



**COMPETITION COMMISSION OF PAKISTAN  
GOVERNMENT OF PAKISTAN**

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**EXEMPTION ORDER**

IN THE MATTER OF EXEMPTION APPLICATION FILED BY M/S. PROCTOR AND  
GAMBLE PAKISTAN (PRIVATE) LIMITED FOR EXEMPTION OF DISTRIBUTOR'S  
AGREEMENT

**CASE: 2(123)/AGR/EXM/CCP/2024**

Commission

Mr. Saeed Ahmad Nawaz  
Member (Exemptions)



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1. M/s. Proctor and Gamble Pakistan (Private) limited (hereinafter referred to as the **Undertaking**) have applied for the grant of extension in exemption dated 13<sup>th</sup> May, 2025 for the restrictive clauses 1.2 and 15.1 of the Distributor's Agreement, (hereinafter referred to as the **Agreement**) on the Board Resolution dated 30<sup>th</sup> June, 2025 addressed to the Competition Commission of Pakistan (hereinafter the **Commission**).
2. The undertaking is a private limited company and engaged in the manufacturing and marketing of various Fast-Moving Consumer Goods (FMCG's), including but not limited to feminine care, baby care, household, and hair care products namely soaps, shampoos, detergents, sanitary napkins, baby diapers. The annual turnover of the undertaking for the year 2024 is PKR 44.45 Billion.
3. The Application was made pursuant to Section 5 read with Section 9 (1) (a), (b) & (c) of the Competition Act, 2010 (the Act), read in conjunction with Competition (Exemption) Regulations, 2020, on the following grounds:
  - a. Maintaining 90% local production and ensuring nationwide product availability through an extensive distribution network;
  - b. Investing in product innovation and offer affordable, high-quality consumer goods tailored to local needs; and
  - c. Protecting consumers, support public welfare initiatives, ensure fair market practices, and contribute to national revenue.
4. The agreement is essentially an arrangement for not to deal with non-parties and may, therefore, violate Section 4 (2) (a) and (f) of the Act and institutionalize charging of economic rent, reducing consumer surplus and social welfare. Relevant particulars of the Agreement are as follows:

<b>First Party:</b>	M/s. Procter & Gamble Pakistan (Private) limited having its registered office in Bahria Complex I, 6th floor, M.T. Khan Road, Karachi.
<b>Second Party:</b>	M/s. Abudawood Trading Company Pakistan (Private) Limited having its registered office at 6/1, Street no 3, Bath Island, Karachi.
<b>Type of Agreement:</b>	Distributor's Agreement Annex A
<b>Date of Agreement:</b>	June 12, 2008
<b>Validity period of the Agreement:</b>	Pursuant to Article 19, this Agreement is valid for a period of 5 years and shall continue thereafter unless and until terminated at any time which or without stating cause by either giving the other sixty (60) days' notice.
<b>Product(s)/Services/ Business covered under the Agreement:</b>	Products covered under Schedule 1 of the Agreement



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5. Based on the information provided by the Undertaking, the Commission in exercise of the powers conferred under Section 5 read with Section 9(1)(a)(b)(c) of the Competition Act, 2010 (the 'Act'), hereby grants exemption, subject to the conditions specified in para 6 below, regarding following clauses of the Agreement.:

**Exemption granted:** (i) On Clause 1.2 - Exclusivity  
(ii) On Clause 15.1-Non-compete

**Exemption period:** From 1<sup>st</sup> April, 2025 to 31<sup>st</sup> March, 2026

6. In view of the above, the Extension in Exemption granted shall be subject to the conditions that the Undertaking shall ensure the following:

- i. It does not engage in any anticompetitive behavior and/or practices as outlined in Chapter II of the Act, including but not limited to:
  - a. Abuse of dominant position u/s 3;
  - b. Prohibited agreements u/s 4;
  - c. Deceptive marketing practices u/s 10;
  - d. Any mergers or acquisition in violation of Section 11; and
  - e. Charging of economic rent to the detriment of consumer surplus and social welfare.
- ii. The exemption shall not be used as a permission for transfer pricing or to evade regulatory restrictions, if any against transfer pricing;
- iii. In case sub-distributor(s) are appointed under an exclusive and/or territorial jurisdiction pursuant to Article 21.5 of the Agreement, the same will be communicated to the Commission within 15 days of such decision;
- iv. The Undertaking will inform the Commission in the event of discontinuation of manufacturing operations and cease of its business activities in Pakistan within thirty (30) days of its decision;
- v. Notify the Commission of any amendment(s) to the Agreement within fifteen (15) days of such change, and also provide a copy of the executed agreement;
- vi. In case of having an ongoing Agreement, submit an application for grant of extension in exemption at least three (3) months prior to expiry of this Order.

It recognizes that the Commission reserves the right to verify the following against the baseline benchmarks (to be provided by the undertaking within thirty (30) days of issuance of this Order):

- a. Quantifiable efficiencies achieved in the supply chain resulting in timely product availability;
- b. Details of level of local production;
- c. Data on reduction in stock outs;
- d. Data on new or improved products launched through innovations; and
- e. Details of tangible and verifiable benefits passed on to the consumers.



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- viii. Submit a verifiable compliance report on 31<sup>st</sup> December 2025 against the commitments made for the grant of this exemption; and
- ix. No breach of terms of this exemption takes place as it shall have an immediate effect of cancellation of this exemption.

7. The Commission may review and revise the terms and conditions of this Exemption, as deemed necessary. Furthermore, without prejudice to the generality of Section 6 of the Act, the grantee of the exemption shall inform the Commission forthwith and seek clearance for continuation of the exemption if there is any material change, inter alia, in:

- (i) The terms of the Agreement;
- (ii) The market share of products and/or services covered under the Agreement; or
- (iii) The regulatory or policy framework in the relevant market in which the parties are operating.

8. In the Agreement, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.

9. It is so ordered.

**Saeed Ahmad Nawaz**  
Member (Exemptions)

ISLAMABAD, the 9<sup>th</sup> October, 2025.