

20-August -2024

News Coverage of CCP Press Release “ CCP issues show-cause notices to goods transport associations over freight rate fixing”



Fixing of Freight rates: CCP issues show-cause notices to TGA, LGTA

ISLAMABAD: The Competition Commission of Pakistan (CCP) has issued show-cause notices to the Transporters of Goods Association (TGA) and the Local Goods Transport Association (LGTA) for allegedly fixing freight rates for transportation of goods from Port Qasim to various destinations across the country, a prima facie, violation of Section 4 of the Competition Act, 2010.

The CCP has issued show-cause notice to the TGA/LGTA after finalizing an enquiry report against the said associations.

According to the CCP, transportation is a vital sector driving national economic growth, with local transporters playing a crucial role in supporting various industries, including automobile, textile, oil and ghee, chemicals, beverages, paint, flour mills, cement, steel, and food.

Recognizing the importance of this sector, the CCP took suo motu notice of concerns regarding collusion to raise and fix freight rates, through circulars.

The CCP's inquiry revealed that TGA and LGTA increased transportation rates through price circulars in 2018, 2021 and 2022, while imposing stringent conditions on member companies to

adhere to fixed rates or face punitive measures. This constitutes a prohibited agreement, a prima facie violation of sections 4(1) read with Section 4(2)(a) of the Competition Act of 2010.

As part of the investigation, the CCP conducted search and inspection, seizing relevant records and documents that provided substantial evidence of the alleged violations.

The enquiry further highlighted that the alleged anti-competitive behaviour of TGA and LGTA has spillover effect across territories of other provinces. Cargo arriving at Karachi Port Trust and Port Qasim, which is then distributed across Karachi and adjacent areas of Sindh (Hyderabad), Gharao and Balochistan, is impacted by changes in freight rates. Consequently, these changes can affect the cost of goods manufactured, potentially leading to broader economic implications.

Read More: <https://www.brecorder.com/news/40318310/fixing-of-freight-rates-ccp-issues-show-cause-notice-to-tga-lgta>



CCP takes action against transporters for suspected freight rate manipulation

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As part of the investigation, the CCP conducted search and inspection, seizing relevant records and documents that provided substantial evidence of the alleged violations. The enquiry further highlighted that the alleged anti-competitive behaviour of TGA and LGTA has spill over effect across territories of other provinces. Cargo arriving at Karachi Port Trust and Port Qasim, which is then distributed across Karachi and adjacent areas of Sindh (Hyderabad), Gharo and Balochistan, is impacted by changes in freight rates. Consequently, these changes can affect the cost of goods manufactured, potentially leading to broader economic implications.

Read more: <https://www.nation.com.pk/20-Aug-2024/ccp-takes-action-against-transporters-for-suspected-freight-rate-manipulation>

PAKISTAN TODAY

CCP issues show-cause notices to goods transport associations over freight rate fixing

ISLAMABAD: The Competition Commission of Pakistan (CCP) has issued show-cause notices to the Transporters of Goods Association (TGA) and the Local Goods Transport Association (LGTA) for allegedly fixing freight rates for transportation of goods from Port Qasim to various destinations across the country, a prima facie, violation of Section 4 of the Competition Act, 2010.

Transportation is a vital sector driving national economic growth, with local transporters playing a crucial role in supporting various industries, including automobile, textile, oil and ghee, chemicals, beverages, paint, flour mills, cement, steel, and food.

As per details shared by CCP, recognizing the importance of this sector, the Commission took suo motu notice of concerns regarding collusion to raise and fix freight rates, through circulars.

The CCP's inquiry revealed that TGA and LGTA increased transportation rates through price circulars in 2018, 2021 and 2022, while imposing stringent conditions on member companies to adhere to fixed rates or face punitive measures.

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Read more: <https://profit.pakistantoday.com.pk/2024/08/19/ccp-issues-show-cause-notices-to-goods-transport-associations-over-freight-rate-fixing/>



اسلام آباد۔ 19 اگست (اے پی پی)؛ مسابقتی کمیشن (سی سی پی) نے ٹرانسپورٹرز آف گلڈز ایسوسی ایشن (ٹی جی اے) اور لوکل گلڈز ٹرانسپورٹ ایسوسی ایشن (ایل جی ٹی اے) کو پورٹ قاسم سے کراچی اور ملک کے دیگر حصوں تک سامان کی نقل و حمل کے لئے کرائے اور کیرج ریٹ فلکس کرنے پر شوکاز نوٹس جاری کئے ہیں۔ مسابقتی کمیشن کی جانب سے جاری پریس ریلیز کے مطابق کسی بھی مارکیٹ یا کاروباری ایسوسی ایشن یا کسی اشیا اور خدمات کے سپلائرز کی جانب سے ایسا کر کے قیمتوں کو فلکس کر دینا کمیشن ایکٹ 2010 کی دفعہ 4 کی خلاف ورزی ہے۔

نقل و حمل خاص طور پر گلڈز ٹرانسپورٹ قومی اقتصادی ترقی کو آگے بڑھانے والا ایک اہم شعبہ ہے جو کہ مختلف صنعتوں جیسے کہ آٹوموبائل، ٹیکسٹائل، تیل اور گھی، کیمیکل، مشروبات، پینٹ، آئی کی ملیں، سیمینٹ، سٹیل اور خوراک وغیرہ کی مقامی مارکیٹ اور بندرگاہوں سے درآمد شدہ اشیاء کی اندرون ملک سپلائی میں اہم کردار ادا کرتا ہے۔ نقل و حمل کے اخراجات، براہ راست ایشیا کی قیمتوں میں شامل کئے جاتے ہیں۔ ٹرانسپورٹ کے شعبے کی اہمیت کو مد نظر رکھتے ہوئے، مسابقتی کمیشن نے ٹرانسپورٹرز ایسوسی ایشن کی جانب سے سرکلرز کے ذریعے مال برداری کے نرخوں کو بڑھانے اور فلکس کے دینے کا از خود نوٹس لیا۔

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کمیشن کی انکوائری سے پتہ چلا ہے کہ گلڈز ٹرانسپورٹرز ایسوسی ایشن اور لوکل ٹرانسپورٹرز آف گلڈز نے 2018، 2021 اور 2022 میں پرائس سرکلرز کے ذریعے کیرج کے نرخوں میں اضافہ کیا۔ ایسوسی ایشن نے اپنے ممبران پر ان نرخوں پر عمل درآمد کرنے پر سخت شرائط بھی عائد کیں۔ کسی بھی مارکیٹ میں، ممبران کی جانب سے ایسا کر کے یا گروپ بنا کر قیمتوں کا تعین کر دینا کمیشن ایکٹ 2010 کی دفعہ 4 کی خلاف ورزی ہے۔

اس انکوائری کے دوران مسابقتی کمیشن نے گلڈز ٹرانسپورٹرز ایسوسی ایشن کے دفتر سے متعلقہ ریکارڈ اور دستاویزات ضبط کیں اور انہیں کمیشن کے دوران کمیشن کے خلاف ورزیوں کے ٹھوس ثبوت حاصل کئے۔ کراچی پورٹ ٹرسٹ اور پورٹ قاسم پر پہنچنے والا کارگو، جو کہ کراچی اور سندھ (حیدرآباد) گھارو اور بلوچستان اور ملک کے دیگر دور دراز حصوں تک پہنچایا جاتا ہے۔ اس لئے ٹرانسپورٹرز ایسوسی ایشن کی جانب سے قیمتوں کو فلکس کرنے کا منفی اثر ملک کے دیگر حصوں تک ہوا اور اس کا اثر ایشیا کی مجموعی قیمتوں پر بھی ہوا۔

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Read more: <https://www.app.com.pk/?s=Fixing+of+Freight+rates%3A+CCP+issues+show-cause+notices+to+TGA%2C+LGTA>

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CCP Issues Show-Cause Notices to Goods Transporters Over Collusion to Raise Freight Rates

The Competition Commission of Pakistan (CCP) has issued show-cause notices to the Transporters of Goods Association (TGA) and the Local Goods Transport Association (LGTA) for allegedly fixing freight rates for transportation of goods from Port Qasim to various destinations across the country, a prima facie, violation of Section 4 of the Competition Act, 2010.

Transportation is a vital sector driving national economic growth, with local transporters playing a crucial role in supporting various industries, including automobile, textile, oil and ghee, chemicals, beverages, paint, flour mills, cement, steel, and food.

Recognizing the importance of this sector, the CCP took suo motu notice of concerns regarding collusion to raise and fix freight rates, through circulars.

The CCP's inquiry revealed that TGA and LGTA increased transportation rates through price circulars in 2018, 2021 and 2022, while imposing stringent conditions on member companies to adhere to fixed rates or face punitive measures. This constitutes a prohibited agreement, a prima facie violation of Sections 4(1) read with Section 4(2)(a) of the Competition Act of 2010.

As part of the investigation, the CCP conducted search and inspection, seizing relevant records and documents that provided substantial evidence of the alleged violations.

The enquiry further highlighted that the alleged anti-competitive behavior of TGA and LGTA has spillover effect across territories of other provinces. Cargo arriving at Karachi Port Trust and Port Qasim, which is then distributed across Karachi and adjacent areas of Sindh (Hyderabad), Gharo and Balochistan, is impacted by changes in freight rates. Consequently, these changes can affect the cost of goods manufactured, potentially leading to broader economic implications.

Read more: <https://propakistani.pk/2024/08/19/ccp-issues-show-cause-notices-to-goods-transporters-over-collusion-to-raise-freight-rates/>



CCP issues show-cause notices to TGA, LTGA over freight rate fixing

August 20, 2024 (MLN): The Competition Commission of Pakistan (CCP) has issued show-cause notices to the Transporters of Goods Association (TGA) and the Local Goods Transport Association (LGTA) for allegedly fixing freight rates for the transportation of goods from Port Qasim to various destinations across the country.

This is a prima facie, violation of Section 4 of the Competition Act, 2010.

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Consequently, these changes can affect the cost of goods manufactured, potentially leading to broader economic implications.

Read more: <https://mettisglobal.news/ccp-issues-show-cause-notices-to-tga-ltga-over-freight-rate-fixing/>

CCP Issues Show-Cause Notices to Goods Transport Associations for Fixing Freight Rates

The Competition Commission of Pakistan (CCP) has issued show-cause notices to the Transporters of Goods Association (TGA) and the Local Goods Transport Association (LGTA) for fixing freight rates for transportation of goods from Port Qasim to various destinations across the country.

The CCP has issued show cause notice to the TGA/LGTA after finalizing an enquiry report against the said associations.

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Read more: <https://newzshewz.com/ccp-issues-show-cause-notices-to-goods-transport-associations-for-fixing-freight-rates/>



Association (LGTA) for allegedly fixing freight rates for transportation of goods from Port Qasim to various destinations across the country, a prima facie, violation of Section 4 of the Competition Act, 2010.

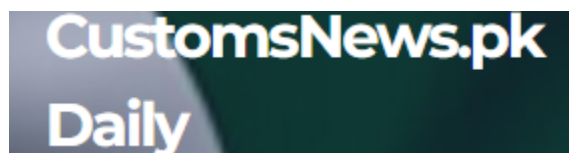
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Read more: <https://theazb.com/ccp-issues-show-cause-notice-to-goods-transport-associations-over-freight-rate-fixing/>



CCP ISSUES SHOW CAUSE NOTICE TO 46 SUPPLIERS OF LINE HARDWARE FOR BID RIGGING IN TENDERS OF

OVER PKR 5 BILLION OF WORTH FLOATED BY POWER DISTRIBUTION COMPANIES

ISLAMABAD: The Competition Commission of Pakistan (CCP) has issued show cause notices to 47 suppliers of Line Hardware Material to the Electric Power Distribution Companies (DISCOs) for prima facie operating as a cartel and engaging in collusive bidding in violation of Section 4 of the Competition Act 2010.

The CCP initiated a formal enquiry on a tip off from an informant regarding, prima facie, collusive activities of line hardware suppliers/manufactures participating in the procurement tenders called by DISCOs. Line hardware items are components used in transmission lines for electricity distribution.

During the enquiry, procurement data from DISCOs was sought. In addition, inspection of the premises of two undertakings engaged in the supply of Line Hardware material was carried out to gather evidence against the suppliers engaged in collusive activities.

The scrutiny of the impounded record revealed collusive arrangement among the suppliers of line hardware in terms of allocation of tender, division of tender quantity, and tender manipulation through decisions involving aspects such as who will participate as against surrendering tender documents, who would place a higher bid and whether there will be a single winner or multiple winners with tender quantity divided among themselves as per pre-determined shares.

The undertakings appear to be part of an association namely Manufacturers and Contractors Association. This association, prima facie, is used to discuss and make strategy for tenders invited by the DISCOs for procurement of Line Hardware Material.

An idea of the damage caused by a rigged tender can be gauged from a research by International Monetary Fund that shows a 30% efficiency gap in terms of quality vs cost balance in infrastructure development of various projects. The foregoing implies, on an average, a 30% deterioration in quality in concomitance with a 30% increase in price in such procurements.

In the enquiry report it is estimated that that public procurement of line hardware products amounted to more than PKR 5 billion for period enquired (years 2015 – 2018).

As per enquiry's findings, the evident collusive bidding on the part of line hardware suppliers and the association, manifested in various forms such as agreements, SOPs/Association's decision having the object or effect of preventing and restricting competition in the relevant market, therefore, constituting a prima facie contravention of Section 4(1) read with Section 4(2)(e) of the Act.

The objective of such behavior appears to be gaining control over the outcome of tenders for benefit of all. On the recommendations of the enquiry report, show cause notices have been issued to Manufacturers and Contractors Association and 46 firms engaged in the supply of line hardware material.

According to official estimates, Pakistan spends approximately 20 percent of its GDP on public procurement. Therefore, the CCP's top priority is to enforce the provisions of Competition Law against the instances of bid rigging. To improve its detection and investigation of bid rigging, the CCP has developed a Bid Rigging Analysis and Detection (BRAD) system, which will soon be inaugurated and implemented.

Read more: <https://customnews.pk/2020/06/11/ccp-issues-show-cause-notice-to-46-suppliers-of-line-hardware-for-bid-rigging-in-tenders-of-over-pkr-5-billion-of-worth-floated-by-power-distribution-companies/>

مسابقتی کمیشن، ریٹ فکس کرنے پر گڈز ٹرانسپورٹرز کو نوٹس جاری

ایکا کر کے قیمتوں کو فکس کرنا کمیشن ایکٹ 2010 کی خلاف ورزی ہے، نوٹس

ٹرانسپورٹرز آف گڈز اور لوکل گڈز ٹرانسپورٹ ایسوسی ایشن سے جواب طلب کر لیا

اسلام آباد، کراچی (خصوصی رپورٹر، سٹاف رپورٹر) کمیشن آف پاکستان نے ٹرانسپورٹرز آف گڈز ایسوسی ایشن اور لوکل گڈز ٹرانسپورٹ ایسوسی ایشن کو پورٹ قاسم سے کراچی اور ملک کے دیگر حصوں تک سامان کی نقل و حمل کے لیے کرائے اور کیریج ریٹ فکس کرنے (باقی صفحہ 5 نمبر 36)

نوٹس جاری

(36)

پر شوکاز نوٹس جاری کیے ہیں، کسی بھی مارکیٹ یا کاروباری ایسوسی ایشن یا کسی اشیا اور خدمات کے سپلائرز کی جانب سے ایک کر کے قیمتوں کو فکس کر دینا کمیشن ایکٹ 2010 کی دفعہ 4 کی خلاف ورزی ہے، نقل و حمل، خاص طور پر گڈز ٹرانسپورٹ قومی اقتصادی ترقی کو آگے بڑھانے والا ایک اہم شعبہ ہے، جو کہ مختلف صنعتوں جیسے کہ آٹوموبائل، ٹیکسٹائل، تیل اور کھجی، کیمیکل، مشروبات، پیٹ، آٹے کی ملیں، سینٹ، اسٹیل اور خوراک وغیرہ کی مقامی مارکیٹ اور بندرگاہوں سے درآمد شدہ اشیاء کی اندرون ملک سپلائی میں اہم کردار ادا کرتا ہے، نقل و حمل کے اخراجات، براہ راست اشیاء کی قیمتوں میں شامل کیے جاتے ہیں، ٹرانسپورٹ کے شعبے کی اہمیت کو مد نظر رکھتے ہوئے، کمیشن نے ٹرانسپورٹرز ایسوسی ایشن کی جانب سے سرکلرز کے ذریعے مال برداری کے نرخوں کو بڑھانے اور فکس کر دینے کا از خود نوٹس لیا۔



سی سی پی، ٹرانسپورٹرز گڈز اور لوکل گڈز ایسوسی ایشن کو کیرج ریٹ

فکس کرنے پر شوکا زٹوٹس جاری

اسلام آباد (کامرس رپورٹر) کمپنیشن کمیشن آف پاکستان نے ٹرانسپورٹرز آف گڈز ایسوسی ایشن اور لوکل گڈز ٹرانسپورٹ ایسوسی ایشن کو پورٹ قاسم سے کراچی اور ملک کے دیگر حصوں تک سامان کی نقل و ہجرت پر 6 نمبر 43

شوکا زٹوٹس 43

حاصل کے لئے کرائے اور کیرج ریٹ فکس کرنے پر شوکا زٹوٹس جاری کیے ہیں۔ کسی بھی مارکیٹ یا کاروباری ایسوسی ایشن یا کسی اشیا اور خدمات کے سلاٹرز کی جانب سے ایجا کر کے قیمتوں کو فکس کر دینا کمپنیشن ایکٹ 2010 کی دفعہ 4 کی خلاف ورزی ہے۔ کمپنیشن کمیشن نے ٹرانسپورٹرز ایسوسی ایشن کی جانب سے سرکلرز کے ذریعے مال برداری کے نرخوں کو بڑھانے اور فکس کے دینے کا از خود نوٹس لیا۔ سی سی پی کی انکوآری سے پتہ چلا ہے کہ گڈز ٹرانسپورٹرز ایسوسی ایشن اور لوکل ٹرانسپورٹرز آف گڈز نے 2018، 2021 اور 2022 میں پرائس سرکلرز کے ذریعے کیرج کے نرخوں میں اضافہ کیا۔ ایسوسی ایشن نے اپنے ممبران پر ان نرخوں پر عمل درآمد کرنے پر سخت شرائط بھی عائد کیں، ٹرانسپورٹرز ایسوسی ایشن کی جانب سے قیمتوں کو فکس کرنے کا منافی اثر ملک کے دیگر حصوں تک ہوا اور

اس کا اثر اشیا کی مجموعی قیمتوں پر بھی ہوا۔

