



F.NO: 52/SY/CCP/2024
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GOVERNMENT OF PAKISTAN

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POLICY NOTE

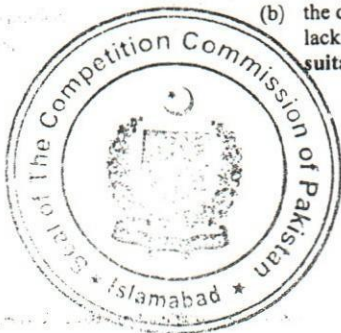
PROMOTING COMPETITION BY REVISION OF NATIONAL CEMENT STANDARDS
FOR DISCLOSURE OF 'MANUFACTURING/ EXPIRY DATES' ON CEMENT BAGS

I. PURPOSE OF THIS POLICY NOTE

1. Cement absorbs moisture from the atmosphere as it is a hygroscopic material so its strength keeps on decreasing with the passage of time. Different batches of similar type of cement, manufactured by the same undertaking, therefore, do not match but compete with each other in terms of strength. Hence, the "manufacturing/packaging and expiry/best before dates" are material information in case of cement but such dates are not printed on the 50kg cement bags which are commonly sold in Pakistan. The practice is apparently in violation of Section 10 (2) (b) of the Competition Act, 2010 (the Act)^[1] which prohibits distribution of false or misleading information to consumers concerning, *inter alia*, suitability for use and quality of goods. The non-disclosure of material information on the cement bags can lead to an act of deceptive marketing as the consumers may purchase a cement not suitable for its intended usage. The Competition Commission of Pakistan (the Commission) is accordingly issuing this Policy Note under Section 29 (b) read with Section 28 (e) and (f) of the Act.
2. The officers of the Commission during their visit to cement manufacturing plant and markets at the dealership and retail level, found that cement manufacturers do not print the "manufacturing/packaging and expiry/best before dates" on their packaging. A review of the standards applicable in Pakistan shows that the printing of such dates is left to the manufacturers' discretion as the Pakistan Standards and Quality Control Authority (the Authority or PSQCA), the prime regulator for standardisation and

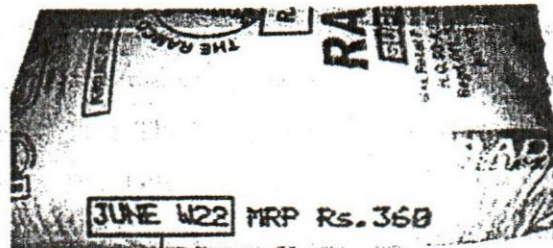
[1] Section 10 of the Act, Deceptive marketing practices, read as under:

- (1) No undertaking shall enter into deceptive marketing practices.
- (2) the deceptive marketing practices shall be deemed to have been resorted to or continued if an undertaking resorts to:
 - (a) the distribution of false or misleading information that is capable of harming the business interests of another undertaking;
 - (b) the distribution of false or misleading information to consumers, including the distribution of information lacking a reasonable basis, related to the price, character, method or place of production, properties, suitability for use, or quality of goods;...."

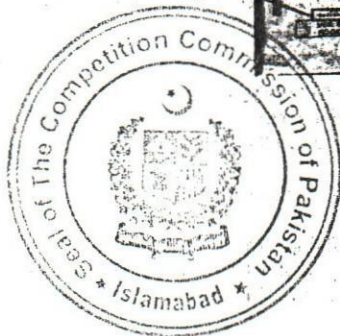
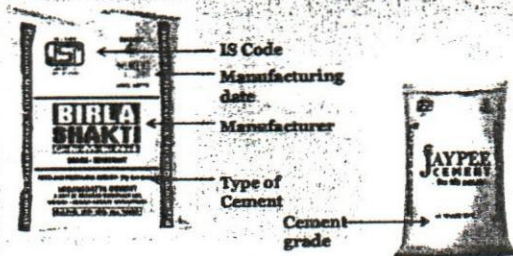
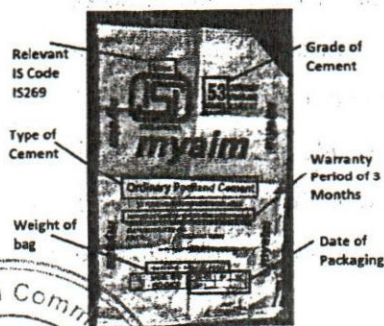


quality in Pakistan, does not require such labelling on cement bags through the standards already notified.

3. This non-disclosure of material information has the potential of misleading the consumers and put them at a risk of buying expired cement because of their ignorance about the effectiveness of the product. Cement starts to lose its strength after 4 to 6 weeks of storage in bags for a variety of reasons. Hence, while making their purchase decisions and choosing from various competing brands, the consumer lacks material information about “manufacturing/packaging and expiry/best before dates” which information has direct nexus with the quality and effectiveness of cement.
4. In various foreign jurisdictions, printing of “manufacturing and/or packaging and expiry/best before dates” is **mandatory** under the applicable labelling standards. It is noteworthy that even Pakistani cement exporters comply with the marking requirements of the PSQCA, and print the required information for the quantities they export in the form of bales. This creates an unjustifiable information asymmetry that results in discrimination for domestic consumers. However, the issue can be addressed by revising standards applicable in Pakistan to bring them in conformity with international labelling standards for cement bags, as shown in the images:-



(RAMCO Cement, India)





5. The Commission is of the view that printing of “manufacturing/packaging and expiry/best before dates” on cement bags will not only provide material information to the domestic consumers but also enhance competition in the market in terms of just in time inventory management, as consumers will choose between competing brands and different batches of the same brand based on fully disclosed material information about the strength of the products offered. This will optimally protect consumers’ interests in accordance with the spirit of the Act.

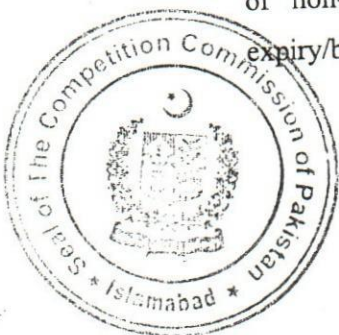
II. BACKGROUND

6. The Act entrusts the Commission with the responsibility to provide for *free competition in all spheres of commercial and economic activity to enhance economic efficiency and to protect consumers from anti-competitive behaviour*. Section 29 of the Act states that:

“29. “The Commission shall promote competition through advocacy which, among others, shall include –

...
(b) reviewing policy frameworks for fostering competition and making suitable recommendations for amendments to this Act and any other laws that affect competition in Pakistan to the Federal Government and Provincial Governments;.....”

7. It is, therefore, prime duty of the Commission to promote competition through advocacy and enforcement and persuade economic agents including the government agencies and regulators to act in accordance with the Act.
8. The Commission, by virtue of this mandate, considers it necessary to explain through this Policy Note that adequate disclosures on the cement bags are necessary to help consumers make well-informed purchase decisions, which is a key feature of a well-functioning competitive market. The Commission is of the view that the current practice of non-disclosure of ‘material information’ i.e., “manufacturing/packaging and expiry/best before dates” on the cement bags is inconsistent with Section 10 (2) (b) of



the Act which prohibits Deceptive Marketing Practices, and lead to distribution of false or misleading information to the consumers.

III. COMPETITION AND CONSUMER CONCERNS FROM NON-DISCLOSURE OF MATERIAL INFORMATION

9. The shelf life of cement depends on the conditions of humidity and temperature of its storage. Over time, cement develops lumps and loses its flow. Consequently, it does not produce the best bond with water, which reduces its strength and fineness.² Using cement for structural work requires maximum strength, which is only possible when the product is relatively fresh (used within three months). When the “manufacturing/packaging and expiry/best before dates” are not printed on the cement bag, the consumer cannot determine its age and shelf life.

10. The Commission, in its Order in the matter of M/s CMPak Limited³ defined “False” and “Misleading” information as deceptive marketing practices as under:

- a. *‘False information’ can be said to include: oral or written statements or representations that are; (a) contrary to truth or fact and not in accordance with the reality or actuality; (b) usually implies either conscious wrong or culpable negligence; (c) has a stricter and stronger connotation, and (d) is not readily open to interpretation.*
- b. *“Whereas ‘misleading information’ may essentially include oral or written statements or representations that are; (a) capable of giving wrong impression or idea, (b) likely to lead into error of conduct, thought, or judgment, (c) tends to misinform or misguide owing to vagueness or any omission, (d) may or may not be deliberate or conscious and (e) in contrast to false information, it has less onerous connotation and is somewhat open to interpretation as the circumstances and conduct of a party may be treated as relevant to a certain extent.”*

11. Moreover, the Commission has also made it clear, while explaining the scope and application of Section 10 of the Act, in its guidelines⁴ on deceptive marketing practices that:-

“5.2.1 An omission of material information in the marketing content/packaging material may be treated as misleading if, such is likely to mislead consumers, even if unintentional.

² To determine its quality, soundness and strength, cement is tested for: (i) Insoluble Residue, (ii) Ignition loss, (iii) Fineness, and (iv) Setting time.

³ <http://cc.gov.pk/images/Downloads/ZONG%20-%20Order%20-%2029-09-09%20.pdf>

⁴ https://cc.gov.pk/assets/images/guidlines/deceptive_marketing_guidelines_03_april%202023.pdf



5.2.2 It is not necessary for any information to be withheld deliberately or consciously to be considered as misleading.

5.2.3 A misleading omission can also occur when an undertaking hides or provides in an unclear, unintelligible, ambiguous or untimely manner, any information that is likely to impact the consumer decision."

12. To elaborate the meaning of the above-mentioned "deception", the Commission has emphasized the most important principles of general applicability, as follows:

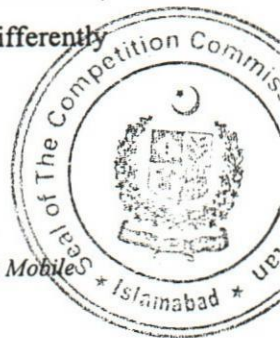
- a. The representation, **omission**, or practice that is likely to mislead the consumer;
- b. The Commission examine the practice from the perspective of a consumer acting reasonably in the circumstances. If the representation or practice affects or is directed primarily to a particular group, the Commission examines reasonableness from the perspective of that group. and
- c. The representation, omission or practice must be *material*.

13. The Commission has made it clear that the practice of non-disclosure of 'material' information amounts to deceptive marketing. The reason is that a consumer cannot exercise due diligence in the absence of adequate (or relevant) information. "**Material information**" is the one that has the potential or capability of influencing consumer choices for the products and the competition in the relevant market. It is **critical** to provide **accurate and authentic information** about goods because any **omission, vagueness, or distortion of material information impairs potential consumers' ability to make an informed decision**⁵ or may **harm competition**.

14. If an undertaking chooses to omit material information, it may be considered as expressly resorting to misleading representation. An omission may still be treated as a misleading piece of information, even if the undertaking unintentionally omits material information in its marketing content, so that it is likely to mislead consumers who act reasonably under the circumstances, but to their own detriment. Regarding **materiality**, "The basic question is whether the act or practice is likely to affect the consumer's conduct or decision with regard to a product or service. If so, the practice is material, and consumer injury is likely, because consumers are likely to have chosen differently but for the deception."⁶

⁵ Batteries Order dated 30 March 2018

⁶ 'Material information' has been defined by the Commission in its Order in the Matter of M/s. China Mobiles Pak Limited and M/s. Pakistan Telecom Mobile Limited. Available at: <https://www.cc.gov.pk/images/Downloads/ZONG%20-%20Order%20-%202029-09-09%20.pdf>



15. The Commission has established through its decisions that the disclosures must be made clearly and conspicuously.⁷ Undertakings should ensure that any disclosures made are:

- a) Prominently visible;
- b) Adequately presented; and
- c) Appropriately placed.

IV. INTERNATIONAL PRACTICE ON MARKING OF DATES OF MANUFACTURE AND EXPIRY ON CEMENT BAGS

16. The Commission noted that several jurisdictions follow standards for marking dates on the cement bags. For this purpose, they make it mandatory under the law to disclose the date of manufacturing/ expiry on product packaging. This information is crucial for consumers while buying cement products, and non-disclosure of such information may cause consumer injury. The reason being that the fresh cement gives better finish and strength in civil structures and the effectiveness of cement reduces with the passage of time. Furthermore, the use of an expired product is a safety hazard. That is why international standards require certain dates to be marked on the cement bags. Some examples are cited herein below:-

- a. In India, besides the date of manufacturing, the best before date is also mentioned on the cement bags. **Indian Standard 269: 2015** (Ordinary Portland Cement, 53 Grade-Specification) issued by the Bureau of Indian Standards⁸ reads as under:

"11 Marking

11.1 Each bag or drum of cement shall be legibly and indelibly marked with the following

...

e) Batch/control unit number in terms of week, month and year of packing;

.....

g) Need for testing of cement more than 3 months old to check conformity before its use.

11.2 Similar information shall be provided in the delivery advices accompanying the shipment of packed or bulk cement and on cement drums." [Emphasis Added]"

The Bureau of Indian Standards has set the following guidelines for rejection:

"14.2 Cement remaining in bulk storage at the factory, prior to shipment, for more than six months, or cement in bags, in local storage such as, in the hands of a vendor for more than 3 months after

⁷ https://cc.gov.pk/images/Downloads/ms_colgate_palmolive_10_aug_2017.pdf

⁸ See: https://www.services.bis.gov.in:8071/php/BIS/bisconnect/pow/is_details?IDS=MTEEx. The Standard is available at: https://kupdf.net/download/is-269-2015_5af8addae2b6f51f3cbc1aec.pdf



*completion of tests, shall be retested before use and shall be rejected, if it fails to conform to any of the requirements of this specification.*⁹

The above-mentioned wording is like the one that appears in the Pakistani cement standards as well. However, a major difference is that while it is mandatory under Indian Standards to mark dates on cement bags, no such mandatory requirement exist under Pakistani regime.

- b. In the EU, all products that fall under the scope of the 'EU Construction Products Regulation' including cement have to be affixed with the 'CE Mark' (Conformite Europeenne). **European Standard EN 197-2 (Cement – Part 1: Composition, specifications and conformity criteria for common cements)**¹⁰ was issued by the European Committee for Standardization in May 2000. It directs that all packaging of cement should be marked with either the time of packing into bags or the time of dispatch from the factory or depot.
- c. **National Standard of People's Republic of China: 6.2 Mark: Cement packaging bags should be clearly marked:** the implementation of the standards, cement types, code, strength grade, producer name, the production license, **packaging date**, net weight etc.
- d. In **Panama**, the technical regulations for cement composition and behavioural characteristics require that all packaging must display the contents' **production date**.¹¹
- e. Cement factories, which operate in **Turkey**, manufacture and market their product according to the Turkish Standards, which are harmonized with the European (EN) standards mentioned above.¹²
17. Considering the above countries experiences, it is clear that various jurisdictions make it mandatory to mark dates on cement bags and disclose to the consumer the original strength of cement inside the bag. Evidently, cement losses its strength with time due to many reasons. The reduction in the cement's strength in some parts of India¹³ is estimated as given hereunder:

Table 1: Reduction in Cement's Strength

No.	Period	Reduction in strength
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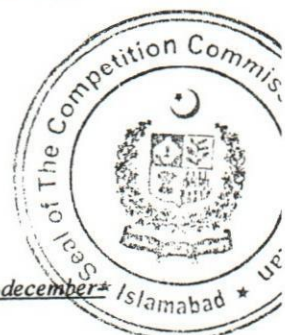
⁹ <http://www.iitk.ac.in/ce/test/IS-codes/is.8112.2013.pdf>

¹⁰ Available at: <https://www.isopdfdownload.com/download?id=1341>

¹¹ <https://www.globalcement.com/news/item/10163-new-panamanian-regulations-to-enter-force-on-3-december-2019>

¹² https://www.turkcimento.org.tr/en/where_is_cement_used

¹³ Association of Engineers, Kerala Public Works Department, Reduction of Strength of Cement, Civil Engineer's Handbook, 1981, India



1	3 months	20%
2	6 months	30%
3	12 months	40%
4	24 months	50%

18. Table 1 above shows that there is considerable reduction in the strength of cement associated with aging. For this reason, other jurisdictions make it mandatory to print dates of manufacturing and expiry on cement bags. It is crucial to point out that even the Pakistani cement exporters adhere to the standards of the importing countries and follow the exact marking style on cement bags, which also includes date-marking on cement bags.

V. THE LEGAL FRAMEWORK GOVERNING CEMENT STANDARDS IN PAKISTAN

19. The Government of Pakistan established the Pakistan Standards and Quality Control Authority (PSQCA) under the Act-VI of 1996 to promote standards and conformity assessment as means of advancing the national economy. The Authority, working under the Ministry of Science & Technology, strives for systematic development of standards relating to products and processes, and introduces measures for consumer safety through standardization.^[14] Section 8 of the PSQCA Act defines the powers and functions of the Authority^[15]

20. Cement has been included in the list of compulsory items, which require to be affixed with PSQCA certification mark.^[16] The PSQCA has prescribed the standards for five types of cement. The Standards cover, as per "Scope", the requirements for:

- a) Composition;
- b) Manufacture;
- c) Mechanical, physical, and chemical properties; and
- d) Marking required on the cement bags.

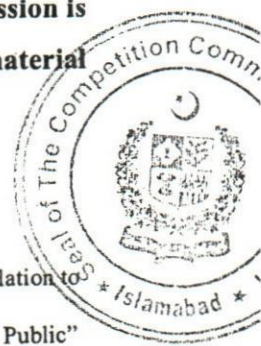
21. From the perspective of Section 10 of the Act, **the question before the Commission is "whether the 'marking' Standards provide sufficient disclosure of material**

^[14] <http://updated.psqca.com.pk/about-us/activities/>

^[15] Section 8 of the PSQCA Act:

"(vi) providing for the quality labeling standards which shall specify ingredients, performance, specification, usage, methods and other relevant quality control matters;
(xvi) framing and publishing, amending, revising or withdrawal of the Pakistan Standards in relation to any article, product, process;"

^[16] <http://updated.psqca.com.pk/list-compulsory-items/>. In this regard, the PSQCA has issued a "General Public" Notice, for details see: newspaper "The News", August 27, 2023.



information to the consumers". In this regard, the five cement standards, prescribed by the PSQCA, are reviewed as follows:

a. Ordinary Portland Cement PS- 232-2015R¹⁷

Ordinary Portland Cement (OPC) is the most produced variety of cement, accounting for almost 95% of the overall market share. The standard for the OPC does not require marking of dates on the cement bags. However, the standard specifies the following **criteria for rejection**:

"15.2 Cement remaining in bulk storage at the mill, prior to shipment, for more than six months, or cement in bags in local storage in the hands of a vendor for more than 3 months after completion of tests, may be retested before use and may be rejected, if it fails to conform to any of the requirements of this specification." [Emphasis added]

Note for Guidance of users for storage

Note: To protect cement from premature hydration after delivery, bulk silos should be waterproof and internal condensation should be minimized. Paper bags should be stored clear of the ground, not more than ten bags high and protected by a waterproof structure. As significant strength losses begin after 4 weeks to 6 weeks of storage in bags in normal conditions, and considerably sooner under adverse weather conditions or high humidity, deliveries should be controlled and used in order of receipt." [Emphasis added]

Hence, to comply with the above standard optimally, the printing of "manufacturing/packaging and expiry/best before" date on the cement bag seems inevitable.

b. Sulphate Resistant Portland Cement PS-612¹⁸

"C. 3 Storage

*.....
Paper bags should be stored clear of the ground, not more than eight bags high and protected by a waterproof structure. As significant strength losses begin after 4 weeks to 6 weeks of storage in bags in normal conditions, and considerably sooner under adverse weather conditions or high humidity, deliveries should be controlled and used in order of receipt. Manufacturers are able to provide a system of marking a high proportion of the bags in each delivery to indicate when they were filled."* [Emphasis added]

Like Ordinary Portland Cement (OPC) to comply with the above standard optimally, the marking of "manufacturing/packaging and expiry/best before" date

¹⁷ <https://psqca.com.pk/cs/Civil%20compulsory%20stands/pdf%20ristiction/PS-232-2015.pdf>
¹⁸ <https://psqca.com.pk/cs/Civil%20compulsory%20stands/pdf%20ristiction/PS-612-BS-4027%20Sulphate%20Resisting%20Portland%20cement.pdf>



on the cement bag seems inevitable but this printing is optional for the manufacturers.

c. **Portland Blast Furnace Cement PS-1631**¹⁹

The Standard does not mention any requirement of date printing on the cement bags, nor specifies any period within which it may be used. Therefore, there is a need to ensure more clarity in the Standard.

d. **White Portland Cement PS-1630**²⁰

This PSQCA Standard follows an old Indian Standard, as mentioned in the following extract from PS-1630:

“7.1 Storage, sampling, tests and rejection of white Portland cement shall be as laid down in IS 269:1989 (PS...) for 33 grade ordinary portland cement”

According to the above mentioned Indian Standard 269:1989²¹:

“12.2 Cement remaining in bulk storage at the mill, prior to shipment, for more than six months, or cement in bags, in local storage in the hands of a vendor for more than 3 months after completion of tests, may be retested before use and may be rejected, if it fails to conform to any of the requirements of this specification.”

The above referred Indian Standard does not mention any requirement of date marking.²² However, the Bureau of Indian Standards subsequently revised the standard in 2015 and introduced the requirement of marking the ‘Best before date’ of cement and ‘Need for testing of cement more than 3 months old to check conformity before its use’.²³ But the corresponding change in the Pakistani Standard was not incorporated.

e. **Masonry Cement PS-5314**

“F. 3 Storage

.....

Paper bags should be stored clear of the ground, not more than 8 bags high and protected by a waterproof structure. As significant strength losses begin after 4 weeks to 6 weeks of storage in bags in normal



¹⁹ <https://psqca.com.pk/cs/Civil%20compulsory%20stands/pdf%20ristiction/PS1631-1984.pdf>

²⁰ <https://psqca.com.pk/cs/Civil%20compulsory%20stands/pdf%20ristiction/White%20portland%20cement-PS-1630-2014R.pdf>

²¹ <https://civilengineer.co.in/wp-content/uploads/2015/02/IS-269-1989-Ordinary-Portland-Cement-33-Grade.pdf>

²² In India, 14 cement standards fall under mandatory certification. For details see: <https://bis.gov.in/index.php/standards/standard-formulation/international-standardization-activity/>

²³ The Indian OPC Standard was first published in 1976, it was subsequently revised and improved in 1989, 2013 and 2015.

*conditions, and considerably sooner under adverse weather conditions or high humidity, deliveries should be controlled and used in order of receipt. [Emphasis added]
Manufacturers normally provide a system of marking a high proportion of the bags in each delivery to indicate when they were filled."*

Given the above, the printing of relevant filling date is necessary to ensure full compliance with the Standard. However, presently this printing not being mandatory is not enforceable for the manufacturers.

Packing and Marking of Cement Bales

22. Clause 5.2.1 of PSQCA's Standard PS: 4877-2017(R) (Polypropylene Woven Laminated Hermitically Sealed Block Bottom Valve Sacks for Packing of Cement)²⁴ requires that:

"5.2.1 Each bale shall be marked with the following:

.....

- iv) Date of manufacture/year*
- v) Date of expiry"*

23. Despite the above, the marking requirement is only mandatory for cement bales *i.e.*, 500 sacks of cement and does not apply to individual sacks or bags of cement of any type. The core issue as to why cement 'usage period' is of high relevance for the consumers is explained below:-

- a. The characteristics of the **distribution system** and the **storage conditions** are two important factors which affect the quality of cement. In Pakistan, the OPC is distributed either in 50kg bags or in bulk quantities through cement bulkers. It is transported in bulk quantity from cement factories to big construction sites and is stored in cement silos in a controlled environment with regulated temperature and humidity at the construction sites. Whereas with cement dealers or in small shops, cement bags are piled up on one another. Though, cement bags should not be stacked more than 10 bags high to prevent **lumping** or "**warehouse pack**" under pressure but it has been observed that even up to 20 bags are stacked at small shops. In the shops, cement is either stored under the roof or cover of large polythene sheets, which does not provide a suitable environment for storage. If stored for longer period in such conditions cement may experience a phenomenon known as "pack set" (how long it takes to occur depends on the storage conditions). **Pack set** causes interlocking of cement particles, thus decreasing the ability of the cement to flow freely. **Interlocking** is induced by mechanical compaction or by electrostatic

²⁴ <https://psqca.com.pk/cs/TEXTILE03/PS%204877-2017.pdf>



attraction between cement particles. For this reason, it is important that all bags should be date-printed with cement manufacturing and expiry dates.²⁵

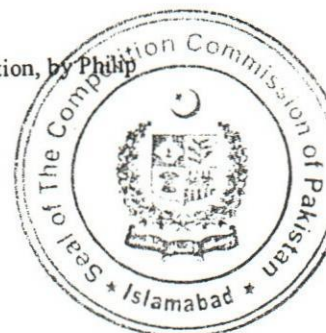
- b. Cement absorbs carbon dioxide (CO₂) and humidity from the atmosphere. When this happens, a chemical reaction called “hydration” occurs. The effect of hydration cannot be quantified for each bag of cement after storing it beyond 3 months from the date of manufacturing. Likewise, the quality cannot be ascertained merely by looking at the appearance of the bag. The shelf-life of cement depends upon the type of cement, how it is packed and stored. When cement is mixed into concrete, mortar, or grout, it is activated by the addition of water, which accelerates the ‘hydration’ reaction making it set hard. When cement is stored, it degrades and loses its effectiveness due to moisture, which causes partial hydration. This means that cement stored for longer periods will have less hydration capacity when used. For this reason, cement should be given an expiry date by the manufacturer. For cement in bags, this is generally taken to be as 3 months. In airtight storage silos, this may be as much as 12 months.
- c. The contractors and developers purchase bulk cement for infrastructure projects (e.g., roads, dams, bridges, high-rise buildings, etc.). For them, the documentation of sale-purchase includes manufacturing date. Additionally, they may get cement in the form of bales, wherein the packaging mentions relevant dates. Conversely, the consumers buying cement bags from the market, do not have the crucial information that determines the quality of the product. Therefore, cement bags should display the manufacturing and expiry dates for the information of all the consumers. It is understandable that omission of this crucial information adversely impacts the public at large.

VI. THE CEMENT INDUSTRY IN PAKISTAN

24. Cement manufacturing is an integral part of the overall construction industry and amongst the key sectors of Pakistan’s economy. Construction contributes 2.6% to the GDP²⁶, and directly provides jobs to around 7% of the country’s labour force. Thus, the cement industry has substantial implications for the overall economic growth and

²⁵ Page No. 109, ‘The Cement Plant Operations Handbook for Dry-Process Plants’, Seventh Edition, by Philip A. Alsop, Tradeship Publications Ltd, UK, 2019

²⁶ Pakistan Economic Survey 2022-23



wellbeing of the public at large, especially for the low-income strata, who work as daily waged labourers in the construction industry.

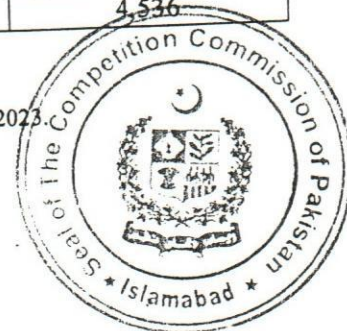
25. Cement is a sub-sector of the Large-Scale Manufacturing (LSM), which constitutes 4.7% of the GDP of Pakistan (Pakistan Economic Survey 2022-23). It is an “essential” commodity in terms of Entry No. 28 in the Schedule of the *Price Control and Prevention of Profiteering and Hoarding Act, 1977*. Hence, cement is subject to equitable distribution and availability at fair prices under Section 3 of the said Act. It has linkages with more than 40 other industries/ services such as steel, chemicals, wood, sanitary, marble, tiles, glass, aluminium, copper wire, bricks, stone crush, heavy transport, architecture, design, electric appliances, etc.
26. In view of the importance of cement in the large-scale manufacturing and construction industry, promoting competition in the cement industry will have significant positive implications for the overall economy of Pakistan. The Commission acknowledges this importance of cement industry, which makes it imperative to provide for a pro-competition legal environment, preventing non-disclosure of key information essentially needed by the consumers for well-informed purchase decisions.
27. The cement market in Pakistan is traditionally divided into two segments – North and South. The North comprises Punjab and KPK and South covers Sindh and Balochistan provinces. North’s contribution in the cement production capacity is about 79% (Punjab: 43% and KP: 37%). The remaining 21% share is contributed by the Southern segment (Sindh: 13% and Balochistan 7%). The industry has an annual production capacity of more than 80 million tons²⁷ with 16 companies operating 26 cement production units in Pakistan. Cement manufacturing plants across Pakistan and their production capacity is as under²⁸:

Table 2: Cement Companies and their Production Capacity

No.	Companies and Location	Province	Capacity(000 Tons)
1	Attock Cement Pakistan Ltd. Hub	Baluchistan	3,027
2	Bestway Cement Ltd. Hattar	KPK	3,654
3	Bestway Cement Ltd. Chakwal	Punjab	3,600
4	Bestway Cement Ltd. Farooqia	KPK	2,976
5	Bestway Cement Ltd. Kalar Kahar	Punjab	2,299
6	Bestway Cement Ltd. Pai Khel	Punjab	2,268
7	Cherat Cement Co. Ltd. Nowshera	KPK	4,536

²⁷ All Pakistan Cement Manufacturers Association, available at: https://www.apcma.com/data_productioncapacity.html. Accessed on 27 October 2023.

²⁸ https://www.apcma.com/data_productioncapacity.html



8	Dandot Cement Ltd. Jehlum	Punjab	504
9	Dewan Hattar Cement Ltd. Hattar	KPK	1,134
10	Dewan Cement Ltd. Dhabeji	Sindh	1,953
11	D.G.Khan Cement Ltd. D.G.Khan	Punjab	2,110
12	D.G.Khan Cement Ltd. Chakwal	Punjab	2,110
13	D.G.Khan Cement Ltd. Hub	Baluchistan	2,835
14	Fauji Cement Ltd. Wah	Punjab	1,102
15	Fauji Cement Ltd. Nizampur	KPK	3,748
16	Fauji Cement Co. Ltd. Fateh Jang	Punjab	3,503
17	Fecto Cement Ltd. Sangjani	Punjab	945
18	Flying Cement Ltd. Lilla	Punjab	1,197
19	Gharibwal Cement Ltd. Jehlum	Punjab	2,110
20	Kohat Cement Co. Ltd. Kohat	KPK	5,017
21	Lucky Cement Ltd. Pezu	KPK	9,645
22	Lucky Cement Ltd., Karachi	Sindh	5,309
23	Maple Leaf Cement Ltd. Daudkhel	Punjab	8,190
24	Pioneer Cement Ltd. Khushab	Punjab	5,454
25	Power Cement Ltd. Nooriabad	Sindh	3,370
26	Thatta Cement Ltd. Thatta	Sindh	577

Source: All Pakistan Cement Manufacturers Association (APCMA)²⁹

28. The historic data of annual cement production capacity and its despatches at home and abroad is as follows:

Table 3: Cement Production Capacity & Despatches (Million Tonnes)

Years	Production Capacity	Capacity Utilization (%)	Local Despatches	Exports	Total
2013-14	44.64	76.79	26.15	8.14	34.28
2014-15	45.62	77.60	28.20	7.20	35.40
2015-16	45.62	85.21	33.00	5.87	38.87
2016-17	46.39	86.92	35.65	4.66	40.32
2017-18	48.66	94.31	41.15	4.75	45.89
2018-19	59.74	78.48	40.34	6.54	46.88
2019-20	63.63	75.14	39.97	7.85	47.81
2020-21	69.92	82.15	48.12	9.31	57.43
2021-22	69.92	75.65	47.64	5.26	52.89
2022-23	74.24	60.34	30.56	3.04	33.60

Source: APCMA in Pakistan Economic Survey, 2021-22 & 2022-23

VII. CONCLUSION

29. Cement manufacturing is an integral part of the overall construction industry and amongst the key sectors of Pakistan's economy. It is an "essential" commodity subject to equitable distribution and its availability at fair prices under the law. Cement is inherently hygroscopic and begin to significantly lose its strength after 4 to 6 weeks of

²⁹ https://www.apcma.com/data_productioncapacity.html

storage in bags in normal conditions and considerably sooner under adverse weather conditions or high humidity. The printing of "manufacturing/packaging and expiry/best before" date on the cement bag is, therefore, inevitable. It is included in the list of compulsory items, which are required to be affixed with PSQCA certification mark. However, the Standards notified by the PSQCA do not make the date marking on the cement bags mandatory nor specify any period within which it may be used. Therefore, a need to ensure more clarity in the Standards is a must.

VIII. RECOMMENDATION

30. Section 29(b) of the Competition Act 2010 empowers the Commission to review policy frameworks for fostering competition and making suitable recommendations to both Federal and Provincial Governments for amending the laws that affect competition in Pakistan. Since, all types of cement in Pakistan are required to follow the packaging standards notified by the PSQCA, this Commission recommends to the *Ministry of Science and Technology* and the *Pakistan Standards and Quality Control Authority* to make it **mandatory** for the cement manufacturers to print the 'manufacturing/packaging and expiry/best before dates' on the cement bags, thus, enabling consumers' to make informed decisions and would ensure fair and free competition in commercial and economic activities associated with cement industry.

Islamabad, the 7th of March, 2024

