meeting on the recent ini-strengthening. Despite the accomplish-



ISLAMABAD: Group photograph of CCP Chairperson Rahat Kaunain Hassan with the participants of the 19th Meeting of Competition Consultative Group (CCG). INP

cial autonomy, the chairperson said that ability and reputation heavily depend on for a culture of competition to take strong root in Pakistan, CCP's independent voice needs to be strengthened dedicated and skilful human resource and for that it is important that CCP and to further build and enhance its attains financial autonomy. The law pro- capacities. It would be a monumental vides for independent funding through tied sources, namely the 3.0 percent of fessionals that CCP has been able to fee and charges levied by five other regulatory bodies namely: PTA, PEMRA, OGRA, SECP and NEPRA as part of the CCP Fund. Having only Rs 200 million as grant for each of the last three years against the average budgetary requirement of Rs 729 million has been a real challenge in the discharge of the mandate entrusted to CCP. While the government (Ministry of Finance as well as Ministry of Law and Justice) supports this, realisation necessity for CCP's sustainability.

While discussing the issue of finan- She said that the Institutional sustainits team of professionals. "CCP confronts the challenge to retain its highly loss if the talented and experienced protrain were to leave for more financially rewarding employment. Hence, while the tied funding issue is resolved, there is emergent need to enhance budgetary allocations for the CCP."

Commenting on the huge backlog of cases in courts, the chairperson informed the participants that CCP has imposed over Rs 25 billion of penalties on account of anti-competitive behaviour across sectors. The Competition? Competition Law in a consultative expe-Appellate Tribunal could only dispose rience-sharing programme organized by of this funding has become an absolute off one case before it became dysfuncthe US Department of Commerce, tional again. She strongly believed that through its Commercial Law Another important challenge, she the earlier provision for direct appeals to Development Program, in partnership ing this body to benefit from her wise

more beneficial provision. In any event, (FTC) and CCP. Besides, the officials until the CAT is again rendered opera- of the Office of Fair Trade (OFT), tional, the CCP and Government must UK, and Turkish Competition pursue composition of a Competition Authority recently visited CCP to Division Benches at the High Court so train the enforcement staff of CCP. that over 200 pending cases may be vigorously pursued without further delay.

She added that in cases of cartels CCP has imposed huge penalties (owing to the public harm done) and which if recovered would go to the exchequer; there is need to compel deposit at least 50 percent of penalty upfront with the courts. "This will ensure expeditious disposal and also reduce exploitation of system by those who have already been found delinquent," she said.

On the appointment of chairman and members, the chairperson said that in order to ensure continuity of operations and the momentum at CCP, she believed it is important to initiate and complete the process of selecting my successor as well as making appointment of members at the earliest.

She wished the commission the very best in its future endeavours and emphasized that institutions like CCP are integral to building sound national economic architecture.

CCP Member Wilson briefed the participants on the international events organized by CCP and informed that CCP recently trained officials of the Government of Afghanistan on said was to retain a professional team. the Supreme Court would have been a with the US Federal Trade Commission counsel, whenever possible.

CCP Member Batlay discussed the research programme of CCP and said that research studies were being conand abuse of dominant position where ducted in various sectors of the economy. He said that the purpose of the research program was to identify competition vulnerabilities in all sectors of the economy.

CCP directors of the enforcement Shaista Bano and Nadia Nabi briefed the participants of the meetings on the on-going inquiries. They said that enquiries are being undertaken in various important economic sectors such as banking, telecom, pharmaceuticals, and public procurement.

Towards the end, the CCG participants unanimously adopted a resolution that read: "This Competition Consultative Group (CCG) meeting recognizes the excellent leadership provided by Ms Hassan during her tenure of office as chairperson of the CCP. With her total hard work, dedication and outstanding commitment she was able to bring about sea change in the performance of the CCP towards dispensing serious understanding of the competition law and policy in Pakistan, both for the public and private sector businesses and enterprises. The CCP achievements are well recognized internationally. This CCG wishes her every success in her future endeavors and would like to invite her to be visit-



Economy Watch 26 July 2013

CCG members support actions of CCP

STAFF REPORTER

Group (CCG), an informal think Commission of Pakistan (CCP) to solicit feedback and suggesmunity, legal community, academia, media, regulatory bodies and the government, was held in Karachi.

tended by Dr. Joseph Wilson, Business Recorder. senior Member CCP, Mueen eral/Registrar, and other senior actions, and decisions of CCP, ing competition law enforcement officials of the Commission. The She briefed the participants of the in the country," she said.

participants of the meeting in- meeting on successful comple-

cluded representatives of State tion of the Peer Review of Com-ISLAMABAD—The 19th meet- Bank of Pakistan, Securities and petition Law and Policy in Pakiing of Competition Consultative Exchange Commission of Paki- stan at the thirteenth annual sesstan, Intellectual Property Orga-sion of the Intergovernmental tank set up by the Competition nization, Pakistan Engineering Group of Experts (IGE) on Com-Council, Engineering Develop- petition Law and Policy, at ment Board, FPCCI, ICI Paki- Geneva, Switzerland. "In August tions on competition related stan, Unilever Pakistan, Habib 2012, CCP nearing completion of matters from the business com- Bank Limited, Indus Motor 5 years of its establishment had Company, Lakson Group, requested and volunteered to par-Procter & Gamble, Atlas Group, ticipate in a Peer Review of Com-Pakistan Business Council, the petition Law and Policy Consumers Forum, Consumers organised by United Nations The meeting was presided Association of Pakistan, Insti- Conference on Trade and Develover by Rahat Kaunain Hassan, tute of Chartered Accountants of opment (UNCTAD). The pur-Chairperson, CCP, and also at- Pakistan (ICAP), and daily pose of the Peer Review is to assess the legal framework and en-The Chairperson Hassan forcement experience in Pakistan Batlay, Member CCP, Ikram ul briefed the participants of the and to draw lessons from past ex-Haque Qureshi, Director Gen- meeting on the recent initiatives, periences with a view to improv-



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19th meeting of CCG held in Karachi

ISLAMABAD: The 19th meeting The Chairperson Hassan briefed the She added that the successful com- ly: PTA, PEMRA, Ogra, SECP & imposed over Rs 25 billion of penal- initiate and complete the process of sectors of the economy. by the Competition Commission of sions of CCP. She briefed the partici- of CCP as an example of institution for each of the last 3 years against the Competition Appellate Tribunal could earliest. Pakistan (CCP) to solicit feedback pants of the meeting on successful building in Pakistan and the praise it average budgetary requirement of Rs only dispose off one (1) case before it. She wished the Commission the on-going inquiries. They said that and suggestions on competition relat-completion of the Peer Review of has earned for the good work done; 729 million has been a real challenge became dysfunctional again. She very best in its future endeavours and enquiries were being undertaken in media, regulatory bodies and the gov- sion of the Intergovernmental Group ed that the implementation of recom- Government (Ministry of Finance as Court would have been a more benefit- economic architecture.

The meeting was presided over by and Policy, at Geneva, Switzerland. would be under direct supervision of support this, realization of this funding CAT is again rendered operational, the briefed the participants on the interna- pants unanimously adopted a resolu-Rahat Kaunain Hassan, Chairperson, "In August 2012, CCP nearing com- UNCTAD during the period 2014 to has become an absolute necessity for CCP and Government must pursue the tional events organized by CCP and tion that read: "This Competition: CCP, and also attended by Dr Joseph pletion of 5 years of its establishment 2017 and this, she believes will play a CCP's sustainability. Wilson, senior Member CCP, Mueen had requested and volunteered to par-crucial role in institutional strengthen Another important challenge, she Benches at the High Court so that over officials of the Government of recognizes the excellent leadership Batlay, Member CCP, Ikram ul Haque ticipate in a Peer Review of ing. Qureshi, Director General Registrar, Competition Law and Policy organ Despite the accomplishments by She said that Institutional sustainabili- pursued without further delay. and other senior officials of the ised by United Nations Conference on CCP, there is still a lot that remains to ty and reputation heavily depends on She added that in cases of cartels gramme organized by the US Chairperson of the Competition Commission. The participants of the Trade and Development (UNCTAD). be desired. She added that upon comists team of professionals: "CCP con- and abuse of dominant position where Department of Commerce, through its Commission of Pakistan (CCP). With meeting included representatives of The purpose of the Peer Review is to pletion of her tenure, it is important to fronts the challenge to retain its highly CCP has imposed huge penalties Commercial Law Development her hard work, dedication and out-State Bank of Pakistan, Securities and assess the legal framework and highlight some of the more critical dedicated and skilful human resources (owing to the public harm done) and Program, in partnership with the US standing commitment she was able to Exchange Commission of Pakistan, enforcement experience in Pakistan areas that need to be pursued for and to further build and enhance its which if recovered would go to the Federal Trade Commission (FTC) and bring about a change in the perfor-Intellectual Property Organization, and to draw lessons from past experi- Government's timely consideration. capacities. It would be a monumental Exchequer, there is need to compel CCP. Besides, the officials of the mance of the CCP towards dispensing Pakistan Engineering Council, ences with a view to improving comWhile discussing the issue of finan-loss if the talented and experienced deposit of at least 50% of penalty. Office of Fair Trade (OFT), UK, and serious understanding of the competi-Engineering Development Board, petition law enforcement in the council autonomy, the Chairperson said professionals that CCP has been able upfront with the courts. "This will Turkish Competition Authority recent-tion law and policy in Pakistan, both

Motor Company, Lakson Group, edged that CCP has a country-wide independent voice needs to be while the field funding issue is being those who have already been found CCP Member Musen Barlay dis-achievements are well recognized Procter & Gamble, Atlas Group, recognition of an excellent reputation strengthened and for that it is impor-resolved, there is an urgent need to delinquent," she said. Pakistan Business Council, the based on integrity, technical competant that CCP artains financial autono-enhance budgetary allocations for the On the appointment of Chairman and said that research studies were every success in her future endeavours Consumers Forum, Consumers tence and governance. "In fact, there is my. The law provides for independent CCP." (ICAP), and daily Business Recorder. ing in Pakistan."

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and Members, the Chairperson said being conducted in various sectors of and would like to invite her to visit Association of Pakistan, Institute of a clear perception that it has been an funding through tied sources, namely Commenting on the huge backlog that in order to ensure continuity of the economy. He said that the purpose this body so that it could benefit from Chartered Accountants of Pakistan essential example for institution build- the 3 percent of fee and charges levied of cases in courts, the Chairperson operations and the momentum at of the research program was to identi- her wise counsel, whenever possi-

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