

CCP dismisses complaint against PTCL

ISLAMABAD: The Competition Commission of Pakistan (CCP) has issued an order in the matter of complaint filed by M/s Wise Communication Systems (Pvt) Limited (WiseCom) Vs Pakistan Telecommunication Company Limited (PTCL) for alleged abuse of dominance by dismissing the complaint for failure to make out a case violating Section 3 of the Competition Act, 2010.

Abuse of dominance is a conduct of an undertaking holding a dominant position in the relevant market to exclude its competitors or exploit consumers. Abusive conduct could be in the form of price discrimination, boycott, refusal to deal or excessive pricing. Such conduct is prohibited under Section 3 of the Competition Act.

WiseCom in its complaint filed before the Commission had alleged that the PTCL holds a dominant position in the fixed local loop market (FLL) and has unilaterally discontinued the services to WiseCom, who is a customer and competitor of PTCL in FLL market, hence such anti-competitive conduct excludes the WiseCom from the provision of fixed local loop services in violation of the Section 3 (3)(g) of the Competition Act.

The Commission initiated a formal inquiry by appointing an Enquiry Committee to look into the veracity of the complaint. WiseCom was also given a right of hearing to establish the violation of Section 3 as alleged in the complaint and the matter was heard by the full Bench of the Commission.

The Bench in its order has held that exclusionary conduct is a commercial decision leading to anti-competitive foreclosure by the dominant firm without any objective justification that causes an actual or

potential threat to the market and consumers. The Bench highlighted the important facts which form the background of the case and include; action taken by Pakistan Telecommunication Authority (PTA) against WiseCom on 04-11-13 for engaging in alleged illegal telecom business and subsequently raid conducted by Federal Investigating Agency which resulted in seizure of equipment installed at WiseCom's office and suspension of services to WiseCom by PTCL on 26-11-13.

Payment notice dated 12-11-13 issued to WiseCom by PTCL which was alleged by WiseCom as an attempt to exclude it from FLL market was admitted by WiseCom during the course of hearing as disputed amount which matter is lingering on for the past many years and is sub judice before the High Court. Also, emails appended in the annexure to the complaint revealed the warnings of PTCL to pay its dues or else face action according to the books before the payment notice was issued.

Further, the Bench noted that WiseCom has 7000 to 8000 subscribers in five regions which is a very miniscule market share. A competitor having a negligible market share cannot be said to exert enough competitive pressure in the relevant market that its exclusion would impact the behaviour of the dominant undertaking and may cause prejudice to the consumers. Neither has WiseCom provided any evidence that shows any harm to consumers in terms of price, quality and choice due to the alleged action of PTCL.

Given the contractual dispute and action taken by PTA, the Bench held that PTCL's conduct of suspension of services to WiseCom does not have the object or effect of preventing, restricting, reducing or distorting competition in the relevant market.—PR

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CCP dismisses complaint against PTCL

OUR STAFF REPORTER
ISLAMABAD

The Competition Commission of Pakistan (CCP) has issued an order in the matter of complaint filed by M/s Wise Communication Systems (Private) Limited (WiseCom) Vs. Pakistan Telecommunication Company Limited (PTC) for alleged Abuse of Dominance by dismissing the complaint for failure to make out a case violating Section 3 of the Competition act, 2010.

Abuse of Dominance is a conduct of an undertaking holding a dominant position in the relevant market to exclude its competitors or exploit consumers. Abusive conduct could be in the form of price discrimination, boycott, refusal to deal or excessive pricing. Such conduct is prohibited under Section 3 of the Competition Act.

WiseCom in its complaint filed before the Commission had alleged that the PTCL holds a dominant position in the fixed local loop market (FLL) and has unilaterally discontinued the services to WiseCom which is a customer and competitor of PTCL in FLL market, hence such anti-competitive conduct excludes the WiseCom from the provision of fixed local loop services in violation of the Section 3 (3)(g) of the Competition Act.

The Commission initiated a formal enquiry by appointing an Enquiry Committee to look into the veracity of the complaint. WiseCom was also given a right of hearing to establish the violation of Section 3 as alleged in the complaint and the matter was heard by the full Bench of the Commission. The Bench in its order has held that exclusionary conduct is a commercial decision leading to anti-competitive foreclosure by the dominant firm without any objective justification that causes an actu-

al or potential threat to the market and consumers. The Bench highlighted the important facts which form the background of the case and include; action taken by Pakistan Telecommunication Authority (PTA) against WiseCom on 04-11-13 for engaging in alleged illegal telecom business and subsequently raid conducted by Federal Investigating agency which resulted in seizure of equipment installed at WiseCom's office and suspension of services to WiseCom by PTCL on 26-11-13. Payment notice dated 12-11-13 issued to WiseCom by PTCL which was alleged by WiseCom as an attempt to exclude it from FLL market was admitted by wiseCom during the course of hearing as disputed amount which matter is lingering on for the past many years and is sub judice before the High Court. Also, emails appended in the annexure to the complaint revealed the warnings of PTCL to pay its dues or else face action according to the books before the payment notice was issued.

Further, the Bench noted that WiseCom has 7000 to 8000 subscribers in five regions which is a very miniscule market share. A competitor having a negligible market share cannot be said to exert enough competitive pressure in the relevant market that its exclusion would impact the behaviour of the dominant undertaking and may cause prejudice to the consumers. Neither has WiseCom provided any evidence that shows any harm to consumers in terms of price, quality and choice due to the alleged action of PTCL. Given the contractual dispute and action taken by PTA, the Bench held that PTCL's conduct of suspension of services to WiseCom does not have the object or effect of preventing, restricting, reducing or distorting competition in the relevant market.

CCP dismisses complaint against PTCL

By Mehtab Haider

ISLAMABAD: The Competition Commission of Pakistan (CCP), an independent watchdog, has dismissed a complaint related to abuse of dominance against Pakistan Telecommunication Company Limited (PTCL), The News learnt on Thursday.

Wise Communication Systems Private Limited, a long distance and international carrier services provider, in a complaint, alleged PTCL holds a dominant position in the fixed local loop market and has discontinued the services to Wisecomm, which is a customer and competitor of PTCL in FLL market.

The LDI operator further maintained such an anticompetitive conduct excludes Wisecomm from the provision of fixed local loop services in violation of the Section 3 (3)(g) of the Competition Act, 2010

However, the CCP bench held PTCL's conduct of suspension of services to Wisecomm does not have the object or effect of preventing, restricting, reducing or distorting competition in the relevant market.

The commission initiated a formal enquiry by appointing an enquiry committee to look into the veracity of the complaint. Wisecomm was also given a right of hearing to establish the violation of Section 3 as alleged in the complaint and the matter was heard by the full bench of the commission.

A CCP's order read abuse of dominance is a conduct of an undertaking holding a dominant position in the relevant market to exclude its competitors or exploit consumers. Abusive conduct could be in the form of price discrimination, boycott or excessive pricing. Such a conduct is prohibited under Section 3 of the Competition Act.

PTCL, the leading telecom operator in the country, had suspended services to Wisecomm on 26 November, 2013 for engagement in an illegal telecom business. The Federal Investigation Agency also seized equipment installed at Wisecomm's office.

Before suspension of services, PTCL issued a payment notice to Wisecomm on 12 November, 2013, revealed emails. The payment issue has been lingering for the past many years, and is sub judice.

Further, the CCP bench said Wisecomm has a total of 7,000 to 8,000 subscribers, a very minuscule market share. A competitor, having a negligible market share, cannot claim to exert enough competitive pressure that its exclusion would impact the behaviour of the dominant undertaking and may cause prejudice to consumers, the order read.

Wisecomm has neither provided any evidence that shows any harm to consumers in terms of price, quality and choice due to the alleged action of PTCL, according to the CCP.



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مسابقتی کمیشن نے پی ٹی سی ایل کیخلاف دائر شکایت خارج کر دی

دائر کیونٹیلیشن سسٹمز نے پی ٹی سی ایل پر مسابقتی قوانین کی خلاف ورزی کا الزام لگایا تھا

اسے مارکیٹ سے نکلنے کے لئے اس کی سروسز بند کر دی ہیں، جو مسابقتی ایکٹ 2010ء کی سق 3 جی کی خلاف ورزی ہے۔ مسابقتی کمیشن نے معاملے کی تفتیش کے لئے انکوآری کمیٹی تشکیل دی تھی، جس کی رپورٹ کی روشنی میں کمیشن کے فل ٹینچ نے کیس کی سماعت کی اور دونوں فریقین کو اپنا اپنا موقف پیش کرنے کا موقع دیا۔

لاہور (کامرس رپورٹر) مسابقتی کمیشن پاکستان نے مسابقتی قوانین کی خلاف ورزی ثابت نہ ہونے پر وائر کیونٹیلیشن سسٹمز کی جانب سے پی ٹی سی ایل کے خلاف دائر شکایت خارج کر دی۔ کمیشن کی جانب سے جاری اعلامیہ کے مطابق وائر کیونٹیلیشن کی جانب سے شکایت کی گئی تھی کہ پی ٹی سی ایل نے فاسڈ لوکل اوپ مارکیٹ میں اپنی حیثیت کا فائدہ اٹھاتے ہوئے

INTERNATIONAL
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Reply sought in fee increase case

Our Correspondent

Friday, October 10, 2014

LAHORE

THE Lahore High Court on Thursday sought replies from Competition Commission of Pakistan and Education Department on a petition challenging illegal increase in fee of private schools.

The petitioner Sheraz Zaka advocate contended that owners of private schools were exploiting people and fleecing huge money from them.

He pointed out that private schools increased fee every year without the approval of the competent authority which had made impossible for poor children to get good education. He said private schools mafia pressurised government and barred it from taking action against them. He said under Punjab Regulation Act 1998, the owners of private schools could not increase fee on their own whereas it is also violation of Competition Commission act.

He requested the court to direct education department to issue guidelines to private schools for enhancing fee. Justice Mehmood Ahmed Bhatti heard initial arguments and sought replies from respondents by October 17.

Reply sought on plea against increase in school fee

Our Staff Reporter

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LAHORE - Justice Mehmood Ahmed Bhatti of the Lahore High Court Thursday directed the Competition Commission of Pakistan and the Education Department to submit reply on a petition filed against increase in fee of private schools.

The judge passed this direction while hearing a petition filed by Advocate Sheraz Zaka that owners of private schools were fleecing people in the name of education.

He told the judge that the private schools increased fee every year without the approval of competent authority which had made impossible for poor children to get good education. He said private schools had become a mafia who were united against government's pressure. He said under the Punjab Regulation Act 1998, the owners of private schools could not increase fee on their own whereas it is also violation of the Competition Commission Act. He requested the court to direct education department to issue guidelines to private schools for enhancing fee. The proceedings were adjourned until October 17.

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نجی سکولوں کی فیسوں میں اضافے پر جواب طلب

سکول مالکان عوام کا استحصال کر رہے ہیں، درخواست گزار کا ہائیکورٹ میں موقف

کہ پرائیویٹ سکولوں کا مافیا حکومت کو دباؤ میں رکھ کر محکمہ سکولز ایجوکیشن کو کارروائی سے روک لیتا ہے۔ انہوں نے بتایا کہ پنجاب ریگولیشن 1998 کے تحت سکولز مرضی سے فیسوں میں اضافہ نہیں کر سکتے جبکہ فیسوں میں اضافہ مسابقتی کمیشن ایکٹ کی بھی خلاف ورزی ہے، درخواست میں استدعا کی گئی کہ فیسوں میں اضافے کیلئے محکمہ تعلیم کو گائیڈ لائنز مرتب کرنے کی ہدایت کی جائے اور مسابقتی کمیشن کو منافع خوری میں ملوث سکولز کیخلاف کارروائی کا حکم دیا جائے۔ عدالت نے ابتدائی سماعت کے بعد مسابقتی کمیشن اور محکمہ سکولز ایجوکیشن کو نوٹس جاری کرتے ہوئے سترہ اکتوبر تک جواب طلب کر لیا۔

لاہور (خبرنگار) لاہور ہائیکورٹ نے پرائیویٹ سکولوں میں فیسوں میں اضافے کے طریقے کار کیخلاف درخواست میں مسابقتی کمیشن اور محکمہ سکولز ایجوکیشن سے جواب طلب کر لیا۔ لاہور ہائیکورٹ کے جسٹس محمود احمد بھٹی نے پرائیویٹ سکولوں میں فیسوں کے اضافے کے طریقے کار کیخلاف درخواست کی سماعت شروع کی تو درخواست گزار شیراز ذکا، ایڈووکیٹ نے موقف اختیار کیا کہ پنجاب بھر میں پرائیویٹ سکولوں کے مالکان عوام کا استحصال کر رہے ہیں اور ہر سال بغیر کسی اتھارٹی کی منظوری کے من مانا اضافہ کر دیتے ہیں جس کی وجہ سے عام آدمی کے بچوں کیلئے تعلیم حاصل کرنا مشکل ہو چکا ہے، درخواست گزار نے بتایا