



**Competition  
Commission of Pakistan**  
Creating a level playing field

# CC “all other things being equal” ETERIS PARIBUS

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A Quarterly Newsletter of the Competition Commission of Pakistan

## MAKING A FRESH START

*I am pleased to present to you the latest edition of our official newsletter, **Ceteris Paribus**, a Latin phrase, which means, “all other things being equal” or “holding other things constant.” The reason for choosing this name for our newsletter is its linkage with the enforcement mandate of the CCP, i.e., creating a level playing field for all economic undertakings by holding and eliminating anti-competitive measures, be that public or private. Thus, we can say that if the Competition Law is properly enforced in Pakistan, **ceteris paribus**, there will be a level playing field for everyone, for ensuring effective competition, resulting in more choices, higher quality and lower price goods for consumers.*

After a long pause, the revival of this publication is intended to bridge any information gap between the Commission and its stakeholders. This edition provides a glimpse of the Commission’s activities over the last twelve months. Let me reiterate that the Commission is committed to the effective enforcement of the competition regime and protecting the consumer from anti-competitive behaviour. We believe that what actually matters is the result of our actions on consumer welfare and whether our interventions have resulted in fair prices or high quality of goods. Towards this end, we have taken a number of actions in our capacity as both the enforcer and advocate of the Competition Law.

One of our aims has been to contribute towards improving the investment climate of our country by removing entry barriers and eliminating other anti-competitive behaviour that could deter investors, particularly foreign

investors from investing in our markets. Since the scope of our law extends to all sectors of the economy across the country, we have particularly focused on areas that have an impact on macro level.

Since I have been placed in the driving seat, the Commission has ratcheted up its advocacy drive to complement the enforcement efforts. While enforcement actions aim at curing individual anti-competitive practice, advocacy by seeking to rectify an anti-competitive policy, on the otherhand, makes a broader macro-level impact. We have actively engaged with the government to ensure that their policies are competitive-neutral if not pro-competitive. An important tool of advocacy strategy is the issuance of non-binding advice to various government bodies in the form of Policy Notes. The Commission issued five Policy Notes in the current year, i.e. i) to the Federal Board of Revenue (FBR) recommending the abolition of an anti-competitive capacity tax on the beverage industry; ii) to Oil & Gas Regulatory Authority (OGRA) regarding the non-issuance of flare gas licenses; iii) to the Higher Education Commission regarding its equivalence standards; iv) a Policy Note on the discriminatory levy of Gas Infrastructure Development Cess (GIDC) on selective fertilizer plants and v) a Policy Note recommending the withdrawal of exemptions to FWO, NLC and NCL.

As part of our advocacy efforts, we have initiated an awareness program to sensitize the stakeholders to the enforcement of Competition Law and the role of CCP. Business community being our key stakeholder has been on the top of our priority list. Chambers

*Cont. on Page 3*

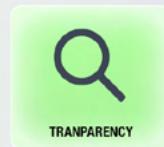
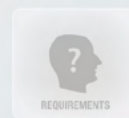
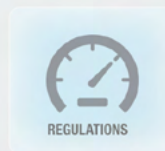


Dr. Joseph Wilson, Chairman CCP

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# REVIEWING POLICY FRAMEWORKS

## POLICY NOTES ISSUED TO GOVERNMENT OF PAKISTAN



*An important role of the Commission is to sensitize the government and regulatory bodies to competition issues and one of the tools for doing so is through Policy Notes. Although the advice is non-binding, the aim is to ensure that government policies are competitive-neutral if not pro-competitive. During the period under review, the Commission worked actively on this front and observed that the Government is receptive to its advice.*

### Policy Note to OGRA for Issuance of Flare Gas License

The Commission received a complaint from a potential applicant willing to store, distribute and transport flare gas that its application for a license was pending with the Oil and Gas Regulatory Authority (OGRA), although all the formal procedures had been completed. CCP decided to look into the matter to assess the anti-competitive impacts of this apparent impediment and contacted OGRA.

OGRA in its response to CCP noted that the current flare-gas policy issued by the Federal Government did not provide any guidance in determining: (i) producer price of flare-gas, (ii) tariff applicable for future similar cases and (iii) tariff applicable for potential consumers.

CCP issued a Policy Note in January, 2014 noting that the non-issuance of license was a barrier to entry in the market. This delay (in issuance of licenses) provides benefit to the incumbents and thus makes the market less competitive. Such delays drive away investors and send negative signals regarding competitive nature of the market.

CCP observed that OGRA was empowered, under OGRA Ordinance, to issue licenses and determine tariffs and recommended OGRA to take immediate decision on the license applications filed by new entrants for storage, distribution and transportation of flare gas.

### Policy Note on Discriminatory Levy of GIDC on Selective Fertilizer Plants

The Commission issued a Policy Note to the Federal Government, on the discriminatory levy of Gas Infrastructure Development Cess (GIDC) on selective fertilizer plants. It noted that the levy of GIDC on feedstock of pre-2001 fertilizer plants placed them at a cost disadvantage as compared to plants commissioned after 2001 that were paying no GIDC on feedstock. The Commission noted that despite having a cost advantage, post-2001 plants were selling urea at the same rate as pre-2001 plants. This meant the total urea produced was sold as if all plants paid GIDC. This resulted in Consumer Loss of PKR 28.1 billion and supra-natural profits for the post-2001 plants to the tune of PKR 11.2 billion, equal to 31% of the production cost based on feed gas. Whereas the GIDC accrued for the national exchequer was PKR 13.1 billion.

CCP recommended to the government to apply a similar rate of GIDC to all fertilizer producers in order to create a level-playing field in the urea market.



## CCP Urges Govt to Withdraw Exemptions in Construction Sector

In October 2014, the Commission issued a Policy Note to the Planning and Development Division, the Ministry of Housing and Works, and the Ministry of Defence, recommending them to withdraw exemptions granted to certain public sector undertakings, including Frontier Works Organization (FWO), National Construction Limited (NCL), and National Logistic Cell (NLC), in the construction sector to create a level playing field in the bidding for and award of civil works' projects.

CCP took notice of concerns raised through media on exemptions granted to the NLC. Further probing revealed that FWO and NCL are also enjoying similar exemptions. The presence of these exemptions hinders competition for other private sector contractors and serves as a barrier to entry. Under these exemptions the entities are not required to furnish Performance Bond and Bank Guarantee against Earnest Money, and Bank Guarantee for Advances in the case of government works contracts.

As per practice, Pakistan Engineering Council (PEC) issues licenses permitting a licensee to construct or operate projects, whether in the private or public sector, for a category and period specified in the license. Out of 144 registered companies, the majority are in the private sector except a few, including FWO, NCL and

NLC. In the categories of contractors and operators of projects, only public sector companies are availing the abovementioned exemptions. As the private sector contractors couldn't participate in national level construction projects, they cannot develop, strengthen and upgrade the technical expertise required of global players. This eventually affects their growth and international competitiveness. Therefore, the aforementioned undertakings do not face real competition from other construction companies, which they would face in the absence of these exemptions. The Commission estimates that the cost advantage (in terms of contract cost) to FWO, NCL, NLC is 30%, 22-25% and 30-35% respectively.

CCP further observed that FWO, NCL and NLC have grown stronger and no longer need protection in the form of 'exemptions' as illustrated by the strong financials of NCL and FWO and their ability to compete abroad. Hence, the infant industry argument is no longer valid; therefore, continuation of exemptions is not justified.

CCP has recommended that the Planning and Development Division, the Ministry of Housing and Works, and the Ministry of Defence immediately withdraw the exemptions granted in order to ensure a level playing field for all market players.



**Dr. Joseph Wilson**

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## Making a Fresh Start (Continued from Page 1)

of commerce across the country have been our primary point of contact with the business community, and we have particularly focused on smaller cities where the Commission could not reach hitherto. We have started from the chambers in Punjab and will reach out to all key chambers of Sindh, Balochistan and Khyber Pakhtunkhwa. This initiative has been very well received by the business community and has bridged a gap between the Commission and its key stakeholders.

To improve our processes and regulations, which were issued in 2007 under the Competition Ordinance 2007, the Commission has undertaken to systematically revise the regulations to bring them in conformity with the Competition Act, 2010. So far three set of regulations are revised, they are: (i) Competition (Leniency) Regulations,

2013 (ii) Competition (Exemption) Regulations, 2014 (iii) Competition (Reward Payment to Informants) Regulations, 2014.

Our goals for the future are to continue the process of revising our regulations and processes, enhancing the strength, and technical expertise of our enforcement staff, advocacy efforts with the public and private sector and working towards embedding a culture of competition in Pakistan.

I would like to thank you for your time and I look forward to your feedback on the newsletter. Please convey any comments or suggestions on [advocacy@cc.gov.pk](mailto:advocacy@cc.gov.pk)

*Enjoy reading and wishing you all a Happy New Year!*

Dr. Joseph Wilson

## CCP Recommends Govt. to Withdraw Imposition of Capacity Tax on Beverage Industry

In September, 2014, CCP issued a Policy Note to the government recommending the withdrawal of capacity tax on beverage industry. CCP took notice of the imposition of Federal Excise Duty and Sales tax on production/installed capacity instead of actual sales.

The Commission believes that the capacity tax results in gain for large scale manufacturers, who hold a major share in the market, who use high speed fillers, and who produce at high rates of capacity utilization (up to 80 to 100 percent). Furthermore, small manufacturers—who have less demand in the market and are producing at less than half of their production capacity will also have to pay the same fixed rate of tax. Therefore, a fixed tax rate would reduce the tax burden of large manufacturers and increase it for small manufacturers.

The Commission observed that the imposition of the capacity tax is anti-competitive and it puts small competitors at a cost disadvantage, resulting in unfair competition, which eventually could squeeze the small competitors out of the market.

## CCP Issues Policy Note to HEC to Revise Equivalence Standard

In May, 2014, CCP issued a Policy Note to HEC to revise its Equivalence Standard (ES) for Master's degree programmes to create an exception for those who attained their master's degrees in a period prior to the introduction of equivalence standard, to create a level playing field among all the Master's degree holders. CCP took notice of concerns raised with regard to ES introduced by the HEC. The Equivalence Standard applies retrospectively and renders the Master's degrees earned prior to introduction of ES inferior to those earned after the introduction of ES.



The Commission acknowledges that the initiative taken by the HEC to introduce the four-year bachelor programme was in order to make the Pakistani degrees compatible with the foreign ones. However, the new standard should not negatively affect the degree holders who earned their degrees in accordance with the standard prevalent at the time of their schooling.

# OPINION ISSUED BY CCP

## CCP Issues Opinion to OGRA and Petroleum Ministry to Eliminate Discriminatory Application of IFEM

CCP issued an Opinion to Oil and Gas Regulatory Authority (OGRA) and Ministry of Petroleum and Natural Resources (MPNR) to eliminate discriminatory application of Inland Freight Equalization Margin (IFEM) and create a level playing field for all refineries and oil marketing companies in crude and refined oil markets.

IFEM is the cost of inland movement incurred by (i) a refinery for transportation of crude oil from source to refinery; and (ii) by an oil marketing company for transportation of finished product from supply point to depots in the country. Purpose of IFEM is to maintain the same prices of petroleum products across the country.

CCP took notice of concerns raised by an oil refinery in respect of benefits of IFEM denied to it by the OGRA and MPNR, which discriminates against the Refinery and results into competitive disadvantage to it vis-à-vis refineries who are receiving IFEM from OGRA. CCP held a public hearing in the matter which was attended by the representatives of MPNR, OGRA, refineries and oil marketing companies and issued an Opinion under Section 29(c) of the Competition Act, 2010.

## CCP ISSUES GUIDELINES TO HALT DECEPTIVE MARKETING BY TELECOM FIRMS

Various misleading campaigns were being run by leading telecoms, especially after arrival of next generation technologies in Pakistan without paying any heed to the CCP and Pakistan Telecommunication Authority (PTA)'s instructions and guidelines.

The Commission has issued draft 'Marketing Practices Guidelines for the Telecom Sector' pursuant to the provisions of Section 29 of the Competition Act, 2010 on 10th September, 2014. These Guidelines replace the previously issued draft "Deceptive Marketing Guidelines for the Telecom Sector". The Guidelines have been issued to provide guidance with respect to Section 10 of the Act 'Deceptive Marketing Practices' to undertakings providing telecommunications services.



# INVESTIGATING CARTELS

*Collusion and cartelization constitutes the most egregious form of anti-competitive behavior. Cartelization results in uncompetitive prices, fewer choices, and reduced quality of products. Collusion and cartelization also raise entry barriers, restricting entry of new players, which further stagnates competition.*

*It is the responsibility and obligation of the Commission under the Competition Act to ensure free competition in all spheres of commercial and economic activity to enhance economic efficiency and to protect consumers from anti-competitive behaviour.*



## CCP issues Show Cause Notice to PAMADA & its 44 Members, for Cartelization among Automobile Dealers

The Commission issued show cause notices to Pakistan Automotive Manufacturers Authorized Dealers Association (PAMADA) and its 44 members for prima facie cartelization amongst automobile dealers in violation of Section 4 of the Competition Act, 2010.

CCP took suo moto notice of allegations against PAMADA that it was fixing rates of automobile repair and paint jobs. Consequently, an inquiry conducted by the Commission, a search and inspection of the premises of PAMADA was also carried out, under Section 34 of the Act, on 7 May 2014.

According to the findings of the inquiry report, prima facie, collusion took place

in the four relevant markets, i.e. (i) new automobiles sales, (ii) genuine automobile spare parts, (iii) automobile body repairs and paint jobs, and (iv) the experienced sales and technical staff hiring market at authorized dealers in Pakistan.

With respect to the market for new automobiles, PAMADA appears to have taken decisions regarding the division of the market and allocation of quota with respect to new automobile sales. Similarly, PAMADA apparently fixed the prices of genuine spare parts supplied by automobile manufacturers by strictly prohibiting its members to offer discounts. In the area of body repairs and paint jobs, PAMADA took collective decisions regarding the rates of automotive body repairs and

paint job services offered by its members, especially for insurance companies. And finally, the evidence of collusion was found in the area of human resources, where PAMADA took collective decisions to restrict the movement of human resources between automobile dealers.

The inquiry report noted that these arrangements between PAMADA and its members apparently have the object and effect of preventing, restricting or reducing competition in the relevant markets. On the basis of the findings of the inquiry report, PAMADA and its 44 Members were issued show cause notices.

# PROTECTION FOR CONSUMERS

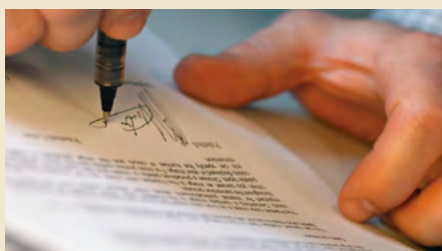
## COMPLIANCE THROUGH PERSUASION

*In the past year, there have been a number of interventions that the Commission has made where without going to courts or initiating the legal proceedings, undertakings have complied with the competition law provisions. The Commission's Office of Fair Trade (OFT) has so far achieved over ninety percent compliance in cases dealing with deceptive marketing practices. Compliance has also been achieved in cases related to procurement.*

### CCP Ensures Compliance by LESCO with Competition Rules in Tender for Power Transformer

CCP received complaints against Lahore Electric Supply Company (LESCO) for introducing a condition in its recent ADB tender for the procurement of Power Transformers. As per the condition, only those bids were to be accepted for the subject procurement that were accompanied with type test reports in accordance with NTDC/WAPDA specifications for the equipment offered.

CCP observed that for as long as two decades all tenders associated with Asian Development Bank have been devoid of any such requirement, and in a similar tender floated by Islamabad Electric Supply Company (IESCO), the same condition was not made a pre-requisite. Considering that each country in the world has a disparate voltage/rating level and specifications, it cannot be expected to conform to standards that are not internationally known. This requirement thus had the effect of denying the complainants and other qualified suppliers a level-playing field thereby restricting competition.



CCP therefore advised LESCO that the requirement of type test reports appeared to be an entry-barrier and hinders competition in the market. In its response, LESCO cancelled its tender and only opened it for re-bidding after addressing the concern raised by CCP.

### CCP Disposed of Show Cause Notice to Shangrila Limited

CCP conducted an enquiry on a complaint filed by M/s National Foods Lim-

ited against M/s Shangrila (Private) Limited for deceptive marketing practices. A show cause notice was issued to Shangrila Limited for indulging in deceptive marketing practices by making the claim of being 'No:1 tomato ketchup in Pakistan.' Shangrila agreed to discontinue using the claim in its marketing campaign and the matter was disposed off.

### CCP Ensures Maximum Bidders Participation for Procurement of Bulldozers by Balochistan Government

Agriculture and Cooperatives Department (A&CD) Balochistan recently floated a tender to procure the first lot of 40 Bulldozers.

CCP received complaints from suppliers of bulldozers concerning the terms of tender. It was complained that five brands of bulldozers were invited in the tender; however, bids were to be entertained only if the bidders provide details of supply during the last five years for their brands offered in Pakistan.

CCP learnt that the import data of Customs shows import of only one brand of bulldozers in Pakistan during the last five years, thereby inevitably creating a monopoly of one supplier. It was also complained that the pre-requisite horse-power (HP) range for the procurement of bulldozers was set at 120-125 HP, despite the fact that the majority of the brands mentioned in the tender failed to meet this requirement.

CCP learnt that the then former Ministry



of Food, Agriculture & Livestock had established a horse-power range between 120-130 HP to ensure better competition.

CCP advised A & CD that inclusion of the above pre-requisites would restrict competition in the market at a heavy cost to the exchequer.

In response, A&CD, Balochistan acknowledged the competition concerns and agreed to take appropriate action to amend the bidding documents and HP requirement to ensure maximum participation of bulldozer suppliers.

## SEPCO Addresses Competition Concerns in Invitation for Tenders

CCP received complaints from engineering and contracting firms against Sukkur Electric Power Company (SEPCO) for introducing a condition in the invitation for tender that all the participants must have a prototype approval before entering the bidding phase; whereas industry practice is prototype testing was never a pre-qualifying criterion for participation in bidding and was only required once a company acquired a purchasing order on being successful in the bidding.

Further, the design department of NTDC also carried out prototype testing on obtaining a purchase order. The requirement thus had the effect of denying the complainants and other qualified suppliers a level-playing field thereby restricting competition.

CCP advised SEPCO that the requirement of prototype approval at the bidding stage appeared to be an impediment to competition. In response, SEPCO acknowledged

CCP's concerns and agreed to remove this condition from its next tender.

## CCP Ensures Compliance by Indus Motor Company with Provisions of Competition Law



CCP disposed off a Show Cause Notice issued to Indus Motor Company (IMC) after its compliance with provisions of the Competition Act. Customers had raised concerns about the Provisional Booking Order (PBO) issued by IMC for the purchase of a new car.

CCP, after scrutiny of the PBO, found that certain terms and conditions were unfair and constituted a violation of Section 3 of the Competition Act. A Show Cause Notice was issued to IMC which was disposed off after IMC agreed to address the Commission's concerns regarding the PBO.

## NTDC Addresses Competition Concerns in Tender for Procurement of Grid Station Equipment

CCP received complaints against National Transmission and Dispatch Company (NTDC) for introducing a condition in its recent tender for the procurement of grid station equipment. As per this condition only those bids were to be accepted for the subject procurement that were accompanied with type test reports for the equipment offered whereas no such condition has been made mandatory in recent similar bids by other procuring agencies in the power sector.

Considering that NTDC specifications are not internationally known and foreign manufacturers had no way of knowing the pre-requisites for bidding beforehand, this requirement had the effect of restricting competition. The Commission advised NTDC that the inclusion of the

above pre-requisite appeared to hinder competition in the market not only to suppliers who were denied opportunity but also NTDC itself and the national exchequer. NTDC acknowledged the competition concern and resolved the matter by amending the bidding document.

## CCP directs Paint Company to remove claim 'No.1 in Pakistan' from its Marketing Campaign

CCP conducted an inquiry in the matter of Complaint filed by M/S Akzo. Nobel Pakistan limited & M/s Diamond Paints Industries (Pvt) Ltd against M/s Jotun Pakistan (Pvt) Ltd for deceptive marketing practice. The report concluded that Jotun Pakistan had no justification to claim to be 'No 1 Paint in Pakistan'. Jotun was directed to remove the claim 'No. 1 Paint in Pakistan' from its marketing campaign.

## ICAP Revises CA Exam Fee to Address Competition Concerns

In light of concerns raised by CCP, the Institute of Chartered Accountants of Pakistan (ICAP) took prompt action to revise the fee for final Chartered Accountancy (CA) examination and reduced it to a significant level.

CCP received complaints from CA students regarding the increase in fee by ICAP in February 2014. Examination by CCP revealed that the said fee had been increased by up to 118% compared to the previous fee for CA final examinations. Such increase in fee appeared to be unreasonable, prima facie, violating Section 3 of the Competition Act, 2010. CCP shared this concern with ICAP and sought the rationale for this sharp upward revision of fee. ICAP, in its response, revised the fee structure by reducing it by 60%, thereby allaying the concerns raised by CCP.

For further details please visit our website [www.cc.gov.pk](http://www.cc.gov.pk).



# CCP IN NEWS

## BUSINESS

**Wilson: Economic literature never envisaged the entirely different form of rent-seeking going on in Karachi**

Dr Joseph Wilson, Chairman of the Competition Commission of Pakistan speaking on the undisclosed nature of rent-seeking at a seminar on the 'Role of Competition in Promoting measures driver'

### Competition watchdog asks petroleum ministry to end discrimination

Says investment incentives cannot be offset by denying benefits

ISLAMABAD: The Competition Commission of Pakistan (CCP) has asked the petroleum ministry to end discrimination against private companies engaged in deceptive marketing practices that also include the use of logos of ABC praised CCP's efforts to



### CCP questions benefits given to some fertiliser plants

Tax rates vary

ISLAMABAD: The Competition Commission of Pakistan (CCP) has questioned the benefits given to some fertiliser plants, particularly in the urea sector, due to varying tax rates and selective tax levies.



### CCP issues guidelines to halt routine deceptive drive by telecom firms

ISLAMABAD: The Competition Commission of Pakistan (CCP) has issued guidelines to halt routine deceptive practices by telecom firms, including the use of misleading information and unfair trade practices.

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### CCP suspects collusion among auto dealers

Serves notice on PAMADA; finds evidence of cartelisation

ISLAMABAD: The Competition Commission of Pakistan (CCP) has suspected collusion among auto dealers, serving notice on PAMADA and finding evidence of cartelisation.



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### Rice and cotton prices: CCP urged to take action against cartelisation, manipulation

ISLAMABAD: The Competition Commission of Pakistan (CCP) has urged to take action against cartelisation and manipulation in the rice and cotton markets.

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### Competition watchdog finds automobile dealers fleecing customers

ISLAMABAD: The Competition Commission of Pakistan (CCP) has found automobile dealers fleecing customers through unfair trade practices.

### Editorial: Well done, CCP!

The formation of cartels creates inefficiencies that only benefit monopolists and hurt consumers. In a capitalist economy, there is a natural tendency for corporations to try and manoeuvre the system in their favour.

### CCP conducts hearing on gas infrastructure development cess

ISLAMABAD: The Competition Commission of Pakistan (CCP) has conducted a public hearing on the issue of Discriminatory Levy of the Gas Infrastructure Development Cess on only old fertilizer plants.

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### Improving conditions Anti-trust regulator takes up investors' cause

ISLAMABAD: The Competition Commission of Pakistan (CCP) has taken up the cause of investors to improve conditions and remove entry barriers.

### CCP committed to restoring investor confidence in market

ISLAMABAD: The Competition Commission of Pakistan (CCP) has committed to restoring investor confidence in the market through effective enforcement.

### CCP urged to take notice of discrimination in gas supply

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### Chairman CCP stresses on stable economic climate

ISLAMABAD: The Chairman of the Competition Commission of Pakistan (CCP) has stressed on the need for a stable economic climate.

### Businessmen urged to join hands with CCP

ISLAMABAD: The Competition Commission of Pakistan (CCP) has urged businessmen to join hands with the commission to address cartelisation and deceptive marketing.



# CREATING AWARENESS

## A GLANCE AT CCP'S ADVOCACY INITIATIVES

### Seminar on “Role Of Competition in Improving Investment Climate” Karachi.

5 NOV 2013

The Commission organized an international Seminar on the “Role of Competition in Improving Investment Climate” on 5 November, 2013, at the Marriott Karachi. The Seminar discussed how competitive markets improve the investment climate and helps to achieve the overall economic development goals.

The Seminar was organized around three technical sessions on the following topics:

1. The Nexus between Competitive Markets and Investment.
2. Factors Hampering Investment Climate.
3. Competition and Investment – Cross-Cutting Issues within the WTO Framework

Distinguished experts on the subject from Pakistan and abroad attended the Seminar to share their views with the audience. The participants included CEOs of multinational and national companies, representatives from business councils, regulatory agencies, legal community, government and media.



Dr. Joseph Wilson delivering the opening address at the Seminar



L to R: Dr. Joseph Wilson, Khalid Mirza and Dr. Julien Chaisse



A group photo of speakers with officers and members of the Commission

# CCP Celebrates World Competition Day

Seminar on “Economic Growth And Competitiveness” , Islamabad

5 D E C 2 0 1 3



From L to R: Dr. Manzoor Ahmad -USAID Trade Project, Dr. Joseph Wilson & H.E. Greg Giokas--Canadian High Commissioner

The Commission organized a seminar to mark the World Competition Day, which is celebrated every year on 5th December, to create awareness on competition related issues and how the enforcement of a competition regime benefits consumers.

The theme of the seminar was “Economic Growth and Competitiveness”. The debate focused on how a well functioning competition regime increased competitiveness of industry leading to economic growth. The seminar was attended by diplomats, donor agencies, government functionaries and CEOs of private companies.

## Dr. WILSON ADDRESS LEGAL EDUCATION CONFERENCE

Dr. Joseph Wilson, Chairman CCP addressed a session on “Regulatory barriers to economic growth: Role of Counsel and Challenge” at National Conference on Continuing Legal Education on 21 Oct 2014 at Serena Hotel, Islamabad. The Conference was the inaugural event organized by the Continuing Legal Education Institute of Pakistan (CLEIP) and Supreme Court Bar Association of Pakistan.



Dr. Joseph Wilson [2nd L] with the panelists addressing participants' questions

## 20<sup>th</sup> MEETING OF COMPETITION CONSULTATIVE GROUP (CCG)

The meeting of 20th Competition Consultative Group (CCG) was held on 29 January, 2014 at Serena Hotel Islamabad. The Chairman, Dr. Joseph Wilson briefed the participants on the performance of CCP including its enforcement actions, amendments in various regulations and advocacy initiatives. Key topics of discussion included the Policy Notes on capacity tax and issuance of flare-gas licenses.



A group photograph of the officials of CCP and the participants of the 20th CCG meeting



# ADVOCACY SESSIONS

As part of its advocacy programme to sensitize the business community to the Competition Law, CCP organized advocacy sessions at various chambers of commerce and industry. In the first round, Advocacy sessions were held at chambers of commerce in Rawalpindi, Lahore, Sialkot and Multan.

This initiative has been very well received by the business community, encouraging CCP to plan advocacy sessions at other chambers of Punjab, Sindh, Balochistan and Khyber Pakhtunkhwa during 2015.

## Lahore Chamber of Commerce and Industry:

An advocacy session at Lahore Chamber of Commerce and Industry was held on 25 February, 2014. Addressing the session, Dr. Joseph Wilson stated that an effective enforcement of the Competition Law encourages enterprise and efficiency, creates a wider choice for consumers and helps reduce prices and improves quality.



CCP team with Members of Lahore Chamber of Commerce and Industry

## Sialkot Chamber of Commerce and Industry:

An advocacy session was organized at the Sialkot Chamber of Commerce & Industry (SCCI) on 15 May, 2014, where Dr. Joseph Wilson briefed the participants of the meeting on key provisions of the Competition Act, 2010 and said that Competition rules and regulations are in line with the modern Competition laws.



CCP team with members of SCCI

## Rawalpindi Chamber of Commerce and Industry:

The advocacy session at the Rawalpindi Chamber of Commerce and Industry (RCCI) was held on 6 March, 2014. Dr. Joseph Wilson briefed the participants about the issuance of Competition (Reward Payment to Informants) Regulations, 2014. He also discussed the Policy Notes and Opinions issued the Commission.



CCP team and RCCI members pose for the media

## Multan Chamber of Commerce and Industry:

One of the key chambers of southern Punjab, Multan Chamber of Commerce and Industry welcomed Dr. Joseph Wilson and Dr. Shahzad Ansar for an advocacy session on 11th June, 2014. Dr. Wilson briefed the participants about Competition Law and its various provisions.



CCP team with Members of Multan Chamber of Commerce and Industry

## CCP's 6th birthday

On 2nd of October 2013, CCP celebrated the sixth anniversary of the promulgation of the new Competition Law in Pakistan that resulted in the establishment of CCP. The cake cutting ceremony was attended by the Chairman, Members of the Commission and the entire staff of the CCP.



## Capacity Building Workshop:



Distribution of certificates to participants of the workshop

The Capacity of the Commission's workforce has been enhanced by providing it the opportunity to have international interaction.

In collaboration with UK AID under its Investment Climate Facility of UK Specialist Expertise (IFUSE) programme, CCP conducted a four days capacity building workshop for its professional staff.

# INTERNATIONAL ACCLAMATION

## Stamp of Approval From GCR: Consistent Performance of CCP

London-based Global Competition Review (GCR) is a leading international competition law journal and is widely consulted by competition authorities, lawyers and academicians. GCR in its 14<sup>th</sup> survey of the world's leading competition authorities has termed CCP's performance consistent. GCR noted that despite of dwindling human resources CCP maintained its rating of two and a half stars out of five.

GCR stated that CCP is a maturing authority, which is still facing external challenges of operating in a tough environment, but has stuck to its mandate and continues to build a reputation of being taken seriously both within Pakistan and abroad. It stated that CCP continues to remain active in the face of significant resource cuts and staff reduction. *"While its budget has not changed, CCP cut staff from 147 in 2012 to 125 in 2013. For such a small authority, that represents a savage bite out of its resources,"* stated GCR.

GCR welcomed the appointment of Dr Joseph Wilson as Chairman CCP and noted, *"Highly respected by the Pakistani competition bar and in the wider anti-trust community, Dr Wilson is seen as a very safe pair of hands under whom the CCP will continue on its path to greater and more effective enforcement."*

GCR welcomed Dr Wilson's priorities for CCP including the revision of regulations, enhancing the strength of enforcement staff, working towards the financial and administrative independence of the Commission, active advocacy both with public and private sector, robust law enforcement and improving the staff's technical expertise.

While discussing the Challenges faced by CCP, GCR noted that disposal of cases in the court hindered the effective functioning of CCP. Whereas the CCP adjudicated on cases in an expeditious manner, appeals before courts prolong



endlessly. Currently more than 200 CCP cases are pending in various courts. Competition Appellate Tribunal, which would have ensured the timely disposal of cases has remained dysfunctional due to non-appointment of judges.



Dr. Joseph Wilson receiving the award from the World Bank representative.

## CCP Wins World Bank's 2013 Competition Advocacy Contest

The Commission has won the World Bank's 2013 Competition Advocacy Contest in the category of "Successfully promoting pro-competition market reforms, opening of markets, and infusion of competition principles in other sectoral policies." The award was presented to Dr. Joseph Wilson, Chairman CCP, by the World Bank representative Gabi G. Afram, Programme Leader, Pakistan Country Management Unit.

CCP has won the contest for conducting advocacy in the crucial segment of Pakistan's air transportation market — the route between Pakistan and Mecca and its recommendations were implemented by the Civil Aviation Authority, resulting in two new airlines entering the market and a decrease in the cost of air travel for consumers.

CCP had raised its concerns by issuing a Policy Note to the Government of Pakistan in 2010, recommending that the Bilateral Air Services Agreement of 1972 between Pakistan and Saudi Arabia should be amended to allow multiple airlines of both countries to operate direct scheduled services and hajj services between the two countries. The Note further said that market forces should determine ticket prices without interference from either country's aviation authority or airlines.

