



19th Meeting of
Competition Consultative Group

CCG

23 July 2013
Sheraton Hotel,
Karachi.

Contents

INTRODUCTION:	3
THE 19 TH MEETING OF COMPETITION CONSULTATIVE GROUP (CCG):	3
IN FOCUS:	4
THE PARTICIPANTS:	4
THE CCP MEMBERS:	6
1: PEER REVIEW REPORT:	7
2: CONTEMPORARY CHALLENGES FACED BY THE COMMISSION:	7
A: FINANCIAL AUTONOMY:	8
B: BACKLOG OF CASES:	8
3: INTERNATIONAL INTERACTIONS:	8
4: RESEARCHES:	9
5: INQUIRIES:	9
A VIBRANT DISCUSSION:	10
7: EPILOGUE:	11
PRESS CLIPPINGS:	12

INTRODUCTION:

The promotion of healthy competition, enhancement of economic efficiency in the creation of level playing field is the main goal of the Competition Commission of Pakistan (CCP). The former is done by the optimal use of resources and protection of consumers from anti-competitive practices. In the due course of action an informal think tank has been created under the name of Competition Consultative Group (CCG) in 2008. The group strives to solicit feedback and guidance on competition related matters from representative of sector specific regulators, relevant professional bodies, business associations and the private sector. The CCG meetings held quarterly in various cities to ensure the wider interaction with the stakeholders and so far nineteen meetings of CCG have been held since its establishment.

THE 19TH MEETING OF COMPETITION CONSULTATIVE GROUP (CCG):

The feedback and suggestions from various strata of society were adjured through the platform provided by Competition Consultative Group (CCG) in its 19th meeting. This time the meeting was in Sheraton Hotel, Karachi. Representatives from business community, legal community, academia, media, regulatory bodies and the government attended the meeting.



IN FOCUS:

The distinguished guests were eluded about the recent accomplishment and initiatives taken by Competition Commission of Pakistan. The meeting aims to illuminate the following advancements:

- ✚ Peer Review.
- ✚ Contemporary challenges faced by the commission.
- ✚ International interactions.
- ✚ Researches and
- ✚ Inquires.

THE PARTICIPANTS:

The delegates included representatives of various public and private sector's organization. The presence of most of the invited guest indicates the incessant deepening of CCP in the national economy. Therefore, proves to be an integral part in building sound national economic infrastructure of the country. The participants include:

- 1) Mr. Haseeb Hafeez, Engro Polymer
- 2) MR. Shaheen Sawar ,FPCCI.
- 3) MR. Shakeel Abbasi, I.P.O Pakistan.
- 4) Mr. Sohaib Jamli, Business Recorder.
- 5) Ms. Saima Kamila Khan, ICI Pakistan.
- 6) Ms. Kaukab Iqbal , Consumer Association of Pakistan.
- 7) Mr. Sikandar Mustafa Khan , Pakistan Business Council.
- 8) Mr. Samir S Amir, Pakistan Business Council.
- 9) Mr. Amar Naseer, Unilever Pakistan.
- 10) Mr. Omeir Dawood, PEG
- 11) Mr. Shahid Ghaffar, HBL.
- 12) Mr. Parvez Ghias, Indus Motor Limited.
- 13) Mr. Harooz Tabreez, ICAP
- 14) Mr. M Abdul Aleem, OICCI
- 15) Mr. Tasleem uddin A. Batlay, Lakson Group.

- 16) Mr. Amjad Iqbal, SEP.
- 17) Mr. Aamir Khan, SECP.
- 18) Mr. M. Umar Barakzai, Engineering Development Board.
- 19) Mr. Roshan Lal, Engineering Development Board.
- 20) Mr. I.A Osmani, Pakistan Engineering Council.
- 21) Mr. Dr. Tariq Farooq, Commercial Department.
- 22) Mr. Noorullah, Atlas Group.



THE CCP MEMBERS:

The meeting was chaired by CCP Chairperson Ms. Rahat Kaunain Hassan, and also attended by:

- ❖ Senior member, Dr. Joseph Wilson.
- ❖ Member, Mr. Mueen Batlay.
- ❖ Director General/Registrar, Ikram ul Haque Qureshi.
- ❖ Director Ms. Shaista Bano.
- ❖ Director, Ms. Nadia Nabi.



1: PEER REVIEW REPORT:

The voluntary Peer review of Competition Law and Policy of Pakistan was organized by United Nation Conference on Trade and Development (UNCTAD). The report of peer review has a country-wide recognition of excellent reputation based on integrity, technical competence and governance. The successful completion of peer review in Geneva on 08-12 July 2013 is the emblem of recognition of CCP as an example of institution building in Pakistan and the praise it has earned for the good work done; places a higher onus on CCP to pursue its mandate with greater zeal. The Chairperson briefed the participants of the meeting on successful completion of the Peer Review of Competition Law and Policy in Pakistan at the thirteenth annual session of the Intergovernmental Group of Experts (IGE) on Competition Law and Policy, at Geneva, Switzerland. She said,

“In August 2012, CCP nearing completion of 5 years of its establishment had requested and volunteered to participate in a Peer Review of Competition Law and Policy organized by United Nations Conference on Trade and Development (UNCTAD). The purpose of the Peer Review is to assess the legal framework and enforcement experience in Pakistan and to draw lessons from past experiences with a view to improving competition law enforcement in the country.”

2: CONTEMPORARY CHALLENGES FACED BY THE COMMISSION:

Despite the accomplishments by CCP, there is still a lot that remains to be desired the idea was propounded by the chairperson Ms. Rahat Kaunain Hasan. She added that upon completion of her tenure, it is important to highlight some of the more critical areas that need to be pursued for Government’s timely consideration.



A: FINANCIAL AUTONOMY:

The Chairperson said that for a culture of competition to take strong root in Pakistan, CCP's independent voice needs to be strengthened and for that it is important that CCP attains financial autonomy. The law provides for independent funding through tied sources, namely the 3% of fee and charges levied by five other regulatory bodies namely: PTA, PEMRA, OGRA, SECP & NEPRA as part of the CCP Fund. Having only PKR 200 Million as grant for each of the last 3 years against the average budgetary requirement of Rs. 729 million has been a real challenge in the discharge of the mandate entrusted to CCP. While the Government (Ministry of Finance as well as Ministry of Law and Justice) support this, realization of this funding has become an absolute necessity for CCP's sustainability.

B: BACKLOG OF CASES:

Commenting on the huge backlog of cases in courts, the Chairperson informed the participants that CCP has imposed over Rs. 25 billion of penalties on account of anti-competitive behavior across sectors. The Competition Appellate Tribunal could only dispose off one (1) case before it became dysfunctional again. She strongly believed that the earlier provision for direct appeals to the Supreme Court would have been a more beneficial provision. In any event, until the CAT is again rendered operational, the CCP and Government must pursue composition of a Competition Division Benches at the High Court so that over 200 pending cases may be vigorously pursued without further delay.

3: INTERNATIONAL INTERACTIONS:

CCP Member Dr. Joseph Wilson briefed the participants on the international events organized by CCP and informed that CCP recently trained officials of the Government of Afghanistan on Competition Law in a consultative experience-sharing programme organized by the US Department of Commerce, through its Commercial Law Development Program, in partnership with the US Federal Trade Commission (FTC) and CCP. Besides, the officials of the Office of Fair Trade (OFT), UK, and Turkish Competition Authority recently visited CCP to train the enforcement staff of CCP.

4: RESEARCHES:

CCP Member Mueen Batlay discussed the Research program of CCP and said that research studies were being conducted in various sectors of the economy. He said that the purpose of the research program was to identify competition vulnerabilities in all sectors of the economy.



5: INQUIRIES:

CCP Directors of the Enforcement Ms. Nadia Nabi and Director Cartel Ms. Shaista Bano briefed the participants of the meetings on the on-going inquiries. They said that enquiries are being undertaken in various important economic sectors such as banking, telecom, pharmaceuticals, and public procurement.



A VIBRANT DISCUSSION:



7: EPILOGUE:

“This Competition Consultative Group (CCG) meeting recognizes the excellent leadership provided by Ms. Rahat Kaunain Hassan during her tenure of office as Chairperson of the Competition Commission of Pakistan (CCP). With her total hard work, dedication and outstanding commitment she was able to bring about sea change in the performance of the CCP towards dispensing serious understanding of the competition law and policy in Pakistan, both for the public and private sector businesses and enterprises. The CCP achievements are well recognized internationally. This CCG wishes her every success in her future endeavors and would like to invite her to be visiting this body to benefit from her wise counsel, whenever possible.”

PRESS CLIPPINGS:

The meeting has been covered by various renowned newspapers they include:

- ❖ Daily Times
- ❖ Pakistan Observer
- ❖ Business Recorder
- ❖ Jehan Pakistan

19th CCG Meeting

CCG members laud and support actions of CCP

Staff Report

ISLAMABAD: The 19th meeting of Competition Consultative Group (CCG), an informal think tank set up by the Competition Commission of Pakistan (CCP) to solicit feedback and suggestions on competition-related matters from the business community, legal community, academia, media, regulatory bodies and the government, was held in Karachi.

The meeting was presided over by CCP Chairperson Rahat Kaunain Hassan, and also attended by CCP Senior Member Dr Joseph Wilson, CCP Member Mueen Batlay, Director General and Registrar Ikram ul Haque Qureshi and other senior officials of the commission. The participants of the meeting included representatives of State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Intellectual Property Organisation, Pakistan Engineering Council, Engineering Development Board, FPCCI, JCI Pakistan, Unilever Pakistan, Habib Bank Limited, Indus Motor Company, Lakson Group, Procter and Gamble, Atlas Group, Pakistan Business Council, the Consumers Forum, Consumers Association of Pakistan, and Institute of Chartered Accountants of Pakistan (ICAP).

The chairperson briefed the participants of the meeting on the recent initiatives, actions, and decisions of CCP. She briefed the participants of the meeting on successful completion of the peer review of Competition Law and Policy in Pakistan at the thirteenth annual session of the Intergovernmental Group of

Experts (IGE) on Competition Law and Policy, at Geneva, Switzerland. "In August 2012, CCP nearing completion of five years of its establishment had requested and volunteered to participate in a peer review of Competition Law and Policy organised by United Nations Conference on Trade and Development (UNCTAD). The purpose of the peer review is to assess the legal framework and enforcement experience in Pakistan and to draw lessons from past experiences with a view to improving competition law enforcement in the country," she said.

The peer review report acknowledged that CCP has a countrywide recognition of excellent reputation based on integrity, technical competence and governance. "In fact, there is a clear perception that it has been an essential example for institution building in Pakistan."

She added that the successful completion of peer review in Geneva with the recognition of CCP as an example of institution building in Pakistan and the praise it has earned for the good work done; places a higher onus on CCP to pursue its mandate with greater zeal. She informed that the implementation of recommendations under the peer review would be under direct supervision of UNCTAD during the period 2014 to 2017 and this, she believes will play a crucial role in institutional strengthening. Despite the accomplishments by CCP, there is still a lot that remains to be desired. She added that upon completion of her tenure, it is important to highlight some of the more critical areas that need to be pursued for government's timely consideration.



ISLAMABAD: Group photograph of CCP Chairperson Rahat Kaunain Hassan with the participants of the 19th Meeting of Competition Consultative Group (CCG).

While discussing the issue of financial autonomy, the chairperson said that for a culture of competition to take strong root in Pakistan, CCP's independent voice needs to be strengthened and for that it is important that CCP attains financial autonomy. The law provides for independent funding through tied sources, namely the 3.0 percent of fee and charges levied by five other regulatory bodies namely: PTA, PEMRA, OGRA, SECP and NEPRA as part of the CCP Fund. Having only Rs 200 million as grant for each of the last three years against the average budgetary requirement of Rs 729 million has been a real challenge in the discharge of the mandate entrusted to CCP. While the government (Ministry of Finance as well as Ministry of Law and Justice) supports this, realisation of this funding has become an absolute necessity for CCP's sustainability.

Another important challenge, she said was to retain a professional team.

She said that the Institutional sustainability and reputation heavily depend on its team of professionals. "CCP confronts the challenge to retain its highly dedicated and skilful human resource and to further build and enhance its capacities. It would be a monumental loss if the talented and experienced professionals that CCP has been able to train were to leave for more financially rewarding employment. Hence, while the tied funding issue is resolved, there is emergent need to enhance budgetary allocations for the CCP."

Commenting on the huge backlog of cases in courts, the chairperson informed the participants that CCP has imposed over Rs 25 billion of penalties on account of anti-competitive behaviour across sectors. The Competition Appellate Tribunal could only dispose off one case before it became dysfunctional again. She strongly believed that the earlier provision for direct appeals to the Supreme Court would have been a

more beneficial provision. In any event, until the CAT is again rendered operational, the CCP and Government must pursue composition of a Competition Division Benches at the High Court so that over 200 pending cases may be vigorously pursued without further delay.

She added that in cases of cartels and abuse of dominant position where CCP has imposed huge penalties (owing to the public harm done) and which if recovered would go to the exchequer, there is need to compel deposit at least 50 percent of penalty upfront with the courts. "This will ensure expeditious disposal and also reduce exploitation of system by those who have already been found delinquent," she said.

On the appointment of chairman and members, the chairperson said that in order to ensure continuity of operations and the momentum at CCP, she believed it is important to initiate and complete the process of selecting my successor as well as making appointment of members at the earliest.

She wished the commission the very best in its future endeavours and emphasized that institutions like CCP are integral to building sound national economic architecture.

CCP Member Wilson briefed the participants on the international events organized by CCP and informed that CCP recently trained officials of the Government of Afghanistan on Competition Law in a consultative experience-sharing programme organized by the US Department of Commerce, through its Commercial Law Development Program, in partnership with the US Federal Trade Commission

(FTC) and CCP. Besides, the officials of the Office of Fair Trade (OFT), UK, and Turkish Competition Authority recently visited CCP to train the enforcement staff of CCP. CCP Member Batlay discussed the research programme of CCP and said that research studies were being conducted in various sectors of the economy. He said that the purpose of the research program was to identify competition vulnerabilities in all sectors of the economy.

CCP directors of the enforcement Shaista Bano and Nadia Nabi briefed the participants of the meetings on the on-going inquiries. They said that enquiries are being undertaken in various important economic sectors such as banking, telecom, pharmaceuticals, and public procurement.

Towards the end, the CCG participants unanimously adopted a resolution that read: "This Competition Consultative Group (CCG) meeting recognizes the excellent leadership provided by Ms Hassan during her tenure of office as chairperson of the CCP. With her total hard work, dedication and outstanding commitment she was able to bring about sea change in the performance of the CCP towards dispensing serious understanding of the competition law and policy in Pakistan, both for the public and private sector businesses and enterprises. The CCP achievements are well recognized internationally. This CCG wishes her every success in her future endeavors and would like to invite her to be visiting this body to benefit from her wise counsel, whenever possible."

Economy Watch
26 July 2013

CCG members support actions of CCP

STAFF REPORTER

ISLAMABAD—The 19th meeting of Competition Consultative Group (CCG), an informal think tank set up by the Competition Commission of Pakistan (CCP) to solicit feedback and suggestions on competition related matters from the business community, legal community, academia, media, regulatory bodies and the government, was held in Karachi.

The meeting was presided over by Rahat Kaunain Hassan, Chairperson, CCP, and also attended by Dr. Joseph Wilson, senior Member CCP, Mueen Batlay, Member CCP, Ikram ul Haque Qureshi, Director General/Registrar, and other senior officials of the Commission. The

participants of the meeting included representatives of State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Intellectual Property Organization, Pakistan Engineering Council, Engineering Development Board, FPCCI, ICI Pakistan, Unilever Pakistan, Habib Bank Limited, Indus Motor Company, Lakson Group, Procter & Gamble, Atlas Group, Pakistan Business Council, the Consumers Forum, Consumers Association of Pakistan, Institute of Chartered Accountants of Pakistan (ICAP), and daily Business Recorder.

The Chairperson Hassan briefed the participants of the meeting on the recent initiatives, actions, and decisions of CCP. She briefed the participants of the

meeting on successful completion of the Peer Review of Competition Law and Policy in Pakistan at the thirteenth annual session of the Intergovernmental Group of Experts (IGE) on Competition Law and Policy, at Geneva, Switzerland. "In August 2012, CCP nearing completion of 5 years of its establishment had requested and volunteered to participate in a Peer Review of Competition Law and Policy organised by United Nations Conference on Trade and Development (UNCTAD). The purpose of the Peer Review is to assess the legal framework and enforcement experience in Pakistan and to draw lessons from past experiences with a view to improving competition law enforcement in the country," she said.

26 July 2013

Page # 08

19th meeting of CCG held in Karachi

ISLAMABAD: The 19th meeting of Competition Consultative Group (CCG), an informal think tank set up by the Competition Commission of Pakistan (CCP) to solicit feedback and suggestions on competition related matters from the business community, legal community, academia, media, regulatory bodies and the government, was held in Karachi.

The meeting was presided over by Rahat Kaunain Hassan, Chairperson, CCP, and also attended by Dr Joseph Wilson, senior Member CCP, Mueen Batool, Member CCP, Iqram ul Haque Qureshi, Director General/Registrar, and other senior officials of the Commission. The participants of the meeting included representatives of State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Intellectual Property Organization, Pakistan Engineering Council, Engineering Development Board, FPCCI, ICI Pakistan, Unilever Pakistan, Habib Bank Limited, Indus Motor Company, Lakson Group, Procter & Gamble, Atlas Group, Pakistan Business Council, the Consumers Forum, Consumers Association of Pakistan, Institute of Chartered Accountants of Pakistan (ICAP), and daily Business Recorder.

The Chairperson Hassan briefed the participants of the meeting on the recent initiatives, actions, and decisions of CCP. She briefed the participants of the meeting on successful completion of the Peer Review of Competition Law and Policy in Pakistan at the thirteenth annual session of the Intergovernmental Group of Experts (IGE) on Competition Law and Policy, at Geneva, Switzerland. "In August 2012, CCP nearing completion of 5 years of its establishment had requested and volunteered to participate in a Peer Review of Competition Law and Policy organised by United Nations Conference on Trade and Development (UNCTAD). The purpose of the Peer Review is to assess the legal framework and enforcement experience in Pakistan and to draw lessons from past experiences with a view to improving competition law enforcement in the country," she said.

The Peer Review Report acknowledged that CCP has a country-wide recognition of an excellent reputation based on integrity, technical competence and governance. "In fact, there is a clear perception that it has been an essential example for institution building in Pakistan."

She added that the successful completion of peer review in Geneva on 08-12 July 2013 with the recognition of CCP as an example of institution building in Pakistan and the praise it has earned for the good work done, places a higher onus on CCP to pursue its mandate with greater zeal. She stated that the implementation of recommendations under the peer review would be under direct supervision of UNCTAD during the period 2014 to 2017 and this, she believes will play a crucial role in institutional strengthening.

Despite the accomplishments by CCP, there is still a lot that remains to be desired. She added that upon completion of her tenure, it is important to highlight some of the more critical areas that need to be pursued for Government's timely consideration.

While discussing the issue of financial autonomy, the Chairperson said that for a culture of competition to take strong root in Pakistan, CCP's independent voice needs to be strengthened and for that it is important that CCP attains financial autonomy. The law provides for independent funding through tied sources, namely the 3 percent of fee and charges levied by five other regulatory bodies name-

ly: PTA, PEMRA, Ogra, SECP & Nepra as part of the CCP Fund. Having only PKR 200 million as grant for each of the last 3 years against the average budgetary requirement of Rs 729 million has been a real challenge in the discharge of the mandate entrusted to CCP. While the Government (Ministry of Finance as well as Ministry of Law and Justice) support this, realization of this funding has become an absolute necessity for CCP's sustainability.

Another important challenge, she said was to retain a professional team. She said that Institutional sustainability and reputation heavily depends on its team of professionals. "CCP confronts the challenge to retain its highly dedicated and skilful human resources and to further build and enhance its capacities. It would be a monumental loss if the talented and experienced professionals that CCP has been able to train were to leave for more financially rewarding employment. Hence, while the tied funding issue is being resolved, there is an urgent need to enhance budgetary allocations for the CCP."

Commenting on the huge backlog of cases in courts, the Chairperson informed the participants that CCP has

imposed over Rs 25 billion of penalties on account of anti-competitive behaviour across sectors. The Competition Appellate Tribunal could only dispose off one (1) case before it became dysfunctional again. She strongly believed that the earlier provision for direct appeals to the Supreme Court would have been a more beneficial provision. In any event, until the CAT is again rendered operational, the CCP and Government must pursue the composition of Competition Division Benches at the High Court so that over 200 pending cases may be vigorously pursued without further delay.

She added that in cases of cartels and abuse of dominant position where CCP has imposed huge penalties (owing to the public harm done) and which if recovered would go to the Exchequer, there is need to compel deposit of at least 50% of penalty upfront with the courts. "This will ensure expeditious disposal and also reduce exploitation of the system by those who have already been found delinquent," she said.

On the appointment of Chairman and Members, the Chairperson said that in order to ensure continuity of operations and the momentum at CCP, she believed it was important to

initiate and complete the process of selecting her successor as well as making appointment of Members at the earliest.

She wished the Commission the very best in its future endeavours and emphasized that institutions like CCP are integral to building sound national economic architecture.

CCP Member Dr. Joseph Wilson briefed the participants on the international events organized by CCP and informed that the CCP recently trained officials of the Government of Afghanistan on Competition Law in a consultative experience-sharing programme organized by the US Department of Commerce, through its Commercial Law Development Program, in partnership with the US Federal Trade Commission (FTC) and CCP. Besides, the officials of the Office of Fair Trade (OFT), UK, and Turkish Competition Authority recently visited the CCP to train the enforcement staff of CCP.

CCP Member Mueen Batool discussed the Research program of CCP and said that research studies were being conducted in various sectors of the economy. He said that the purpose of the research program was to identify competition vulnerabilities in all

sectors of the economy. CCP Directors of the Enforcement Shaista Bano and Nadia Nabi briefed the participants of the meetings on the on-going inquiries. They said that enquiries were being undertaken in various important economic sectors such as banking, telecom, pharmaceuticals, and public procurement.

Towards the end, the CCG participants unanimously adopted a resolution that read: "This Competition Consultative Group (CCG) meeting recognizes the excellent leadership provided by Ms Rahat Kaunain Hassan during her tenure of office as Chairperson of the Competition Commission of Pakistan (CCP). With her hard work, dedication and outstanding commitment she was able to bring about a change in the performance of the CCP towards dispensing serious understanding of the competition law and policy in Pakistan, both for the public and private sector businesses and enterprises. The CCP achievements are well recognized internationally. This CCG wishes her every success in her future endeavours and would like to invite her to visit this body so that it could benefit from her wise counsel, whenever possible." —PR

جہانِ پاکستان

26 July 2013
Page # 11



کراچی: مسالقی کمیشن آف پاکستان کی چیئر پرسن راحت کونین حسن کا مسالقی مشاورتی گروپ کے 19 اجلاس کے ساتھ گروپ فوٹو