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Competition Commission of Pakistan
Creating a level playing field

CC Ceteris Paribus

"all other things being equal"

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Consumer Welfare

Recommendations Furnished to Control Price Hike, Hoarding of Essential Food Items

Under Article 38 of the 1973 Constitution of Pakistan, it is state's responsibility to ensure the provision of food and basic essentials along with other social and economic benefits to its citizens. Over the past few years, the prices of essential food items have witnessed substantial rise, thus putting extra burden on consumers.

In light of the widespread concerns expressed by the government, consumers, and media regarding the high prices of essential food items, the Commission initiated a country-wide probe in 2015 to see whether the price hike was the result of any possible anti-competitive behaviour. The purpose of the probe was to suggest remedies to control hoarding, profiteering and stopping any collusive practices in the essential food commodities' markets.

After extensive consultation with the stakeholders and the market research done by the Commission, a detailed report titled the "Review of Framework Relating to Control of Pricing & Supply of Essential Food Commodities" was presented to the government in September 2015. The report dealt with the pertinent issues at length, including the price trends, the current price control mechanisms, and short & long term recommendations to control price hike.

Subsequent to the abovementioned Report, the Commission issued Policy Notes to the provincial governments in 2019 recommending solid measures to deal with the issues of hoarding and price hike of essential food commodities.

The Commission opined that the implementation and monitoring of price controls is not only diffi cult but is also in contrast to the principles of free market economy. Price controls and its regulations may reduce entry and investment in the long run and act as a disincentive to improve quality, create black markets, and stimulate costly rationing. Therefore, while implementing the price control laws, it is to be ensured that price regulation must be balanced with adequate supply to cater for the demand, otherwise it cannot achieve its purpose as enshrined under Article 38 of the Constitution.

According to the Policy Note, one of the reasons for consumers' suffering due to high prices and shortages of essential food items was the implementation of different laws for price control by the four provinces enforced through different departments, thus making them ineffective in checking price hike and hoarding of essential commodities & foodstuff. The Commission's recommendation was to update and consolidate the laws relating to essential commodities, food stuffs, agriculture produce markets and godowns registration into a single legislation enforced through a single authority at the provincial level.

RECOMMENDATIONS

Subsequent to the 18th Amendment in the Constitution of Islamic Republic of Pakistan, 1973 vide Constitution (Eighteenth Amendment) Act, 2010, the powers to regulate and monitor prices vest with the provincial governments, hence, the following recommendations are made to the governments of Khyber Pakhtunkhwa, Punjab, Sindh and Balochistan:

A. **Upgradation and consolidation of laws:** At the provincial level there are different laws pertaining to **essential commodities, food stuffs, agriculture produce markets and goodowns registration Laws** with different departments tasked with enforcement of the same. All provincial laws need to be upgraded and consolidated, keeping in view the current conditions, under one law with a clear responsibilities for implementation under a **single authority**, with the following salient features:

Uniform formula for price determination: The new consolidated law should provide for a uniform formula for **price determination throughout the province**. This will discourage suppliers from hoarding and delivering supplies to places where better prices and margins are available. It is however, reiterated that the prices should be determined through normal market mechanism i.e. supply and demand. Further, the price control mechanism should only be enforced in cases of emergency or shortages.

Price controls on essential commodities as well as the food stuffs should be applied at the **wholesale level** which can be monitored easily as compared to the vast retail sector, given the fact that wholesalers are located in mandis and have relatively uniform operating cost.

Rather than recommending a single price for one commodity, it is recommended that the price determinations be made with reference to **quality of commodities** through **range/band of prices**. Basic quality standards should be identified i.e. the minimum range/band in the price would be for average quality and the maximum range/band could be for higher quality.

B. **Agriculture Supermarkets:** In order to improve the access of the farmer to the market and to minimize the role of the middleman, the law should provide for establishing of 'agriculture supermarkets' on public private partnership, where farmers can directly display and sell their products at the price set out by government. These agriculture supermarkets can bring about the effi ciency in the demand and supply situation of the agricultural produce.

C. **Incentivize the Minimum Support Price (MSP):** The Minimum Support Prices (MSP) mechanism should be employed to incentivize farmers to cultivate crops that are likely to be in high demand in the future but are currently facing low prices and shortage. For example MSP should be offered on Pulses/ lentils in order to increase their cultivation in Pakistan and to avoid reliance on imports. Further, in order to achieve coherence in this regard, the incentivized MSP be deliberated, preferably, by National Economic Council and may also be reviewed accordingly from time to time.

D. **Promoting food processing and Cold chains:** In order to reduce wastage of perishable commodities and establish a new economic activity, food processing and allied industries should be encouraged which inter alia include cold chains. Tax incentives for establishing this particular industry would facilitate the growth of local industry and reduce the reliance on imports.

E. **Exemption of Hyper/Super Market from application of Price Control Laws:** The aforesaid price control laws should not be applied on Hyper/ Super market for the following reasons:

i. Supermarket chain stores/hypermarkets bring in foreign investment and introduce international best practices in the food supply chain especially in areas such as post-harvesting, maintenance of cold chain processing of foodstuff.

ii. Most of these stores implement a modern agriculture supply chain under which perishable items are transported and stored in a temperature controlled environment. Fruits and vegetables are sold as per international standards such as **Hazard Analysis of Critical Control Points (HACCP)**. These processes require huge investments and forcing these stores to abide by low prices acts as a disincentive.

iii. All non-perishable items such as pulses and spices are graded, cleaned and packaged. The maintenance of better quality and grading offered by supermarkets results in higher costs as compared to the traditional model. Therefore, implementing the same prices for a product that has been graded and packed according to international standards is not justifiable.

iv. Supermarket chains have an average floor space of 10,000 square meters incorporating a number of features to provide an amenable shopping experience to consumers. These features include a large parking area, air conditioned facilities, wide aisles a wide range of products and brands under one roof, customer service and trained staff. Also much effort is expended at the back end of the business to ensure that a broad range of goods reach shelves in a timely and effi cient manner. All of these features translate into higher overhead costs for supermarket chains/ stores, making it diffi cult for these stores to continue its operations within the current price control regime.

Enforcing the Law

> *Rule of thumb is not to allow discussion, deliberations or sharing of sensitive commercial information that may allow members, who are competitors, to co-ordinate business policy. Further, it is not the role of association to ensure that each and every member of the association has a profitable business.*
>
> *- CCP's Order*

Prohibited Agreements - Price Fixing

PKR 75 Million Penalty Imposed on PFMA for Cartelisation in Wheat Flour

Pakistan is one of the highest wheat consuming countries – wheat flour currently caters for around 72 percent of Pakistan's daily caloric intake with per capita wheat consumption of around 124 kg per year. Any change in its supply or price eventually impacts the citizens. Taking notice of various news items suggesting upward trend in the wheat flour price, the Commission initiated an enquiry and also carried out search and inspection of Pakistan Flour Mills Association (PFMA) premises. The enquiry established that PFMA was providing a platform to its members for fixing the wheat flour prices in violation of Section 4 of the Act.

The Commission's order stated that having a maximum cap in the essential food item benefits the consumer to bargain for a lower price and prevents retailers from overcharging consumers. This also enables retailers to discount the product in order to increase their sales. PFMA in complete derogation of the aforesaid objective, deliberately fixed the rates of wheat flour by conducting meetings and discussing the prices as well as the quantities to be produced and supplied by Flour Mills.

The order further mentioned that discussions, deliberations and decisions regarding purely business concerns like current and future pricing, production and marketing are anti-competitive and should be avoided at all costs by the associations. Associations have a responsibility to ensure that their forum is not used as a platform for collusive activities.

The order termed price fixing as the most egregious competition law violation as it disturbs the central nervous system of the economy. Given the seriousness of the violation, the Commission imposed a maximum fine of PKR 75 Million on PFMA.

With reference to the role of associations, the Commission also observed that rule of thumb is not to allow discussion, deliberations or sharing of sensitive commercial information that may allow members, who are competitors, to co-ordinate business policy. Further, it is not the role of association to ensure that each and every member of the association has a profitable business.

Deceptive Marketing - Trademark Infringement

PKR 50 Million Penalty on Real Estate Developer

Meher Developers & Constructions sent a formal complaint that Mir Hassan Builders & Developers was deceptively using their registered trademark and logo "Anchor City Gawadar" and "symbol of Anchor" in its real estate business.

The Commission's enquiry confirmed that the said trademark belonged to Meher Developers & Constructions since March 2015. On the other hand, Mir Hassan Builders & Developers, which was only established in Feb 2017, registered another company with the name of "Anchor City Gawadar (SMC_Private) Limited" and started advertising its project as "Anchor City Gawadar" without obtaining the trademark from the relevant authority.

As per the enquiry's findings, a clear cut violation of Section 10 of the Act had been committed by Mir Hassan Builders and Developers, which was enjoying the goodwill and reputation associated with the trademark 'Anchor City Gawadar' and the 'Device of Anchor.'

In its order, the Commission imposed a penalty of PKR 50 million on Mir Hassan Builders and Developers for violating Section 10 of the Competition Act and directed them to inform the public through appropriate clarification in two Urdu and two English dailies that their real estate project is not related to the Meher Developer's project.

'The Commission also bears in mind the specific circumstances of consumers that often fall victim to misleading claims in relation to real estate investments they may make.'

- CCP Order

The real estate market plays a vital role in the development of any country's economy as a number of other associated sectors have close links with this sector. At the same time, the degree of regulation remains inadequate to the extent that bogus housing scheme and deceptive marketing practices continue to harm growth in this sector, ultimately causing a loss to the overall sustainability of Pakistan's economy.

Deceptive Marketing - Trademark Infringement

PKR 45 Million Penalty on Two Snackfood Sellers

The Commission received a formal complaint from Nimco Corner alleging that its registered trademark, firm name, and product packaging, were being fraudulently used by Mr. Nimko Corner and Karachi Nimco. Nimco Corner claimed to be the sole proprietor of the registered name 'NIMCO' since 1947, as well as, distinctive logos and packaging.

The Commission conducted an enquiry and found that Mr. Nimko Corner and Karachi Nimco were imitating the trademark, packaging, color scheme, and design of Nimco Corner. On the enquiry's recommendations, show cause notices were issued to both companies.

The Commission's order established that Mr. Nimko Corner not only used the identical colour schemes, taglines, shapes, and patterns but also copied the exact taglines, placement, graphical patterns and font style. Instead of investing in developing its own brand, Mr. Nimko Corner opted to free ride on the trademark, "NIMCO" and the goodwill created by Nimco Corner.

The order established that the both companies have admitted the fraudulent use of trademark and trade dress therefore, a penalty of PKR 25 Million on Mr. Nimko Corner and PKR 20 Million on Karachi Nimco was imposed.

Deceptive Marketing - Unsubstantiated Claims

PKR 35 Million Penalty Imposed on At- Tahur

The consumers are getting more attuned to the health related claims by the marketers, especially those directed towards children and parents. Therefore, truthful advertising assuring great importance, particularly in matters directly affecting the consumer's health.

The Commission received a complaint from Pakistan Dairy Association that At-Tahur, while advertising 'Prema Milk' through Facebook Page, was misrepresenting the pronouncement of the Order by the Honorable Supreme Court of Pakistan. It was also mentioned that a post on Facebook page was advertising, 'Except Prema Milk all other samples are found to be unfit for human consumption'.

The Commission's enquiry noted that the superiority claims by Prema Milk against other brands were mainly relied on the preliminary reports submitted before Supreme Court. While making claims, information was deliberately withheld from consumers that, not just Prema, Engro Food's product 'Olpers' was also declared hygienic and fit for human consumption.

The Commission's order mentioned that, comparing the pasteurized milk with other product such as UHT Milk, Powdered Milk and Tea Whitener through 'hashtags' was also unjustified. The misleading comparison has influenced consumer's purchasing decision. The distribution of deceptive information has serious effects not only on one competitor but the entire milk producing industry.

The Commission while imposing the penalty of PKR 35 million on At-Tahur for its unsubstantiated marketing campaign, directed the company to desist from deceptive marketing practices in future.

Deceptive Marketing - False & Misleading Information

PKR 30 Million Penalty on Reckitt Benckiser

Unilever Pakistan complained about the misleading and unsubstantiated advertising campaign of Reckitt Benckiser's product, 'Dettol Soap'. The complaint mentioned four claims made about the effectiveness of Dettol Soap as compared to other products available in market.

The Commission's enquiry found the following four claims as deceptive:

- 'Dettol soap kills germs like flu virus up to 99.9%';
- '24 hours constant protection from germs' followed by disclaimer 'as per Lab Testing, prevents germs (E. Coli and S. Aureus) from increasing up to 24 hours';
- '24 hours protection from germs that spread in winters';
- '24 hours germ protection from cold and flu' followed by disclaimer 'as per Lab Testing, prevents germs (E. Coli and S. Aureus) from increasing up to 24 hours,' as deceptive.

While evaluating the effectiveness of disclaimer, the Commission considered factors such as prominence, presentation, placement and proximity between the advertising claim and the associated disclosure. Whereas, the principle regarding disclaimer is that they must be 'clear and conspicuous' and placed as close as possible.

The Commission's order further established that Reckitt Benckiser was well aware about the legal framework of the Commission, in particular Section 10 of the Act. However, from the material available on the record, it seems that with reference to the disclaimers, the guidelines provided by the Commission through various previous orders were not followed. The Commission imposed penalty of PKR 30 Million on Reckitt Benckiser for disseminating false and misleading information to the consumers about Dettol Soap.

The Commission initiated an enquiry and concluded all four claims being unsubstantiated. The claims were:

- *'Dettol soap kills germs like flu virus up to 99.9%'*
- *'24 hours constant protection from germs' followed by disclaimer 'as per Lab Testing, prevents germs (E. Coli and S. Aureus) from increasing up to 24 hours'*
- *'24 hours protection from germs that spread in winters'*
- *'24 hours germ protection from cold and flu' followed by disclaimer 'as per Lab Testing, prevents germs (E. Coli and S. Aureus) from increasing up to 24 hours'*

Deceptive Marketing - Misrepresenting their Recognition

PKR 22.5 Million Penalty on Medical Colleges

The Pakistan Medical and Dental Council (PMDC) had named 22 private medical and dental colleges, which did not meet the registration criteria for 2013-2014 and were therefore either not recognized, or had restrictions placed on them from offering admissions for the sessions 2013-2014.

The Commission's enquiry found eight of the 22 institutions to have misrepresented their recognition through their websites, and omitted to communicate about the restriction imposed on them by PMDC. These eight medical institutions included: Pak Red Crescent Medical & Dental College, Lahore, Mohiuddin Islamic Medical College, Mirpur (AJK), Abbottabad International Medical College, Abbottabad, Independent Medical College, Faisalabad, Women Medical College, Abbottabad, Hashmat Medical & Dental College, Gujrat, Bhittai Medical & Dental College, Mirpurkhas Sindh, (BDS), and AJ&K Medical College, Muzaffarabad - AJ&K.

The Commission passed an order imposing PKR 7.5 Million each on Bhittai Medical & Dental College Mirpurkhas, Women Medical College Abbottabd, Pak Red Crescent Medical & Dental College Lahore for violating Section 10 of the Act by fraudulently claiming recognition by the Pakistan Medical & Dental Council (PMDC) and offering admissions to students for 2013-2014 sessions.

No penalty was imposed on the rest of the Medical & Dental Colleges due to lack of evidence however, they were strongly bond to be careful about advertising their status of recognition by PMDC.

> *The order imposed a penalty of PKR 7.5 Million each on Bhittai Medical & Dental College Mirpurkhas, Women Medical College Abbottabd, Pak Red Crescent Medical & Dental College Lahore for violating Section 10 of the Competition Act in view of the timings of their advertisements about offering admissions for 2013-2014 despite being restricted by PMDC.*

No Violation of Competition Act seen in Tender for Procurement of Deep Solar Pumping System

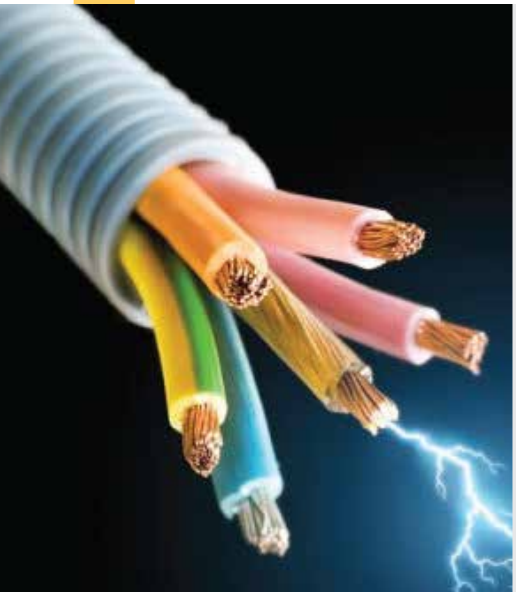
Catkin Engineering complained about the unfair trading conditions included in the tender for procurement and installation of 'Deep Solar Pumping System on Agriculture Tube-wells' by KP Directorate of Agriculture Engineering. The tender required bidders to have registration with Khyber Pakhtunkhwa Revenue Authority (KPRA); must have PKR 200 million average turnover for the last three years in solar pumping systems; should have experience of projects of similar and complex nature worth PKR 10 million completed in last five years; and should have test bed for verification/testing of solar pumps along with all accessories as per ISO 9906 in company premises.

The Commission's order stated that registration with KPRA is the same as obtaining a National Tax Number (NTN) from the Federal Board of Revenue (FBR) i.e. a person/entity does not have to be actually paying any taxes to obtain an NTN.

Regarding the second condition of PKR 200 Million average turnover requirement, the order stated that the PEC recommendation is for the firm to maintain an average turnover over a five-year period; however, the bidding document requires turnover to be maintained over a three-year period which appears to be less stringent.

Moreover, Catkin Engineering failed to substantiate as to how the impugned clause is restrictive of competition and the condition about PKR 10 million worth of projects in last five year does not appear to be anti-competitive as the value of the project is much bigger.

The Commision's bench disposed of the case and established that no violation of Sections 3 or 4 of the Act was made out in the tender's clauses.



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The Commission passed an Order imposing a total penalty of PKR 18 Million on 18 electric cable manufacturers for hiding the information henceforth, deceiving the consumers about the presence of any monetary benefit.

Deceptive Marketing - Non Disclosure

PKR 18 Million Penalty on Electric Cable Manufacturers for Non Disclosure of Hidden Cash Coupon

On receiving information that many electric wire manufacturing companies were inserting cash and cash coupons in electric wire bundles, without disclosing to consumers, the Commission initiated an enquiry. The practice only benefited the electricians who generally open the packs whereas the end consumer who pays for the coupons, remained unaware.

The Commission's enquiry found that 18 electric cable manufacturers including Dawn Cables, G.M. Cables, Fast Cable, Hitech English Cables, Pak Muzaffar Cable, Alfa Plus Wire Cable, Hi Ace English Cable, Gold Royal Cable, Zafar Cable, Nation Cable, Puller Cable, Welcome Cables, Dewan Cables, E-Flux Cables, Hero Cable, Falcon Cable, Lear Cables and Rana Cables were inserting cash coupons of various denominations in the packing of their wire bundles and not disclosing it anywhere. During the hearings, most of these cable manufacturers admitted the wrongdoing and made commitments to stop doing so in the future.

The order declared token's insertion in electric cable packs without due disclosure as a violation of Section 10 and imposed a penalty of PKR 5 Million each on Fast Cables and G.M. Cables and Pipes, and PKR 500,000 each on remaining 16 cable manufacturers.

The companies were also directed to disclose the coupon's presence and its value in their marketing material, and publish four advertisements of A-4 size in 2 English 2 Urdu newspapers informing the general public about the same. They must visibly print the token's value on the product packaging.

Deceptive Marketing - Trademark Infringement

PKR 10 Million Penalty Imposed on 8 Campuses of Dar-e-Arqam Schools

The Commission received a formal complaint from Dar-e-Arqam Schools alleging that eight various campuses in different sectors of Islamabad and Peshawar were fraudulently using their trademark, trade name, and other distinctive items deceptively.

The Commission conducted an enquiry and found that Dar-e-Arqam schools located in 1-8, 1-10, Khayaban e Sir Syed Campus Rawalpindi, Hayat Abad Campus Peshawar, University Town Campus Peshawar, Canal Road Peshawar, and Tarbiyah Schools International Peshawar, International Model Tarbiyah Islamabad were using the trademarks in its campus, course books and fee schedule without any authorization.

The Commission found that Dar-e-Arqam had given Franchising rights to the above mentioned eight schools to run its campuses till 2021. However, the agreement was terminated by Dar-e-Arqam, despite that those eight schools continued to utilize, publish, print and sell the trade name, trademark thus deceiving the general public.

The Commission issued a Show Cause Notice to aforementioned schools, but the respondents didn't avail the opportunity of hearing despite several reminders.

The Commission decided to proceed ex-parte against the respondents and imposed a penalty on the proprietors of respondent institutions collectively of PKR 5,000,000 for violating section 10 of the Act and an additional penalty of PKR 5,000,000 for knowingly abusing, impeding and obstructing the proceedings before the Commission.

Deceptive Marketing - False Claims

PKR 5 Million Penalty on University for Deceptive Claims

The importance of private educational institutions in eradicating illiteracy cannot be overstated. While private educational institutions do have the right to make reasonable profits, they cannot be absolved of their responsibilities of adhering to the pertinent rules and regulations, particularly when their conduct can have serious repercussions on the future of students.

The Commission initiated an enquiry against the University of Management and Technology (UMT) for making false claims regarding its ranking and accreditation.

Some of the false claims were: "Top 10 in South Asia and best accredited in Pakistan", "UMT School of Business and Economics (SBE) is the only business school in Pakistan that has SAQS Accreditation", "UMT is also at the top as per HEC ranking in the General Category (medium sized) of private sector institutions in Punjab in a row since last year", "Ranked as 2nd best by HEC* and Top 10 in South Asia."

These misleading and deceptive claims not only jeopardized the future of students and caused financial losses to their parents but also harmed the business interests of other universities.

During the hearings, the UMT could not substantiate these claims, tendered an unconditional apology, and made a commitment to discontinue making deceptive claims. Henceforth, the Commission passed an Order imposing a penalty of PKR 5 Million on UMT for making false claims regarding its ranking and accreditation in violation of Section 10 of the Act.

Deceptive Marketing - Trademark Infringement

PKR 5 Million Penalty on Irshad Trading co.

Polycon Pakistan filed a complaint that Irshad Trading Co. was using its registered trademark and brand name for manufacturing, marketing and selling water storage tanks, and was also misrepresenting itself as a joint venture of Polycon.

On the enquiry's recommendations, show cause notice was issued to Irshad trading. During the proceedings, Polycon stated that Irshad Trading had remained its authorised distributor until September 2018, after which its distribution agreement was terminated. However, it continued to manufacture, market and sell the products with its logo until February 2019, and only stopped the practice when the CCP took notice.

The owner of Irshad Trading didn't deny the violation, saying that he had worked as Polycon distributor for almost 30 years, and briefly manufactured water tanks using Polycon's trademark even after termination of his distribution agreement. He, however, could not provide written agreement of a Joint Venture with Polycon.

The order stated that Irshad Trading fraudulently opted to free ride on the trademark, tradename and patented products of Polycon and falsely claimed to be the Joint Venture Partner despite termination of its distribution agreement. The order laid emphasis on the importance of written agreement between the parties doing business together.

In view of the commitment by Irshad Trading to avoid such deceptive marketing practice in future, the Commission took a lenient view and imposed a penalty of PKR 5 million while directing the company to desist from using Polycon's trademark, trade name and products.

> "The order stated that Irshad Trading fraudulently opted to free ride on the trademark, tradename and patented products of Polycon and falsely claimed to be the Joint Venture Partner despite termination of its distribution agreement."

Show Cause Notice to Pharma Bureau Set Aside

The Commission learned from various newspaper reports that multinational pharmaceutical companies had increased prices of medicines up to 300%. Taking a suo motu notice of these concerns, the Commission conducted an enquiry and also examined the role of Pharma Bureau, a representative body of more than 20 pharma companies, in the reported price increases.

The Commission also conducted a search and inspection of Pharma Bureau's Karachi offi ce and impounded the pertinent record.

As per the enquiry's findings, it appeared that the Pharma Bureau and its member undertakings were involved in sharing of strategic data and commercially sensitive information regarding price, cost, demand and they might operate in a collusive manner to influence pricing policies. However, during the hearings, the enquiry team could not prove these charges. The Commission's bench set aside the enquiry's findings and its show cause notice to Pharma Bureau for lack of evidence of collusive practices.

The Commission's detailed order stated that Pharma Bureau cannot be held to have violated Section 4 of the Act by taking any decision which has the object or effect of preventing, restricting or reducing competition within the relevant market. The order also stated the importance of undertakings and associations remaining vigilant to the threat of potential collusion and other anti-competitive practices.

> *Business associations contribute immensely to economic growth and development by supporting entrepreneurial ecosystem of the country. The broad but basic area of associations is to get themselves involved in microeconomic stability and reform. Thus any defiance on behalf of associations may have devastative impact on private sector and consequently, on masses in general*

Leather Jacket House Files Commitment to Comply

Pakistan Leather International (JKT) sent a formal complaint against Pakistani Leather Jacket House for disseminating false and misleading information to consumers and harming their business interest. JKT alleged that its registered trademark, trade dress, and logo was being fraudulently used by the Leather Jacket House in its marketing material.

The Commission's enquiry officers analyzed the products in question including the leather bags bearing the logo and almost same packaging as that of the complainant. They found that with slight alterations in the trade dress, the overall impression remained deceptive for the consumers. Furthermore, trademark was also used without authorization due to which the packaging appeared similar to that of JKT.

During the hearing, Leather Jacket House admitted the violation, saying that although it used the packaging material similar to JKT but it has already stopped using the old marketing material. The Commission accepted the commitment made by Pakistani Leather Jacket House to comply with its directions and ordered it to restrain from such practices in the future.

The Commission also forewarned that in case of non-compliance, the company is liable to the penalty of PKR 500,000 each day from the date of receipt of this order.

Show Cause Notice to 'Farms and Health First' Set Aside

The Commission received a complaint from Pakistan Poultry Association (PPA) alleging that Farms and Health First were misleading their consumers through unsubstantive claims made about their product. In the complaint six claims were mentioned including; 'being hormone-free', 'anti-biotic free', 'fed only on natural, freshest and purest ingredients'. The Commission's enquiry concluded that out of six allegations only one is made out on, ***prima facie***, basis i.e. "the poultry products are harmone free".

The Commission's order stated that PPA, during the hearing, acknowledged that no harmones are used in the poultry breeding process therefore the claim made in the advertisements can be considered as true. Furthermore, the complaint didn't mention the injection of growth inducing harmones. Nonetheless, the article of Dr. Waqar Azeem published in daily The Nation clearly mentioned that in poultry farming no harmones are used for growth purposes. Rather, it is the environment which is available in the poultry farms which facilitates the growth of the poultry.

The order refuted the use of claim 'Hormone Free' would make the consumers think that the competing poultry farmers use harmones in the poultry farming and further quoted that 'Suspicion, however, strong it maybe, cannot take place of a proof'.

The Commission's order affirm that no violation was made under Section 10 of the Act. Hence the show cause notices issued to Farms and Health First was set aside.

'Suspicion, however, strong it maybe, cannot take place of a proof'.

- CCP's Order

OCAC Stops Anti-Competitive Procurement on CCP's Directions

The Commission passed an order holding the entire process of procurement undertaken by the Oil Companies Advisory Council (OCAC) for procurement of Fuel Marking Company in violation of Section 4 of the Act. The Commission also declared the invitation of Expression of Interest for Kerosene Marker Programme for Pakistan as illegal.

In its order, the Commission also issued broad guidelines to all the stakeholders i.e. the OCAC, Ministry of Energy (Petroleum Division), OGRA and Hydrocarbon Development Regulatory Institute of Pakistan (HDIP), to ensure compliance with the provisions of the Act while drafting their future tenders as uncompetitive bidding process can hamper the competition in the relevant market.

The matter had come to the Commission's notice after the Transparency International sent a letter to the Chairperson of Oil and Gas Regulatory Authority alleging that the OCAC had awarded Fuel Marking Contract for kerosene without any competitive bidding process. The Commission's enquiry found that the selection of bidder was managed and controlled by OCAC only and no member from the technical committee was taken on board. The enquiry report also found that the selection of FMC and the procurement methodology adopted have a direct bearing on the final price of kerosene.

The objective behind the implementation of the Fuel Marking Program is to curb adulteration in petroleum products, thus enhancing revenues of the Government.

During hearing, OGRA and other technical committee members stated that they had not been taken on board throughout the procurement process. Whereas, OCAC said that it had immediately stopped proceeding with the process after the Commission's notice. Considering a compliance-oriented approach of OCAC, the Commission in its order did not impose any penalty.

Probing the Matters

Show Cause Notices Issued

Enquiry Completed against Hi-Tech Blending

Chevron Pakistan Lubricants sent a formal complaint to the Commission that Hi-Tech Blending is deceiving consumers through its electronic and print media advertising campaign for its product ZIC. Chevron is the manufacturer and supplier of lubricants that are used in passenger vehicle, industrial and off highway equipment and machinery.

The Commission's enquiry found that in order to promote the brand "ZIC", Hi-Tech Blending launched a marketing campaign claiming its products to be superior over those of the competitors in terms of quality, effi cacy and fitness.

The enquiry report concluded that by making these claims, High-Tech Blending was, *prima facie*, violating Section 10 of the Act by disseminating false and misleading information to consumers and harming the business interest of its competitors.

On the enquiry's recommendations, the Commission issued a show cause notice to Hi-Tech Blending, the importer of ZIC Lubricants, Korea, for making unsubstantiated claims about its products and, *prima facie*, violating Section 10 of the Act.

'Strepsils is just a Sweet Candy', CCP's Enquiry

The Commission received a formal complaint from Square Distribution & Marketing Systems alleging that the Reckitt Benckiser(RB) was misleading consumers about its product 'Strepsils' as a drug, whereas, it can only be characterized as a sweet/candy. It was also alleged that Reckitt Benckiser had discontinued the use of the medical ingredient in 'Strepsils' few years ago but never brought this fact to the knowledge of consumers.

The Commission's enquiry found that 'Stepsils' was deregistered by the Drug Regulatory Authority of Pakistan (DRAP) in 2007 and Reckitt Benckiser is only allowed to use the brand name Strepsils for the food products as confectionary manufactured and marketed under the Pure Food Act.

Even after deregisteration RB has not made any effort to inform its consumers rather advertised Stripsils as a medical product to cure a sore throat on its FB page. The enquiry report concluded that RB is, *prima facie*, involved in deceptive marketing practices.

Beware of Weight Loss Products, CCP tells consumers

With obesity becoming an increasingly big health concern for many, companies selling weight reducing products are making high profits by making tall claims regarding effectiveness of their products. The Commission took notice of many such claims made by several companies manufacturing, distribution or marketing weight loss products, which according to them give miraculous results within negligible time period and without causing any side effects.

The Commission's enquiry stated that obesity is being considered as one of the prominent causes of death, around the world. Excessive weight also causes various other health problems, such as diabetes, high cholesterol, high blood pressure, coronary heart disease and certain types of cancer etc. Therefore, companies must be cautious about advertising their products. The Commission issued a show cause notices to major players involved in this business.

Master Food Industries to Rebrand its Products

Eastern Products in its complaint accused Master Food Industries for copying its registered trademark and packaging along with the genuine color scheme, design and get up in the marketing campaigns thereby disseminating false and misleading information to the consumers and harming its business interest.

The Commission's enquiry established Master Foods' involvement in fraudulent use of the complainant's logo, packaging, color scheme, design and get up of product, thus potentially harming the goodwill and business interest of the complainant.

To the Commission's show cause notice, Master Food Industries admitted to have created a very similar packaging to that of the complainant in ignorance to the pertinent laws, but they intended to address the competition concerns forthwith. They also agreed to rebrand its product packaging and change the marketing campaign in light of the relevant laws.

Show Cause Notice Issued to Engro Foods

Nestlé Pakistan complained against Engro Foods for an electronic marketing campaign to promote 'Olper's Full Cream Milk Powder'. Claims were made against 'Nestle Nido FortiGrow' that it is not natural milk instead a mixture of oil and whitener, having no nutrient value. Moreover, in TV Commercials of Engro's 'Olper Full Cream Milk Powder' a yellow pack was shown which was easily recognizable to 'Nido FortiGrow' hence deceiving the consumers about its fitness. The Commission's enquiry found that:

- creating a false impression regarding the use of vegetable oil that is not permitted in respective dairy products
- 'Nido Product range' has no nutritional value instead 'Olper Full Cream Milk Powder' is natural milk

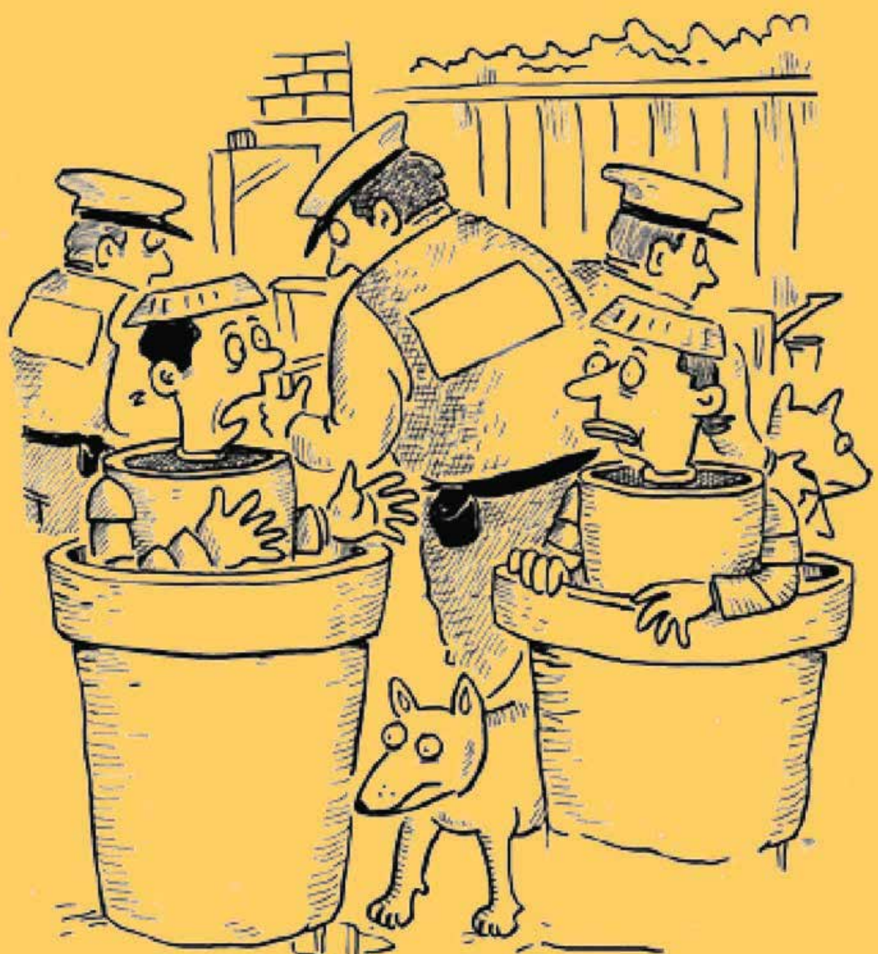
are, prima facie, violation of section 10 of the Act. Therefore, the enquiry report recommended for initiation of proceedings against Engro Foods under Section 30 of the Act.

DAWN RAID BY THE COMMISSION

The Commission initiated an enquiry against Haier Pakistan and DEL Electronics after obtaining "Price Control Circular" in a market survey of electric appliance dealers. The circular restricted their dealers to sell products at the prices fixed by Haier and DEL and stopped them from offering any discounts and promotions to consumers. In case of the circular's violation, the dealers were warned of serious consequences including suspension of their authorization or imposition of financial penalty.

The enquiry team also conducted search and inspection of Haier's Lahore office and DEL's Karachi office to impound the relevant record. The enquiry report found that both Haier and DEL resorted to the practice of resale price maintenance through their "price control policy" by restricting their authorized dealers from selling products below the company's fixed prices. It was also found that under these policies, labor rates for the fitting of split AC's are also fixed and no dealer were allowed to give any sort of additional services to consumers.

Upon the recommendations of the enquiry report, the Commission initiated the proceedings against Haier and DEL under section 30 of the Act.



Research Studies

Market and Regulatory Assessment of the Air Transport Sector in Pakistan

The Commission is mandated to conduct studies for promoting competition in all spheres of commercial and economic activity. The study on "Market and Regulatory Assessment of the Air Transport Sector in Pakistan" aims to respond to the country's reform needed in the air transport sector, and to identify actionable pro-competition solutions to enhance the results of Government initiatives in this sector. The study reviews the air transport sector framework and its effectiveness in promoting functioning markets that deliver competitive outcomes and a more efficient resource allocation in Pakistan. It discusses key bottlenecks in the air transport sector, and possible avenues for reform. It also identifies and proposes the least restrictive alternatives to those rules, which stifle competition in the sector by limiting entry, strengthening dominance, discriminating between firms, increasing the cost of competing or facilitating collusion.

Recommendations

Airport infrastructure supply

- *Assess the possibilities for vertically unbundling the provision of airport infrastructure services from regulatory functions*

Ground handling (ramp and passenger services)

- *A level playing field between all handling operators in servicing domestic airlines*
- *A level playing field to fuel providers in accessing the airport infrastructure*

Ancillary services (fuel, catering)

- *Eliminate Pakistan State Oil's exclusive rights to supply fuel to certain airports*
- *Clarify access rules to catering services*

Airline passenger and cargo services

- *A level playing field in enforcing public service obligations and revise its scope to tackle market failures*
- *Evaluate the adoption of international standards to guide licensing criteria so as to limit discretion*
- *Ensure financial fitness test for all carriers*
- *Allocate traffic rights in a competitive and transparent way*
- *Adopt a framework including criteria for granting state support measures that limit the anticompetitive effects of the financial advantages, including in the air sector*
- *Ensure PIA's foreign exchange access in line with private airlines*
- *Take stock and evaluate lifting restrictions that cap traffic rights with Pakistan's bilateral partners*
- *Evaluate lowering the capital requirements applicable to carriers*
- *Reassess the ownership nationality rules that hinder the potential pool of market entrants*
- *Revise the minimum fleet size applicable in order to facilitate entry and expansion in the market*
- *Revise the wet-lease regime so as to increase the financial options at the carriers' disposal*
- *Streamline the access regime to international routes by Pakistani airlines*
- *Revise the system of mandatory indemnity bond for international cargo*

Market and Regulatory Assessment of Mobile Telecommunications in Pakistan

The study on "Market and Regulatory Assessment of Mobile Telecommunications in Pakistan" aims to respond to the country's reform needed in the mobile telecommunication sector and to identify actionable pro-competition solutions to enhance the results of ongoing Government initiatives in this sector. In particular, the study reviews the mobile telecommunications market characteristics and regulatory framework and its effectiveness in promoting functioning markets that deliver competitive outcomes and a more effi cient resource allocation in Pakistan.

Recommendations to promote entry, expansion and a level-playing field by services-based competitors

- Continue the process of lowering Mobile Termination Rates(MTRs) and of obtaining cost-based data to implement an Long Run Incremental Costs(LRIC) test
- Develop a general authorization regime separate from the existing licensing regime
- Bring clarity in the circumstances in which the number of operators can be limited, and an auction procedure followed, under the licensing regime
- Set as a general rule, the number of operators in the market should only be restricted whenever scarce resources (e.g. specific radio frequencies), and the authorization regime should be adopted for the remaining situations
- Development of a coherent and harmonized regime for public and private Rights of Way(RoW) is also recommended, which encourages private investment in infrastructure
- Implementation of a revised framework for the sharing of passive and active infrastructure also suggested, which takes into consideration the competition implications of sharing agreements
- Develop a framework clarifying the modes of access and pricing to backhaul spare capacity held by utilities

Recommendations on strengthening spectrum management

- Adopting techniques of binding timetables for the release and assignment of spectrum in order to make the process more expedite and aligned with market changes, as well as to prevent the awarding of undue competitive advantages is recommended
- It is suggested to put in place safeguards against spectrum concentration so as to level the playing field between operators (e.g. spectrum caps)
- Consideration of expanding the Spectrum Trading Framework to spectrum holdings that were not subject to auctions or Administrative Incentive Pricing(AIP) also proposed
- Consider expanding the Spectrum Trading Framework to include situations where sharing does not depend on an agreement by the license
- Consider developing a framework for unlicensed spectrum in line with the orientations provided by the Telecommunications Policy, 2015

Cross-cutting recommendations

- It is recommended to coordinate with the competition rules established in the Competition Act and in the Draft Competition Rules enacted by the MoIT
- It is suggested to eliminate the possibility of the PTA giving exemptions to hardcore horizontal agreements in the telecoms sector
- An MoU between the CCP and the PTA is also proposed, which clarifies the cooperation modalities in enforcing competition rules in the telecoms sector, should the Draft Competition Rules be adopted
- Recommendation has been made to strengthen the institutional guarantees of PTA and Frequency Allocation Board(FAB) in order to strengthen their technical independence and ensure the integrity of their decisions
- A suggestion has been made to implement a transparent and technical selection process to appoint board members
- It is suggested to clarify the circumstances in which the Government can directly intervene in telecom markets bypassing PTA and FAB
- It is recommended to undertake a functional review of PTA and FAB to identify areas for making its mandate more effective
- Focus regulation on markets that need it. Markets should meet the 'three criteria test': (1) high and non-transitory barriers to entry; (2) market structure does not tend towards effective competition; (3) inadequacy of competition law to tackle market failure
- Ensure that the markets with Significant Market Power(SMP) players are periodically reviewed.
- It is suggested to Adopt the bylaws necessary to ensure the effectiveness of the Telecommunications Policy 2015 (e.g. development of a general authorization regime and a regime for unlicensed spectrum)

Competition Assessment Study

Market Dynamics Affecting Tea Prices Examined

The study on the 'Tea Industry in Pakistan' provides a profile of the industry, focuses on an array of competition issues including market development through tea cultivation in the country, and market dynamics affecting tea prices. Pakistan is amongst the major importers of tea, the industry depends entirely on imported tea, with a negligible quantity of tea is produced domestically. In 2017-18, Pakistan imported black tea from 17 countries to fulfill its demand. A major challenge faced by the tea industry in Pakistan is smuggling from Afghanistan. Under the agreement for transit trade, Afghan imports land at Karachi port, which is then dispatched for Afghanistan. However, instead of entering Afghanistan or even after its entry in Afghanistan, the tea is brought back to Pakistan. This smuggled tea is then sold in the local market along with the legally imported tea. The import cost of tea imported for Pakistan is estimated to be around 32% greater than tea imported for Afghanistan due to the various taxes paid by domestic importers. The study purposes of various prospects for improving competition in the tea market.

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Recommendations

- *A combination of tax and enforcement tools can help control smuggling. By decreasing the cost of legal imports, the smuggling trade can be made less attractive*
- *To control the selling of Afghanistan-bound tea in the Pakistani market – the national interest clause in the transit trade agreement may be used to limit the import in excess of Afghan consumption, which hurts the domestic market.*
- *The task to devise policy and action plan for indigenous production of tea and its trade may be assigned to a 'Tea Wing' to be created within the Ministry of National Food Security & Research(MNFS&R).*
- *KPK and AJK* governments may tap the immense potential for employment and income generation through tea cultivation. Commercialization of tea projects through public-private partnerships should be considered by federal, provincial and AJK governments. Ensuring long term availability of land to potential investors is inevitable for the success of the tea-growing initiative.*

Competition Assessment Study

Value Chain of the Wheat Flour Industry Explored

The Report explores the value chain of the wheat flour industry in Pakistan from a competition perspective. It examines the production of wheat and food security issues including the provincial wheat production, long and medium-term changes in national demand and supply, and price conditions. It has been found that the Flour Mills Association has been publicizing and sharing the price of wheat products such as maida, suji, fine flour, wheat bran, etc. with its members. The involvement of the Association should not be there to maintain price uniformity or price increases. The support price mechanism has implications for income distribution as small farmers seldom have surplus wheat, thus, the support price contributes to the income of big landowners. This has led to raising the gap in productivity and income inequality. A review of the regulatory framework indicates that the present system of wheat procurement and quota has generated excess production capacity and 'ghost mills' (which are actually not in production but sell their allocated government wheat quota to other mills). Besides the system is expensive and has ineffi ciencies. Its positive impact for both farmers and consumers i.e. for whom the whole system was designed, is questionable in the present-day circumstances. This report presents a number of recommendations to enhance productivity and competition in the wheat flour market after a thorough analysis of the value chain and the regulatory framework. The Report highlights the need for revisiting policies; introduce reforms in the governance system and institutions that shape the market.

Recommendations

A. Farm-level Improvements

1. Agriculture policy

It is recommended to devise a comprehensive agriculture policy and land reforms

2. Agricultural research and its dissemination

Agriculture research related to nutrient level, soil fertility basis and various fertilizer combination should be made and the findings be conveyed to farmers

3. Quality of seeds

To enhance yield, seeds related issues such as availability of quality seeds have to be addressed

4. Digitizing information systems

Under-development mobile applications with additional features of marketing be launched to help farmers enhance their productivity

B. Farm to Market Improvements

1. Wheat procurement and storage.

Instead of maintaining differential pricing, it may be considered to procure and release wheat at or close to the market rate. This will not only help eliminating rent-seeking by using government's wheat quotas but also decrease profits from smuggling subsidized wheat flour and wheat hoarding. It is also recommended that if farmers are provided with an opportunity to indicate their demand for jute bags prior to the start of procurement and by ensuring timely distribution, the concerns about distribution of jute bags can be resolved

2. Regulation of the value chain

A working group be formed involving market regulators, to review the framework of the value chain to enhance competition in the market

3. Credit

It is suggested that requirements for farmers to get bank loans must be revised and communicated to farmers so that wasteland can also be cultivated to increase wheat production

- *Infrastructure for market development*

A review of the regulatory framework indicates that the present system of wheat procurement and quota has generated **excess production capacity** and 'ghost mills' (which are actually not in production but sell their allocated government wheat quota to other mills)

- *The value chain infrastructure should be revised and CCP has already proposed an alternative, more competitive supply chain model to National Price Monitoring Committee(NPMC).*
- *Agricultural Futures Market*
- *After the approval of listing wheat future contracts on Pakistan Mercantile Exchange Limited (PMEX) by Securities and Exchange Commission of Pakistan (SECP), a need to create awareness about the functioning of futures trading is required along with relevant rules and procedures*
- *Documentation of milling businesses and Quality*
- *Documentation of the industry to refrain from unfair competition due to avoidance of taxes and social security. This way, competition based on investment, innovative branding, fortification and quality improvement is restricted to a disadvantage of consumers. Pakistan Standards & Quality Control Authority(PSQCA) to devise standard for wheat flour. Punjab has programs of flour fortification to add iron and folic, so as to address malnutrition. Due to informal sector and inadequate monitoring, there is no possibility of 'voluntarily' fortification.*
- *Converting Special Economic Zones(SEZ's) into an opportunity*
- *With SEZ incentives under CPEC, the industry should take maximum benefit from it*
- *Promoting the Rights of Consumers*
- *The Federal Government may take necessary steps to ensure effective implementation of Islamabad Consumer Protection Act, 1995.*

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7. Converting Special Economic Zones into an opportunity

With SEZ incentives under CPEC, the industry should take maximum benefit from it

8. Promoting the Rights of Consumers

The Federal Government may take necessary steps to ensure effective implementation of Islamabad Consumer Protection Act, 1995.

Competition Advocacy

CCP on Twitter: @CCP_Pakistan

Keeping in view the importance of social media for improving public outreach, the Commission launched its official Twitter account to establish a direct link for better communication with the stakeholders and consumers. Under its advocacy mandate, CCP keeps the general public informed about its performance in enforcement and advocacy through a user-friendly website and media coverage. The use of social media by CCP will further expand its outreach among the masses.

The CCP's official twitter account @ CCP_Pakistan is primarily for information dissemination and its followers shall instantly receive updates on enforcement actions, merger approvals, press statements, advocacy events, and information about other pertinent developments.

Advocacy Via Digital Means

With the successful launch of its official Twitter account, the Commission is focussed on exploring more avenues of communication with the consumers through virtual media. Realising the fact that creative visual content can leave a lasting imprint on the viewers' mind, the Commission's Advocacy Department is developing video/visual material i.e. documentaries, animations, and e-reports on CCP's enforcement orders. All the creative work is being done in-house by the Commission's Graphic Designers.

Highlights of the Open Hearing conducted by the Commission

Two reports on the Open Hearing about shortage of wheat straw in Pakistan

Video report on CCP's Complaint Cell

Opinion Issued on Shortage of Wheat Straw

'Effective Utilization of Crop Residues' Recommended

The Commission while observing the acute shortage of wheat straw in the country held an open hearing at Lahore to take the opinion of the stakeholders on the issue. In its Opinion, issued after the open hearing, the Commission gave important recommendations including a complete ban on the burning of wheat straw in the fields and as a fuel for producing power.

The Opinion noted that the non-availability of wheat straw has led to the closure of seven paper mills, This is an alarming situation since it not only affects livelihoods of persons associated with these units but also has repercussions on competition in the sector since only two mills producing good quality paper from imported wood pulp remain operational. The shortage of wheat straw will have profound impact on public procurement and education budgets as provincial textbook boards procure mostly from local industry which produces low quality paper for printing of course books for students of government schools.

The Commission also opined against the use of wheat straw for generation of power. "We are cognizant of the fact that the GoP under the Alternate Energy Development Board's Policy for Development of Renewable Energy for Power Generation, 2006 encourages the generation of power through the use of renewable energy sources to bring-in energy security, improve the energy mix of the country. However, we are of the opinion that this should not be at the cost of depriving the essential sectors of an important input i.e. wheat straw without which their survival is at stake," said the Opinion.

Furthermore, the Commission said that for the purpose of biofuel/bioenergy various alternates to wheat straw should be utilized. These residues are in surplus and are equivalent to or have a higher energy potential than wheat straw which include rice straw, cotton stalk, bagasse, sugar trash and maize stalk etc.

The Commission also noted that internationally various jurisdictions have formulated comprehensive strategies to manage this scarce resource in order for its optimal utilization. "Based on the urgency of the matter as a short term measure, we recommend that the respective provincial governments should outrightly ban the burning of wheat straw on the field and as fuel."

The Commission re-emphasized that meat and milk are notified as essential products and their prices are fixed by district governments. Since wheat straw is a major input for these sectors, it is imperative that its hoarding should be prevented. Under their respective Registration of Godowns Acts, the provincial governments of Punjab and Sindh may direct their Agriculture Departments to maintain records w.r.t to movement of wheat straw in and out of the godowns. Provincial Governments may take immediate action against any elements involved in hoarding under the relevant laws.

The Commission concluded that in the long term, based on international examples, the GoP needs to formulate a comprehensive policy for the effective utilization of crop residues including wheat straw which needs to ensure that it is readily available at a reasonable price. The GoP needs to encourage research & development to find innovative solutions to reduce wastage of wheat straw which currently stands at 40% (forty percent). Reduction in wastage of wheat straw along with other crop residues would enhance their availability to be utilized as bio fuel.

CCP bench: Vadiyya Khalil, Chairperson, and Members Mr. Shahzad Ansar, Dr. Muhammad Saleem, Ms. Shaista Bano, and Ms. Bushra Naz Malik

Participants of the Open Hearing

Open Hearing

The Commission received a number of complaints relating to the shortage of wheat straw in the market and conducted an Open Hearing on 7 November 2019 at Lahore. The bench was presided by Chairperson Ms. Vadiyya Khalil, and included the Members Dr. Shahzad Ansar, Dr. Muhammad Saleem, Ms. Shaista Bano and Ms. Bushra Naz Malik. Various stakeholders associated with different industries such as paper manufacturing, livestock, dairy milk and fertiliser attended the hearing.

During the hearing, small livestock farmers revealed that since wheat straw is an essential component of cattle's fodder therefore any shortage in its supply or cost has direct and pronounced impact on small players like them. The representatives of paper mill complained of the unavailability and high prices of wheat straw, owing to which they were facing serious problems in running the mills and selling the paper at affordable rates.

The Chairperson Vadiyya Khalil assured the participants that the Commission will play its due role in addressing the competition issues in the sector.

Capacity Building

CCP Officers Trained On Competition Law in South Korea

A batch of ten officers of the Commission attended a 15-day fellowship program on Competition Law in South Korea from 14-27 July, 2019. The fellowship program is a three-year capacity building initiative under the International Cooperation Program of the Government of Korea, the Korean International Cooperation Agency (KOICA) and the Korea Fair Competition Federation (KFCF).

The topics covered this year included: competition enforcement; economic analysis in research and mergers; advocacy; and competition compliance.

The training program was divided around 14 lectures and five workshops. Starting from introduction of KFTC, the lectures covered a range of topics such as; privatization of state monopoly and role of competition authorities, Compliance Program – Think Fair, digital forensic, alternative tools to detect cartels, bid rigging indicator analysis system, Anti-cartel policy & enforcement and implications from Merger Control Regime in Korea.

The program also included a visit to the historical Gyeongbokgung Palace and a tour to monumental National Museum. The organisers including the officials of KFTC, KFCF and KOFAIR extended great hospitality and facilitation to the participants of the fellowship programme.

World Bank Holds Training for CCP Officers

The World Bank held a two-day training workshop on "Dawn Raids" at the Commission from 25 – 26 June 2019. The officers from the Commission's enforcement department attended the training, which covered important topics such as, "an overview on investigative methodology," "how to devise an investigative plan," "basic and covert investigative techniques used in conspiracy cases," "how to conduct financial investigation," and, "relationship building utilizing behavioural based interviewing".

After the training, Ms. Georgiana Pop, Senior Economist and Competition Policy Specialist from the World Bank along with the trainers called on the Chairperson Vadiyya Khalil and discussed the possible future collaboration in the Commission's capacity building.

Views, Reviews & Contributions

PAKISTAN 'DECENT WORK' FOR COMPETITION

- Kishwar Khan
Director General (Competition Policy & Research)

Labour is a key factor of production, its characteristics e.g. education, skilfulness and productivity play an important role in the determination of competitiveness in the markets and ultimately in the economic growth. Nevertheless, an edge at competition can be obtained by oppressing labour rights - encapsulated as 'decent work'. For instance, more output may be attained with extended working hours; cost and profit can be increased by paying lower than the living wage, expenses can be reduced by ignoring health and safety arrangements and so on. However, the experiences of developed countries show that there is a two-way relationship between labour rights and sustainable development, where both reinforce each other in the long run. It has to be recognised that the "People are not the how of development, not mere tools which can be used to produce greater wealth for limited élites. They are the why. " Among others, this calls for forward looking legal frameworks having workers' rights at their core.

The Importance for Pakistan

There are very strong reasons to explore the situation of decent work in Pakistan, which include:

- *The Constitution of Pakistan contains a range of provisions on labour rights found in Part II: Fundamental Rights and Principles of Policy – e.g. Article 11, 17, 18, 25, and 37(e) ;*
- *Labour rights form a part of the Universal Declaration of Human Rights (1948) and enshrined in the Constitution of ILO;*
- *Since 2014, Pakistan is a beneficiary to the European Union's Generalised Scheme of Preferences Plus. This is subject to certain conditionalities - ratification and compliance of 27 core international conventions on human and labour rights, good governance, etc. Thus promoting sustainable development and good governance besides providing export opportunities; and*
- *Pakistan adopted the SDG-2030 agenda through a unanimous resolution of parliament. The Sustainable Development Goals also include promotion and protection of employment and decent work.*

To fulfil the above obligations, it is necessary that an understanding be developed about the vast canvas within which the competition takes place in the global value chains. The labour standards are violated and workers' rights are pushed back for the sake of competition, which perpetuates poverty and under-development in the countries like Pakistan – the sixth largest labour force in the world.

60 percent of the world's labour force resides in Asia and the Pacific (Figure 1). Pakistan also has a growing labour force, which is an opportunity for economic growth (Figure 2). Though, it is emerging more like a big challenge to provide adequate employment opportunities and create a decent work environment by protecting labour standards.

What are Labour Standards?

International labour standards (ILS) are a part of international conventions and recommendations, which represent the international consensus on minimum best practices. When ratified by member countries, they become binding legal obligations in national and international law. Afterwards, at the national level, the standards are set by laws and regulations relating to labour. Labour standards, as basic rules govern as to how people are treated in a working environment. At local, national and international levels, labour standards cover basic human rights at work e.g. occupational safety & health, and wages.

Why Decent Work?

Decent work is considered as a right for all those who work, including those in the informal economy. According to ILO, 'Decent work' "sums up the aspirations of people in their working lives. It involves opportunities for work that is productive and delivers a fair income, security in the workplace and social protection for families, better prospects for personal development and social integration, freedom for people to express their concerns, organize and participate in the decisions that affect their lives and equality of opportunity and treatment for all women and men." Briefly, the promotion and protection of decent work involves efforts and laws for:

- *Fundamental Principles and Rights at Work - core labour standards (CLS);*
- *Fostering productive employment;*
- *Social protection; and*
- *Social dialogue.*

As a background, it is added here that while realizing the importance of labour, in 1998, the ILO that is a tripartite organisation of governments, trade unions and companies, came up with the 'Declaration on Fundamental Principles and Rights at Work'. With or without ratification, the ILO members agree to respect and promote these CLS:

- *Freedom of association, right to organize and to collective bargaining*
- *Abolition of forced or compulsory labour*
- *Elimination of child labour*
- *Non-discrimination and equality in employment and occupation*

According to UNCTAD, 80 percent of the world trade takes place through the Global Supply Chains (GSCs). Pakistan is no exception to the trend in developing Asian countries to take advantage of growing and cheap labour for integrating into GSCs. GSCs lower entry barriers to export markets for developing countries. These, however, exert hyper-competitive pressure in products for which several developing countries bid. The power imbalance between the buyers at the top of GSCs and their suppliers below allow MNCs to impose low production prices that contribute to compromises on decent work such as safety, fair wages and social protection. In the textiles and garment sector, there is empirical evidence for the period 1989 – 2014 of a relationship between the declining respect for workers' rights and a decline in the price paid for apparel imported by international brands into the USA. The race to the bottom is not a slogan but an economic reality (Figure 3).

There are two dynamics that shape the structure of competition and labor/workers' rights. In the first process, trade agreements and GSCs influence by exerting downward pressure on wages and workers' rights. The other side has social clauses in trade agreements, corporate responsibility programs and labour relations legislations, which protect and improve workers' rights. The interaction and the relative strength of the two determines the final outcome i.e. a race to the bottom or climb to the top.

The GSCs divide production tasks into various locations, where these are most cheaply done. The developed countries get high-productivity, high-skill and high-value tasks such as branding and marketing. Generally, the tasks allocated to the developing countries are low-productivity, low-skill and low-wage tasks. Pakistan is no exception to this.

Th e Challenges Facing Pakistan

ILO's decent work indicators for Pakistan show several alarming trends from 2010 to 2018 (Table 1). The indicators have either deteriorated, remained stagnant or depict only a marginal improvement. Pakistan is facing issues relating to the workers' rights such as prevailing wages are about 38% of the living wage. Workers face bad working conditions, low productivity development, gender based discrimination in wages, promotions and placements.

Some of the challenges are:

- *Freedom of association: exclusion of groups e.g. agriculture, domestic workers)*
- *Child labour: worst forms of child labour and work in the informal sectors)*
- *Forced labour: brick kilns, agriculture, domestic work*
- *Gender discrimination: wage gap, discrimination in opportunities, lack of protection for workers in women dominated sectors*
- *Insufficient regulation & protection for contract labour, contractor-supplied workers*
- *Unsafe working conditions: inadequate occupational health and safety inspections*
- *Social protection: non-universal and inadequate coverage*

The reasons identified for the above challenges include: non-ratification of wage conventions; lacunas in laws relating to Industrial Relations; gaps in implementation of existing laws; and a large undocumented informal economy, where firms are not regulated for workers' rights.

What do we conclude?

It is concluded that the international trade offers opportunities to utilize the linkages of the export oriented industries for inclusive development through generating profits, creating employment, incomes and prosperity. However, in the absence of conditions for decent work, the vision of sustainable production and shared prosperity is undermined by profit motive of businesses and global supply chains.

For a country like Pakistan, decent and productive work, fairly remunerated and in safe working conditions is central to reducing poverty, and a means of achieving equitable, inclusive and sustainable development.

Competition – whether in the domestic or in the international market, should indeed be based on the premise of decent work. From a competition perspective, labour standards are a means to improve labour productivity, and hence competitiveness in the long run.

In Pakistan, the commitment to decent work will define the future of the growing labour force of more than 70 million. This population dividend has to be transformed into a tool to achieve sustainable economic development. Considering the speed, efficiency, accuracy and transparency in our system, switching to a pro-active approach towards decent work seems inevitable.

[1] https://www.ohchr.org/EN/Issues/Development/Pages/DevelopmentIndex.aspx

[2] Article 11 prohibits all forms of slavery, forced labour and child labour; Article 17 provides for a fundamental right to exercise the freedom of association and the right to form unions; Article 18 proscribes the right to enter upon any lawful profession, trade or business; Article 25 calls for non-discrimination; Article 37(e) provides for humane conditions of work, and for maternity benefits for women in employment.

[3] European Commission, http://trade.ec.europa.eu/doclib/press/index.cfm?id=1006, Brussels, 30 December 2013

[4] SDGs are a collection of 17 global goals as a "blueprint to achieve a better and more sustainable future for all". The SDGs, set in 2015 by the UN and intended to be achieved by 2030.

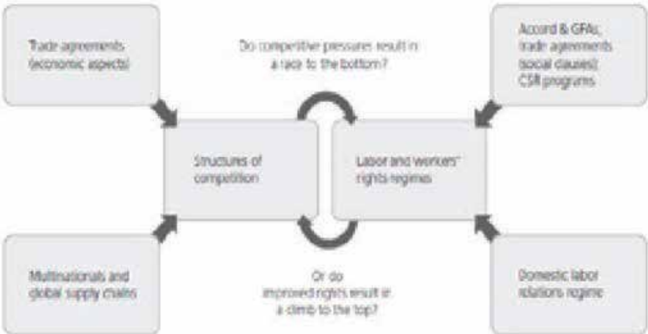


Figure 3: Race to the bottom or climb to the top
Anner M (2015) Stopping the race to the bottom. Challenges for workers' rights in supply chains in Asia

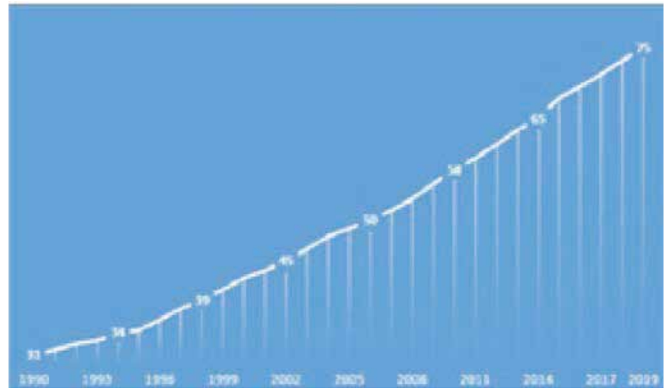


Figure 2: Pakistan - Labour Force (mln)
Source: World Bank. https://data.worldbank.org/indicator

Indicator	2010	2014	2018
Share of adult population with advanced education (%)	6.4	7.3	8.4
Labour force participation rate, men (%)	78.8	78.7	80.4
Labour force participation rate, women (%)	22.1	23.2	21.9
Employment-to-population ratio (%)	50.7	50.1	48.9
Employment-to-population ratio, men (%)	78.3	77.3	77.2
Employment-to-population ratio, women (%)	21.9	22.8	20.9
Female employment share - senior & mid management (%)	6.4	--	4.2
Youth labour force participation rate (%)	41.6	40.1	40.0
Youth labour force participation rate, men (%)	62.1	59.7	61.3
Youth labour force participation rate, women (%)	19.1	20.0	18.3
Youth unemployment rate (%)	1.3	4.0	7.9
Youth unemployment rate, men (%)	1.3	4.0	8.2
Youth unemployment rate, women (%)	1.1	3.9	6.8
Share of youth not in employment, education or training (%)	31.1	30.9	31.0
Share of employees working more than 48 hours per week (%)	36.7	36.1	35.2
Mean weekly hours actually worked per employed person	47	47	47
Average monthly earnings of employees (local currency)	8940	13701	19270
Average monthly earnings of employees, manufacturing (PKR)	7854	12250	17363
Gender wage gap (%)			22.7
Public social protection expenditure [all functions] % of GDP			1.7
Public social protection expenditure [excl. healthcare] % GDP	1.3		1.3
Contributors to old age contributory scheme % of working-age population			3.1
Trade union density rate (%)			5.6

Figure 3: Race to the bottom or climb to the top

Anner M (2015) Stopping the race to the bottom. Challenges for workers' rights in supply chains in Asia

Understanding Pakistan's Current Account Deficit

- *Maryam Zafar*
Joint Director (Competition Policy & Research)

The Current Account (CA) of balance of payments is an important indicator of the economic performance of a country. The CA includes the difference between exports and import plus net investment income from abroad plus net transfer payments (including foreign aid and remittances). CA deficit occurs when the value of imports exceeds the value of exports and the country is a net importer. If the CA is surplus for a country, it is a net lender, whereas it is a net borrower in case of a CA deficit. Increase in the value of exports has a favourable impact on the current account balance. However this increase must be greater than the increase in the value of imports. Further the imports of a country depend upon production capacity and the domestic demand. If the domestic producers are unable to meet the domestic demand of goods and services, the country has to rely on imports to meet the demand. High volume of imports, import of energy products such as oil and gas and capital products are factors that contribute to CA deficit. Furthermore if a country is facing CA deficit, it means that it is spending more than its income. Collectively the government, firms and consumers are spending more than their earnings from domestic production and net foreign investment.

Pakistan's economy has faced periods of high CA deficit, where the major contributor of this deficit has been the trade deficit. Pakistan's exports have concentrated on low value goods, agricultural products, and raw materials whereas the imports have consisted of capital goods such as machinery and equipment, oil and other petroleum products, and consumer durable goods. Coupled with high dependency on workers remittances, the CA has remained negative. Table 1 below shows selected macroeconomic variables depicting the performance of the economy from Fiscal Year (FY) 16 to Fiscal Year 19. When comparing FY18 with FY19, the CA deficit, as a percentage of the GDP has shown significant improvement.

The decrease in the CA deficit has been possible as a result of raising the interest rates, devaluing the Pak rupee and undertaking regulatory measures to contain the imports. In addition the workers remittances have also shown improvement resulting in improvement in CA deficit situation. The graphs below show the CA of goods and services (exports and imports) for FY 2018-19, in million US dollars.

Table 2, shows the CA balance comparison YOY from FY18- FY20. There are multiple factors responsible for the CA deficit situation in Pakistan. Historically, the savings have remained low leading to saving- investment gap. The economy has focused on consumption thus resulting in low savings, and domestic investment consequently has suffered. A comparison with other regional countries shows that, whereas during 1980's Pakistan's saving to GDP ratio was low but comparable to other regional economies. However in the last three decades where these other economies performed better and saved more of their income, we focused on higher consumption. One of the factors responsible for low savings has been the growing public debt. Further falling exports is an important factor responsible for low savings and high CA deficit. During the 80's and 90's, the country's exports peaked (in terms of GDP). Till the early 2000s, exports remained at a reasonable level however later the exports started to continuously fall.

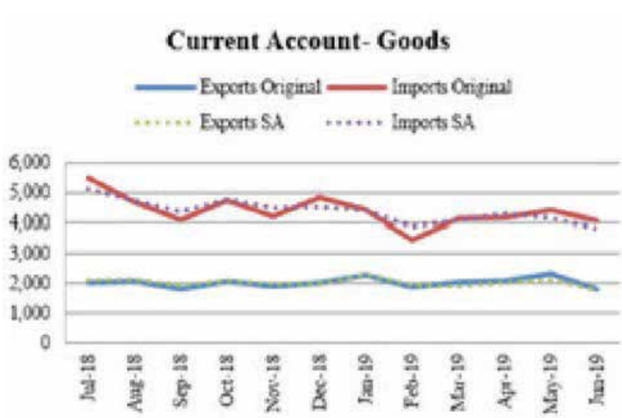
Exports in turn depend upon a number of factors such as exchange and interest rate, cost of production (inflation in the economy), energy availability, favourable regulatory framework to boost exports, fiscal incentives, competitiveness of goods and services in the international markets, and use of technology and innovation among others. The major factors that have contributed to low exports growth and rising imports in Pakistan include low value addition of export goods, export of primary products, few export markets, energy shortage, high interest rate, inflation, and low investment. Import data analysis shows that imports have been curtailed and from FY18 onwards the imports have shown a downward trend. This consequently has led to reducing the CA deficit, however the exports have not shown marked improvement.

The central role exports play not only in international trade and CA balance but also as a major contributor to economic growth and development, demands that export promotion is the way forward. The need is to provide the stimulus to boost the exports and this will be possible through successful trade negotiations with major economies, rising global consumer demand, and through favourable investment policies to attract foreign investment. Free trade agreement (FTA) with China and other preferential trade agreements with other regional countries may also boost the exports. Where the import of many consumer goods and finished products has been curtailed through regulatory duties and exchange rate depreciation, the domestic companies must step in to fill in the demand in the short to medium term. Likewise exchange rate depreciation is also a move to boost the export oriented enterprises. The focus of such organizations should be on innovation, use of improved and modern technology, thus working as a catalyst for the revival of exports and also the economic activity.

Table 1: Selected Macroeconomic Indicators

The current account balance of Pakistan 1972-2005, a co-integration analysis
P: Provisional; R: Revised
Data Sources: 1Pakistan Bureau of Statistics, 2 SBP, 3 Ministry of Finance

	FY16	FY17	FY18	FY19(Target)	FY16(Actual)
Percent growth					
Real GDP[1]	4.6	5.2	5.5	6.2	3.3
Agriculture	0.2	2.2	3.9	3.8	0.8
Industry	5.7	4.6	4.9	7.6	1.4
Services	5.7	6.5	6.2	6.5	4.7
Private Sector Credit[2]	11.2	16.8	14.9	-	11.6
CPI Inflation[1]	2.9	4.2	3.9	6.0	7.3
Percent of GDP					
FY16	-1.7	-4.1	-6.3	-4.0	-4.8
FY16	-4.6	-5.8	-6.6	-4.9	-8.9
FY16	67.7	67.0	72.1	68.0	84.8



Source: State Bank of Pakistan

[2] State Bank of Pakistan, Annual Report 2018-19

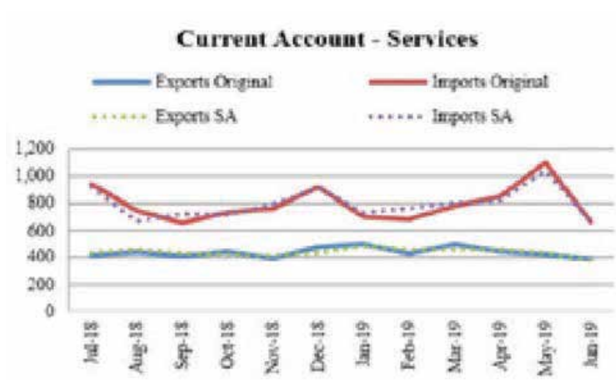


Table2: Current Account Balance (Million, US$)

*Source: State Bank of Pakistan (R: Revised, P: Provisional, *: Non-financial corporation)*

Items	Jul-Jun FY 18	Nov FY 19	Jul-Jun FY 19	Jul-Sep FY 20	Oct[R] FY 20	Nov[P] FY 20	July –Nov FY 20[P]	July –Nov FY 19
Current Account Balance	-19,897	-1,166	-13,830	-1,572	70	-319	-1,821	-6,733
Current Account Balance without Transfer	-20,773	-1,219	-14,501	-1,749	40	-352	-2,061	-6,733
Exports of Goods FOB	24,768	1,897	24,251	6,010	2,189	2,110	10,309	9,850
Imports of Goods FOB	56,592	4,202	52,768	11,031	3,632	3,648	18,311	23,218
Balance on Trade in Goods	*-31,824*	*-2,305*	*-28,517*	*-5,021*	*-1,443*	*-1,538*	*-8,002*	*-13,368*
Exports of Services	5,288	394	5,260	1,218	530	417	2,165	2,103
Imports of Services	11,356	761	9,527	2,419	698	667	3,784	3,837
Balance on Trade in Services	*-6,068*	*-367*	*-4,267*	*-1,.201*	*-168*	*-250*	*-1,1619*	*-1,734*
Balance on Trade in Goods & Services	*-37,892*	*-2,672*	*-32,784*	*-6,222*	*-1,611*	*-1,788*	*-9,621*	*-15,102*
	679	43	678	126	37	32	195	297
Primary Income Credit	6,163	510	6,387	1,611	625	485	2,721	2,394
Primary Income Debit	*-5,484*	*-467*	*-5,709*	*-1,485*	*-588*	*-453*	*-2,526*	*-2,097*
Balance on Primary Income	*-43,376*	*-3,139*	*-38,493*	*-7,707*	*-2,199*	*-2,241*	*-12,147*	*-17,199*
Balance on Goods, Services, and Primary Income								
Secondary Income Credit	23,708	1,988	24,868	6,202	2,302	1,955	10,459	10,547
General Govt	913	53	689	182	32	34	248	359
Current International	202	11	112	51	5	0	56	50
Cooperation	711	42	577	131	27	34	192	309
Other Official Current Transfers	22,795	1,935	24,179	6,020	2,270	1,921	10,211	10,188
Financial Cooperation's, NFCs*,	19,914	1,664	21,838	5,478	2,001	1,820	9,299	9,281
Households & NPISHs	0	0	0	0	0	0	0	0
Worker Remittances	2,881	271	2,341	542	269	101	912	907
Other Personal Transfers	229	15	205	68	33	33	134	81
Other Current Transfers	*23,479*	*1,973*	*24,663*	*6,135*	*2,269*	*1,922*	*10,326*	*10,466*
Secondary Income Debit								
Balance on Secondary Income								

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E-COMMERCE AND DATA PROTECTION

- Salman Khan
Assisstant Director (Competition Policy & Research)

Introduction

E-commerce has seen considerable global growth and South Asia has been no exception to the trend, albeit at a slower pace. According to a World Bank report of December 2019, Unleashing e-Commerce for South Asian Integration, firms in Afghanistan, Bangladesh, India, Nepal, and Pakistan said that the cost of cross-border logistics was among their top 10 specific hurdles. And firms in Afghanistan, India, Pakistan, and Sri Lanka said that taxes and trade barriers in export markets are among their main challenges.

E-commerce will grow when an enabling environment is put in place. An important element of this enabling environment is data protection and privacy.

Consumer Trust & E-commerce

Buyers often do not know the identity and location of an online retailer and vice versa. Given the paperless nature of transactions, it is crucial to have mechanisms in place for the identification of parties and transaction authentication. Unless one is dealing with an internationally reputable company (Amazon, etc.), a lack of trust between buyers and sellers will exist.

A lack of awareness and information raises consumers suspicion about their data. News headlines regarding data leaks further dampen consumer confidence. In a CIGI-Ipsos online survey of 24,225 internet users in 24 developed and developing countries, 22% of online respondents said they never shop online. Of these, 49% gave lack of trust as the reason. This "mistrust" is a strong barrier for electronic transactions. As a classical example of asymmetric information, consumers eventually stop making e-purchases and therefore the market shrinks.

Building trust in cross border e-transactions is not easy. Firstly, consumer protection and dispute resolution mechanisms differ in countries. These may be disadvantageous to one of the parties or may not provide enough legal cover to consumers for instance in areas like e-payment security. Secondly,

consumers are not aware of a foreign country's legal system and the allied legal remedies they may offer. Finally, market access regulations such as taxes, duties, and possible competition concerns like geo-blocking may be an impediment requiring multiple stakeholders to act in tandem. Online transactions are impersonal in nature and the trust gap can be bridged through legitimacy and credibility of electronic transactions. Establishing the validity of these transactions requires the collection of a large amount of personal data.

Data Protection

Buyers are asked to divulge personal details like their banking details, credit card or other payment information - phone numbers, email IDs, physical mailing addresses etc to online retailers/ platforms. This makes them "digitally vulnerable" to issues of cybersecurity, identity theft and financial loss. Hence, there could be potential misuse of personal information or data harvesting. Therefore, these facts highlight the need for data protection regulation. Having data privacy and protection regulations in place is also important as many of the tech giants derive considerable revenue from harvesting and monetising people's personal data to provide "targeted" advertising services under the guise of personalized services.

In this context, governments have started focusing on consumer and data protection laws. The term "data protection" although heard more frequently today from regulators and privacy groups, has been around for a few decades. "Established in the 1960s and 1970s in response to the increased use of computing and databases, re-enlivened in the 1990s as a response to the trade of personal information and new market opportunities, it is now becoming much more complex."

There has been a perennial debate between "self-regulation" and "government regulation" in the data/consumer protection realm. Self-regulation relies on the market mechanism to "self-correct" efficiently. Conversely, government regulation advocates state intervention in markets. Its pertinent to mention that these approaches cannot be studied in isolation. Various historical, cultural and political events have shaped data/consumer protection policy making.

Despite increasing recognition for and awareness of the right to privacy and data protection across the world, legal and institutional processes and infrastructure to support the protection of rights is still fragmented. Some parts of the world are quite advanced; others suffer from either a lack of regulatory and legal frameworks, and the remaining from poor implementation and enforcement.

Data protection and privacy regulations require a delicate balance between adequate levels of protection and sufficient degree of freedom for e-Commerce activity. In its 2016 report, Data Protection Regulations and International Data Flows: Implications for Trade and Development, UNCTAD proposes principle-based regulation. The OECD has its privacy principles.

In the last decade, the digital economy has started posing serious consumer privacy/ protection challenges. Most countries have consumer protection legislation in place. UNCTAD finds that around 52% of countries have relevant online consumer protection regulation. Around 78% of countries have e-transaction laws in place and 58% have privacy laws. Other compliance tools are also gaining prominence. The International Organization for Standardization (ISO), first published guidelines for B2C e-commerce in 2013.

Even "market" proponents like the US, have been forced to draft legislations like the California Consumer Privacy Act (CCPA). The European Union's General Data Protection Regulation (GDPR), announced in May 2018, is fast becoming the benchmark for other countries to emulate.

For instance, e-businesses handling "personal" data of EU citizens will be subject to the GDPR. Thus, if an online business processes personal data, then it must be:

- *processed lawfully, fairly and in a transparent manner.*
- *collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes.*
- *adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed.*
- *accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay.*
- *not be kept any longer than is necessary for the purposes for which it is processed.*
- *processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures.*

The GDPR defines personal data as "any information relating to an identified or identifiable natural person." Therefore, customer records kept by an online business or the data generated by accessing consumers' apps, websites etc. fall under the umbrella of personal data. This shows that data protection, e-commerce, and consumer protection are inextricably linked.

The GDPR gives data subjects the right to object to an online businesses' usage of their data. Customers can potentially stop an online retailer from sharing data with third parties. Users can object to their data being shared with marketers. Data subjects can prevent their profiling based on their personal data.

In Pakistan, however, two key legislations, i.e., the Electronic Data Protection Act, 2005 and the Personal Data Protection Bill still remain in draft form. As a result, Pakistan's data-scape is bereft of necessary protection and there is no co-ordinated framework at the Federal and Provincial levels. Pakistan must move decisively to pass the Electronic Data Protection Act of 2005 and promulgate appropriate Personal Data Protection Regulations based on GDPR. Governance frameworks need to account for the changing digital landscape. Practical solutions such as empowering the Trade Dispute Resolution Organisation's legal framework to settle e-commerce disputes are necessary. Regulators must keep abreast with the latest technological developments and accordingly update consumer/ data protection laws. Cross border collaboration between agencies should be encouraged, preferably under the aegis of UNCTAD. This would offer consumers greater security and consequently bolster e-commerce.

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Competition in Love Sector

اے کاش پیار میں بھی سیکشن 3 ، 4 ، 11 ، Ten ہوتا
نہ کوئی دھوکہ ہوتا نہ ہی Deception ہوتا

جواس کے اباجان Abuse of Dominant Position کرتے
ہم بھی ڈھیٹ بن کر درخواست برائے Acquisition کرتے
وہ جان دے دے گی ہم ان کو Impression دیتے
14 Days میں Reply کی Suggestion دیتے

ہم انہیں Compliance کی جانب آنے کی تھپکی دیتے
ورنہ Enquiry اور سیکشن 38 کی دھمکی دیتے

اس کی پھپھو اپنے بیٹے کے لئے Mobility کرتیں
ابا جان سے مل کر Collusive Activity کرتیں
Prohibited Agreement کرنےکو وہ انہیں مائل کرتیں
Restricting Competition پر وہ انہیں قائل کرتیں

ہم اباجان کوRelevent Market میں رہنے کی ہدایت کرتے
اس کی امی سے اس کی پھپھو کی شکایت کرتے

پھپھو اپنے بیٹے کو ہیرا بتا کر Cheating کرتیں
اس کی Personality کی Deceptive Marketing کرتیں
کبھی شاہ رخ کبھی Tom Cruise سے ملاتیں اس کو
Reasonable Basis کے بِنا No.1 بتاتیں اس کو

ہم اباجان کوCompetitive Bidding پر راضی کرتے
اُنہی کو منصف بناتے اُنہیں ہی قاضی کرتے

وہ Liniency کرتے ہوئے ہمیں کچھ Redemption دیتے
سیکشن 5 کے تحت تاحیات Exemption دیتے
ثانیہ شعیب کی طرح اس کہانی کا بھی اختتام ہوتا
اُس کے نام کے آخر میں پھر احتشام ہوتا

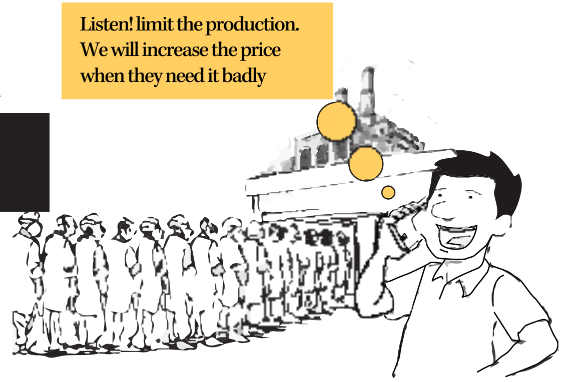
پھر ہم بڑھتے Merger کی جانب شانہ بشانہ
Phase I میں ہی مل جاتا ہمیں پیار کا پروانہ

اے کاش پیار میں بھی سیکشن 3 ، 4 ، 11 ، Ten ہوتا
نہ کوئی دھوکہ ہوتا نہ ہی Deception ہوتا

- Ehtesham Waheed Sheikh

SECTION 3
Abuse of Dominant Position

3(a). Unreasonable increase in prices



SECTION 4
Prohibited Agreements

2(e). Bid Rigging

SECTION 10
Deceptive Marketing Practices

2(d). Fraudulent use of another's Trademark, Firm name, or Product labeling or Packaging

SECTION 11
Approval of Mergers

1. No undertaking shall enter into a merger which substantially lessens competition by creating or strenghtening a dominant position in relavent market

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without Reasonable Basis

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New CCP members appointed

By Our Staff Reporter

ISLAMABAD: The government has appointed Shaista Bano Gilani and Bushra Naz Malik as Members Competition Commission of Pakistan (CCP) for a three-year term, with both taking charge of their office.

Shaista Bano, an expert on finance and economics for competition law, was previously working as the Director General Cartels and Trade Abuse at CCP and she conducted several important enquiries resulting in the imposition of penalties on powerful cartels. She has also served the Securities and Exchange Commission of Pakistan as Deputy Registrar of Companies.

Meanwhile, Bushra Naz Malik is a lawyer and charted accountant with experience in private and public sector consultancy, as well as business development and finance. Her work in the field of audit includes chairing the committees and boards of various national and international organisations.

After these appointments, the commission now consists of five members as stipulated in the Competition Act, 2010. The other three members are Chairperson Vadiyya Khalil, Dr Shahzad Ansar and Dr Muhammad Saleem.

CCP imposes Rs 22.5m penalty on 3 medical colleges

Staff Report

Penalty imposed on university for making false claims

CCP fines UMT for false rankings claims

CCP imposes penalty on medical, dental colleges

CCP slaps Rs18m f...

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CONTACT

7th,8th,9th, Floors South, ISE Towers,
55-B, Jinnah Avenue, Islamabad
Ph: (+92) 51-9100260-3
Fax: (+92) 51-9100251
Email: advoacy@cc.gov.pk
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Creating a level playing field