

03 April 2013
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CCP imposes highest-ever penalty

RECORDER REPORT

ISLAMABAD: The Competition Commission of Pakistan (CCP) has imposed the highest-ever penalty of Rs 8.64 billion on Engro Fertilizer and the Fauji Fertilizer Company for increasing urea prices to unreasonable level- one of the main reasons behind high food inflation in the country.

The CCP order passed on Monday April 1, 2013 has been conveyed to the two urea manufacturers over their alleged abuse of dominant position in the market and unreasonable

price increase. This is the highest ever penalty imposed by the CCP. In this regard, the CCP has issued a order against two leading fertilizer companies.

The Bench comprising Chairperson Rahat Kaunain Hassan and senior Member Abdul Ghaffar, in its Order, imposed a maximum penalty provided for under the Competition Act on both EFL and FFC i.e. 10% of their individual turnover (translating to sums of Rs 3.14 billion for EFL and Rs 5.5 billion for FFC) for each unit abusing its

dominant position in violation of the Act.

In its order the CCP has strongly advised the Securities and Exchange Commission of Pakistan (SECP) that it is critical to conduct forensic cost audits of all the urea companies by independent auditors in the interest of transparency and the information so obtained be shared with relevant departments of the provincial and federal governments along with the CCP.

The CCP took notice of the

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rising trend in urea prices in December 2010 and conducted the inquiry in 2011, the CCP Enquiry Report was concluded on 25-06-2012.

Incidentally, during the year of enquiry, the price of urea bag surged by around 86 percent from Rs850 to Rs1,580 and local urea production also increased.

The enquiry included an analysis of factors that could lead to increase in urea prices.

Talking to media persons, Rahat Kaunain Hassan, chairperson CCP said here on Tuesday, "these factors are gas curtailment - the most important issue as always raised by the urea manufacturers." The other factors considered by the CCP enquiry committee were input costs, profit margins, subsidies given by the government and other policy issues, etc.

"After the enquiry, show cause notices were issued to all the urea manufacturers and many hearings were held so that their point of view could be obtained," she said, adding, "During the course of hearings, Fauji Fertilizer Company (FFC) acknowledged that the price rise was initiated by Engro Fertilizers Limited (EFL) and FFC was the only price follower." The order passed by the CCP has noted that urea is not merely a commodity or an industrial product- because Pakistan is an agricultural country urea is an essential item.

"The increase in urea price is directly related to food inflation - which has gone up by around 45 percent in five years," she said adding, "Incidentally the two companies FFC and the ECL had obtained Rs77 billion subsidies in the past three years from the government to keep the prices reasonable."

For the year under review (2011) the Fauji Fertilizer

received Rs11 billion in terms of subsidies, while Engro Fertilizer obtained Rs4.5 billion from the government.

Responding to a question why only two companies have been fined by the CCP, Hassan said it was found by the bench that FFC and the EFL had the dominating market shares of 48 percent and 26, respectively.

The detailed CCP order highlights that despite concerns of gas shortages the profits of FFC increased by more than double from around Rs11 billion in 2010 to Rs22.5 billion in 2011.

Its return on investment (ROI) after tax of 97.5 percent was way above the ROI after tax enjoyed by undertakings in agro-based economies similar to Pakistan.

The ROE in Urea business in India is capped at 12 percent, whereas in the case of EFL the CCP bench referred to a case of excessive pricing in Turkey.

The Turkish authorities had ruled in case that dropping profits, or even loss registered by any company did not imply that it could not abuse its dominant position.

However in the year 2011 the gross profits of EFL soared by more than 80 percent from that in 2010.

The CCP Bench after hearings of urea companies decided to impose a maximum penalty provided for under the Competition Act on both EFL and FFC.

This is 10 percent of their individual turnover, which comes to Rs3.14 billion for EFL and Rs5.5 billion for FFC.

Chairperson CCP said a mechanism needed to be evolved by the Government so that the subsidy (if any) should be directed at the farmer, "who is the ultimate beneficiary of subsidy as per the objective of Fertilizer Policy 2001 to ensure availability of urea at an affordable price."

CCP slaps Rs8.5bn penalty on Fauji, Engro Fertilizer

By Mehtab Haider

ISLAMABAD: Declaring price escalation by Fauji Fertilizer and Engro Fertilizer unjustified, the Competition Commission of Pakistan (CCP) on Tuesday slapped the highest-ever penalty of Rs8.64 billion on the two major fertiliser companies.

"We have found that it was completely unjustifiable to increase prices in the range of 86 percent in the agro-based economy. Therefore, the commission imposed penalty of Rs5.5 billion on Fauji Fertilizer Company (FFC) and Rs3.14 billion on Engro Fertilizer Company (EFL). We have imposed a maximum penalty of 10 percent of total turnover of the company," CCP's Chairperson Rahat Kaunain Hassan said at a press conference on Tuesday.

She said that the CCP had asked the Securities and Ex-

change Commission of Pakistan (SECP) to conduct a forensic audit of fertiliser giants to ascertain their input cost.

It was exploitative on the part of fertiliser companies to fleece consumers up to such an extent, she said, adding that they reviewed this case from all aspects and finally concluded that the competition was not allowed to function that paved the way for unreasonable price hike.

She said that the government provided Rs77 billion subsidy to fertiliser companies during the last three years and alone in one year the subsidy provided to the FFC stood at Rs11 billion while that to EFL at four billion rupees.

The penalties, she said, were still less than the subsidies provided by the government annually. The FFC holds 48 percent and the EFL enjoys 26 percent

of the market share and therefore all other companies become irrelevant when it comes to price determination.

The CCP had also taken notice of price increase by fertiliser manufacturers during December 2010. The commission conducted an inquiry and found that the abuse of dominance was the major cause of price increase. Later, show cause notices were issued and the CCP's bench started hearing. In its order, the CCP observed that the gas curtailment impacted this sector by 4.3 percent so it could be cited as an excuse to an unprecedented price increase.

The commission stated that it was necessary to go one step ahead of establishing that the market was captive. The EFL,

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CCP slaps...

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through price initiating, had demonstrated that it ruled the market. Besides, the FFC played a second fiddle to it and was the only other undertaking to initiate price, it added. All the other undertakings were found by the bench to be lacking in the ability of being the agents of unreasonable price increases.

The FFC was found to earn lofty profits, which stood at Rs11 billion in 2010, having increased to Rs22.5 billion in 2011. The gross profits of EFL went up by more than 80 percent from 2010 to 2011. Furthermore, the increase in its profit before interest and tax (PBIT) was 121 percent as against FFC's PBIT increase of 95 percent.

The bench found that both FFC and EFL took advantage of a lack of competition in the fertiliser market and continued to increase prices in excess of a level that would have prevailed in the market with appreciable competitive constraints.

They abused their individual dominant position in contravention of clause (a), subsection (3) of Section 3 of the competition Act, it maintained.

Increasing urea prices

Engro, Fauji fined Rs8.64 billion

By Kalbe Ali

ISLAMABAD, April 2: The Competition Commission of Pakistan (CCP) has imposed a major penalty of Rs8.64 billion on Engro Fertiliser Limited (EFL) and the Fauji Fertiliser Company (FFC) for increasing urea prices to an unreasonable level, which led to a rise in food inflation in the country.

The CCP conducted a thorough inquiry into the matter after taking notice of rising trend in urea prices in December 2010.

The order has been conveyed to the two urea manufacturers over their abuse of dominant position in the market.

During the year of inquiry, the urea bag price surged by around 86pc from Rs850 to Rs1,580 and local urea production also increased.

The inquiry included an analysis of factors that could lead to increase in urea prices.

"These factors are gas curtailment - the most important issue as always raised by the urea manufacturers," said Rahat Kaunain Hassan, CCP chairperson on Tuesday.

The other factors considered by the CCP inquiry committee were input costs, profit

margins, subsidies given by the government and other policy issues etc.

"After the inquiry, show-cause notices were issued to all urea manufacturers and many hearings were held so that their point of view could be obtained," she said, adding, "during the course of hearings, Fauji Fertiliser Company (FFC) acknowledged that the price rise was initiated by Engro Fertilisers Ltd (EFL) and the FFC was only price follower."

The CCP bench comprised CCP Chairperson and senior member Abdul Ghaffar.

The order noted that urea is an essential item, and the increase in urea prices directly hits food inflation which has gone up by around 45pc in five years. Incidentally the two companies - FFC and the EFL - had obtained Rs77bn subsidies in the past three years from the government to keep the prices at a reasonable level.

In 2011, the Fauji Fertiliser received Rs11bn in terms of subsidy while Engro Fertiliser obtained Rs4.5bn from the government.

The detailed order highlights that despite concerns of gas shortage, the profit of FFC increased from around Rs11bn

in 2010 to Rs22.5bn in 2011.

Its return on investment (ROE) after a tax of 97.5pc was above the ROE after tax enjoyed by the undertakings in agro-based economies similar to Pakistan.

The ROE in urea business in India is capped at 12pc, whereas in the case of EFL, the CCP bench referred to a case of excessive pricing in Turkey.

The Turkish authorities had ruled in the case that dropping profits or even loss registered by any company does not imply that it cannot abuse its dominant position.

However, in 2011 the gross profits of EFL went up by more than 80pc from that in 2010. The CCP bench after hearing the urea companies decided to impose a maximum penalty on both EFL and FFC under the Competition Act.

This is 10pc of their individual turnover which comes to Rs3.14bn for EFL and Rs5.5bn for FFC.

The CCP also advised the Securities and Exchange Commission of Pakistan (SECP) that it is critical to conduct forensic cost audit of all urea companies by independent auditors in the interest of transparency.

Collusive activities

CCP nails Fauji Fertilizer, Engro Fertilizers with Rs8.6b fine

Investigation finds both companies unjustifiably increased prices of urea in tandem with each other

OUR CORRESPONDENT
ISLAMABAD

The country's top antitrust watchdog has slapped a maximum collective penalty of Rs8.6 billion on Fauji Fertilizer and Engro Fertilizers – the two largest urea manufacturers in the country – after both entities were found involved in the “excessive pricing of urea”.

“Given the nature of [the] crime, the Competition Commission of Pakistan [CCP] has decided to impose the maximum penalty of 10% of the turnover on each company for unreasonable, unjustified and unfair increase in prices of urea in 2010,” CCP Chairperson Rahat Kaunain Hasan announced here on Tuesday. The chairperson said a Rs5.5 billion penalty had been imposed on Fauji Fertilizer and a Rs3.14 billion fine slapped on Engro Fertilizers. The fine was imposed by a two-member bench after almost a year and a half's efforts in completing the investigation process.

The chairperson said both companies had raised the

“The bench felt restrained [in] that it could not impose a fine of more than 10% of turnover

CCP Chairperson
Rahat Kaunain Hasan

companies increased urea prices by 86% in just one year, while crop prices increased only 40-45% over a period of five years,” observed the chairperson.

“The bench felt restrained [in] that it could not impose a fine of more than 10% of turnover,” she added. Under the CCP Act, the maximum penalty that can be imposed by the commission is 10% of the errant company's turnover, or Rs75 million, whichever is higher.

Hasan said the decision to impose the maximum penalty was taken after considering the importance of the agricultural sector to the economy, and the fact that these manufacturers had increased prices

Commission of Pakistan to conduct a forensic cost audit of both the companies.

According to the bench's findings, Rs77 billion were given in subsidies to the fertiliser industry over three years. In 2011 alone, Engro Fertilizers had received a subsidy of Rs4.5 billion, while Fauji Fertilizer had received approximately Rs11 billion in subsidies.

Both companies enjoy a dominant position in the urea market. Fauji Fertilizer controls 48% of market share, while the market share of Engro Fertilizers is 26%. The bench found that both had used their market power to initiate a price increase; with Engro initiating a price hike, which was followed by Fauji.

Hasan observed that Fauji did not have any justification for the increase: it is the single largest urea manufacturer in the country and should have behaved independently.

“In Fauji Fertilizer's case, it is our considered view that – had there been competition – Fauji would not have



MARKET MOVERS: Both fertiliser producers enjoy a dominant position in the urea market. Fauji Fertilizer controls 48% of market share, while the market share of Engro Fertilizers is 26%. PHOTO: FILE

Both companies argued that they had increased prices to match the impact of gas curtailment on their input prices.

However, CCP's findings show that Fauji's plant was only slightly affected by gas curtailment, with impact in the range of 7-9%. Due to the price increase, Fauji Fertilizer's gross profit mar-

Profits before interest and taxes, meanwhile, increased by a staggering 95%; from approximately Rs17.4 billion in 2010, to Rs33.95 billion in 2011. As per Fauji Fertilizer's accounts, its rate of return on equity after tax comes but to 97% in 2011, up from 71.4% in 2010.

At the same time, Engro

Hasan pointed out.

According to BMA Capital – an investment bank – the fines, if realised, will have an impact of Rs6.1 per share for Engro, and Rs3.9 per share for Fauji.

The CCP has so far imposed Rs17.1 billion in fines on errant corporate entities, but recoveries have remained at only

Unjust increase in urea fertilizer price

CCP imposes Rs 8.64bn penalty on EFL, FFC

■ FFC has been imposed a penalty of Rs 5.5 billion and EFL Rs 3.14 billion for abusing their dominant positions in the urea market

Staff Report

ISLAMABAD: Terming 86 percent increase in urea fertilizer price as unjust during 2010-11 despite availing Rs 77 billion subsidy in last three years, the Competition Commission of Pakistan (CCP) has imposed maximum and highest-ever penalty of Rs 8.64 billion on Engro Fertilizer Limited (EFL) and Fauji Fertilizer Company (FFC) for abuse of their dominant positions through unreasonable price increase.

FFC has been imposed a penalty of Rs 5.5 billion or 10 percent of their annual turnover and EFL a penalty of Rs 3.14 billion or 10 percent of their annual turnover for abusing their dominant positions in the urea market.

The CCP has also recommended Securities and Exchange Commission of Pakistan (SECP) to initiate **Forensic Cost Audit** of both the companies to ascertain the input and quantities of input used in the production of both the companies to determine the real cost of their production against their fixed price of urea.

The commission took notice on its own of a price increase carried out by all the urea manufacturers in Pakistan in December 2010 that continued through 2011. The commission constituted an inquiry committee to identify whether the subject price increases amounted to a contravention of the provisions of the Competition Act, 2010. In this regard the inquiry report concluded on June 25, 2012, carried out an analysis of factors such as gas curtailment, input costs, profit margins, subsidies, government policies etc to reach at a conclusion that the undertakings found to be individually as well as collectively dominant, abused this position in carrying out unreasonable increase in prices in violation of Clause (a), Sub-section (3) of Section 3 of the Act. All urea manufacturers were issued show-cause notices for individual and collective abuse of dominant position.

The bench comprising Chairperson Rahat Kaunain Hassan and senior Member Abdul Ghaffar, in its order, observed that in determining whether the undertakings were individually dominant in the urea market

(the 'relevant market') particularly with respect to the aspect of unreasonable price increase, it was necessary to go one step ahead of establishing that the market was captive and determine on a case by case basis whether each undertaking had the market power to effect, influence or initiate a price change in the market. In this regard EFL had itself demonstrated by being the price initiator, that it was in fact dominant in the relevant market.

With respect to FFC, it was thus found by the bench that having a much greater market share in the relevant market in terms of production and satisfying the test for market power provided for under Section 2(1)(e) of the Act, it was the only other undertaking in the relevant market with the ability to initiate price changes in the relevant market other than EFL. All the other undertakings were found by the bench to be lacking in the ability of being the agents of unreasonable price increases in the relevant market and were therefore not found to be individually dominant.

The bench took into considera-

tion numerous factors including local concerns such as the nature of urea as an essential commodity, its importance to the farmer and agricultural growth and the government of Pakistan based subsidy provided to the undertakings and then employed numerous comparators (involving a comparison of profitability with jurisdictions of similar nature) in the light of the test laid out in the other developed jurisdictions. FFC was found to have more than doubled its profits from around Rs 11 billion in 2010 to Rs 22.5 billion in 2011. Its ROE after tax of 97.5 percent was way above the ROE after tax enjoyed by undertakings in agro-based economies similar to Pakistan in all aspect of the urea business (ROE after tax in India having an upper ceiling of 12 percent). In respect of EFL the bench observed in the light of a case of excessive pricing in Turkey that plummeting profits or even a loss registered by an undertaking doesn't imply that it cannot abuse its dominant position. The bench looked at the increase in gross profits as they neutralised the effect of its debt obligation that was peculiar to it

not just in terms of the fact that it carried out the investment but also in terms of the arrangement it agreed upon with the lender or financiers to pay it back. The gross profits of EFL went up by more than 80 percent from 2010 to 2011, furthermore the increase in its profit before interest and tax (PBIT) was 121 percent as against FFC's PBIT increase of 95 percent, implying that in the absence of EFL's debt obligation, with these prices prevailing it would have seen a tremendous increase in after tax profit just as FFC. In light of the above it was found by the bench that both FFC and EFL took advantage of a lack of competition in the relevant market and continued to increase prices in excess of a level that would have prevailed in a market with appreciable competitive constraints and in having done so abused their individual dominant position in contravention of Clause (a), Sub-section (3) of Section 3 of the Act.

Based on its findings and taking into account all relevant factor, including the product involved, its significance for the economy and the quantum of subsidy availed by the

FFC and EFL which amounted to Rs 11 billion and Rs 4.5 billion, respectively for the year 2011 only, the bench imposed a maximum penalty provided for under the Act on both EFL and FFC like 10 percent of their individual turnover (translating to sums of Rs 3.14 billion for EFL and Rs 5.5 billion for FFC) for each abusing its dominant position in violation of the Act. Furthermore the bench deemed it critical to advise Securities and Exchange Commission of Pakistan (SECP) that forensic cost audits pertaining to all the undertakings must be carried out by independent auditors in the interest of transparency and the information so obtained shared with the relevant departments of the provincial and federal governments along with the commission. Lastly the bench was of the considered view that a mechanism needs to be evolved by the government of Pakistan so that the subsidy (if any) should be directed at the farmer who is the ultimate beneficiary of subsidy as per the objective of fertilizer policy 2001 to ensure availability of urea at an affordable price.

CCP imposes penalty of Rs 8.64b on fertilizer companies

OUR STAFF REPORTER

ISLAMABAD - The Competition Commission of Pakistan (CCP) has imposed a penalty of Rs 8.64 billion on leading fertilizer manufacturing companies - Engro Fertilizer Limited (EFL) and Fauji Fertilizer Company Limited (FFC) - for abuse of their dominant position through unreasonable price increase.

The Commission took notice on its own of a price increase carried out by all the urea manufacturers ('undertakings') in Pakistan in December 2010 that continued through 2011. The Commission constituted an Enquiry Committee to identify whether the subject price increases amounted to a contravention of the provisions of the Competition Act, 2010 (the "Act"). In this regard the Enquiry Report concluded on 25-06-2012, carried out an analysis of factors such as gas curtailment, input costs, profit margins, subsidies, government policies etc. to reach at the conclusion that the undertakings found to be individually as well as collectively dominant, abused this position in carrying out unreasonable increase in prices in vi-

olation of Clause (a), Subsection (3) of Section 3 of the Act. All urea manufacturers were issued show cause notices (SCN) for individual and collective abuse of dominant position.

The Bench comprising the Chairperson Ms Rahat Kaunain Hassan and senior member Abdul Ghaffar, in its order, observed that in determining whether the undertakings were individually dominant in the urea market (the "relevant market") particularly with respect to the aspect of unreasonable price increase, it was necessary to go one step ahead of establishing that the market was captive and determine on a case by case basis whether each undertaking had the market power to effect, influence or initiate a price change in the market. In this regard EFL had itself demonstrated by being the price initiator; that it was in fact dominant in the relevant market. With respect to FFC, it was thus found by the bench that having a much greater market share in the relevant market in terms of production and satisfying the test for market power provided for under Section 2(1)(e) of the Act, it was the only other undertaking in the relevant market with the ability

to initiate price changes in the relevant market other than EFL. All the other undertakings were found by the bench to be lacking in the ability of being the agents of unreasonable price increases in the relevant market and were therefore not found to be individually dominant.

The bench took into consideration numerous factors including local concerns such as the nature of urea as an essential commodity, its importance to the farmer and agricultural growth and the Government Of Pakistan based subsidy provided to the undertakings and then employed numerous comparators (involving a comparison of profitability with jurisdictions of similar nature) in the light of the test laid out in the other developed jurisdictions. FFC was found to have more than doubled its profits from around Rs 11b in 2010 to Rs 22.5b in 2011. Its ROE after tax of 97.5% was way above the ROE after tax enjoyed by undertakings in agro based economies similar to Pakistan in all aspect of the Urea business (ROE after tax in India having an upper ceiling of 12%). In respect of EFL the bench observed in the light of a case of excessive pricing in Turkey that

plummeting profits or even a loss registered by an undertaking doesn't imply that it cannot abuse its dominant position. The Bench looked at the increase in gross profits as they neutralized the effect of its debt obligation that was peculiar to it not just in terms of the fact that it carried out the investment but also in terms of the arrangement it agreed upon with the lender/financers to pay it back. The gross profits of EFL went up by more than 80% from 2010 to 2011, furthermore the increase in its Profit before Interest and tax (PBIT) was 121% as against FFC's PBIT increase of 95%, implying that in the absence of EFL's debt obligation, with these prices prevailing it would have seen a tremendous increase in after tax profit just as FFC. In light of the above it was found by the bench that both FFC and EFL took advantage of a lack of competition in the relevant market and continued to increase prices in excess of a level that would have prevailed in a market with appreciable competitive constraints and in having done so abused their individual dominant position in contravention of clause (a), subsection (3) of Section 3 of the Act.

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CCP imposes Rs8.64b penalty on fertilizer companies

STAFF REPORTER

ISLAMABAD—The Competition Commission of Pakistan (the “Commission has imposed a penalty in the sum of PKR 8.64 Billion on part of Engro Fertilizer Limited (EFL) and Fauji Fertilizer Company Limited (FFC) for abuse of their dominant position through unreasonable price increase.

The Commission took notice on its own of a price increase carried out by all the Urea Manufacturers (‘undertakings’) in Pakistan in December 2010 that continued through 2011. The Commission constituted an Enquiry Committee to identify whether the subject price increases amounted to a contravention of the provisions of the Competition Act, 2010 (the “Act”). In this regard the Enquiry Report concluded on 25-06-2012, carried out an analysis of factors such as (i) Gas curtailment (ii) Input Costs (iii) Profit margins (iv) Subsidies, government policies etc to reach at the conclu-

sion that the undertakings found to be individually as well as collectively dominant, abused this position in carrying out unreasonable increase in prices in violation of Clause (a), Subsection (3) of Section 3 of the Act. All urea manufacturers were issued Show Cause Notices (SCN) for individual and collective abuse of dominant position.

The Bench comprising the Chairperson Ms. Rahat Kaunain Hassan and senior Member Mr. Abdul Ghaffar, in its Order, observed that in determining whether the undertakings were individually dominant in the Urea Market (the “relevant market”) particularly with respect to the aspect of unreasonable price increase, It was necessary to go one step ahead of establishing that the market was captive and determine on a case by case basis whether each undertaking had the market power to effect, influence or initiate a price change in the market. In this regard EFL had itself demonstrated by being the price ini-

tiator, that it was in fact dominant in the relevant market. With respect to FFC, It was thus found by the bench that having a much greater market share in the relevant market in terms of production and satisfying the test for market power provided for under Section 2(1)(e) of the Act, it was the only other undertaking in the relevant market with the ability to initiate price changes in the relevant market other than EFL. All the other undertakings were found by the bench to be lacking in the ability of being the agents of unreasonable price increases in the relevant market and were therefore not found to be individually dominant.

The bench took into consideration numerous factors including local concerns such as the nature of Urea as an essential commodity, its importance to the farmer and agricultural growth and the Government Of Pakistan based subsidy provided to the undertakings and then employed numerous comparators (involv-

ing a comparison of profitability with jurisdictions of similar nature) in the light of the test laid out in the other developed jurisdictions. FFC was found to have more than doubled its profits from around PKR 11 bn in 2010 to PKR 22.5 bn in 2011. Its ROE after tax of 97.5% was way above the ROE after tax enjoyed by undertakings in agro based economies similar to Pakistan in all aspect of the Urea business (ROE after tax in India having an upper ceiling of 12%). In respect of EFL the bench observed in the light of a case of excessive pricing in Turkey that plummeting profits or even a loss registered by an undertaking doesn’t imply that it cannot abuse its dominant position. The Bench looked at the increase in gross profits as they neutralized the effect of its debt obligation that was peculiar to it not just in terms of the fact that it carried out the investment but also in terms of the arrangement it agreed upon with the lender/financers to pay it back.

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مسابقتی کمیشن نے اینگرو اور فوجی فریٹلائزر

کمپنی پر ساڑھے 8 ارب جرمانہ عائد کر دیا

اسلام آباد (خبرنگار خصوصی) مارکیٹ میں اجارا داری قائم کر کے ناجائز منافع خوری اور یوریا کی قیمتوں میں بلاجواز اضافے پر مسابقتی کمیشن آف پاکستان (سی سی سی) باقی صفحہ 5 نمبر 28

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مسابقتی کمیشن

(پی) نے اینگرو فریٹلائزر لمیٹڈ اور فوجی فریٹلائزر کمپنی پر ساڑھے آٹھ ارب روپے سے زائد کا جرمانہ عائد کر دیا ہے جس میں سے فوجی فریٹلائزر پر 5 ارب 50 کروڑ روپے جبکہ اینگرو فریٹلائزر پر 3 ارب 14 کروڑ روپے کا جرمانہ عائد کیا گیا ہے۔ فریٹلائزر کمپنیوں کے فرائزنگ کاسٹ آؤٹ کیلئے سیکورٹیز ایکس چینج کمیشن آف پاکستان (ایس ای سی پی) کو ایڈوائس بھی بھجوا دی گئی ہے۔ ان خیالات کا اظہار سی سی پی کی چیئر پرسن راحت کونین حسن نے میڈیا کو بریفنگ دیتے ہوئے کیا۔ انہوں نے بتایا کہ فوجی اور اینگرو فریٹلائزر پر جرمانہ دسمبر 2010ء سے دسمبر 2011ء کے عرصہ کیلئے عائد کیا گیا ہے اور یہ جرمانہ ان کے انفرادی 10 فیصد کے ٹرن اوور کے حساب سے لگایا گیا ہے، اینگرو اور فوجی فریٹلائزرز پر عائد کیا جانے والا یہ جرمانہ سی سی پی کی تاریخ کا سب سے بڑا جرمانہ ہے۔ چیئر پرسن نے بتایا کہ فوجی فریٹلائزر کا منافع 2010 سے 2011 کے ایک سال کے عرصہ کے دوران 11 ارب روپے سے بڑھ کر 22 ارب 50 کروڑ روپے ہو گیا تھا، اینگرو کے سود اور ٹیکس سے پہلے کے منافع میں 121 فیصد اضافہ ہوا جبکہ فوجی فریٹلائزر کے سود اور ٹیکس سے پہلے کے منافع میں 95 فیصد کا اضافہ دیکھا گیا، گزشتہ تین سال کے دوران اینگرو اور فوجی فریٹلائزر کو مجموعی طور پر 77 ارب روپے کی سبسڈی دی گئی جبکہ دسمبر 2010 سے دسمبر 2011 کے دوران اینگرو کو 11 ارب روپے جبکہ فوجی فریٹلائزر کو 4 ارب 50 کروڑ روپے کی سبسڈی دی گئی، اس کے باوجود یوریا کی قیمتوں میں بلاجواز اضافہ کیا گیا ان کا کہنا تھا کہ صرف 2011 کے ایک سال کے عرصہ میں یوریا کی قیمتوں میں 80 فیصد سے زائد کا اضافہ کیا گیا جبکہ اس کے مقابلے میں گزشتہ پانچ سال کے دوران فصلوں کی قیمتوں میں 40 سے 45 فیصد کا اضافہ ہوا، قیمتوں میں اضافے کے حوالے سے فوجی اور اینگرو فریٹلائزر مارکیٹ پاور کی حیثیت اختیار کر گئے ہیں اور دونوں انفرادی طور پر مارکیٹ میں بالادستی کی پوزیشن رکھتے ہیں۔

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س کی ایک سی پی

مسابقتی کمیشن نے 2 کھاد کمپنیوں پر 8.64 ارب روپے جرمانہ کر دیا

دو دنوں پر مارکیٹ میں غالب پوزیشن کا غلط استعمال کرتے ہوئے قیمتیں بڑھانے کا الزام ثابت ہو گیا

ایس ای سی پی کو آڈٹ اور معلومات متعلقہ محکموں کو دینے کی بھی سفارش کردی، راحت کو نمین

اسلام آباد (خصوصی رپورٹر) مسابقتی کمیشن آف پاکستان (سی سی پی) نے مسابقتی قوانین کی خلاف ورزی اور ملک میں کھاد کی قیمتوں میں مصنوعی اضافہ کرنے پر بڑی کھاد کمپنیوں پر 8 ارب 64 کروڑ روپے کا جرمانہ عائد کر دیا۔ سی سی پی کی چیئر پرسن راحت کو نمین حسن نے منگل کو پریس بریفنگ کے دوران بتایا کہ سی سی پی نے اب تک کا سب سے بڑا جرمانہ کیا ہے۔ انھوں نے بتایا کہ سی سی پی کے سینئر ممبر عبدالغفار اور ان پر مشتمل بنچ نے پایا کہ مارکیٹ کی غالب کمپنیوں ای ایف ایل اور ایف ایف سی نے یوریا کھاد کی قیمتیں بڑھائیں، کمیشن نے کھاد کی قیمتوں میں اضافے کے رجحان کو دیکھتے ہوئے انوائٹری کی، سال 2010-11 میں قیمتیں 40 سے 50 فیصد بڑھیں۔ انھوں نے کہا کہ اتنی قیمتیں بڑھنا اس بات کا متقاضی تھا کہ اسے چیک کر کے درست کیا جائے اور اس رجحان کو روکا جائے تاکہ کارٹل کی حوصلہ شکنی اور مسابقتی سرگرمیوں کو فروغ دیا جاسکے۔ انھوں نے بتایا کہ انوائٹری کے نتائج اور تمام عناصر بشمول سبسڈی کو مد نظر رکھتے ہوئے بنچ نے ایکٹ کے تحت دو دنوں کی قیمتوں پر متعلقہ قانون کی خلاف ورزی کرتے ہوئے اپنی غالب پوزیشن کا غلط استعمال کرنے پر زیادہ سے زیادہ جرمانہ عائد کیا جو ان کے انفرادی ٹرن اور 10 فیصد (ای ایف ایل کے لیے 3.14 ارب اور ایف ایف سی کے لیے 5.5 ارب روپے) ہے۔ انھوں نے بتایا کہ بنچ نے ایس ای سی پی کو بھی شفافیت کے لیے متعلقہ کمپنیوں کا غیر جانبدار آڈیٹرز سے فارنسک کاسٹ آڈٹ کرنے کی سفارش کی ہے اور اس سلسلے میں معلومات صوبائی اور وفاقی حکومتوں کے متعلقہ محکموں اور کمیشن کو بھی دی جائیں۔

نائب مزمنافع خوری، قیمتوں میں بے پناہ اضافہ اور احبارہ داری کا الزام

فوجی، اینگرو فرٹیلائزر پر ملکی نارنج کا سب سے بڑا جرمانہ

مسابقتی کمیشن نے دونوں کمپنیوں کو قصور وار ٹھہراتے ہوئی فوجی فرٹیلائزر پر 5 ارب 50 کروڑ، اینگرو فرٹیلائزر پر تین ارب 14 کروڑ روپے کے جرمانہ عائد کر دیا کمپنیوں نے منافع کے باوجود نقصان ظاہر کر کے حکومت سے 77 ارب روپے کی سبسڈی بھی وصول کی، غیر جانبدار آڈیٹرز سے فرانزک آڈٹ کرائی جائے، راحت کونین

اسلام آباد (ظہیر سید) مسابقتی کمیشن نے ناجائز منافع خوری، قیمتوں میں بے پناہ اضافہ اور کارخانوں فوجی فرٹیلائزر اور اینگرو فرٹیلائزر پر ملکی نارنج کے سب سے بڑے جرمانے کیے ہیں۔ دونوں کمپنیوں نے یوریا کھاد کی مارکیٹ میں اپنی طاقتور حیثیت کو ناجائز منافع خوری کے لیے استعمال کرتے ہوئے کارخانوں کو بھاری نقصان پہنچایا اور حکومت کی جانب سے حاصل کردہ 77 ارب روپے کی سبسڈی کے ٹھراتے ہی عوام کو محروم رکھا۔ کمیشن کی جانب سے از خود نوٹس کی بنیاد پر یوریا سیکٹر میں ناجائز منافع خوری اور بھاری منافع کی تحقیقات کے بعد دونوں کمپنیوں کو قصور وار ٹھہراتے ہوئے فوجی فرٹیلائزر پر 5 ارب 50 کروڑ جبکہ اینگرو فرٹیلائزر پر تین ارب 14 کروڑ روپے کے جرمانے عائد کیے گئے ہیں۔ کمیشن کی چیئر پرسن راحت کونین نے منگل کو یہاں ایک پریس بریفنگ میں بتایا کہ دسمبر 2010 میں یوریا کی قیمتوں میں غیر معمولی اضافے کا نوٹس لیا گیا اور ایک سال کی تحقیقات کے دوران تمام فریقین کو شنوائی کا مکمل موقع فراہم کیا گیا۔ انکوائری کمیٹی نے فرٹیلائزر سیکٹر کو قدرتی گیس کی فراہمی میں کمی، حکومتی سبسڈی، حکومتی پالیسیوں، پیداواری قیمت، منافع کی شرح سمیت مختلف پہلوؤں کا جائزہ لیا۔ انہوں نے بتایا کہ دونوں کمپنیوں کو مارکیٹ میں اجارہ داری کی حیثیت حاصل ہے اور ان کی متحرک کردہ قیمت مارکیٹ کی قیمت تصور کی جاتی ہے جس کی وجہ سے دیگر کھاد بنانے والی کمپنیوں کو بھی فائدہ ہوتا ہے۔ یوریا جیسی بنیادی چیز کی قیمت میں ناجائز منافع خوری براہ راست ملکی معیشت پر اثر انداز ہوتی ہے حکومت کی جانب سے کارخانوں کو جو سبسڈی فراہم کی جاتی ہے عوام اس کے ٹھراتے ہی محروم ہو جاتے ہیں۔ راحت کونین نے انکشاف کیا کہ صرف فوجی فائبریشن کا منافع جو 2010 میں 11 ارب روپے تھا 2011 میں 22 ارب 50 کروڑ روپے سے بڑھ گیا۔ اینگرو فرٹیلائزر کا منافع 2010 کی نسبت 2011 میں 80 فی صد سے بھی بڑھ گیا جبکہ اس تمام عرصے میں ملک کے فرٹیلائزر سیکٹر کے بدترین بحران کا شکار ہونے کا پردہ پیچھا رہی گیا جاتا رہا، خاص طور پر جب کمیشن نے قیمتوں میں بے پناہ اضافے اور ناجائز منافع خوری کے عمل کی تحقیقات شروع کیں تو میڈیا کے ایک حصے میں فرٹیلائزر سیکٹر کے بحران کا شکار ہونے کی مہم شروع کر دی گئی۔ مسابقتی کمیشن نے سیکورٹی اینڈ ایکس میجنگ کمیشن کو کھاد بنانے والے کارخانوں کی پیداواری قیمت کے تعین کے لیے آزاد اور غیر جانبدار آڈیٹرز سے فرانزک آڈٹ کے لیے بھی کہا ہے۔

بجٹ پبلسٹک