



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

EXEMPTION ORDER

IN THE MATTER OF EXEMPTION APPLICATION FILED BY M/S. GILLETTE
PAKISTAN LIMITED FOR EXEMPTION OF DISTRIBUTOR' AGREEMENT

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

Commission

Mt. Saeed Ahmad Nawaz
Member (Exemptions)



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

1. M/s. Gillette Pakistan limited (hereinafter referred to as the **Undertaking**) have applied for the grant of extension in exemption dated 13th May, 2025 for the restrictive clauses 1.2 and 15.1 of the Distributors' Agreement, (hereinafter referred to as the **Agreement**) on the Board Resolution dated 30th June, 2025 addressed to the Competition Commission of Pakistan (hereinafter the **Commission**).
2. The undertaking was incorporated in Pakistan on 9th December, 1986 as a public limited company. The principal activities of the company include marketing and selling of blades, razors and personal care products. The annual turnover of the undertaking for the year 2024 is PKR 1.5 Billion.
3. The Application was made pursuant to Section 5 read with Section 9 (1) (a), (b) & (c) of the of the Competition Act, 2010 (the Act), read in conjunction with Competition (Exemption) Regulations, 2020, on the following grounds:
 - i. Ensuring the nationwide product availability through an extensive distribution network;
 - ii. Investing in product innovation and offer affordable, high-quality consumer goods tailored to local needs; and
 - iii. Protecting consumers and ensure fair market practices thereby contributing 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:

First Party:	M/s. Gillette Pakistan limited having its registered office in Bahria Complex I, 5th floor, M.T. Khan Road, Karachi.
Second Party:	M/s. ABUDAWOOD TRADING COMPANY PAKISTAN (PRIVATE) LIMITED having its registered office at 6/1, Street no 3, Bath Island, Karachi.
Type of Agreement:	Distributor' Agreement (the Agreement) Annex A
Date of Agreement:	June 12, 2008
Validity period of the Agreement:	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.
Product(s)/Services/ Business covered under the Agreement:	Products covered under Schedule 1 of the Agreement



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

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 Act hereby grants extension in exemption, subject to the conditions specified in para 6 below, regarding following clauses of the Agreement.:

Exemption granted: (i) On Article 1.2 pertaining to Exclusivity
(ii) On Article 15.1 pertaining to Non-compete

Exemption period: From 1st April, 2025 to 31st March, 2027

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. 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;
- v. 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.
- vi. 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. Particulars of improvements in order fulfillment rates;
 - b. Evidence of Reduction in stock outs;
 - c. Particulars of new or improved products launched through innovations; and
 - d. Details of tangible and verifiable benefits passed on to the consumers.
- vii. Submit a verifiable compliance report on 31st December, 2025 against the commitments made for the grant of this exemption; and
- viii. No breach of terms of this exemption takes place as it shall have an immediate effect of cancellation of this exemption.



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

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 9th October, 2025