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Ⓢ EFFECTIVE OPERATION

” **Wilson:** The CCP is playing the role of a facilitator to create a competitive business environment that is conducive for investment

Competition Commission of Pakistan
Chairman **Dr Joseph Wilson**

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Advocacy session at OICCI

CCP chief advocates competitive-neutral policies

ISLAMABAD: Dr Joseph Wilson, Chairman, Competition Commission of Pakistan (CCP), has said CCP is playing the role of a facilitator to create a competitive business environment that is conducive for investment in the country.

He said this while addressing an advocacy session at the Overseas Investors Chamber of Commerce and Industry (OICCI) in Karachi on Thursday. The session was also attended by Dr Shahzad Ansar, Mueen Batlay, Members CCP; Abdul Aleem, Secretary General OICCI and members of OICCI.

The Chairman while giving an overview of CCP's performance noted that it had made a number of interventions whereby companies voluntarily complied with provisions of the competition law. He said that in the last one year CCP had scrutinized and processed complaints regarding cartelization and other anti-competitive practices in various sectors of the economy. He said despite various administrative issues, the Commission focused on effectively

discharging its statutory obligations.

Dr Wilson informed the participants of the meeting that the Competition Act, 2010 provided for a mandatory merger control regime and in 2013-14 CCP had granted No-Objection-Certificates (NOCs) in 38 cases of acquisitions, four cases of mergers and four joint ventures.

Dr Wilson said there was a need to engage government departments and advocated for policies that were competitive-neutral. A crucial element in this advocacy strategy is the issuance of non-binding advice to government departments in the form of Policy Notes. In 2013-14 the Commission issued five Policy Notes — to the Federal Board of Revenue (FBR) recommending the abolition of an anti-competitive capacity tax on the beverage industry, to Oil & Gas Regulatory Authority (Ogra) regarding the non-issuance of flare gas licenses, to the Higher Education Commission regarding its equivalence standards, on the discriminatory levy of Gas

Infrastructure Development Cess (GIDC) on selective fertilizer plants and discriminatory access to Inland Freight Equalization Margin pool. Noting that since some regulations and processes were still based on the Competition Ordinance of 2007 despite the enactment of the Competition Act, 2010, CCP revised the regulations, i.e. (i) Competition (Leniency) Regulations, 2013 (ii) Competition (Exemption) Regulations, 2014 (iii) Competition (Reward Payment to Informants) Regulations, 2014. The Commission is in the process of revising some regulations including the Merger Regulations. Dr Wilson said CCP received international recognition for its efforts on various forums including the World Bank and Global Competition Review.

Earlier, OICCI General Secretary Abdul Aleem welcomed the CCP delegation and gave a presentation on the OICCI perception survey about the government institutions.—PR

CCP acting as facilitator to create competitive business environment

Staff Report

ISLAMABAD: Competition Commission of Pakistan (CCP) is playing the role of a facilitator to create a competitive business environment that is conducive for investment in the country.

Dr Joseph Wilson Chairman CCP addressing an advocacy session at Overseas Investors Chamber of Commerce and Industry (OICCI) over viewing CCP's performance said it had made a number of interventions whereby companies voluntarily complied with provisions of the competition law.

He said in the last one year CCP had scrutinised and processed complaints regarding cartelisation and other anti-competitive practices in various sectors of the economy.

He said despite various administrative issues, the Commission was focused on effectively discharging its statutory obligations.

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Advocacy session at OICCI

ISLAMABAD (Staff Reporter): Competition Commission of Pakistan (CCP) Chairman Dr Joseph Wilson said that CCP is playing the role of a facilitator to create a competitive business environment that is conducive for investment in the country. He said this while addressing an advocacy session at the Overseas Investors Chamber of Commerce and Industry (OICCI) in Karachi, said a press statement issued here. Dr. Shahzad Ansar, Mueen Batlay, Members CCP, Abdul Aleem, Secretary General OICCI and Members of OICCI also attended the session. The Chairman while giving an overview of CCP's performance noted that it had made a number of interventions whereby companies voluntarily complied with provisions of the competition law.

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چیئرمین مسابقتی کمیشن کا وائی سی سی آئی میں خطاب

کراچی (کامرس رپورٹر) مسابقتی کمیشن آف پاکستان (سی سی پی) کا روبرو کے لئے مسابقتی فضا قائم کرنے کے لئے اہم کردار ادا کر رہا ہے جو سرمایہ کاری کے لئے از حد ضروری ہے، ان خیالات کا اظہار چیئرمین سی سی پی ڈاکٹر جوزف ولسن نے جمعرات کو اور سیز چیئرمین انویسٹرز چیئرمین آف کامرس اینڈ انڈسٹری میں خطاب کرتے ہوئے کیا، انہوں نے سی سی پی کی کارکردگی کا ذکر کرتے ہوئے بتایا کہ سی سی پی نے متعدد ایسے اقدامات کیے ہیں جن کی بدولت کمپنیاں مسابقتی قانون کی پاسداری کرنے لگی ہیں، انہوں نے بتایا کہ گزشتہ ایک سال میں سی سی پی نے کارٹیلوں کے خلاف متعدد شکایات کا نوٹس لیا ہے۔



کراچی: چیئرمین مسابقتی کمیشن آف پاکستان ڈاکٹر جوزف ولسن اور سیز انویسٹرز چیئرمین آف کامرس اینڈ انڈسٹری میں خطاب کر رہے ہیں

PSO rejects charge of 'deceptive marketing'

Khalid Mustafa

Islamabad

The Competition Commission of Pakistan (CCP) has sent notice to state-owned Pakistan State Oil (PSO)'s top management over alleged deceptive marketing of petrol and diesel in the name of Premier XL gasoline and Green XL Plus diesel asking it to respond during the hearing of the issue to be held on November 4, 2014 in Islamabad.

Muhammad Inaam Athar Siddiqi, a regular consumer of gasoline products of PSO, has submitted a petition with CCP seeking action against the PSO for alleged deceptive marketing of its products since 2012.

The PSO management, however, rejected the charge of deceptive marketing saying the petitioner has no solid case against the PSO.

The issue was first highlighted in 'The News' on March 3, 2014. A report on the issue said the Pakistan State Oil (PSO) was not only selling diesel and petrol hazardous to environment but it is also causing huge damage to the engines of the vehicles.

This issue was also taken up by the Senate Committee on Natural Resources in which the Senate members had said: "The reputation of Pakistan State Oil (PSO) is at stake because of deceptive marketing of its products—petrol and diesel."

Inaam Athar Siddiqi mentioned some facts in his petition submitted with CCP saying that Pakistan is one of the few countries in the world that still uses the lowest grade of gasoline and diesel fuels having harmful impact on both the engine performance and environment.

The petition alleges PSO has been unfair and has indulged in deceptive acts in attempting to manipulate the commodities markets for gasoline and diesel since 2012. He argued: "In 2003-04, PSO launched Premier XL gasoline and Green XL Plus diesel and claimed that its use both in new and old vehicles will result in more mileage, smooth running, protecting engines and dramatically reducing black smoke. As a result of advertising and marketing the consumption of these new brands increased as the consumers, including myself, started using these brands as preferred choice. But in 2012, PSO, abruptly and discreetly discontinued the use of additives while continuously using the brand names "Premier XL Gasoline" and "Green XL Plus Diesel" giving deceptive understanding to consumers that these products are sold with additives and are having the same benefits as were advertised. This is very much clear from the fact that almost all the petrol pumps of PSO are continuously displaying and advertising the brands "Premier XL Gasoline" and "Green XL Plus Diesel".

The petitioner prayed for immediate end to to what he alleged deceptive marketing practice of the PSO and asked CCP to penalise the entity for violating section 10 of the Competition Act 2010.

PSO's Dr Altaf Soomro, General Manager Quality, told The News PSO discontinued the use of additives in 2012 as sulphur content in petrol and diesel decreased. So there was no need to continue the use of the additives. When asked if the PSO was not using the additives, why it was using the brands of the

Premier XL gasoline and Green XL Plus diesel, he said when these brands were registered, there was no mention that these brands would be having the additives.

When his attention was drawn towards the occasion of launching of the two products by PSO— Premier XL gasoline and Green XL Plus diesel in 2003-04 with the clear announcement to attract the consumers that special additives in the products would be keeping the engine clean by decreasing the carbon deposits in the engine owing to which the mileage and efficiency of the car would increase manifold and also help save the fuel, Dr Soomro said that since at the time of deal of PSO with the company of additives, he was not consulted and was not part of the deal. However, he insisted saying when the brands of the two products were registered, there was no mention of the additives in it. So PSO was not involved in deceptive marketing.

When he was shown by this scribe the advertisements of PSO while launching the said two products in 2003-04 that clearly says that new products will reduce the carbon deposits in the engine through special combustion injections or improvers and will enhance the efficiency of the engine and mileage of the vehicles, Dr Soomro opted to remain silent.

PSO also officially submitted their response in detail to CCP of which copy is available with The News. The PSO denied in its reply to CCP the impression that the new brand names—Premier XL Gasoline and Green XL Plus diesel were adopted to indicate any improved performance. Instead these brand names were

adapted pursuant to a marketing campaign launched in 2003-04 and the trade mark registered for this purpose has no connection whatsoever with the detailed products composition, but is brand initiative launched by PSO in line with marketing strategy and consistent with PSO's brand identity green colored logo.

It refuted saying that the allegations leveled by the complainant saying that Muhammad Inaam Athar Siddiqi had failed to make any case against PSO on account of deceptive marketing practices under section 10 of the Competition Act, whether through distribution of false or misleading information to the consumers.

The PSO also responds saying that that began the use of additives from November 2003 for diesel and from August for gasoline. Since the introduction of these additives until discontinuation in May 2012, no significant performance was observed. On top of that, none of motorists have raised any complaint with respect to fuel performance and quality after discontinuation of additives since May 2012. The state-owned oil marketing company also argues saying that the oil and gas industry is heavily regulated and the quality and price of fuel being sold to the consumer is prescribed by federal government. PSO also maintains that it purchases gasoline and high speed diesel through import and local refineries which fully comply with the specification of the government of Pakistan. The entity also says that PSO is a marketing company which meets all standards and industry norms and operates in line with regulatory requirements.