

# BUSINESS



”Khalil: CCP will arrange road shows across the country to create awareness about competition laws

Competition Commission Chairperson Vadiya Khalil

## — to hold national road shows on Competition Law

**RECORDER REPORT**  
ISLAMABAD: The Competition Commission of Pakistan (CCP) has announced holding of National Road Shows on Competition Law, during December 4, 2015 to January 20, 2016, for creating awareness of the law and improving voluntary compliance by the business community.

Vadiyya Khalil, the Chairperson, Competition Commission of Pakistan (CCP), informed while briefing media here on Thursday that the purpose of the Road Show is to spread awareness of the Competition Law by approaching the stakeholders in all major cities of the country. She said that Section 29 of the Competition Act, 2010 mandated the CCP to carry out advocacy to spread awareness of the law. She said that unless the businessmen know about the Competition Law, they could not be expected to comply.

She said that the CCP decided to go vigorously on creating awareness among the industry and trading stakeholders and they planned to go to 22 important cities in next one and half month period to ensure outreach and creating awareness about competition law and progress so

far achieved by CCP since its inception with the Act of Parliament.

She informed that teams comprising the Members and officers will tour 22 cities of the country and hold around 32 interactive sessions at the chambers of commerce and trade associations. "The Road Show will provide an opportunity to interact with a wide array of stakeholders from across sectors of the economy including the national and multinational firms, small and big corporate entities, SMEs, professional bodies, and businessmen from manufacturing and trade," she said.

The Road Show will allow CCP to have a direct interaction with the businessmen and know about competition issues they might be facing, she said and further informed that CCP has prepared information material, both in print and electronic form, to disseminate among the audience of the Road Show.

Vadiyya Khalil further said that by reaching out to the stakeholders in such a large number in short time, CCP will go a long way in strengthening a compliant competition culture while at the same time spreading its reach to all major cities of the country. The Road Show

will help bridge any existing gap between the CCP and its stakeholders.

Elaborating the plan of the Road Show, the Chairperson informed that it will be launched in a seminar at the Islamabad Chamber of Commerce and Industry on 4 December 2015 and then the advocacy sessions will be held in Khyber Pakhtunkhwa Chamber, KP Women Chamber on 7 December, Mardan Chamber on 8 Dec, Rawalpindi Chamber on 09 December, Chakwal Chamber on 11 December, Jhelum Chamber on 11 Dec, Gujrat Chamber and Pak Electric Fan Manufacturing Association on 14 Dec, Sialkot Chamber and Surgical Instrument Manuf. Association on 15 Dec, Gujranwala Chamber on 16 Dec, Faisalabad Chamber and All Pak Textile Processing Mills Association on 17 Dec, Jhang Chamber on 18 Dec, Sargodha Chamber on 21 Dec, Multan Chamber, Pak Cotton Ginner's Association, and Pak Crop Protection Association on 29 Dec, Bahawalpur Chamber on 30 Dec, Karachi Chamber on 4 Jan 2016, Hyderabad Chamber on 12 Jan, Sukkur Chamber on 13 Jan, 2016 and Quetta Chamber on 19 January 2016.

# CCP focusing on sugar, cigarettes, auto and other sectors

## RECORDER REPORT

**ISLAMABAD:** The Competition Commission of Pakistan (CCP) has focused on certain sectors i.e. sugar, cigarettes, auto, pharmaceutical, aviation and milk to check any violations of competition laws like cartelization, price fixation, deceptive marketing practices or any other anti competitive practices.

Addressing a press conference here at the CCP on Thursday, Chairperson CCP Ms. Vadiyya Khalil said that the commission has decided to examine the sugar industry for which a study on the said sector would be carried out. In 2009 CCP had imposed penalty on the sugar mills. The CCP is holding an inquiry for establishing anti competitive practices and wrongdoings in the said sector.

CCP Members Ikram Ul Haque Qureshi and Dr Shahzad Ansar also explained current issues and applicability of CCP laws on different sectors. Ikram Ul Haque highlighted major provisions of the competition laws and their importance for different sectors as well as consumers. Dr Shahzad Ansar pointed out that the commission is also looking at the milk, ghee/cooking oil sector and medicines.

CCP Chairperson said that the CCP had already taken actions by imposing billions of rupees fines after establishing cartels in major sectors including cement, sugar and many others but they all got rescued by getting stay orders by challenging constitutionality or jurisdiction of the Commission.

Vadiyya Khalil stated that the CCP is also probing phar-

maceutical sector but its inquiry has not yet been initiated. "We are collecting evidence to get permission from the Commission (CCP) for starting inquiry into this sector.

CCP Chairperson said that they were probing air fares, auto, cigarettes, milk companies and pharmaceutical sectors to ascertain any wrongdoing with the prospective of competition concerns or abuse of dominance by any major player to dictate the markets. Both enforcement actions and advocacy have importance under competition law. Where enforcement is required, action has been taken by the commission. Whereas where advocacy is needed, the same has been effectively carried out by the commission.

In case of life saving drugs, the CCP is inquiring that how zero rated facility provided by the FBR on five major drugs was misused and low price drugs were smuggled into India or Bangladesh by creating artificial shortages inside the country.

She said that the Commission brought major change in the process of taking up mergers cases as they established full three member bench to summon all stakeholders for hearing before taking its final decision as earlier one member was authorized to approve merger/acquisitions on the basis of filed application in 30 days period. Now the major merger case is coming related to telecom sector. The two cellular companies are in the process of filing case to seek approval from us, said CCP Chairperson.

She said that the

Commission was asking high-profile schools for providing information on fee hike as earlier they had approached the Lahore High Court (LHC) to bar the proceedings on the pretext that education is provincial subject but the honorable Court asked CCP to finalize jurisdiction related issues after hearing elites school.

CCP Member Ikram Ul Haque Qureshi said that the CCP issued orders to schools for providing information related to fees hike. Now another school had also approached the LHC for seeking stay order on our proceedings, he added.

Qureshi said that the LHC has now clubbed all cases in which the court had granted stay orders.

The CCP Chairperson said that on the directive of Finance Minister Ishaq Dar, the CCP conducted inquiry on price hike of essential items and recommended the government to come up with uniform formula for fixing prices of food items in markets of different cities.

About hoarding, CCP Chairperson said that there are different laws to deal with the issue of hoarding.

She said that the CCP had conducted 32 hearings, issued 9 orders and cleared 74 mergers during last three quarters (January to September) 2015. The CCP conducted 28 inquiries out of which 5 were concluded and 23 were in the progress.

On the issue of cigarette industry, CCP officials said that if the documented cigarette manufacturers have violated competition law, the CCP can initiate action against the industry.

Life-saving drugs

# Office of Fair Trade launches probe

Alleges that drugs are imported under concessionary regime, then sent to other countries

SHAHBAZ RANA  
ISLAMABAD

The Office of Fair Trade has launched a probe into alleged smuggling of life-saving drugs from Pakistan, which pharmaceutical companies are manufacturing by importing raw materials at extremely low duties and taxes and then smuggling them abroad.

"The Office of Fair Trade is gathering information about five medicine brands that are manufacturing various kinds of life-saving drugs," said Dr Shahzad Ansar, the Member Fair Trade and Advocacy of Competition Commission of Pakistan (CCP) on Thursday.

He was speaking during a press conference called to unveil the CCP's plans to launch an advocacy campaign in order to create awareness about the Competition Act of Pakistan. In a countrywide drive, the CCP would reach to businesses and their representative bodies to make them aware about benefits of ensuring competition and fair play.

"The Office of Fair Trade has apprehensions that the medicines manufactured



**SUPPORT:** Pakistan offers a concessionary taxation regime to pharmaceutical companies aimed at facilitating provisions of life-saving drug. PHOTO: FILE

by importing raw materials by enjoying concessionary taxes and duties are smuggled into Afghanistan and Bangladesh," said Ansar.

Pakistan offers a concessionary taxation regime to pharmaceutical companies aimed at facilitating provisions of life-saving drugs at affordable rates. However, instead of providing relief to the domestic consumers, these manufacturers are, prima facie, minting money by smuggling medi-

cines to other countries.

Ansar said his department had not yet taken the case to CCP, but as soon as he gets hold of irrefutable evidence, the CCP would be requested to launch an inquiry and serve notices to these manufacturers.

The office of Fair Trade was trying to track down the imports of raw materials, the manufactured drugs and the quantity sold in the domestic market. Ansar said that his department would also look

into the dairy sector business practices to determine whether packaged milk producers were deceiving the consumers or not.

#### Sugar sector

CCP Chairperson Vadiyya Khalil has said the anti-trust watchdog might also undertake a study to review how the prices of sugarcane and sugar are determined by the industry; referring to a recent statement made by Pakistan Sugar Mills Association (PSMA) Chairman Iskandar Khan, in which he requested the CCP to intervene in the sugarcane price market.

Khan's statement was contrary to the stance that the PSMA has so far undertaken in a court case. The PSMA has challenged the existence of the anti-trust watchdog after the CCP imposed the maximum penalty on the sugar cartel. Khan confirmed that he sought the CCP intervention.

According to 2011 provisional inquiry report of the CCP, the PSMA - a group of 81 sugar mills - has been involved in preventing, restricting and reducing competition in the

sugar industry.

Under the Competition Act of 2010, the CCP decided to impose a maximum penalty of Rs75 million or 10% of the annual revenues of a company. However, the CCP has been restrained by courts from issuing its final order after the PSMA obtained a stay order.

The courts allowed the CCP to conclude proceedings but restrained it from issuing a final order. Khalil said that the Lahore High Court was hearing the petitions filed by various parties against the constitutionality of the CCP.

Under the current system, the government fixes the price of sugarcane by keeping in mind the cost of production. However, the PSMA has taken a stance that sugarcane price should be linked with the recovery rate.

The PSMA on Thursday met with Commerce Minister and demanded that the government should allow it to export 500,000 tons of sugar and give Rs13 per kilogramme subsidy as the prices in the international market were lower than the domestic prices.

Selling tablets of same generic at different prices

## CCP mulling to probe against medicine mafia

  
**IMRAN ALI KUNDI**  
ISLAMABAD

The Competition Commission of Pakistan (CCP) is considering a probe against the medicines mafia as they are selling tablets of same generic at different prices in the country.

We are trying to approach medicine companies to get their data, as they are involved in business of selling medicines of same generic at different prices in the country, said CCP member Shahzad Ansar while talking to the media on Thursday. He was flanked with Chairperson CCP Vadiyya Khalil and another member of the Commission Ikram Ul Haque Qureshi.

Chairperson said that CCP is going to do a study to discuss the alleged sugar Cartelization. Talking about the school free hike, She said that the case is taking time as two of the private schools approached Lahore High Court against the by saying CCP could not intervene in education matter, which is provincial. The CCP could take action if it found any group is involved in cartelization, whether it is provincial or federal issue, she added.

Sharing performance of the Commission, Vadiyya informed that CCP imposed Rs140 million fine on auto dealers for creating cartelization and using anti-competitive practices. "The CCP is also conducting inquiry of private airlines who had increased their air fair during the strike of national flag carrier airline and notices

were served to these air lines", she added.

On the directives of Finance Minister, Chairperson said that CCP suggested short term and long term recommendations for controlling prices. In short-run, we have proposed uniform price formula, which could determine the prices in the country.

Highlighting the performance of the Commission during so far period of the on-going calendar year, she informed the media that CCP conducted 32 hearings and issued 13 showcase notices and took nine enforcement orders. Number of mergers was 74 and given 90 exemptions.

The CCP had also initiated 28 inquiries and 23 was completed and process was under way to complete the remaining five inquiries within the stipulated time. The Chairperson said the Commission had also issued three policy notes to the government.

She also informed about that CCP would organize road shows in 22 cities across the country in order to create awareness about competition laws. The commission would meet all stakeholders including chambers of commerce, academia and private sector organizations to promote advocacy and enforcement of laws.



# CCP probing 'cartelisation' of sugar tycoons

Chairperson says Mobilink, Warid in process of seeking approval from commission for merger

**Mehtab Haider**

ISLAMABAD: In order to probe allegation of cartelisation against sugar tycoons as majority of owners belong to the political elite, the Competition Commission of Pakistan (CCP) is holding an inquiry for establishing anti-competitive practices and wrongdoings.

The watchdog, CCP, had already taken action in a number of cases by imposing billions of rupees fines after establishing cartels in major sectors including cement, sugar and many others, but they all got rescued by getting stay orders by challenging the constitutionality or jurisdiction of the Commission.

The CCP is also probing pharmaceutical sector but its inquiry has not yet been initiated. "We are collecting evidence to get permission from the Commission (CCP) for starting inquiry into this sector," the Chairperson CCP Vadiyya Khalil told during a press briefing here on Thursday.

Flanked by Members Ikram

Ul Haque Qureshi and Dr Shahzad Ansar on this occasion, the CCP Chairperson said that they were probing air fares, auto, cigarettes, milk companies and pharmaceutical sectors to ascertain any wrongdoing with the prospective of competition concerns or abuse of dominance by any major player to dictate the markets.

In case of life saving drugs, the CCP is inquiring that how zero rated facility provided by the FBR on five major drugs was misused and low price drugs were smuggled out to India or Bangladesh by creating artificial shortages inside the country.

She said that the Commission brought major changes in the process of taking up merger cases as they established full three-member bench to summon all stakeholders for hearing before taking its final decision as earlier one member was authorised to approve merger/acquisitions on the basis of filed application in 30 days period.

"Now the major merger case is coming to be related to telecom sector as Mobilink had recently taken over another player of the market Warid. They are in the process of filing case to seek approval from us," said CCP Chairperson.

She said that the CCP was holding probe. She said that the Commission was asking high-profile schools for providing information on fee hike as earlier they had approached the Lahore High Court (LHC) to bar the proceedings on the pretext that education is a provincial subject but the honourable Court asked CCP to finalise jurisdiction related issues after hearing elite school.

After hearing schools, CCP Member Ikram Ul Haque Qureshi said that the CCP issued orders to schools for providing information related to fees hike. Now another school had also approached the LHC for seeking stay order on our proceedings, he added.

He said that the LHC had

now clubbed all cases in which the court had granted stay orders.

The CCP Chairperson said that on the directive of Finance Minister Ishaq Dar, the CCP conducted inquiry on price hike of essential items and recommended to the government to come up with uniform formula for fixing prices of food items in markets of different cities.

She said that the CCP had conducted 32 hearings, issued 9 orders and cleared 74 mergers during last three quarters (January to September) 2015. The CCP conducted 28 inquiries out of which 5 were concluded and 23 were in progress.

She said that the CCP decided to go vigorously on creating awareness among the industry and trading stakeholders and they planned to go 22 important cities in next one and half month period to ensure outreach and creating awareness about completion law and progress so far achieved by CCP since its inception with the act of Parliament.

## کمپی ٹیشن کمیشن، تینوں سٹاک ایکسچینوں کے انضمام کی منظوری

لاہور (سٹاف رپورٹر) کمپی ٹیشن کمیشن آف پاکستان نے اسلام آباد، لاہور اور کراچی سٹاک ایکسچینج مارج کے معاملے پر دوسرے مرحلے کے جائزے (فیروز 2 رپولیو) آرڈر جاری کیا ہے اور اس مارج کے معاملے پر بعض کپیا

کمیشن خدمات کا مداد ا کرنے کے لئے شراکتہ لاگو کرتے ہوئے مارج کی منظوری دے دی ہے۔ یہ آرڈر کمیشن کے جس شیڈ نے جاری کیا اس میں دو یوٹیلٹی چیز پرن، مین باٹل نمبر، ڈاکٹر شہزاد انصر نمبر اور (باقی صفحہ 5 بقیہ نمبر 2)

منظوری

بقیہ نمبر 2

اکرام الحق ترمی میر شامل تھے۔ اس تفصیل فیصلے میں کمیشن نے مارج کا ایک جامع تجزیہ کیا تاکہ اس امر کا تعین کیا جا سکے کہ کہیں اس سے کسی ایک ادارے کی بالادستی قائم یا مزید مستحکم ہونے سے مقابلے کا رجحان کم تو نہیں ہو رہا۔

**مسابقتی قوانین کی خلاف ورزی پر 1 سال  
 میں 14 کروڑ 32 لاکھ روپے کا جرمانہ**

اسلام آباد (خصوصی رپورٹر) مسابقتی کمیشن آف پاکستان (سی سی پی) نے 1 سال کے دوران مسابقتی قوانین کی خلاف ورزی کرنے والوں پر مجموعی طور پر 14 کروڑ 32 لاکھ 50 ہزار روپے سے زائد جرمانے کا حکم دیا ہے۔ سی سی پی کی چیئر پرسن ویڈیا خلیل نے میڈیا سے گفتگو کرتے ہوئے بتایا کہ مسابقتی کمیشن نے 23 دسمبر 2014 سے اب تک مسابقتی قوانین کی خلاف ورزی کے مرتکب افراد و اداروں کو 13 شوکاؤنٹس جاری کیے، 32 کیسوں کی سماعت اور 9 کیسوں میں انفورسمنٹ آرڈر جاری کیے، اس عرصے میں 174 انفصام (مرج) کے آرڈر جاری کیے گئے اور 190 تنقیدی (چھوٹ) دی گئیں، اس دوران 28 انکوائریاں بھی شروع کیں جن میں سے 5 مکمل ہو چکیں اور 23 جاری ہیں۔



## ایک سال میں بے ضابطگیوں پر 14 کروڑ 32 لاکھ روپے جرمانے کئے، چیئر پرسن مسابقتی کمیشن

ادویات کی ایک قسم کی مختلف قیمتوں، شیئر ہولڈرز، کسانوں اور چینی کی قیمت کے معاملات کا جائزہ لیا جا رہا ہے۔ واڈیا ٹیلی

اسلام آباد (کامرس رپورٹر) مسابقتی کمیشن آف پاکستان کی چیئر پرسن واڈیا ٹیلی نے مسابقتی کمیشن آف پاکستان کی کارکردگی بتاتے ہوئے کہا کہ مسابقتی کمیشن نے گزشتہ ایک سال کے دوران 13 شوکاز نوٹس جاری کیے، 174 انضمام سے متعلق اور 19 انفورمیشن آرڈر جاری کئے۔ 32 معاملات کی سماعت کی 28 انکوائریاں کی جن میں سے پانچ کا فیصلہ دے دیا گیا ہے۔ انہوں نے کہا کہ مختلف بے ضابطگیوں اور بے ضابطگیوں پر مجموعی طور پر 143.20 ملین روپے کے جرمانے عائد کئے

کئے۔ مسابقتی کمیشن کے ممبران اکرام الحق قریشی اور شیواہد عنصر کے ہمراہ جمعرات کو پریس کانفرنس سے خطاب کرتے ہوئے واڈیا ٹیلی نے بتایا کہ مسابقتی کمیشن ادویات کی ایک ہی قسم (جنرک) کی مختلف قیمتوں کے حوالے سے معلومات جمع کر رہا ہے اس معاملے پر بھی انکوائری کی جائے گی جبکہ شوگر ملز اور کسانوں کے معاملات کا بھی جائزہ لیا جا رہا ہے کسانوں کو دی جانے والی قیمت اور مارکیٹ میں چینی کی قیمت کے معاملے کو دیکھتے ہیں اس حوالے سے ماضی میں بھی شوگر ملز کو جرمانہ کیا گیا تھا۔