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Notices issued to mobile operators

By A Reporter

ISLAMABAD: The Competition Commission of Pakistan (CCP) on Monday issued show-cause notices to all the five mobile companies operating in the country for deceptive marketing and charging hidden fees from consumers.

The notices have been issued to Mobilink, Ufone, Telenor, Zong and Warid for alleged violation of Section 10 of the Competition Act, 2010.

The CCP took notice of the imposition of additional charges by the mobile companies at the time of reload of balance for prepaid connections.

The CCP has said that the additional charges were introduced for the first time in July 2011 under various titles, such as operational charge, maintenance fee, administrative fee etc. and ranged from 1.0pc to 1.5pc.

Later on, the percentage of these additional charges was revised and increased by the mobile companies in 2012, and again in 2013.

To determine the extent of hidden charges, the CCP initiated an enquiry, which revealed that currently these additional charges range from 3pc to 5pc.

The enquiry report was finalised on Nov 20, and based on this report the CCP decided to issue show-cause notices.

The report said that deduction of additional charges at the time of every reload of balance apparently does not relate to any specific service being rendered to consumers.

"These additional charges may constitute 'hidden' costs of acquiring cellular telecommunication services, giving the impression that the prices of such services are lower than they actually are, thereby constituting a deceptive marketing practice in violation of Section 10 of the Competition Act, 2010," the report added.

The CCP report said that Pakistan's mobile communication services market comprises some of the world's largest and most experienced telecom companies, including Orascom (Egypt), Telenor (Norway), Warid Telecom (Abu Dhabi Group), China Mobile and Etisalat (UAE based company).

Cellular mobile facilities are now available to over 90pc of country's population, as total mobile subscribers have reached more than 100 million.

The tele-density of the country has reached 68.39pc, with a hike of 6.7pc per annum. Mobilink continues to lead the mobile subscribers market with 30.7pc share chased by Telenor (24.5pc), Ufone (18.9pc), Warid (16pc) and Zong (10pc).



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CCP comes to help mobile

users

Companies say they are doing nothing wrong

Mehtab Haider

ISLAMABAD: In a major devel-opment, the Competition Com-mission of Pakistan (CCP) on Monday issued show cause no-tices to all big cellular operators for fleecing consumers at the time of re-loading at prepaid connections

The mobile operators will be investigated by the CCP for alleged violation of Section 10 of the Competition Act, 2010.

The CCP took notice of the imposition of additional charges by the CMTOs at the time of reload of balance for prepaid connections.

When contacted, officials working in the telecom indus-try said they did not commit any wrong and would contest their rights at all relevant forums.

They said they are following

law and facilitating people. However, the CCP states that these additional charges were introduced for the first time in July 2011 under various titles, such as operational charge, maintenance fee, administrative fee etc and ranged from 1.0% to 1.5%. Later on, the percentage of

these additional charges was revised and increased by the CMTOs in 2012, and again in 2013. Currently these additional charges range from 3% to 5%.

The enquiry report con cludes that deduction of addi-tional charges at the time of every reload of balance apparently does not relate to any specific service being rendered to consumers

Furthermore, these additional charges may constitute 'hidden' costs of acquiring cellular telecommunication ser vices, giving the impression that the prices of such services are lower than they actually are in reality, thereby constituting a deceptive marketing practice in 10 of the violation of Section Competition Act, 2010.

Based on the recommendations of the enquiry report, and in order to safeguard the interests of the subscribers in accordance with law, show cause notices were issued.



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CCP takes notice of deceptive marketing by CMOs

Analysts term the notices technically incorrect

By Abrar Hamza

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KARACHI:

Competition Commission of Pakistan (CCP) has issued show-cause notices to Cellular Mobile Operators (CMOs), namely Mobilink, Ufone, Telenor, Zong and Warid for alleged violation of Section 10 of the Competition Act, 2010.

However, industry analysts said that the show-cause notices to CMOs sent by CCP are principally incorrect, as the commission has termed it deceptive marketing while the rates' revision are not lying under 'marketing' term.

Deceptive marketing means any announcement of the company, which misleads the consumers while claimed offer does not exist in real, said the analyst.

An industry analyst said that per Pakistan as Telecommunication Authority's (PTA) regulations the CMOs are legally restricted to announce any tariff revision through public advertisements and via SMS to their consumers. Since, the PTA's rules have been followed in recent increase in maintenance charges and call setup charges by all CMOs, he added.

While CCP's spokesperson, replying to a query discarded the impression that CCP is technically wrong in that show-cause notices. He referred to the Section 10 of CCP Act 2010, according to which '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' is deceptive marketing.

Resultantly, the CCP took notice of the imposition of additional charges by the CMOs at the time of reload of balance for prepaid connections.

These additional charges were introduced for the first time in July 2011 under various titles, such as operational charge, maintenance fee, administrative fee etc, and ranged from 1.0 percent to 1.5 percent. Later on, the percentage of these additional charges was revised and increased by the CMOs in 2012, and again in 2013. Currently these additional charges range from 3.0 percent to 5.0 percent.

Telenor's reply to the CCP remained the major cause for the commission to take the action as the Telenor replied to CCP that 'company's commercial decision to impose this fee is for the purpose of sustaining the profitability of the company which is its prime objective as a business organisation', CCP report added.

The CCP inquiry report stated, "Apparently operators are advertising to sell their voice call or SMS and other telephony services in the most lucrative way like cheap call or cheap SMS etc, but it appears that they have cleverly passed on an additional burden to the consumers in the form of these additional charges deducted at the time of recharge."

According to the commission, the inquiry report concludes that the deduc-tion of additional charges at the time of every reload of balance apparently does not relate to any specific service being rendered to consumers. Furthermore, these additional charges may constitute 'hidden' costs of acquiring cellular telecommunication services, giving the impression that the prices of such services are lower than they actually are in reality, thereby constitut-ing a deceptive marketing practice in violation of Section 10 of the Competition Act, 2010.

In 2013, again increases in aforementioned charges were announced by Telenor, Ufone and Mobilink, which became effective from July 2013 whereas Zong had already implemented the increase in charges in June 2013. Warid also revised these additional charges in September 2013. 24 December 2013 Page # 20

BUSIN

Violation of Competition Act, 2010 CCP issues show-cause notices to CMTOs

ISLAMABAD: Competition Commission of Pakistan (CCP) has issued show cause notices to Cellular Mobile Telecom Operators (CMTOs) for alleged violation of Section 10 of the Competition Act, 2010.

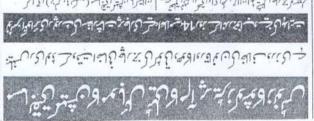
The CCP took notice of the imposition of additional charges by the CMTOs at the time of reload of balance for prepaid connections. These additional charges were introduced for the first time in July 2011 under various titles, such as operational charge, maintenance fee, administrative fee etc and ranged from 1.0 percent to 1.5 percent. Later on, the percent-age of these additional charges was revised and increased by the CMTOs in 2012, and again in 2013. Currently, these additional charges range from 3 percent to 5 percent.

The enquiry report concludes that the deduction of additional charges at the time of every reload of balance apparently does not relate to any specific service being rendered to consumers. Furthermore, these additional charges may constitute 'hidden' costs of acquiring cellular telecommunication services, giving the impression that the prices of such services are lower than they actually are in reality, thereby constituting a deceptive marketing practice in violation of Section 10 of the Competition Act, 2010.

Based on the recommendations of the enquiry report, and in order to safeguard the interests of the subscribers in accordance with law, show causenotices were issued.—PR

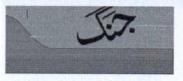


24 Decemper 2013



المدابي وحديد المعدد والعديد المراية والفراح アンショーのいいてアフィーのいっつう むしい こうしょういいい いっち いうう สุลการสาราภีเพียงระการบราท ז ציף קהוחור געוגר זיוק לותר אופ טניייל אייז 5 ביזגל צול نى بالا بالا تى كار سايد تالار بالد بالد يغ بسندييا، ريني سنينية رك، لي ركث برآرية 2011 فالعداد لأجتبه فإخال بجال كالأخدة 赤いらぼアマフにテロのうどのア קר אה הלגר ההי היוחליותר ى تور المرام و جالداد، با بالم קרפי-דייזרטי איזיגי לעויי שוריי 1かぞ(のううい)からのうちのいない しんどうれいなしの しんししいい ٩٢٦ (٢٠٠٠٠) ١٦٠٠

シャレン・ビン・ション・ション מוז ייז גדיף הל גור אור ג יוציי היי ふーレンジャッションション アタモ アショーディー いフヨミリテアテアトとりたりフェー יחד עבי הה הנבוית העייולי וב הגור ביוא そうしょうらう アンマンション いしょうを ろじもなこ ろしをくとり 山にたったくろれにろにつのの いらそれにんかららでアシーーをフ אורניזייר וליחיאי הפולייל כמוץ かし ろうび つちの ろういこうをなり いいち ひっち ひっち ひっち ちょう しい 13~01027 きの1 りまいいか~ مين بد ميد ميرين وز رو، ري موا こしとう いいし しと こうしん いいんしょ ۵۱رخhipi, ۲۰۰ مرج لو hi الوسيرا، الشو، الرائعي تربي مراجق بالمراج المعربين المحربة الماركة الارتحارية المعرفة



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اضافی چارجز کی وصولی،5 موبائل فون كمينيول كومسابقتي كميش كاشوكا زنونس جارى كوتى غلط كام تبيس كميا، حكام ثيلي كام انڈسٹري اسلام آباد (خبر نکار تحصوصی) سائیتی کمیش نے مارد (خبر نکار تحصوصی) سائیتی کے مراد بید المانی جارج وصول کرنے پر یا بج موبائل فون کمپنیوں کو شوکاز فوش جاری کرتے ہوئے وضاحت طلب کر کی ہے۔ کمیشن کی باتى سىخى-6 تمبر 19

19 مسابقتي كميشن جانب سے جاری کردہ اعلام یہ میں کہا گیا ہے کہ کمیشن نے کمپنیوں کی جانب سے پری پیڈ کٹلشن کا بنگٹس ری لوڈ کپنیوں کی جانب سے پری پیڈ کٹلشن کا بنیکش ری لوڈ لرنے پر اینیا ٹی چارجز وصول کرنے کا نوٹس کیتے ہوئے الكوائرى كرائي جن ميں يد بات سامنے آئى كە كمپنيوں نے پہلی بار جولائی 2011 میں اضاف چارج عائمہ کے اور صار فین نے آپریشل جارجز، سیفینس فیں ادر ایڈ شریوفیں کتام پر 1.0 فیصدے 1.5 فیصد تک اضافی چارجز وصول کے جاتے رہے بعدازاں 2012ء سے 2013ء بحک اضافی چارجز کو تمن سے پاچی فیصد تک جز حادیا گیا۔راہل کر نے پر کیا کا م سنعت میں کا م کر نے والے حکام نے کہا کہ انہوں نے کو کی فالما کا میں کیاادہ تمام العلقہ نورمز پر اپنے حقوق کیلیے لاہی کے۔انہوں نے کہا کہ ہم قواعد وضوا بط کے مطابق کا م کرر ہے ہیں اور عوام کو ہولتیں پہنچار ہے ہیں۔ جبکہ کمیشن کے اعلام میہ میں کہا گیا ب كدانكواترى ريورث يل يرتد جلا كدصار فين ت يررى لوڈ پراضانی چارجز کی کٹوتی کا کی مخصوص سردس تے تعلق نیٹن اور صارقمن نے خفیہ چارج وسول کے جاتے رہے بہل جو کہ مارکیٹ پریکس اور سالیتی یا یک 2010 ہوگ شن 10 کی غلاف ورزی ہے۔ انگوار کی رپورٹ کی سفارشات اور صارقین نے مفاد کے شِشْ نظر کمیشن نے تمام موبائل سلولرفون كمينيول كوشوكا زنونس جاري كردية بي -