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Grant of 'PIS' to BOPET units

CCP disposes of complaint filed by BOPP film makers

RECORDER REPORT

ISLAMABAD: The Competition Commission of Pakistan (CCP) has disposed of a complaint filed by Bi-axially Oriented Polypropylene ("BOPP") films manufacturer regarding grant of Pioneer Industry Status (PIS) by the Ministry of Industries and Production to manufacturers of Bi-axially Oriented Polyethylene Terephthalate ("BOPET") films.

The CCP bench comprised Dr Joseph Wilson, Chairman, Dr Shahzad Ansar and Mueen Batlay who heard the case.

The complainant pleaded before the bench that BOPET films manufacturers do not qualify under the criteria laid down for the PIS, and they

falsely claimed the pioneer status which has distorted competition in the relevant markets.

It was alleged that the economic benefits of PIS granted to BOPET manufacturers has enabled them to abuse their dominant position in violation of Section 3 (1),(2) & (3)(f) of the Competition Act 2010 ("the Act"), i.e., by charging predatory pricing and driving competition out of the market, preventing new entry and monopolizing the market.

The Commission conducted a public hearing on September 4, 2014, wherein the Complainant and Respondents and representatives of Engineering Development Board submitted their views and comments on the matter.

The assessment of abuse of dominance is dependent on the determination of relevant market which primarily comprises substitutable products in a particular geographic area. The products involved in the case were BOPP and BOPET film sheets produced in Pakistan. Considering the characteristics, unique properties and suitability for their end usage, BOPP and BOPET film sheets are best used as complements of each other and are not substitutes. The Commission noted that since BOPP and BOPET do not form part of the same relevant market, therefore, the grant of PIS to BOPET manufacturers has not restricted, reduced or distorted competition in the market of BOPP.

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Pioneer industry status to BOPET makers not anti competitive: CCP



OUR STAFF REPORTER
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In the complaint, it was claimed that BOPET films manufacturers do not qualify under the criteria laid down for the PIS, and they falsely claimed the pioneer status which has distorted competition in the relevant market.

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In the complaint, it was claimed BOPET films manufacturers did not qualify under the criteria laid down for the PIS and they falsely claimed the pioneer status, which has distorted competition in the relevant market. It was alleged that the economic benefits of PIS granted to BOPET manufacturers has enabled them to abuse their dominant position in violation of Section 3 (1), (2) and (3)(f) of the Competition Act 2010 (the Act), i.e by charging predatory pricing and driving competition out of a market, preventing new entry and monopolising the market. The Commission conducted a public hearing on September 4, 2014, wherein the Complainant and Respondents and representatives of Engineering Development Board submitted their views and comments on the matter.

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مسابقتی کمیشن نے بی او پی ای ٹی کو پائینیر انڈسٹری سٹیٹس دے دیا

اسلام آباد (واقعہ نگار) مسابقتی کمیشن آف پاکستان نے بائی ایگز ملی اور ریٹنڈ ڈپولی پرائیملین (بی او پی ای ٹی) فلم میٹو پیکررز کی درخواست کو مسترد کر دیا ہے، بی او پی ای ٹی نے وزارت تجارت کی جانب سے بائی ایگز ملی اور ریٹنڈ ڈپولی تھیلیمن ٹیری پھیلپٹ (بی او پی ای ٹی) فلم میٹو پیکررز کو پائینیر انڈسٹری سٹیٹس کو چیلنج کیا تھا اور موقف اپنایا تھا کہ بی او پی ای ٹی اس کا حقدار نہیں ہے اور یہ مسابقتی قوانین کی خلاف ورزی ہے۔ یہ سٹیٹس ملنے سے بی او پی ای ٹی مارکیٹ میں نمایاں ہو جائینگے اور اپنی فلموں کے نرخ بھی بڑھادیں گے۔ کمیشن کے چیئرمین ڈاکٹر جوزف ولسن نے فیصلہ دیا کہ دونوں کمپنیوں کا ایک ہی خطے میں کاروبار نہیں ہے، دونوں کی مارکیٹ الگ الگ ہے اور اس سٹیٹس کے دوسری کمپنی پر کوئی مالی مضرا اثرات مرتب نہیں ہوتے اور یہ کسی بھی مسابقتی کمیشن کے قانون کی خلاف ورزی بھی نہیں ہے، لہذا بی او پی ای ٹی یہ سٹیٹس استعمال کر سکتی ہے۔