

Employee News Briefing

26-August -2024

News Coverage of CCP Press Release “Alfalah Asset Management secures CCP approval for acquisition, strengthening market position”



CCP grants approval: AAML gaining control of FAML’s certain funds

ISLAMABAD: The Competition Commission of Pakistan (CCP) has granted approval for the acquisition of management rights of certain funds of M/s. Faysal Asset Management Limited by M/s. Alfalah Asset Management Limited. This approval follows the execution of a transfer of management rights agreement between the two entities.

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Faysal Funds becomes 1st certified Shariah Compliant Asset Company

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The CCP's approval underscores its commitment for maintaining a competitive landscape in the financial services sector while ensuring sustainable growth and financial innovation in the asset management industry.

Read more: <https://www.brecorder.com/news/40319077/ccp-grants-approval-aaml-gaining-control-of-famls-certain-funds>

PAKISTAN TODAY

Acquisition of certain funds of Faysal Asset Management by Alfalah Asset Management approved

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Under the terms of the agreement, Alfalah Asset Management will acquire the management rights of certain funds currently under the management of Faysal Asset Management Limited, the CCP said in a press release.

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Read more: <https://profit.pakistantoday.com.pk/2024/08/24/acquisition-of-certain-funds-of-faysal-asset-management-by-alfalah-asset-management-approved/>



Alfalah Asset Management Secures CCP Approval for Strengthening Market Position

This approval follows the execution of a Transfer of Management Rights Agreement between the two entities, said a press release issued on Friday.

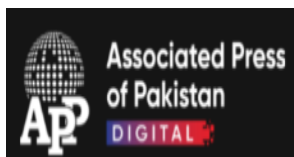
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Read more: <https://propakistani.pk/2024/08/23/alfalah-asset-management-secures-ccp-approval-for-strengthening-market-position/amp/>



Alfalah asset management secures CCP approval for strengthening market position

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Read more: <https://www.app.com.pk/business/alfalah-asset-management-secures-ccp-approval-for-strengthening-market->



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Share

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Read more: <https://www.bloompakistan.com/alfalah-asset-management-secures-ccp-approval-for-acquisition-strengthening-market-position/>



CCP Approves Alfalah Asset Management's Acquisition of Management Rights from

Faysal Asset Management, Ensuring Competitive Market Balance

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Read more: <https://newzshewz.com/ccp-approves-alfalah-asset-managements-acquisition-of-management-rights-from-faysal-asset-management-ensuring-competitive-market-balance/>



CCP approves Al Falah's acquisition of Faisal Asset Management funds

August 23, 2024 (MLN): The Competition Commission of Pakistan (CCP) has granted approval to Al Falah Asset Management to acquire the funds of Faisal Asset Management.

The approval was granted following the agreement on the transfer of management between the two companies.

Under the agreement, Al Falah will acquire management rights for some of Faisal Asset Management's funds.

The acquisition of certain funds from Faisal Asset Management will not result in Al Falah Asset Management gaining a monopoly in the market, CCP affirmed.

Read more: <https://mettisglobal.news/ccp-approves-al-falahs-acquisition-of-faisal-asset-management-funds/>



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Read more: <https://customnews.pk/2024/08/23/alfalah-asset-management-secures-ccp-approval-for-acquisition-strengthening-market-position/>



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ISLAMABAD, (APP - UrduPoint / Pakistan Point News - 23rd Aug, 2024)

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Read more: <https://www.urdupoint.com/en/business/alfalah-asset-management-secures-ccp-approval-1856237.html>



PML-N working towards economic stability: Irfan Siddiqui

Parliamentary Leader in the Senate, Senator Irfan Siddiqui, said on Friday that the Pakistan Muslim League-Nawaz (PML-N) government was working towards economic stability. During the leadership of Nawaz Sharif the country was on the path of progress and prosperity, he said while talking to a private news channel.

A Leading National Daily

Daily
The Spokesman

RAWALPINDI

فرمان رسول ﷺ

ہم سب کی نگرانی کرتے ہیں اور ہر شخص کو اپنا کام سنبھالنے اور اس کی ذمہ داری ادا کرنے سے ہمیں ہرگز ہٹانے کی ضرورت نہیں ہے۔

بھارتی ریٹس کے ساتھ مل کر

Barkat Rice Mills (Pvt) Limited



Pakistan-Ethiopia Fraternity Park to be established in Islamabad next month

Pakistan and Ethiopia on Friday announced to establish a dedicated park in Islamabad next month to foster fraternity and brotherhood between the two countries under the ongoing bilateral cooperation in the area of climate change. The announcement to this effect was made during a press briefing jointly addressed by H. E. Senel Beker Abdula, Special Envoy and Ambassador of Ethiopia to Pakistan, H. E. Romina Khurshed Alam, Coordinator to the PM on Climate.

Simultaneously published from Islamabad, Lahore and Multan

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Spokesman Report

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CCP Reference News



Can deregulation transform sugar industry?

By Munawar Hasan August 25, 2024

LAHORE: Advocating for the deregulation of the sugar trade, a leading industry representative has highlighted several factors that have enhanced the commodity's competitiveness in the global market.

"We believe that a permanent opening of the sugar trade is crucial, as we are capable of competing internationally," said a veteran sugar mill owner. He argued that existing restrictions have distorted the sugar trade, undermining fundamental business principles. According to him, it is not the government's role to dictate how businesses should operate.

This call for deregulation comes as the Ministry of Finance has introduced new measures to regulate sugar prices. On Friday, a ministry official said that enforcing both retail and wholesale sugar prices will be a priority. The government will closely monitor sugar price fluctuations and continuously analyze the reasons behind rising prices. Daily price assessments will be conducted, with the Ministry of Industry providing regular updates to the Ministry of Finance on sugar pricing.

Commenting on the government's approach, a representative from the sugar industry added that the government's policy should focus on minimizing involvement. He referred to a policy note by the Competition Commission of Pakistan (CCP) on sugar price fixation, suggesting that if deregulation is to be considered, the CCP's recommendations should be followed.

The CCP's decision highlighted that many problems in the sugar sector arise from both excessive regulation and insufficient competition. Per the CCP, alternatives to price ceilings include deregulation, removing subsidies, and promoting market competition.

The sugar tycoon argued that trade restrictions end up controlling the entire industry. He noted that fluctuations in sugarcane cultivation and processing, driven by regulatory changes, have led to inconsistent sugar production. Overregulation and strict laws have skewed market dynamics, affecting both sugarcane and sugar pricing.

Several factors, including consecutive bumper sugarcane harvests, improved sugarcane quality and currency devaluation, have given the local industry a competitive advantage. The industry is confident in its ability to compete internationally and believes that now is the right time for the sugar sector to operate independently. The industry is aware of domestic market needs and price sensitivity, which is why it has helped maintain local sugar prices.

Given the surplus sugar and high international prices, the federal government should take decisive action to deregulate the sugar trade, he urged. This move would address current industry challenges and help break the cycle of oversupply that leads to government-imposed export restrictions and price drops, making production unprofitable.

When farmers lose interest in sugarcane production due to financial losses, production decreases. This reduction then drives up consumer prices, creating new challenges for both sugarcane farmers and the industry. This ongoing cycle of crisis and blame among stakeholders undermines the sector.

The rise and fall of sugar prices should not be attributed to sugar mills alone. Policymakers need to recognize that these fluctuations are largely a result of overregulation. If the government does not seize the opportunity to make the sugar industry a permanent player in the global market through deregulation, the sector may never achieve independent growth due to what he describes as excessive and unwarranted regulations.

Read more: <https://www.thenews.com.pk/amp/1223446-can-deregulation-transform-sugar-industry>

CCP Related News

Dhaka Tribune

Why it's important to reform the Competition Commission now

Wafiur Rahman

Publish : 21 Aug 2024

Why do you think the Bangladesh Competition Commission needs to be reformed?

The current composition of the Bangladesh Competition Commission (BCC) has not been done in accordance with the requirements laid down in Section 7 (2) and (3) of the Competition Act, 2012.

The Competition Commission in every country plays a major role for regulating the market, which includes eliminating practices (cartel – price fixing, predatory pricing, creating market entry barrier, tying-in arrangements, and monopoly, oligopoly, etc.) that can create an adverse effect on the competition in the market (product/goods market), i.e. egg, edible oil, sugar; promote competition in the market by ensuring level playing field for all businesses (small and big), protect consumers' interest (competitive pricing, choice/option of goods, quality of goods, etc.), ensure freedom of trade, encourage investment.

The role of the commission is not only filing cases against businesses, but also conducting market survey or market study of individual goods/products to see if such a market has any elements (cartel, monopoly, etc.) that could deter the competition in that very market; conduct investigation, create awareness within the stakeholders, merger control, and adjudicate cases to ensure justice.

Keeping in view the aforesaid crucial role that the BCC is required and expected to play, the chairman and members of the BCC are required to have adequate knowledge of at least three fields, i.e. law, economics, and how markets work.

Unfortunately, none among the chairman and the members of BCC fulfill the legal requirement.

As a result, we never saw the BCC performing its role as it is ought to be performing, to fulfill the objectives, due to which markets in Bangladesh have suffered, investors have been discouraged and petrified, supply of goods have been imbalanced, causing further price hike and chaos in the market and the economy.

It is important to note that in none of the cases that the BCC has adjudicated proper investigation was conducted, economic analysis was done. Fairness, transparency, and predictability in the proceedings were not followed at all, resulting in unfair decisions being passed.

Some of the companies were severely punished or had to pay fines, and some were allowed to walk free.

The BCC has also failed to frame rules for adjudication of cases and the proceedings, and has been adjudicating cases ever since without framing any rules, which makes the whole process of the proceedings of the cases completely unfair and unlawful, resulting in severe injustice.

The composition of the current BCC does not comply with the requirements laid down in Section 7 (2) and (3), which renders the BCC coram non iudice, (Latin for not before a judge). Hence any decision or order passed by the commission is unlawful or illegal.

As a result, a number of writ petitions were filed in the High Court (most were initiated by me), and the High Court passed an order of stay in those writs.

How can the reforms facilitate better business?

If the BCC is reformed with the right kind of minds or expertise, it will be better equipped to perform its function as required by the law.

They will be expected to follow competition law jurisprudence, principles of fairness, predictability and transparency, and will frame the rules that are required for proper adjudication of cases and investigation, which will guide and help them to come up with better decisions in all aspects that are expected to ensure justice and bring confidence to investors/businesses mind to the effect that no one will be punished wrongfully or harassed.

Investors will feel safe to invest, which will augment production of goods to meet the level of required supply demanded by consumers.

Besides, once businesses develop more confidence in the BCC, they will feel safer and free to operate, with no fear of being punished wrongly, and thus they are likely to invest more, which will generate more employment and cause economic growth.

How strongly is the current competition law enforced in Bangladesh? Are companies taking advantage of any existing loopholes?

I have advocated for enactment of this law since 2008, and have been at the forefront for the development of this area/sector, and thus have had a keen interest in closely monitoring how the BCC progresses ahead and in developments in this area.

In 2021 we arranged a five-day training program for the officials of the BCC, including the chairman and members, and I was also appointed as a non-government adviser to the BCC in 2021. I later resigned.

I appeared before the BCC for conducting hearings in many cases to represent my clients. Therefore, I have had the opportunity to observe the BCC very closely.

So far, I have seen that the BCC has not been able to enforce the Competition Law at all.

Since August 2022, the BCC has been policing more than functioning as a watchdog of competition.

It has filed numerous cases against businesses that are baseless and frivolous in nature.

No market survey was done before filing such cases, no economic analysis was done during the investigation or inquiry stages, and no due process was followed during the adjudications of the cases.

The BCC filed cases against businesses based on unfounded grounds and media reports (they cannot do that as per law), exonerated businesses at their will, and also penalized businesses at their will again, but no law or due process was followed at all.

When a commission, with such an important role to carry out, runs its function in such a way, it is apparent that some businesses will take advantage of the loopholes or flaws, and those who are innocent will be punished. Justice must be ensured and justice must prevail.

We often see selective entities gain undue favors under regimes in power.

Yes, this has been a recurrent happening.

But we have also seen vindictive measures taking place, as several corporate institutions were severely fined by the BCC during the egg price hike last year. Why did the Commission slap large fines on a section of institutions? Companies in other sectors, against whom cases have been decided, even Eovaly, have not been fined so much.

Is the commission making judgements based on perceptions or has it made up its mind against a class of defendants? For now, the statistics say so.

The Commission's tendency to levy erroneous penalties will discourage investors and producers.

Do you think these entities are averse to healthy competition?

No, I do not think so. When a person or entity brought before an authority (BCC) under proceedings sees that the authority is not functioning as per law or has flaws within or in the proceedings, such a person or entity will always try to take advantage of the flaws by various means, which at the end of the day undermines justice.

That is because such a person or entity does not or cannot have faith or trust in the authority or have the expectation that justice will be done or ensured.

Why have previous governments been unable to break through the syndicated price hikes of certain products during their tenures?

Simply put, the government/we did not have the right set of people or officials or minds that have the necessary know-how and skills to detect cartels (syndicates).

In general, we (people/citizens) have some misconception about cartels or the so-called syndicates. It may be noted that any market where large numbers of producers, traders and sellers are operating every day, i.e. agriculture, poultry, etc., cannot have cartels or syndicates.

In such markets it is not possible for a few people to control the market.

Markets that do not have any entry barriers are also not very friendly to cartels or syndication.

Markets that have only a few players to operate, or have entry barriers, i.e. require licences to operate, are prone to cartel or syndication, e.g. edible oil import, sugar import, telecom, internet, energy/electricity/gas, etc.

Do you think consumer awareness can break such syndicates? What more needs to be done?

Consumer awareness and awareness among the media can improve the situation in many aspects that can help break up cartels or the so-called syndicates, which will guide the BCC or government as to where to focus or concentrate on.

In many markets it is almost impossible to form a cartel, but we (citizens and media) keep saying that there is a cartel or syndicate. By doing so we divert our focus from the issues that we need to focus on more.

In every other country, insofar I have seen, the Competition Commission firstly conducts market study or market survey, i.e. finding what are the demands, what are the source of goods, who are the producers, number of producers, how the supply chain functions in that market, the quantity of supply or if the supply is sufficient to meet demand, how the demand side would look in the next 6/12/24 months, what is the trend, does the price fluctuate (increase or decrease), does the market react/is the market reactive, etc.

If we see prices of certain goods in a market increasing and decreasing, that means such a market is reactive.

It responds to the demands and behaviour of the consumers. Usually markets where a cartel exists do not react very quickly or in a short term/period.

Discarding the misconception that "price hikes mean syndicates in the market", a proper application of competition laws can ensure the interests of consumers.

If the media and journalists are well equipped and understand this area of law and competition economics better, they will be able to pinpoint the problem, raise their voice by putting the right questions to the BCC and government (as to what they are supposed to be doing) and in this way citizens will be better informed. That will guide the BCC and government on to the right path.

Read more: <https://www.dhakatribune.com/amp/business/355593/why-it's-important-to-reform-the-competition>