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CCP's efforts progress in promoting fair competition, enhancing market transparency

The Competition Commission of Pakistan (CCP) has made substantial progress in its efforts to promote fair competition, dismantle cartels, and enhance market transparency across the economy.

Under the leadership of its newly appointed chairman Dr Kabir Sidhu, the CCP has refocused on resolving legal backlogs, strengthening its enforcement framework, and implementing proactive reforms that are reshaping the competitive landscape in Pakistan.

Sajid Gondal, CCP spokesperson told media on Tuesday that a top priority for the CCP had been resolving long-pending legal cases. By submitting early hearing applications in the Competition Appellate Tribunal (CAT) and High Courts, the Commission has made strides in clearing its backlog. So far, 46 cases have been dismissed in favour of the CCP by the CAT, while additional cases have been resolved by the Lahore and Islamabad High Courts.

These cases, which addressed violations such as cartelization, abuse of dominant market position, and deceptive marketing, represent a significant victory for the Commission. The courts' decisions to uphold CCP's orders and penalties reinforce its authority, ensuring that businesses are held accountable for anti-competitive practices.

To expedite case resolutions, the CCP has overhauled its legal team, bringing in highly experienced lawyers. This restructuring has significantly reduced the Commission's dependence on external legal counsel, cutting costs while improving the efficiency of legal proceedings, he said.

With a stronger in-house team, the CCP is now better equipped to handle the enforcement of competition laws across the country.

The CCP's efforts have resulted in the recovery of over Rs70 million in penalties from businesses found guilty of cartel-like behaviour and other anti-competitive practices. This figure represents 25 percent of the total penalties collected by the CCP since its inception in 2007, with a cumulative recovery of Rs269 million across industries such as sugar, cement, and automobiles, he maintained.

The recovery is a major milestone in the CCP's mission to foster fair competition and protect consumer interests.

In October 2023, the CCP took a significant step toward proactive enforcement with the establishment of its Market Intelligence Unit (MIU). The MIU utilizes advanced data analysis and monitoring tools to detect cartels and other market abuses before they cause harm. Since its creation, the MIU has identified 54 instances of cartel activity, mergers, and deceptive marketing, underscoring the CCP's shift from reactive to proactive enforcement.

This new approach signals a stronger commitment to protecting consumer rights and ensuring that businesses compete fairly in the market.

He informed that the CCP continues to be active in enforcing competition laws, recently concluding ten major inquiries under Sections 3 and 4 of the Competition Act. These include cases of price fixing by the Pakistan Flour Mills Association and refusal-to-deal violations by the Pakistan Film Producers Association. Additionally, eight inquiries under Section 10 have been completed, addressing issues related to deceptive marketing.

In the area of mergers and acquisitions, the CCP has issued 65 Phase-I and one Phase-II orders across sectors such as banking, insurance, logistics, and health. The smooth processing of these applications has attracted Rs 29 billion in Foreign Direct Investment (FDI), creating jobs and contributing to Pakistan's economic growth.

As part of its broader mission, the CCP has conducted four research studies under the IMF's Public Investment Management Assessment (PIMA) Action Plan. These studies have assessed competition in key markets like power, road construction, insurance, and LNG, providing critical insights into how competition can be enhanced in these sectors.

On the international front, the CCP has strengthened ties with countries such as China, Russia, and South Korea, signing Memoranda of Understanding (MoUs) to enhance coordination and information sharing on competition-related issues.

The recent reforms and achievements at the CCP highlight the Commission's renewed commitment to promoting fair competition in Pakistan's economy. With a restructured legal team, proactive market monitoring, and enhanced international collaboration, the CCP is positioned to continue its vital role in ensuring that markets remain open and competitive.

As the CCP looks ahead, its focus remains on building a fair, transparent, and competitive market environment, benefiting both businesses and consumers in Pakistan, he added.

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