

Violations of Competition Act

CCP issues notices to NTDC, Lesco, Fesco & Mepco

RECORDER REPORT

ISLAMABAD: The Competition Commission of Pakistan (CCP) has issued show cause notices to the National Transmission and Dispatch Company (NTDC), Lahore Electric Supply Company (Lesco), Faisalabad Electric Supply Company (Fesco) and Multan Electric Power Company (Mepco) for, prima facie, abuse of dominance and collusion in the procurement of various categories of auto/power transformers.

The CCP has issued notices to the said companies here on Monday for committing violations of section 3 and section 4 of the Competition Act, 2010.

The CCP added that the procurement made by the public sector organisations is the single largest segment of the economy affected by collusive bidding and other such anti-competitive behavior, causing huge losses to government exchequer.

The CCP received a complaint from "7Aays Corporation" wherein it was alleged that the NTDC, Lesco, Fesco, and Mepco are abusing their dominance in the market of power/auto transformers by allowing monopoly to MR-Germany made on-load tap-changers (OLTCs) although there are other manufacturers as well. CCP conducted an enquiry into the matter.

In terms of the enquiry report, it appears that the NTDC, Lesco, Fesco, and Mepco are imposing an unfair trading condition on suppliers of transformers by unnecessarily referring to a particular brand, i.e. MR Germany in the bidding documents (despite the fact that a complete

International Electro technical Commission (IEC) specification exist for the same), by insisting that the bidders supply transformers equipped with MR Germany's OLTC, and by rejecting the bids of the suppliers of transformers equipped with any other brand of OLTC.

Due to this unfair trading condition the suppliers of transformers equipped with OLTC of any brand other than MR Germany are unable to compete in the market. Hence it appears that NTDC, Lesco, Fesco, and Mepco are abusing their dominant position in the relevant market for procurement of various categories of transformers in violation of Section 3(1) read with Section 3(2) and Section 3(3) (a) & (g) of the Act. The show cause notices further state that NTDC, by issuing the recommendation to purchase only MR Germany's OLTC equipped transformers, and Fesco, Lesco and Mepco, by accepting this recommendation, have prima facie entered into an arrangement for imposing a restrictive trading condition in the market for supply of transformers in violation of Section 4(1) read with Section 4(2)(a) of the Act. It would be pertinent to mention that curbing anti-competitive practices in public procurement is one of CCP's priority areas of enforcement. CCP has previously prosecuted several instances of anti-competitive behaviour in the power and energy sector.

In terms of Section 3 sub-section 2, an abuse of dominant position shall be deemed to have been brought about, maintained or continued if it consists of practices which prevent, restrict, reduce or distort competition in

the relevant market. Such practices include unfair trading conditions, boycotting or excluding any other undertakings from the production, distribution or sale of any goods or the provision of any services and refusal to deal. Therefore, it appears that Lesco, Mepco, Fesco and NTDC have prima facie violated provisions of section 3(2)(a) and section 3(3)(g) of the Act.

NTDC had instructed all the Discos to incorporate the following requirement in the bidding documents, while tendering for purchase of power transformers. "The power transformer must be equipped with vacuum Type On-Load Tap Changer MR-Germany or equivalent specification". It is reiterated that NTDC through its Design Department works in the capacity of a consultant for various Discos for preparation of bidding documents, laying down of specifications and finally evaluation of bids. Being the consultant, it is not mandatory for the Discos to follow such direction of NTDC; however, Fesco, Mepco and Lesco have followed the instructions of NTDC in all of their procurements of transformers. Such practice indicates that Fesco, Mepco, Lesco and NTDC (through its Design Department) have prima facie entered into an arrangement for imposing a restrictive trading condition in the market for supply of transformers to NTDC and Discos in prima facie violation of Section 4(2)(a) of the Act. These undertakings have been asked to submit written replies to the show cause notices and to appear before CCP at the hearing in the matter fixed for 4 April 2013.

19 March 2013

Page # 15

CCP issues notices to power utilities

By our correspondent

ISLAMABAD: The Competition Commission of Pakistan (CCP) has issued show-cause notices to the National Transmission and Dispatch Company (NTDC), Lahore Electric Supply Company (Lesco), Faisalabad Electric Supply Company (Fesco) and Multan Electric Power Company (Mepco) for, prima facie, abuse of authority in the procurement of various categories of auto/power transformers.

The CCP received a complaint from 7Aays Corporation, wherein it was alleged that the NTDC, Lesco, Fesco and Mepco are abusing their authority in the market of power/auto transformers by allowing a monopoly to MR-Germany made on-load tap changers (OLTCs).

In view of the inquiry report, it appears that the NTDC, Lesco, Fesco and Mepco are imposing an unfair condition on the suppliers of transformers by unnecessarily referring to a particular brand, i.e. MR-Germany in the bidding documents. They said that the bidders supply transformers equipped with MR-Germany's OLTC, and are rejecting the bids of transformer suppliers equipped with any other brand. Due to this unfair trading condition, transformer suppliers equipped with OLTC of any brand other than MR-Germany, are unable to compete in the market. Hence, it appears that the NTDC, Lesco, Fesco and Mepco are abusing their dominant position in the relevant market for procurement of various categories of transformers. By issuing the recommendation to purchase only MR-Germany's OLTC equipped transformers and Fesco, Lesco and Mepco, by accepting this, have entered into an arrangement for imposing a restrictive trading condition in the market. These undertakings have been asked to appear before the CCP at a hearing on April 4.

CCP issues notices to power firms

By A Reporter

ISLAMABAD, March 18: The Competition Commission of Pakistan (CCP) has issued show-cause notices to the power sector companies for involvement in abuse of dominance and collusion in the procurement of various categories of auto/power transformers in violation of Section 3 and Section 4 of the Competition Act, 2010.

The notices had been issued to National Transmission and Dispatch Company (NTDC), Lahore Electric Supply Company (Lesco), Faisalabad Electric Supply Company (Fesco) and Multan Electric Power Company (Mepco).

The CCP has taken action after conducting an enquiry on the complaint of 7AAYS Corporation wherein it was alleged that the NTDC, Lesco, Fesco, and Mepco are abusing their dominance in the market of power/auto transformers by allowing monopoly to MR-Germany made on-load tap-changers (OLTCs) although there are other manufacturers as well.

"It appears that the NTDC, Lesco, Fesco and Mepco are imposing an unfair trading condition on the suppliers of transformers," the CCP enquiry report revealed.

The report referred to the 'unnecessarily referring to a particular brand that MR-Germany in the bidding documents, despite the fact that a complete International Electro Technical Commission (IEC) specification exists for the reference that can be termed in the bidding process. The enquiry report also highlighted that the said power sector companies were insisting that the bidders supply transformers equipped with MR-Germany's OLTC, and by rejecting the bids of the suppliers of transformers equipped with any other brand of OLTC.

"Due to this unfair trading condition the suppliers of transformers equipped with OLTC of any brand other than MR-Germany are unable to compete in the market," the CCP report has said adding, "Hence it appears that NTDC, Lesco, Fesco and Mepco are abusing their dominant position in the relevant market for procurement of various categories of transformers."

CCP issues notices to four power companies

Blames these DISCOs for abuse of dominant position in the market

OUR CORRESPONDENT
 ISLAMABAD

The Competition Commission of Pakistan (CCP) has issued show cause notices to four electricity transmission and distribution companies for abuse of dominant position and collusion in procurement of auto and power transformers in violation of Section 3 and Section 4 of the Competition Act 2010.

The CCP took the move following a complaint from 7Aays Corporation that alleged that National Transmission and Dispatch Company (NTDC), Lahore Electric Supply Company (Lesco), Faisalabad Electric Supply Company (Fesco) and Multan Electric

Power Company (Mepco) were abusing their dominance in the market of power and auto transformers by allowing MR Germany to create a monopoly in supply of on-load tap-changers (OLTCs) although there were other manufacturers as well. The CCP conducted an inquiry into the matter before issuing the show cause notices.

It appears in the inquiry that NTDC, Lesco, Fesco and Mepco are imposing an unfair trading condition on the suppliers of transformers by unnecessarily referring to a particular brand – of MR Germany – in bidding documents (despite the fact that a complete International Electro-technical Commission (IEC) specification exists for the same). The power companies insist that the bidders supply transformers equipped with MR Germany's OLTC and

These undertakings have been asked to submit written replies and appear before the commission at a hearing fixed for April 4

reject the bids of the suppliers of transformers equipped with any other brand of OLTC.

Owing to this condition, the suppliers of transformers equipped with OLTC of any brand other than MR Germany are unable to compete in the market. Hence, it appears that NTDC, Lesco, Fesco and Mepco are abusing their dominant position in the relevant market for procurement of various categories of transformers in violation of Section 3(1) read with Section 3(2) and Section 3(3) (a) and (g) of the Competition Commission Act.

The show cause notices say NTDC, by issuing recommendation to purchase only MR Germany's OLTC-equipped transformers, and Fesco, Lesco and Mepco, by accepting this recommendation, have entered into an arrangement for imposing a restrictive trading condition in the market for supply of transformers in violation of Section 4(1) read with Section 4(2)(a) of the Act.

These undertakings have been asked to submit written replies to the show cause notices and appear before the commission at a hearing fixed for April 4.

Curbing anti-competitive practices in public procurement is one of CCP's priority areas of enforcement. The commission has previously taken action in several instances of anti-competitive behaviour in the power and energy sector.

CCP issues show-cause notices to NTDC, 3 Discos



ISLAMABAD (APP) - The Competition Commission of Pakistan (CCP) has issued show-cause notices to the National Transmission and Dispatch Company (NTDC), Lahore Electric Supply Company (LESCO), Faisalabad Electric Supply Company (FESCO) and Multan Electric Power Company (MEPCO) for abuse of dominance and collusion in the procurement of various categories of auto-power transformers.

Their action is in violation of Section 3 and Section 4 of the Competition Act, 2010, said a press release issued here on

Monday.

The CCP received a complaint from "7Aays Corporation" wherein it was alleged that the NTDC, LESCO, FESCO, and MEPCO are abusing their dominance in the market of power/auto transformers by allowing monopoly to MR-Germany made on-load tap-changers (OLTCs) although there are other manufacturers as well.

The CCP conducted an enquiry in the matter.

In terms of the enquiry report, it appears that the NTDC, LESCO, FESCO, and MEPCO are imposing an unfair trading condition on the suppliers of trans-

formers by unnecessarily referring to a particular brand i.e. MR Germany in the bidding documents (despite the fact that a complete International Electro technical Commission (IEC) specification exist for the same), by insisting that the bidders supply transformers equipped with MR Germany's OLTC, and by rejecting the bids of the suppliers of transformers equipped with any other brand of OLTC.

Due to this unfair trading condition the suppliers of transformers equipped with OLTC of any brand other than MR Germany are unable to compete in the market.

Hence it appears that NTDC, LESCO, FESCO, and MEPCO are abusing their dominant position in the relevant market for procurement of various categories of transformers in violation of Section 3(1) read with Section 3(2) and Section 3(3) (a) & (g) of the Act.

The show cause notices further state that NTDC, by issuing the recommendation to purchase only MR Germany's OLTC equipped transformers, and FESCO, LESCO and MEPCO, by accepting this recommendation, have prima facie entered into an arrangement for imposing a restrictive trading

condition in the market for supply of transformers in violation of Section 4(1) read with Section 4(2)(a) of the Act.

It would be pertinent to mention that curbing anti-competitive practices in public procurement is one of CCP's priority areas of enforcement. CCP has previously prosecuted several instances of anti-competitive behavior in the power and energy sector.

These undertakings have been asked to submit written replies to the show cause notices and to appear before CCP at the hearing in the matter fixed for 4 April 2013.

19 March 2013

Alleged abuse of dominance, collusion

CCP issues show-cause notices to NTDC, 3 DISCOs

Staff Report

ISLAMABAD: Competition Commission of Pakistan (CCP) has issued show cause notices to the National Transmission and Dispatch Company (NTDC), Lahore Electric Supply Company (LESCO), Faisalabad Electric Supply Company (FESCO) and Multan Electric Power Company (MEPCO) for prima facie, abuse of dominance and collusion in the procurement of various categories of auto/power transformers in violation of Section 3 and Section 4 of the Competition Act, 2010.

CCP received a complaint from '7Aays Corporation' wherein it was alleged the NTDC, LESCO, FESCO and MEPCO were abusing their

dominance in the market of power/auto transformers by allowing monopoly to MR-Germany made on-load tap-changers (OLTCs) although there are other manufacturers as well. CCP conducted an enquiry in the matter.

In terms of the enquiry report, it appears the NTDC, LESCO, FESCO and MEPCO are imposing an unfair trading condition on the suppliers of transformers by unnecessarily referring to a particular brand i.e MR Germany in the bidding documents (despite the fact that a complete International Electro technical Commission (IEC) specification exist for the same), by insisting that the bidders supply transformers equipped with MR

Germany's OLTC and by rejecting the bids of the suppliers of transformers equipped with any other brand of OLTC.

Due to this unfair trading condition the suppliers of transformers equipped with OLTC of any brand other than MR Germany are unable to compete in the market. Hence it appears that NTDC, LESCO, FESCO and MEPCO are abusing their dominant position in the relevant market for procurement of various categories of transformers in violation of Section 3 (1) read with Section 3(2) and Section 3(3) (a) and (g) of the Act.

The show cause notices state NTDC by issuing the recommendation to purchase only MR Germany's OLTC equipped

transformers and FESCO, LESCO and MEPCO by accepting this recommendation have prima facie entered into an arrangement for imposing a restrictive trading condition in the market for supply of transformers in violation of Section 4 (1) read with Section 4(2)(a) of the Act.

Curbing anti-competitive practices in public procurement is one of CCP's priority areas of enforcement. CCP has previously prosecuted several instances of anti-competitive behaviour in the power and energy sector.

These undertakings have been asked to submit written replies to the show cause notices and to appear before CCP at the hearing in the matter fixed for 4 April 2013.

CCP issues show cause notices to NTDC, 3 DISCOs over abuse of dominance

ISLAMABAD

NNI

The Competition Commission of Pakistan (CCP) has issued show cause notices to the National Transmission and Dispatch Company (NTDC), Lahore Electric Supply Company (LESCO), Faisalabad Electric Supply Company (FESCO) and Multan Electric Power Company (MEPCO) for, prima facie, abuse of dominance and collusion in the procurement of various categories of auto/power transformers in violation of Section 3 and Section 4 of the Competition Act, 2010. According to a press release issued here on Monday, the CCP received a complaint from "7Aays Corporation" wherein it was alleged that the NTDC, LESCO, FESCO, and MEPCO are abusing their dominance in the market of power/auto transformers by allowing monopoly to MR-Germany made on-load tap-changers (OLTCs) although there are other manufacturers as well. CCP conducted an enquiry in the matter. In terms of the Enquiry Report, it appears that the NTDC, LESCO, FESCO, and MEPCO are imposing an unfair trading condition on the suppliers of transformers by unnecessarily referring to a particular brand i.e. MR Germany in the bidding documents (despite the fact that a complete International Electro technical Commission (IEC) specification exist for the same), by insisting that the bidders supply transformers equipped with MR Germany's OLTC, and by rejecting the bids of the suppliers of transformers equipped with any other brand of OLTC. Due to this unfair trading condition the suppliers of transformers equipped with OLTC of any brand other than MR Germany are unable to compete in the market. Hence it appears that NTDC, LESCO, FESCO, and MEPCO are abusing their dominant position in the relevant market for procurement of various categories of transformers in violation of Section 3(1) read with Section 3(2) and Section 3(3) (a) & (g) of the Act.

جرمنی کے ٹرانسفارمرز کو ترجیح دینے پر بجلی کمپنیوں کو نوٹس

کمپنیاں اپنی حیثیت کا ناجائزہ فائدہ اٹھا رہی ہیں، مسابقتی کمیشن نے جواب طلب کر لیا

اسلام آباد (خبرنگار خصوصی) مسابقتی کمیشن نے این ٹی ڈی سی، لیسکو، فیسکو اور میکو کو مارکیٹ میں اپنی نمایاں حیثیت کا ناجائزہ فائدہ اٹھاتے ہوئے پولی میں جرمن کمپنی ایم آر کی مصنوعات والے ٹرانسفارمرز کو ترجیح دینے پر اظہار وجوہ کا نوٹس جاری کرتے ہوئے چار اپریل تک

جواب طلب کر لیا کمیشن کے بیان میں کہا گیا ہے کہ سیون ایز کارپوریشن نے ان چاروں سرکاری کمپنیوں کے مختلف کمیشن کو درخواست دی تھی جس میں کہا گیا تھا کہ وہ مارکیٹ میں اپنی نمایاں حیثیت کا ناجائزہ فائدہ اٹھاتے ہوئے ایم آر جرمنی کی منائلی قائم کرنے کی (باقی صفحہ 5 نمبر 25)

نوٹس جاری

بقیہ نمبر 25

کوشش کر رہی ہیں کمیشن کی طرف سے کی جانے والی انکوڑی میں یہ بات سامنے آئی کہ چاروں سرکاری کمپنیاں ٹرانسفارمرز کی خریداری کے ٹینڈرز میں غیر ضروری طور پر ایم آر جرمنی کمپنی کے آلات کا حوالہ شامل کر رہی تھیں حالانکہ عالمی الیکٹرونکس کمیشن کے معیار کا حوالہ دیا جانا چاہیے تھا اس شرط سے جرمن کمپنی کا سامان نہ رکھنے والے ٹرانسفارمرز کو پولی میں شریک ہی نہیں کیا جاتا جو بادی نظر میں مسابقتی قانون کی خلاف ورزی ہے۔

جہانِ پاکِستان

19 March 2013

Page # 6

آٹو پاور ٹرانسفارمر کی مخصوص کمپنی سے خریداری چیلنج

خزانے کو نقصان کا خدشہ، این ٹی ڈی سی اور ڈسٹری بیوشن کمپنیوں کو شوکا زونٹس جاری
اسلام آباد (اظہر سید) ملک میں توانائی بحران کے متعدد اسباب میں سے ایک سبب حکومتی اداروں میں کرپشن
، بدعنوانی اور قوانین کی خلاف ورزی بھی ہے جس کی واضح مثال نیشنل ٹرانسمیشن اینڈ ڈسٹری بیوشن کمپنی این ٹی ڈی سی اور تین
ڈسٹری بیوشن کمپنیوں کی طرف سے ایک مخصوص کمپنی سے خریداری کا معاملہ بھی شامل ہے۔ ذمہ دار ذرائع کے مطابق
این ٹی ڈی سی کی طرف سے تمام ڈسٹری بیوشن کمپنیوں کو ہدایات جاری کی گئی ہیں کہ وہ کروڑوں روپے مالیت کے آٹو
پاور ٹرانسفارمر ایک مخصوص کمپنی 'مسٹر جرمی' سے خریدیں جبکہ اس معیار کے یہی آلات دنیا کی تین اور کمپنیاں شنگھائی
ہو مین ، بلغاریہ کی ہن ڈائی اور سویڈن کی اے بی بی کمپنی بھی بناتی ہے۔ ذرائع کا کہنا ہے کہ واپڈا کے ممبر پاور نے تمام
ڈسٹری بیوشن کمپنیوں کے سربراہوں کے ایک اجلاس میں انہیں ہدایات جاری کی تھیں کہ وہ ٹینڈر ڈاکومنٹس میں
مسٹر جرمی کے ٹرانسفارمر کی پیشکش طلب کریں۔ ذرائع کا کہنا ہے کہ ایک مخصوص کمپنی سے خریداری کا ٹینڈر جاری
کرنے سے باقی تینوں کمپنیاں مقابلہ کی دوڑ سے باہر ہو گئیں اور صرف ایک کمپنی کے میدان میں رہنے سے زائد قیمت
پر خریداری سے قومی خزانہ کو بھاری نقصان پہنچنے کا خدشہ ہے۔ ذرائع کے مطابق متاثرہ فریقین میں سے ایک نے اس
طرز عمل کے خلاف مسابقتی کمیشن کو تحریری شکایت بھی کی ہے جس پر کمیشن نے ایک تحقیقاتی کمیٹی بھی بنائی تھی اس کمیٹی
کی رپورٹ پر کمیشن نے این ٹی ڈی سی کے علاوہ فیصل آباد الیکٹریک سپلائی کارپوریشن، ملتان الیکٹریک سپلائی
کارپوریشن اور لاہور الیکٹریک سپلائی کارپوریشن کو شوکا زونٹس بھی جاری کیا ہے۔