



International Conference on

Competition Enforcement Challenges & Consumer Welfare In Developing Countries

1st - 2nd December, 2011
Islamabad

Conference Report



Competition Commission of Pakistan
Creating a Level Playing Field



COMPETITIVENESS
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Executive Summary

Competition Advocacy is one of the main pillars of modern competition law, which aims at creating, expanding and strengthening awareness of competition in the economy. Like many other anti-trust agencies, the Competition Commission of Pakistan seeks to promote competition through advocacy in addition to enforcement. With the permanency bestowed to Competition regime in Pakistan through the enactment of the Competition Act, 2010 in place, the Commission aims to maximize the knowledge-based advocacy efforts for creating awareness of the law.

The Commission held its first International Conference on Competition Law in Lahore in May 2010. It was decided to hold 2nd International Conference in Islamabad with the aim to examining the status of Competition enforcement in various jurisdictions, with particular reference to the emerging economies such as Pakistan. The two-day Conference was also aimed to explore and strengthen the relationship between competition enforcement and consumer welfare in developing countries.

The following objectives were set to be achieved through holding the international conference:

- i. To discuss the issues faced by new competition agencies in implementing competition policy and laws;
- ii. To share country experiences and lessons learnt, drafting and implementation of competition law and in carrying out competition advocacy;
- iii. To promote networking among participating competition experts on competition laws and policy; and
- iv. To analyze success stories and failures, and discuss barriers in the way of more effective involvement between competition agencies and consumer protection organizations.
- v. To highlight the significance of financial autonomy for a competition agency

The CCP sought collaboration of Competitiveness Support Fund (CSF)/USAID to hold the conference. The CSF offered collaboration with full funding of the conference. The conference date was set to be 1-2 December 2011 after confirming availability of the international panelists.

Internationally acclaimed experts on Competition Law representing 50 countries from the Americas, Europe, Africa, Far East, and South Africa were invited as panelists. The local panelists were from among the experts in economy and consumer rights. The participants of the conference included chief executives, managing directors and heads of corporate firms, business associations, state-owned enterprises, regulatory institutions, representatives of the legal

community, academia, consumer right groups, and senior officials of the Government of Pakistan.

The venue of the international conference was Serena hotel Islamabad and the choice was made based on its secure location and the competitive rates it offered to CCP.

The conference was divided around five technical sessions besides the opening session, the chief guest session and the closing session. The technical sessions include the following:

1. Challenge for Competition Agencies to Deal With Cartels and Cartels in Disguise
2. Deceptive Marketing & Consumer Protection
3. Lessons Learnt and Sharing of Country Experiences in Advocacy and Enforcement
4. State Aid and Distortion in Competition
5. Public Procurement/Collusive Bidding affecting Consumer Welfare

The conference was very well attended and well received by all the international, local participants and the media. Following is the summary of the international conference.

Profiles of Panelists

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Dr. Abdul Hafeez Shaikh

**Federal Minister for Finance
Government of Pakistan**

Dr. Abdul Hafeez Shaikh was elected as Member, Senate of Pakistan in May 2010, and soon after was appointed as Federal Minister for Finance, Revenue, Economic Affairs, Statistics and Planning & Development. He is an economist of international repute with over 30 years of experience in economic policymaking, management and implementation.

Before joining the Federal Government as Advisor to the Prime Minister, Dr. Hafeez Shaikh was serving in the Sindh Government as Minister for Finance, Planning and Development. He was the architect of the financial recovery of Sindh, restoring financial discipline and reducing taxes, increasing revenues, paying over Rs. 20 billion of old bills, clearing the over draft of State Bank of Pakistan of Rs. 11 billion, increasing allocation for poverty alleviation, social sector and development and enhancing relationship of Sindh Government with international donor agencies.

Dr. Hafeez Shaikh has served as country head of the World Bank in Saudi Arabia and also led assignments and advised more than 18 countries of Europe, Latin America, Asia and Africa as senior World Bank official. Some of these countries include Pakistan, Saudi Arabia, Sri Lanka, Bangladesh, Jordan, Qatar, Malta, Botswana, Tanzania, Ghana, Indonesia, Malaysia, Philippines, Thailand, Vietnam, Romania, Czech Republic and Argentina. Prior to joining the World Bank, he worked at Harvard University. He also led the teams for successful privatisation in several countries in the field of telecommunication, electricity, transport, aviation, banking and manufacturing.

Dr. Hafeez Shaikh has a Ph. D in Economics and authored many publications including a book on 'Argentina's Privatisation'.



Ms. Rahat Kaunain Hassan

**Chairperson
Competition Commission of Pakistan**

Ms. Rahat Kaunain Hassan is the second and current Chairperson of the Competition Commission of Pakistan since July 2010. Prior to this, she served as Member (Legal and Office of Fair Trading) of the Commission since its establishment in November 2007.

In 2001, Ms. Hassan was appointed General Counsel/Executive Director at the Securities and Exchange Commission of Pakistan. Soon after the conclusion of her tenure at SECP, she established her own law firm which engaged in civil, commercial and regulatory law practice. However, her interest in and commitment to public service resulted in her accepting the nomination as Member of CCP in November 2007. As Member, she was instrumental in the establishment of the Office of Fair Trading within CCP, and authored numerous position papers, guidelines, policy notes regarding important issues of competition law and policy. Moreover, she has co-authored most of the seminal Orders passed by CCP including those that resulted in breaking the most pernicious cartels.

A working mother of four children, Ms. Hassan has been a high achiever in her field, and in recognition of her commitment to public service received the Women of Achievement Award, 2010. She has also been nominated for the Sitara-e-Imtiaz.

Ms. Hassan received her Master's degree in law (L.L.M.) from King's College, London, having concentrated her academic work on the law of international finance and international business transactions. She has been associated with and has been a partner at some of Pakistan's finest civil and commercial law firms.



Mr. Abdul Ghaffar

Member
Cartels and Trade Abuses
Competition Commission of Pakistan

Mr. Abdul Ghaffar has been associated with Pakistan's competition agencies since 2002. He served as Member of the Monopoly Control Authority and was later Member of the Competition Commission of Pakistan in October 2007. On completion of first three-year term, he was reappointed as Member for another term. He was actively involved in drafting the new competition law and restructuring of the Monopoly Control Authority of Pakistan in his capacity as a member of the Steering Committee for Competition Policy, headed by Secretary, Finance. As Member, Cartels and Trade Abuses of the Commission, he has taken several landmark decisions in cases relating to cartels, mergers and acquisitions.

Mr. Ghaffar has over 39 years of experience in administration, public policy, finance, accounts, taxation, corporate laws, strategic studies, and competition and consumer protection laws. For over thirty years, he served in Federal Board of Revenue in various capacities dealing with administration of all direct taxes (Income Tax, Capital Tax, Gift Tax, Capital Value Tax) as well as Sales Tax. Earlier in his career, he gained expertise in international dimensions of taxation laws while actively negotiating Pakistan's conventions of avoidance of double taxation of income with great number of developed and developing countries. Before joining government service, he was a practicing lawyer as member of Lahore District Bar.

Mr. Ghaffar got B.Sc (Physics & Maths) degree from Government College Lahore. He then went on to obtain his LL.B degree from University College Lahore and M.Sc. degree from Quaid-e-Azam University Islamabad.



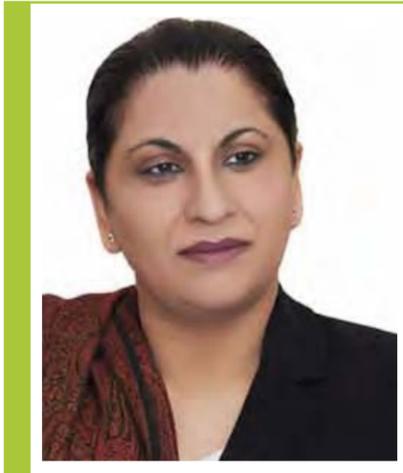
Dr. Joseph Wilson

Member
Mergers & Acquisitions and International Affairs
Competition Commission of Pakistan

With over 19 years experience of practice, teaching and research in regulatory laws, Dr. Joseph Wilson has been serving as Member at the Competition Commission of Pakistan since the Commission's establishment in 2007. He was responsible for the Monopolies and Trade Abuses Department for the first two years, and now oversees the Mergers & Acquisitions, and International Affairs Departments.

Prior to joining the Commission, he was an Associate Professor of Law at the Lahore University of Management Sciences (LUMS), Pakistan, where he taught "competition law" in addition to other courses. He has presented at various international conferences, published in international law journals and authored a book title "Globalization and the Limits of National Merger Control Laws (published by Kluwer Law International).

Before joining LUMS, Dr. Wilson taught at McGill Faculty of Law, Montreal Canada, from where he earned Doctor of Civil Law (D.C.L.) with Deans Honour List and Masters of Law (LL.M.) degrees. He also holds an LL.M. from the University of Georgia, USA. He is a member of the State Bar of New York, USA and Lahore High Court Bar, and also serves on the International Advisory Board of the Loyola University Chicago's Institute for Consumer Antitrust Studies, USA.



Ms. Vadiyya Khalil

Member
Advocacy & Information Technology
Competition Commission of Pakistan

Ms. Vadiyya Khalil joined the Competition Commission of Pakistan in February 2010 as Member, Mergers & Acquisitions. She was given the additional charge of Advocacy in July 2010. Currently, she is heading Advocacy and Information Technology.

Ms. Khalil has over 20 years of rich and varied experience in corporate and commercial banking at international and national banks including Credit Agricole, ANZ Grindlays, MCB Bank Limited, Askari Commercial Bank and National Bank of Pakistan.

Ms. Khalil has taken upon leadership roles and has been contributory in the success of several key projects. Her last assignment prior to joining the Competition Commission of Pakistan was Chief Credit Officer and Country Head of Corporate Banking at Askari Bank. In the CCO role, she examined proposals from the Corporate, Commercial, SME and Investment banking sectors of the bank and was the Mandatory Signatory to the Head Office Credit Committee. She was also responsible for contestation and compliance issues with State Bank of Pakistan regulators.

She has a Masters Degree in Management Sciences from the University of Kent, United Kingdom and specialized in Corporate Strategy, Operations Research, Techniques of Management, Marketing and Global Modeling. In addition Ms. Khalil has studied Italian Language and Literature at the University of Perugia, Italy and holds a Diploma in French from Alliance Francaise, Paris.

She has also attended various courses on Leadership, Mergers and Acquisitions and Corporate Financial Statements.



Mr. Mueen Batlay

Member
Competition Policy and Research
Competition Commission of Pakistan

Mr. Mueen Batlay, Member (Competition Policy and Research), has worked in the fields of investment banking, international development, consulting, education and public policy in Pakistan and overseas for over 20 years.

Mr. Batlay joined the Commission in January, 2011, and is focused on building the capacity of the Competition Policy and Research Department to enable the Commission to assist the government in shaping a Competition Policy that is in line with the true spirit of competition as envisioned in the Competition Act, 2010. In addition, he is strengthening the department's research capabilities to produce policy notes, competition assessments and regular publications to assist the Commission in its work.

Prior to joining the Commission, Mr. Batlay managed an investment advisory and a consulting firm, Capital Resource. Mr. Batlay's assignments included project finance, advisory and public private partnership projects at Samba Bank, Pakistan; private sector development, privatization and capital market development at the World Bank, USA; education policy and public schools system management for the city of Washington DC, USA; and economic reform management for the Government of Sindh. While at the World Bank, he advised the governments of Sri Lanka and Jordan to develop their privatization programs and worked to strengthen capital markets globally. With the Government of Sindh, he channeled the efforts of multiple public private taskforces to develop and implement an economic reform program for the province. At Citibank, he worked on privatization advisory and on developing term finance certificates – the first corporate bonds of Pakistan. For Washington DC schools, he initiated the student tracking and database management programs.

Mr. Batlay holds a Master of Public Policy (MPP) with emphasis on international trade and finance from the Kennedy School of Government at Harvard University.



Dr. Shahzad Ansar

Member
Office of Fair Trading and Budgetary Affairs
Competition Commission of Pakistan

Dr. Shahzad Ansar is a private sector entrepreneur with over 27 years experience in management, business development and project finance. Since a year, he is heading the Office of Fair Trading and Budgetary Affairs Departments of the Commission.

Before joining the Commission, Mr. Ansar was CEO at Furniture Pakistan, a subsidiary of Pakistan Industrial Development Corporation. He was also CEO at a thermal power plant and head at World Water Corporation USA for its operations in Pakistan. He has substantial experience in dealing with international financial organizations such as the World Bank. As a businessman, he managed two industrial units from their inception to full-scale operation. He has been actively involved in trading with companies based in Singapore, Malaysia, USA, Canada and China, and holds strong ties with international players in the energy and commodities sectors. He has also been involved in consultancy projects in the fields of SME management, micro-financing and energy.

On the academic front, Mr. Ansar has been associated with the Virtual University and the Ministry of Information Technology as a resource person. He stayed Dean of Management Sciences at the University of South Asia while being a visiting faculty member at University of Central Punjab and Civil Services Academy.

Mr. Ansar holds a masters degree in Engineering Geology from Institute of Geology, University of the Punjab. He is Fellow at Trinity College and a certified SME manager in the Doctorate category from Cambridge Association of Management.



Mr. Mohammad Hayat Jasra

Secretary to the Commission
Competition Commission of Pakistan

Mr. Mohammed Hayat Jasra was appointed as Secretary to the Commission on 12 November 2007, the date the Commission was established. He is Fellow Member of the Institute of Cost and Management Accountants and is also Member of the Institute of Charter Secretaries & Administrators, UK.

Mr. Jasra had an extensive experience of 26 years in different senior positions at Securities and Exchange Commission of Pakistan. He was working with SECP as its Secretary and also Executive Director (Law), when he sought retirement on personal grounds from SECP. Mr. Jasra has rendered valuable services to the Competition Commission as Secretary and also as Legal Expert. Apart from his duties as Secretary, he assisted the Commission by drafting all the Regulations and the Rules framed under the Competition Ordinance/Act and also notifying in the Gazette of Pakistan, all the important decisions of the Commission.

Mr. Jasra holds Masters Degree in Economics and an LL.B (Honours) degree.



Mr. Manuel Sebastião

President
Portuguese Competition Authority,
Portugal

Mr. Manuel Sebastião has been the President of the Portuguese Competition Authority since March 2008. Prior to this, he was Member of the Board of Directors, Bank of Portugal; Executive Director, Portuguese Insurance and Pension Funds Supervisory Authority; Advisor, Strategic Planning, Bank of Portugal; Executive Director of the Portuguese Trade and Development Bank (Banco de Fomento e Exterior, S.A., BFE Group), and Executive Director of the commercial bank of the BFE Group.

An economist, Mr. Sebastião has worked with the International Monetary Fund, Bank of Portugal, Portuguese Development Bank, and a consulting firm of the Portuguese private group CUF. He was also the Chief of Staff to the Minister of Industry, and an advisor with the Ministry of Industry. Over the past twenty-five years, at various stages of his career, he was lecturer in economics at the Catholic University of Lisbon, the New University of Lisbon, and the business school ISCTE, also in Lisbon.

Mr. Sebastião holds an undergraduate degree in economics from the Technical University of Lisbon, Portugal, a graduate degree in economic planning from the University of Paris I, France, and a Ph.D. in economics from Columbia University, New York, USA.



Mr. Halil Baha Karabudak

Advisor
Turkish Competition Authority,
Turkey

Mr. Halil Baha Karabudak is a Middle East Technical University (Ankara) trained economist. He has started his career as a project analyst at a private sector group of companies in 1985. He has worked as a business-cycle analyst and researcher at the Central Bank of Turkey (1989-1994), and then as an advisor to the Economic Research Department of the Turkish Treasury (1995-1997). He was recruited as Manager for the Statistics and Economy Watch Unit of the newly founded Turkish Competition Authority in 1998. In 2001, he was promoted to head the 2nd Department of the Competition Authority, which is responsible for protection of competition in information and communication technology (ICT) sectors. Privatization of Turkish Telecom was one of the cases he dealt with during this period.

Since January 2008, Mr. Baha Karabudak works as an advisor to the Chairman of the Turkish Competition Authority. In 2008-2009, he had a one-year stint as a research fellow at TEPAV, a Turkish think tank affiliated with the Association of Chambers of Industry and Commerce in Turkey. Since October 2010, he has assumed the responsibility of the Research Department of TCA as the acting head of department.

Mr. Baha also is an adjunct lecturer at the METU Economics Dept. and Bilkent University Faculty of Law, Law and Economics Graduate Program, in Ankara, Turkey. He has contributed to the OECD peer review reports "Regulatory Reform in Turkey: Crucial Support for Economic Recovery" (2002) and "Competition Law and Policy in Turkey" (2005).



Dr. Paulo Burnier da Silveira

Head, Office of International Affairs
Administrative Council of Economic Defense,
Brazil

Dr. Paulo Burnier da Silveira is currently head of the International unit of the Brazilian Administrative Council for Economic Defense (CADE). Before joining CADE, he has been a teaching fellow at the University of Nanterre and has practiced law as a private lawyer in Paris and in Rio de Janeiro.

Dr. Paulo holds a Ph.D. in International Law from the University of Sorbonne, Paris, France.



Mr. Khalid Aziz Mirza

Former Chairman
Competition Commission of Pakistan

Mr. Khalid Aziz Mirza has had the distinction of heading the Competition Commission of Pakistan and the Securities and Exchange Commission of Pakistan (SECP) in the past decade.

Mr. Mirza has extensive experience in the development of capital markets. From 1968-1983, he gained investment banking expertise in areas of project finance, corporate mergers and acquisitions, securities issuance and trading, and portfolio management in Pakistan and the United Kingdom. He was posted as International Finance Corporation's (IFC's) Chief of Mission in Turkey (1994-96) and IFC's Chief of Regional Mission in Thailand (1998-2000). From 2000-2003, he served as Chairman SECP. During his tenure, he implemented a major program of capital markets and corporate sector reform and took steps to enhance the institutional capacity of SECP. From 2003-2006, he was the Sector Manager for Financial and Private Sector Development, East Asia and Pacific Region at the World Bank. He was appointed Chairman, Monopoly Control Authority in 2006 where he not only greatly improved its working and enhanced its enforcement activities but also advised the Government on its conversion into a modern competition agency, the Competition Commission of Pakistan. He was appointed the first Chairman of this Commission in 2007 and during his tenure he successfully implemented all aspects of the new competition regime as well as built the capacity of the Commission achieving a high standard of agency effectiveness.

Upon retirement from the Commission in 2010, he joined the adjunct faculty of the Lahore University of Management Sciences (LUMS) as Executive-in-Residence teaching courses in Corporate Governance and Business Government Relations to final year MBA students, and is available to students and faculty members for guidance based on his extensive experience. He is also frequently consulted on investment and regulatory matters by businesses as well as international institutions.



Mr. Russell Damtoft

**Associate Director
Federal Trade Commission,
United States of America**

Mr. Russell Damtoft is the Associate Director of the Federal Trade Commission's Office of International Affairs. He is responsible for relationships between the FTC and antitrust agencies in Canada, Latin America, CIS nations, China, and South Asia; managing portions of the FTC's technical assistance program for developing competition and consumer protection agencies; and helping to build synergies between the FTC's international competition and consumer protection programs. He is also active in the outreach work of the International Competition Network, and represents the United States at the competition meetings of the United Nations Conference on Trade and Development (UNCTAD).

Mr. Damtoft has been with the Federal Trade Commission since 1985. Before becoming involved in the FTC's international activities, he served as Assistant Regional Director of the FTC's Chicago Regional Office, as Assistant to the Director and as a staff attorney in the Bureau of Consumer Protection, and as attorney-advisor to a Commissioner. He has also twice served as a resident advisor to Eastern European competition and consumer protection authorities.

Mr. Damtoft graduated from the University of Iowa, College of Law in 1981 and from Grinnell College in 1976. He is admitted to practice law in the District of Columbia, and a member of the American Bar Association, where he was an editor of Competition Laws Outside of the United States.

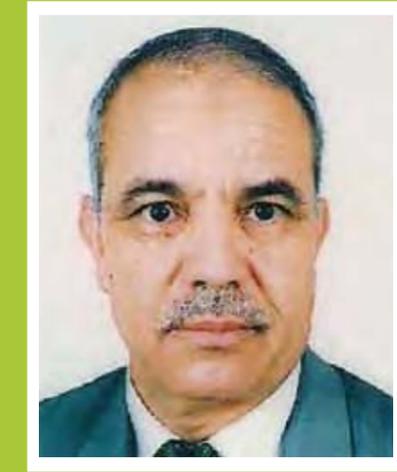


Dr. Huma Bukhari

**Chairperson
The Consumer Forum
Pakistan**

Dr. Huma Bukhari is the founder President of Consumer Welfare Forum— a non-government organisation that has undertaken the responsibility of providing voluntary services to consumers to create awareness about their rights and responsibilities and to make collective and dedicated efforts for protecting their rights. She is also one of the founding members of Consumer Rights Council (CRC), Government of Sindh, Chairperson of the Standing Committee of Consumer Rights Protection, Federation of Pakistan Chamber of Commerce and Industry, and Member of the Price Control Committee, City District Government Karachi. Undertaking various research and awareness initiatives, she has conducted qualitative and quantitative research on consumer-related issues such as price fixing. She has organised seminars for creating awareness about Consumer Rights in collaboration with universities, chambers of commerce and other government bodies. She is also responsible for the advocacy drive for promulgation of consumer law in the province of Sindh. Since over a decade, she also has been conducting media programs on consumer-related issues.

As an educationist, Ms. Bukhari is associated with the Newports Institute of Communications and Economics, Karachi as Rector and Vice Chairperson. She is also Member of Senate, Shaheed Benazir Bhutto Medical University, Larkana, Member, Network for Electoral Participation, Government of Pakistan, and Member, United Nations Global Compact, Pakistan Network. She also played an instrumental role in formulating the Consumer Ordinance for the Government of Sindh.



Mr. Tounakti Khalifa

Director General
Competition Council,
Tunisia

Mr. Khalifa Tounakti serves as the Director General of Competitiveness and Economic Control at the Ministry of Trade and Tourism in Tunisia.



Mr. Azamat Kamshimbayev

Head of the Interregional Inspection for Almaty oblast and Almaty city
The Agency for Competition Protection of the Republic of Kazakhstan

Mr. Kamshibaev Azamat heads the Interregional Inspection of the Agency for Competition Protection in Almaty oblast and Almaty city.

Previously, Mr. Azmat worked as a Lawyer in JSC "Selkhoztehnika" in Kostanayskaya oblast from 1999-2000, as a Law-enforcement Officer in the Law-Enforcement Department of Kostanay city in 2000, as Chief Specialist in the Agency for Regulation of Natural Monopolies and Competition Protection in Kostanayskaya oblast in 2001, Senior Specialist of the Division for Supervising of Antimonopoly Legislation Observance in 2002, as Head of the Legal Division in 2005, as Head of the Law and Administrative Support Division in March 2005, and Deputy Chief of a Division in the Agency of the Republic of Kazakhstan for Regulation of Natural Monopolies in Kostanayskaya oblast since October 2005.



Ms. Halima Bensouda

Executive-Study Department
Conseil de la Concurrence du Maroc,
Morocco

Ms. Halima Bensouda holds a Bachelor's degree in Finance from Wayne State University in Detroit, and a Masters degree in Law from the University of Montreal. She is currently a Senior Field Study Analyst at the Moroccan Competition Counsel, which she joined in 2009. In her current position, Ms. Bensouda has conducted several field studies in Morocco, seeking to analyze competitiveness in some key economic sectors, such as oil and gas, sugar, wheat and other subsidized sectors.

Before joining the Competition Counsel, she has held several Finance positions in industry in the US, and returned to Morocco in 2008, where she was hired under a Transparency International grant, to develop and manage the first Moroccan Anti-corruption Legal Assistance Center. As the Director of the Center, she designed and implemented the center's policies and procedures, and periodically reported to the Transparency International Board of Directors on key performance indicators. She also plays an active role in Moroccan civil society, participating as an executive member in several non-for-profit organisations, mainly in socially responsible fund raising associations.



Dr. Robert Ian McEwin

Professor
National University of Singapore,
Singapore

Dr. Robert Ian McEwin is Visiting Professor of Law at the National University of Singapore – teaching Competition Law and Innovation and ASEAN Competition Law – since 2008. Earlier, he served as Chief Economist with the Competition Commission of Singapore. Before that he worked in the Singapore Ministry of Trade & Industry helping with the drafting of the Singapore Competition Act. Before going to Singapore he was a Reader in Law and Director of the Centre for Law and Economics at the Australian National University. Professor McEwin is currently also a Visiting Professor of Law at Chulalongkorn University in Bangkok, a Senior Advisor with Rajah & Tann law firm in Singapore and a Director of Global Economics Group, Chicago. He is also a Member of the Singapore Copyright Tribunal, Senior Fellow at the Tim Fischer Centre for Global Trade and Finance, Bond University, Australia, and Member of the American Bar Association International Antitrust Committee.

Dr. McEwin holds a PhD in Economics and a First Class Honours LLB degree from the Australian National University. This year he has edited two books ASEAN Competition Law (with Kala Anandarajah), Lexis-Nexis and Intellectual Property, Competition Law and Economics in Asia Hart Publishing, Oxford. He is currently assisting the Malaysian Competition Commission in drafting their Guidelines ahead of the introduction of competition law in Malaysia next year.



Mr. Amadou Ceesay

Executive Secretary
The Gambia Competition Commission
The Gambia

Mr. Amadou Ceesay is a Management Specialist with over twelve years of progressive experience in HR, Strategic Planning and Policy Development. He started his career as a Personnel Officer at the Personnel Management Office with responsibility for manpower planning, training and development for the Civil Service. He was seconded to the National Environment Agency (NEA) in 1994 to serve as administrator of a World Bank funded National Environment Project. He set up NEA's plan of operation and developed the Human Resource Development plan. From 2002 to 2008, He served as the Director of Human Resource at The Gambia Tourism Authority (GTA) with responsibility for the development and implementation of a Human Resource Development Strategy for the Tourism sector. Then from January 2009 to November 2010, he was the Director of Human Resource Development at The Gambia Public Procurement Authority (GPPA), responsible for ensuring that all government agencies/departments are trained to apply the GPPA Act and Regulations. He was also responsible for the introduction of a Procurement Cadre in the Civil Service. In October 2010, Mr. Ceesay was appointed by the President to head The Gambia Competition Commission (GCC). As Chief Executive of GCC, he is responsible for ensuring that the functions of the Commission are carried out efficiently by providing strong leadership in the management of the affairs of GCC.

Mr. Ceesay obtained his Master of Public Administration degree from the University of Liverpool. He has undergone numerous trainings including public procurement, tourism management, strategic planning and competition law enforcement.



Dr. Nadeem ul Haque

Deputy Chairman
Planning Commission
Pakistan

Dr. Nadeem ul Haque is currently Deputy Chairman of the Planning Commission of Pakistan. He has accumulated extensive operational experience of over 24 years at the International Monetary Fund (IMF), leading technical assistance missions and policy and research teams, and acting as a resident representative in two developing countries. He has also served as Vice Chancellor/Director, Pakistan Institute of Development Economics, Member, Planning Commission, Acting Chief Economist, Planning Commission, and Trade Policy Advisor to the Minister of Commerce, Government of Pakistan. He has published 5 books and over 50 papers in major journals and edited volumes.

In his vast central banking and monetary policy experience at IMF, he worked in two central banks to bring about improvements in the monetary framework and the policy formulation process. He undertook extensive research in public sector reform and restructuring as he led organizational reform and efforts for nationwide deregulation in Sri Lanka. A skilled public speaker, he is experienced in motivating and organizing civil society in developing ownership of major policy reform initiatives. He initiated and successfully led a Central Bank modernization project in Sri Lanka and undertook initiatives for the deregulation of the private sector, financial sector reform, and education reform in Sri Lanka. He was the initiating member and architect of Deregulation Committee, Financial Market Reform Committee and Chambers-Academia Round Table for Education Reform.



Mr. Miek Van der Wee

**Head, International Relations
DG Competition (European Commission),
Belgium**

Mr. Miek Van der Wee is the Head of Unit in the Directorate General (DG) for Competition of the European Commission, entrusted with the responsibility for International Relations. He joined the Commission in 1987 in DG Regional Policy and moved to DG Competition in 1998. Prior to his appointment as Head of the International Relations Unit in 2008, he was responsible for regional state aid matters, for the coordination of accession negotiations with candidate countries (state aid matters), and for the enforcement of the European Commission's state aid recovery decisions.

An economist and town planner by training, Mr. Van der Wee has worked as a researcher in the Oxford Polytechnic and as a lecturer at the economics department of the University of Antwerp.

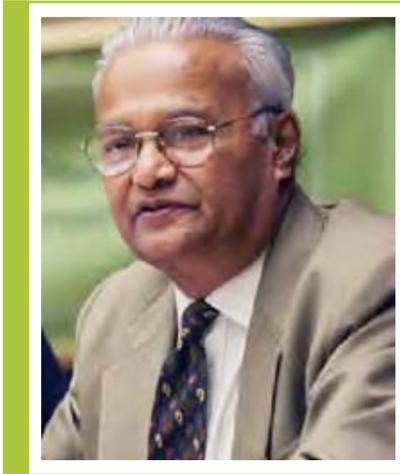


Dr. Kriengsak Chareonwongsak

**President
Institute of Future Studies for Development
Thailand**

Dr. Kriengsak Chareonwongsak is a Senior Fellow at Harvard Kennedy School, USA; elected on Harvard Kennedy School's Alumni Association Board of Directors; Fellow at Said Business School, Oxford University, was a Prime Ministerial advisor in Thailand, Democrat Party Executive Board member, Member of Parliament, and House of Representatives Vice Chair of the Economic Development Committee. Currently, President of the Institute of Future Studies for Development, (IFD); Chairman of Success Group of Companies, a business conglomerate diversified into many investment fields. He chairs the Lao-Thai Business Corporation.

Having graduated 1981, Economics PhD, Monash University, Australia, First Class Honours, Dr. Kriengsak obtained his Master of Public Administration from Harvard University, USA, a Master Degree from Judge Business School, Cambridge University, UK; and completed Post Doctoral Studies in Management & Policy Studies, Oxford University, UK. He held various university teaching positions, was Eminent Member of the Education Council on Standard and Quality Assurance, of the Office of the National Education Commission, holding fifty other positions in many national organizations and committees; as advisor to the President of the National Assembly and advisor to many Ministers in various governments. He was an elected member of the National Economic and Social Advisory Council (NESAC), a constitutional body advising the Thai cabinet, Chairman of NESAC's Education, Religion, Arts, and Culture Commission, Vice Chairman of the NESAC Economic, Commerce, and Industry Commission. He authored 200 books, is a popular radio and TV commentator, newspaper and magazine columnist, discussing current political and economic issues. His perspectives are often highlighted in interviews both in Thailand and overseas.



Mr. Pradeep Mehta

Secretary General
Consumer Unity & Trust Society,
India

The founder Secretary General of Consumer Unity & Trust Society (CUTS), Mr. Pradeep S Mehta has served on several policy making bodies of the Government of India related to trade, environment and consumer affairs, including the National Advisory Committee on International Trade of the Ministry of Commerce and its working groups.

Mr. Mehta chairs the Advisory Board of the South Asia Network on Trade, Economics and Environment, Kathmandu. He also serves on the advisory boards of Centre Advisory & Review Group of the Research Centre on Regulation and Competition, Institute for Development Policy and Management, Manchester University, UK; Institute for Consumer Antitrust, Loyola College, Chicago, USA; Brains Trust of the Evian Group, Lausanne; the OECD's Advisory Committee for Investment in Africa, OECD, Paris; Advisory Committee of the Central Electricity Regulatory Commission, New Delhi. He has also been an NGO Adviser to the Director General, WTO, Geneva, besides serving on the governing boards of the Life Insurance Corporation of India, Mumbai; the International Centre for Trade & Sustainable Development, Geneva and the Consumer Coordination Council, New Delhi.

Mr. Mehta studied at The Scindia School, Gwalior, St. Xavier's College at Calcutta (B. Com) University and law at the Rajasthan University, Jaipur.



Mr. Ali Demiröz

Advisor
Turkish Competition Authority
Turkey

Mr. Ali Demiröz is Acting Head of Department 2 at Turkish Competition Authority since April 2009. He worked eleven years as competition expert at the same department of the Authority, which is responsible for the enforcement of competition law in industries such as telecommunications, media, information technologies, construction and health. He is also a member of State Aid Monitoring and Supervision Board since 2010.

Mr. Demiröz graduated from Political Science Faculty of Ankara University and he holds an LL.M degree in IT, Media and E-commerce from University of Essex.



Mr. Richard A. Albright

**Coordinator for Economic & Development Assistance
Embassy of the United States, Islamabad
Pakistan**

Mr. Richard Albright is a seasoned and senior diplomat. Since mid-2011, Mr. Richard A. Albright is the Coordinator for Economic & Development Assistance at the U.S. Embassy in Islamabad, Pakistan.

Prior to joining the U.S. Embassy in Pakistan, Mr. Albright directed the American Embassy's Economic Policy and Environment, Science and Technology sections and overseen the efforts of U.S. economic agencies in the United Kingdom since July 2009. Albright has served in a wide range of economic policy and program management positions at U.S. embassies in the Middle East and Europe and the Department of State in Washington. He served as humanitarian coordinator at the U.S. Embassy in Baghdad in 2008/2009.

At the State Department's humanitarian bureau from 2005-2008, he directed \$300 million in U.S. humanitarian programs for the Middle East, South and East Asia. He served as Deputy Chief of Mission at the U.S. Embassy in Abu Dhabi from 2003-2005. Other assignments have included Cairo, Riyadh, Paris, Vienna and Warsaw. His personal pursuits include skiing, cycling, hiking, scuba diving, music and theatre. His languages are French, Arabic, German and Polish.



Mr. Shahab Khawaja

**Chief Executive Officer
Competitiveness Support Fund
Pakistan**

A career civil servant with 36 years of experience in public sector management, Mr. Shahab Khawaja is currently Chief Executive Officer of the Competitiveness Support Fund – a joint effort of the Government of Pakistan and USAID. The Fund was set up in 2005 to provide the Government of Pakistan support in policy matters to create an enabling environment and make the economy and businesses more competitive. The Fund annually publishes the State of Pakistan's Competitiveness Report in collaboration with the World Economic Forum.

Mr. Khawaja served as Federal Secretary for Privatization (from 2009-2010), Federal Secretary Ministry of Industries and Production (from 2006-2009), and CEO Small and Medium Enterprises Development Authority (SMEDA). As Privatization Secretary, he supervised financial transactions and implemented the government's privatization agenda. As Secretary Industries and Production, he carried out numerous tasks for the development of industrial base in Pakistan including reforming the policy framework to create an enabling environment for the industry. At SMEDA, he formulated Pakistan's first ever National SME Development Policy and undertook numerous initiatives to support SMEs. He also carried out a number of Sector Development Studies that led to formation of organisations to support sectors such as gems and jewelry, dairy, marble and granite, and furniture. Earlier, he served as Assistant Commissioner and Deputy Commissioner in various districts of Pakistan. He is member of Economic Coordination Committee, Executive Committee of the National Economic Council, and Central Development Working Party, and has represented the government at various international and bilateral meetings, seminars and workshops.



Mr. Waqar A. Malik

Chief Executive Officer
ICI Pakistan Limited
Pakistan

Mr. Waqar A Malik is the Chief Executive Officer of ICI Pakistan Limited – a leading manufacturing company known for its solid performance and 67 years of responsible corporate presence in Pakistan. ICI Pakistan Limited was a premier subsidiary of the U.K. giant Imperial Chemical Industries PLC which was acquired by AkzoNobel in 2008 to form one of the largest chemical companies in the world. A Fortune 500 company, AkzoNobel NV is the largest global paints and coatings company and a major producer of specialty chemicals.

Mr. Malik is the country representative and member of the senior leadership team of the AkzoNobel Group with nearly 26 years of extensive experience in senior management positions in the company and internationally within the group. He has been a Director of ICI Pakistan Ltd. since October 1, 2005 and has also served as Chief Executive and Chairman of Pakistan PTA Limited (now Lotte Pakistan PTA Limited). His other engagements outside ICI Pakistan Limited are: Director on the Central Board of the State Bank of Pakistan, Director Pakistan Business Council, non-executive Director on the Boards of Engro Polymer & Chemicals Limited and IGI Insurance Limited. A former President of Overseas Investors Chamber of Commerce & Industry (OICCI), Mr. Malik is also a member of the Board of Governors of LUMS and a trustee of the Duke of Edinburgh's Award Foundation.

An alumnus of Harvard Business School and INSEAD, Mr. Malik is a Chartered Accountant by profession and a Fellow of the Institute of Chartered Accountants in England & Wales.



Dr. Kusha Haraksingh

Chairman
Caribbean Community (CARICOM) Competition Commission
Trinidad & Tobago

Dr. Kusha Haraksingh is a citizen of Trinidad & Tobago, one of the member states of the Caribbean Community (CARICOM). He holds an appointment from the CARICOM Regional Judicial and Legal Services Commission as the Chairman of the CARICOM Competition Commission. He teaches at the University of the West Indies (UWI), St Augustine campus in History, Law and International Relations. He is a Lead Negotiator for Legal and Institutional and Development Issues for CARICOM in its trade negotiations, and has appeared for the Caribbean at the WTO in Panel and Appellate Board hearings. He has been a consultant to many international organizations including the Commonwealth Secretariat, the ILO, UNCTAD, and the Common Fund for Commodities.

Dr Haraksingh has several publications on law in plural societies, on labour, and on law and trade. He has been a Visiting Scholar at Ann Arbor in Michigan, a Senior Fulbright Fellow at Harvard University and a Visiting Scholar in Caribbean Studies at Warwick University. Dr Haraksingh has also served as a Member of Parliament in the Senate of Trinidad & Tobago, and is a past Chairman of the Sugar Association of the Caribbean and past President of the West Indies Group of University Teachers. He is a recipient of the UWI Vice-Chancellor Award for Excellence in Public Service.

Dr. Haraksingh has a Doctorate in Economic History from the School of Oriental & African Studies, London and is a Barrister of Lincoln's Inn.



Group Photograph of Panelists with CCP Chairperson Rahat Kaunain Hassan



CCP Chairperson Rahat Kaunain Hassan addressing Chief Guest session. Prime Minister Syed Yousaf Raza Gilani, Finance Minister Dr. Abdul Hafeez Shaikh & Mr. Richard Albright, coordinator for Economic & Development Assistance US Embassy Islamabad are present.

Registration in Progress



Opening Session

The opening session panel consisted of Federal Finance Minister, Dr. Abdul Hafeez Shaikh as Chief Guest, Ms. Rahat Kaunain Hassan, Chairperson of Competition Commission of Pakistan, and Justice (Retired) Faqir Muhammad Khokhar, Chairman of the Competition Appellate Tribunal.



Finance Minister Abdul Hafeez Shaikh addressing the opening session



CCP Chairperson Rahat Kaunain Hassan addressing the opening session

CCP Chairperson, Rahat Kaunain Hassan in her opening remarks thanked all the participants and panelists. She said the purpose of this conference was to create awareness about the significance of a competition regime for our economy and to highlight some of the more critical challenges we faced in its enforcement.

She then touched upon key areas of competition law enforcement, advocacy and the challenges faced by CCP in implementing competition law. "We look forward to enrich ourselves by learning about the experiences of the developed and other developing regimes. We see your presence as an endorsement of our mandate - to provide, free competition in all spheres of commercial and economic activity to enhance economic efficiency and to protect consumers from anticompetitive behavior. We thank you for the confidence reposed in us," she said.



Master of Ceremony, Mr. Ahmed Qadir, Director, CCP



Qari Syed Buzarg Shah Al Azhari reciting verses from the Holy Quran

Chief Guest Dr. Abdul Hafeez Shaikh while addressing on the occasion, lauded the work being done by the Competition Commission of Pakistan saying the institution will be further strengthened to work towards a competitive economy. He said CCP was a role model for other regulatory bodies. He welcomed the international and local participants and hoped that the conference would come up with useful recommendations for improving competitive environment in all jurisdictions.



Shamadan Hall of Serena Hotel accommodated 200 Participants

Session 1

Challenge for Competition Agencies to Deal with Cartels and Cartels in Disguise

Competitors sometimes collude to limit the intensity of competition through agreements. A cartel, thus, is a formal agreement among firms in an oligopolistic industry for the mutual benefit of member firms. Cartel members may agree on such matters as prices, total industry output, market shares, allocation of customers, allocation of territories, bid-rigging, establishment of common sales agencies, and the division of profits or any combination of these. Generally speaking, cartels or cartel behaviour attempts to emulate that of a monopoly by restricting industry output, raising or fixing prices to earn higher profits.

Combating both domestic and international cartels remains a high priority for all competition agencies. International cartels are especially difficult to detect as they use the most sophisticated measures to conceal their activities, the amount of commerce affected by these cartels is disproportionately large, and they are widely considered the most harmful type of cartel because of the magnitude of the harm that they inflict on businesses and consumers.

The session was chaired and moderated by Ms. Rahat Kaunain Hassan, Chairperson, Competition Commission of Pakistan and presentations were given by Mr. Manuel Sebastiao, President, Portuguese Competition Authority, Mr. Halil Baha Karabudak, Advisor to Chairman, Turkish Competition Authority, Turkey, and Dr. Paulo Burnier da Silveira, Head of International Affairs, CADE, Brazil.



Mr. Manuel Sebastiao, President, Portuguese Competition Authority, addressing Session-01



Panelists of Session-01 Ms. Rahat Kaunain Hassan, Chairperson CCP (Moderator), Mr. Halil Baha Karabudak, Advisor to Chairman, Turkish Competition Authority, and Dr. Paulo Burnier da Silveira, Head of International Affairs, CADE, Brazil

The panelists of the session gave lucid presentations with the help of case studies in fighting against cartels in their respective jurisdictions. The session triggered interesting debate on the role of competition agencies in fighting cartels. The Chair and Moderator of the Session, Ms. Rahat Kaunain Hassan summed up the session by highlighting the key points of discussion. For presentation please see CCP website www.cc.gov.pk.



CCP Chairperson Rahat Kaunain Hassan



Mr. Manuel Sebastio, President, Portuguese Competition Authority, Ms. Rahat Kaunain Hassan, CCP Chairperson, Mr. Halil Baha Karabudak, Advisor to Chairman, Turkish Competition Authority & Dr. Paulo Burnier da Silveira, Head of International Affairs, CADE Brazil



Session 2:

Deceptive Marketing & Consumer Protection

Firms may use unsubstantiated claims about their goods and/or services related to price, properties, suitability of use, quality, and place of production, among others. They could also engage in false or misleading comparisons that are capable of harming consumers or the business interests of other undertakings. Deceptive marketing, thus, has a pernicious impact on consumer welfare and many people the world over fall victim to false and misleading claims.

The session was moderated by Mr. Khalid Mirza, Former Chairman, Competition Commission of Pakistan and presentations were given by Mr. Russell Damtoft, Associate Director, Office of International Affairs, US Federal Trade Commission (FTC), Dr. Huma Bukhari, President, Consumers Forum, Karachi, Mr. Tounakti Khalifa, Director-General, Tunisian Competition Council.

Modern Competition laws in a large number of jurisdictions empower competition agencies to control deceptive marketing practices and initiate legal actions against non-compliant undertakings. There was interesting debate in the session about the role of competition agencies in ensuring consumer rights by taking actions to curb deceptive marketing practices by businesses. For presentation please see CCP website www.cc.gov.pk.



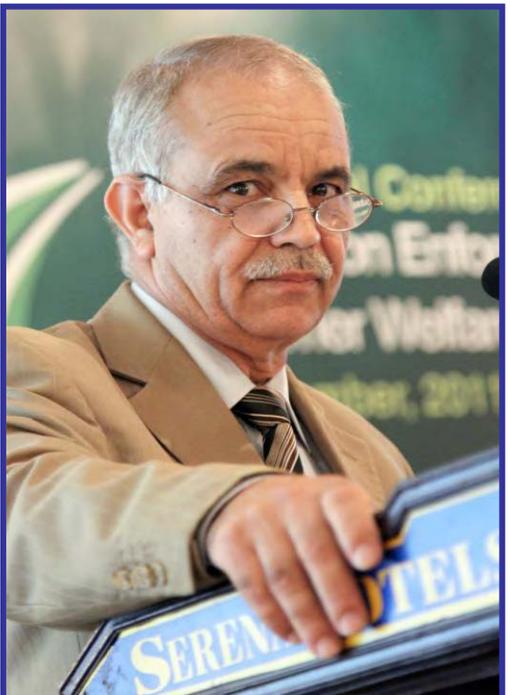
Dr. Huma Bukhari, President, Consumers Forum, Karachi addressing session-02



Panelists of session-02 Russel Damtoft, Associate Director, Office of International Affairs, US FTC, Mr. Khalid Mirza, Former Chairman, CCP, (Moderator), Mr. Tounakti Khalifa, Director-General, Tunisian Competition Council and Dr. Huma Bukhari, President, the Consumers Forum



Mr. Russel Damtoft, Associate Director, Office of International Affairs, US FTC



Mr. Tunakti Khalifa, Director General, Tunisian Competition Council

Session 3

Lessons Learnt and Sharing of Country Experiences in Advocacy and Enforcement

The session was moderated by CCP Member Dr. Joseph Wilson and addressed by Dr. Robert Ian McEwin, Professor National University of Singapore, Ms. Halima Bensouda, Executive–Study Department, Conseil de la Concurrence du Maroc, Alhaj Tafsir Njie, Chairman, the Gambia Competition Commission, and Mr. Ratneshwar Prasad, Member, Competition Commission of India.



CCP Member Dr. Joseph Wilson
Moderator of the session

The panelists of this session gave presentations and about their respective jurisdictions' experiences in the enforcement and advocacy of competition law.



Alhaj Tafsir Njie, Chairman, the Gambia Competition Commission
addressing the session

Dr. Robert Ian McEwin,
Professor National University of
Singapore addressing the
session

This session triggered interesting debate and participants asked several questions, which were answered by the panelists. For presentations please see CCP website www.cc.gov.pk



CCP Member Mr. Mueen Batlay taking part in discussion



Ms. Halima Bensouda, Executive - Study Department,
Conseil de la Concurrence du Maroc addressing the session

Session 4

State Aid and Distortion in Competition

State aid refers to forms of assistance from the government, or a public body, that is given to undertakings on a discretionary basis, with the potential to distort competition and affect the market dynamics. This includes the direct transfer of resources, such as grants and soft loans, and also indirect assistance - for example, relief from charges that an undertaking normally has to bear, such as a tax exemption or the provision of services, loans, at a favourable rate. The key questions to ask is whether state aid confers an unfair advantage to one at the expense of others and does the measure distort or have the potential to distort competition? If it strengthens the position of the beneficiary relative to other competitors then the answer is yes. Most interventions do have the potential to distort competition and thus, the provision of state aid requires careful analysis to minimise any distortions in competition.

The session was moderated by Dr. Nadeem ul Haq, Deputy Chairman, Planning Commission of Pakistan. The panelists included Mr. Miek Van der Wee, Head of Unit, International Relations, DG Competition, European Commission, Dr. Joseph Wilson Member, Competition Commission of Pakistan, Professor Kriengsak Chareonwongsak, President, Institute of Future Studies for Development, Bangkok, Thailand, Mr. Pradeep Mehta Secretary General, Consumer Unity and Trust Society, India, Mr. Ali Demiroz Turkish Competition Authority & Board Member of the State Aids Monitoring and Supervision Board, Turkey.



Mr. Miek Van der Wee, Head of Unit, International Relations, DG Competition, European Commission



Professor Kriengsak Chareonwongsak President, Institute of Future Studies for Development, Bangkok
Dr. Nadeem ul Haq, Deputy Chairman, Planning Commission
Mr. Pradeep Mehta Secretary General, CUTS, India



CCP Chairperson Rahat Kaunain Hassan and CSF Chief Executive Officer Mr. Shahab Khawaja



CCP Member Dr. Joseph Wilson addressing the session



Mr. Miek Van Der Wee, Head of Unit International Relations, DG Competition European Commission, Professor Kriengsak Chareonwongsak, President, Institute of Future Studies for Development, Bangkok, Dr. Nadeem ul Haq, Deputy Chairman, Planning Commission, Mr. Pradeep Mehta, Secretary General, CUTS, India, Mr. Ali Demiroz, Turkish Competition Authority & Board Member of the State Aids Monitoring and Supervision Board Turkey and Dr. Joesph Wilson, CCP Member



Mr. Pradeep Mehta, Secretary General, CUTS, India



Chief Guest Session

The honorable Prime Minister of Pakistan, Syed Yousaf Raza Gilani, graced the occasion as Chief Guest on 2 December 2011. The Chief Guest Session was also attended by Dr. Abdul Hafeez Shaikh, Federal Finance Minister, Mr. Richard Albright, Coordinator for Economic & Development Assistance, Embassy of the United States of America, Islamabad, Mr. Shahab Khawaja, Chief Executive Officer, Competitiveness Support Fund, Ms. Rahat Kaunain Hassan, Chairperson of CCP, government officials, participants of the conference and media.



Mr. Richard Albright, Coordinator for Economic & Development Assistance, US Embassy, Islamabad, Dr. Abdul Hafeez Shaikh, Federal Finance Minister, Syed Yousaf Raza Gilani, Prime Minister and Ms. Rahat Kaunain Hassan, Chairperson CCP in the Chief Guest Session

The Prime Minister praised the Competition Commission of Pakistan for being quite active since its inception in addressing manipulation of market. He said like most countries, it has also faced opposition as it has challenged powerful vested interests.

“Nevertheless, the Commission enjoys continued support and acknowledgment of the government. Our recognition of the importance of competition law and the Competition Commission can be judged from the fact that the Competition Ordinance of 2007 was re-promulgated twice to ensure continuity of the Commission’s important work. Because of our efforts and resolve to institute competition as the law of the land, the Ordinance was given approval as an Act of the Parliament in October 2010,” the Prime Minister said.

Full text of the Prime Minister’s speech is given at CCP website www.cc.gov.pk



Session 5

Public Procurement and Collusive Bidding Affecting Consumer Welfare

In many countries, governments procure goods and services for their citizens. Ensuring the effective functioning of public procurement markets necessitates addressing two distinct but inter-related challenges: (i) ensuring integrity and preventing corruption on the part of public officials in the procurement process ; and (ii) promoting effective competition among suppliers, including by preventing collusion among potential bidders.

In general, measures aimed at preventing corruption in public procurement processes, (e.g., enhanced transparency), are also consistent with the promotion of competition. Transparency measures promote competition by informing suppliers of opportunities to compete and by giving them confidence that bids will be assessed objectively on their merits – thereby enhancing their ability and incentive to bid on specific procurements and allowing governments to get the best value for, what are often, scarce public funds.

This was the last before the closing session of the international conference. It was moderated by Mr. Shahab Khawaja, Chief Executive Officer of Competitiveness Support Fund, while the panelists included Mr. Abdul Ghaffar, Member CCP, and Dr. Kusha Haraksingh Chairman, Caribbean Community (CARICOM) Competition Commission.

For presentations please see CCP website www.cc.gov.pk



Mr. Abdul Ghaffar, Member CCP, Mr. Shahab Khawaja, Chief Executive Officer, CSF and Dr. Kusha Haraksingh, Chairman, Caribbean Community (CARICOM) Competition Commission



Mr. Shahab Khawaja, Chief Executive Officer, CSF



Dr. Kusha Haraksingh, Chairman, Caribbean Community (CARICOM) Competition Commission



Closing Session

At the end of the conference, CCP Chairperson Ms. Rahat Kaunain Hassan expertly summarized the conference and covered all key points mentioned by panelists in their presentations. She thanked the international as well as local participants for attending the conference. She expressed gratitude to the USAID for its collaboration through the Competitiveness Support Fund in holding the international conference. She also thanked the CCP officials for working hard towards making the conference a success.



CCP Members Dr. Shahzad Ansar, Mr. Abdul Ghaffar, Ms. Vadiyya Khalil, Chairperson Rahat Kaunain Hassan, Member Dr. Joseph Wilson, Mr. Mueen Batlay, and Registrar/Director General Mr. Ikram ul Haq Qureshi in the closing session.



Annexure 1

Media Coverage

Annexure 1 Media Coverage



Lack of competitive environment to blame: Hafeez

WASIM IQBAL

ISLAMABAD: Minister for Finance and Economic Affairs, Dr Abdul Hafeez Shaikh on > P 4 Col 4

Related reports on Page 3 and Picture on Back Page

Thursday said lack of competitive environment has resulted in poor performance of public sector entities such as power sector, Pakistan International Airlines and Pakistan Railways.

The minister said the government has started developing new market structure so as to enable PSEs to compete with private sector and improve their efficiency. Good competition law is vital to promote business environment and good regulatory framework to improve the economy, he added.

He said in his inaugural address at the 2nd two-day international conference titled "Competition Enforcement Challenges and Consumer Welfare in Developing Countries" on Thursday. Competition Commission of Pakistan (CCP) in collaboration with Competitiveness Support Fund (USAID) has arranged the event. Around 50 competition experts from foreign countries are participating in the conference.

Hafeez said our exports are on continuous rise and remittances showing growth at a faster pace. "The positive economic indicators are pointing towards a new Pakistan keeping in view current trends of remittances, exports, revenue collection and other key indicators," he added.

He said the Federal Board of Revenue has shown 28 percent increase in the first five months (July-November) over the corresponding period of previous fiscal year.

He observed that the FBR has collected Rs.640 billion during first five months (July-November) 2011-12 as compared to Rs 500 billion in the corresponding period last fiscal year, showing a growth of 28 percent.

He said due to prudent fiscal and economic policies of the PPP govt, the economy is now on the right track as both internal and external sectors of economy are resilient despite shocks such as floods and earthquake.

He said it is for the first time in the history of Pakistan that the FBR has shown such an extraordinary growth during three months. "Currently we have historic figure of revenue collection," he claimed.

Hafeez said the government job was to ensure strong policies and regulatory framework for the private sector to promote national economy. "I am glad that Pakistan has good competition laws to promote business environment, competitiveness and protect the consumers rights," he added.

Recalling the sluggish economy of previous government, the minister said that before 2008 the current account deficit was at 8 percent of the GDP. Similarly, fiscal deficit was at 7.3 percent with high inflation rate touching 28 percent.

He said the government has empowered provinces by allocating them additional amount of Rs.800 billion under the new National Finance Commission (NFC) Award to enhance provinces' spending on social sectors.

He said for the better performance of economy, the government is targeting direct subsidy to poor for their social protection and Rs.60 billion have been allocated under the Benazir Income Support Programme (BISP). He said that media is free for comments and criticism in Pakistan. Judiciary is working independently while the office of Chief Accounting Officers or Public Accounts Committee is headed by the leader of the opposition.

Earlier, CCP Chairman Rahat Kaunain Hassan presented address of welcome. She said the conference will provide a rare opportunity to hear from internationally acclaimed experts on competition laws.

She said the objective of this conference is to create awareness about the significance of a competition regime for Pak economy and highlighted some of the more critical challenges they face in their enforcement. They recognise that this is a mammoth task. Unlike developed regimes, however, they have had to struggle for as basic a constituent as a 'statute' and the 'resources' funding the establishment of the CCP," she added.

She said that competition law is only a sub-set of competition policies, which simply are a set of pro-competitive economic measures taken by the government. The more robust these policies are; the better, the enforcement of law and higher the chances of enhancing economic efficiency. The consumers stand to gain the most from greater competition. Competitive markets encourage more trade, lower prices, provide greater choice and more employment.

She said the Ordinance did lapse but it was not the end. Government did extend due support from the highest level. The Ministry of Finance during all this time was reassuring and eventually the Competition Act, 2010 was passed.

She said that there was timely and smooth succession of leadership, re-appointment and appointment of Commission's Members and a budget allocation was also achieved. The CCP despite being in its infancy has taken significant enforcement actions. "We have busted and fined cartels,

which is expected to have a far-reaching impact on the economy. Industries that have been taken on and penalised which include banks (Rs.205 million), cement (Rs.6.3 billion), sugar (proposed max penalty), LPG (Rs.318 million), poultry (Rs.50 million), edible oil (Rs.50 million), jute mills (Rs.23 million), dredging (Rs.200 million) etc", she added.

Rahat said that they have initiated and taken decisive actions against undertakings in the power sector, shipping industry, stock exchanges, professional bodies such as ICAP, state owned entities including PIA and Pakistan Steel Mills and even media organisations thus establishing in a very short time not only our independence but also our even-handed approach in a fair and transparent manner.

Talking about the performance of CCP, she said that they have concluded 27 enquiries, and another 18 are in progress, 312 Show-Cause notices issued, carried out 11 searches and passed 46 decisions across various sectors of the economy.

"Four pillars ie the prohibition on the abuse of dominance, cartelisation or prohibited agreements, mergers & acquisitions and prohibition on deceptive marketing practices continue to be rigorously enforced by us," she said.

She said that seeking guidance from the developed regimes she considered it important to draw a road map for CCP. Our priority remains to enforce the law in fair and transparent manner with the aim to provide for a level playing field. However, various aspects owing to their economic impact have been prioritised. These include: public procurement; concession agreements; expanding Office of Fair Trade (OFT) role to curb deceptive marketing; restricting associations to their mandate; and improving the legal framework. (Road map displayed on screen).

She shared that the legal battles that await us in the courts, with over a 100 cases pending, we have been very conscious of enhancing our enforcement pace. "We believe that the legal battle is part of the due process and CCP would resolutely respond to these legal challenges," she added.

She said the effectiveness of CCP can also be judged by other indicators like compliance achieved, eg so far, they have processed and granted 310 exemptions and over 260 merger NOCs (Pakistan being a mandatory regime). Number of complaints is on the rise, there has been 100 percent observance with respect to prohibiting deceptive marketing practices (where a compliance-oriented approach has been adopted) and increasingly businesses have been approaching us for advice.

Chairman said that it is the confidence that hard work and commitment to excellence that she submitted CCP for an independent evaluation by the 'Global Competition Review'. GCR is world's leading antitrust and competition law journal. This year, the 11th edition of 'Rating Enforcement' has been published. Out of over a hundred competition agencies around the world, only 35 were included. GCR has applauded CCP's inclusion in the rating as a testament to the fact that 'the commission has established itself as a truly effective enforcer in 2010.

Rahat said that in the recent International Conference on Competition Law in India, the celebrated guru of competition law, William Kavocic, a former Chairman and member of the USA Federal Trade Commission, and recipient of lifetime achievement award recognised among the top two performing competition agencies among those recently established. In fact one of the members of the CCI, Justice Dhingra, a counterpart in India, had no hesitation in acknowledging the proactive role of CCP and the fact that, CCI has yet to take off.

She said in the recently held Organisation of Islamic Countries (OIC) conference, she was informed that our performance was repeatedly acknowledged alongside Turkey and Egypt.

"Securing financial autonomy is one major challenge we face. Our law provides for independent funding through tied sources ie 3 percent of fee and charges levied by the 5 other regulatory bodies which form part of the CCP Fund. As this has direct impact on our sustainability," she said. She said it is a matter of time not too distant - that all sector specific regulators will fully recognise and submit to the will and wisdom of the legislature and we will all work in tandem to enable Pakistan provide a business environment of choice.

The local panelists include representatives of the consumer right associations, business community, Competitiveness Support Fund, and the Government of Pakistan.

The conference participants include senior management members of corporate firms from across all sectors of the economy, legal community, academia, autonomous bodies, state-owned enterprises, other public and private institutions and the Government of Pakistan.

Pledge to share experiences

Big competition agencies upbeat about CCP working

SOHAIL SARFRAZ

ISLAMABAD: Heads of top competition agencies including US, Turkey, Brazil and Portugal on Thursday were upbeat about the performance of the Competition Commission of Pakistan (CCP). They pledged to jointly share their experiences with CCP in taking enforcement measures against cartels to protect consumers across the globe.

Heads and representatives of world's key competition authorities lauded the performance of Competition Commission of Pakistan.

Russel Damtoft, Associate Director Office of International Affairs Federal Trade Commission of the United States said CCP has achieved in just four years what US FTC could not achieve in 50 years. Most of the senior representatives of different competition agencies agreed that one of the most important cases of cartelisation has been witnessed in public procurements.

The representatives of all leading competition agencies gathered here at Islamabad at a two-day international conference on the "Competition Enforcement Challenges & Consumer Welfare in Developing Countries jointly organised by the CCP and Competitive Support Fund (CSF) of the US Aid. The 2nd International Conference of the Competition Commission of Pakistan (CCP), being organised with the collaboration of Competitiveness Support Fund (CSF)/USAID started here on Thursday.

During the conference, Shri Ratneshwar Prasad Member Competition Commission of

India (CCI) has also lauded the performance of the CCP. At the same time, Dr Paulo Burnier da Silveria of competition commission of Brazil said that there are similarities in the competition laws of the Brazil and Pakistan.

Manuel Sebastiao President, Portuguese Competition Authority said that the Pakistan has done good work against the cartels. He said that the cooperation among the competition agencies is the key to plan actions against the cartels. The major issues with the cartels are that they are difficult to detect, investigate and prosecute. Sometimes price increase is due to cartelisation of collusive behaviours or market mechanism under which prices increases due to economic factors. The most obvious cases of cartelisation were detected in public procurements, he added.

In his comments, Halil Baha Karabudak, Advisor to Chairman, Turkish Competition Authority appreciated the arrangements and theme of the international conference which is need of the hour for developing countries.

Federal Minister for Finance, Revenue, Economic Affairs, Statistics & Planning and Development, Dr Abdul Hafeez Shaikh was the Chief Guest in the opening session. CCP Chairperson, Rahat Kaunain Hassan, Members Abdul Ghaffar, Dr. Joseph Wilson, Vadiyya Khalil, Dr. Shehzad Ansar and Mueen Batlay, Secretary to the Commission, Hayat Jasra, and Registrar of the Commission Ikram ul Haq Qureshi were also present on the occasion.

The Conference is being attended by panelists and participants from the Americas, the European Union having representations of 27 countries, Africa, Far East, South Asia and the Caribbean Community (CARICOM) having representation of 15 countries.

On first day of the 2-day Conference, three sessions were held i.e Challenge for Competition Agencies to Deal with Cartels and Cartels in Disguise and; Deceptive Marketing & Consumer Protection; Lessons Learnt and Sharing of Country Experiences in Advocacy and Enforcement.

Presentations were given by Manuel Sebastiao President, Portuguese Competition Authority, Halil Baha Karabudak, Advisor to Chairman, Turkish Competition Authority, Turkey, Dr. Paulo Burnier da Silveria, Head of International Affairs, CADE, Brazil, Khalid Mirza, Former Chairman, Competition Commission of Pakistan, Russell Damtoft, Associate Director, Office of International Affairs, US Federal Trade Commission, Dr. Huma Bukhari, President, Consumers Forum, Karachi, Tounakti Khalifa, Director-General, Tunisian Competition Council, Halima Bensouda Morocco, Dr. Robert Ian McEwin, Professor, National University, Singapore. The panelists shared their perspectives and experiences in the enforcement and advocacy of competition law in their respective countries. They lauded the role of Competition Commission of Pakistan in the enforcement and advocacy of competition law.

S'pore official elaborates on benefits of increased competition

RECORDER REPORT

ISLAMABAD: The competition law in Singapore aims at balancing regulatory and business compliance costs framework against the benefits of increased competition - so as to focus on activities that have an adverse effect on competition in Singapore.

This was stated by Dr Robert Ian McEwin of the Competition Commission of Singapore (CCS) at the 2nd two-day international conference titled "Competition Enforcement Challenges and Consumer Welfare in Developing Countries," on Thursday. Competition Commission of Pakistan (CCP) in collaboration with Competitiveness Support Fund (USAID) has arranged the conference.

He said the competition law in Singapore also focused on the improvement of overall welfare by comparing anti-competitive detriments with other net economic benefits - so not just about competition. "Broadly assess competition - by considering whether conduct is anti-competitive, consideration given to whether it promotes innovation, productivity or longer-term economic efficiency," Dr Robert said.

He explained that at present there is a need to have highly professional CCS with mainly economists and lawyers. The guidelines needed to be clear and announced before implementation. The potential problems identified are: Firstly, potential conflicts between other government policies and competition - an important role in competition advocacy identified to advise other parts of government on how to achieve their policy goals in the least anti-competitive way. Secondly, economic regulation in Singapore had in the past often focused on self-regulation and so necessarily involved industry collaboration - which could potentially infringe the Competition Act.

Explaining the reason for applying different competition law in Singapore, he said that Singapore's economic circumstances mean the same competition law principles may be applied differently here than in other jurisdictions. Singapore is a small, open economy, with a business-friendly environment, with considerable foreign investment that partly depends on its geographic location and well-enforced laws. The Competition law can impose conditions on firm conduct located here that may not apply to close neighbours. These conditions could affect Singapore ability to attract and retain foreign investment - particularly in transport eg shipping and air transport. If Singapore competition law imposes conditions which reduce firm discretion and efficiency then firms could relocate - ironically leading to less competition in Singapore, he added.

He further said that the CCS strengthened the plans its leniency programme to enhance the effectiveness of CCS' enforcement action against cartels. In particular, it has introduced a Marker system and a Leniency Plus system. The Marker system means that a leniency applicant does not have to provide full information at the time of notifying the CCS. Instead the leniency applicant can keep its place in the leniency queue for a given period of time, while it gathers the necessary information and evidence for the leniency application. The Leniency Plus system encourages cartel members under investiga-

tion for a cartel activity to report on involvement in another cartel activity. In so doing, a cartel member can obtain a discount on the financial penalty that may be imposed by CCS for its involvement in the first cartel activity, in addition to full immunity from financial penalty for the second reported cartel. These changes were introduced to reflect changes in best practice in other countries around the world, he added.

Dr Robert added that the CCS has reasonable number of cases. However, decisions are sophisticated and very detailed which are useful for lawyers and companies seeking clarity. So far, the decisions, etc, have nicely blended economics and law which will continue. The economic assessment of the effects of conduct should be determined, otherwise competition law will not promote Singapore's economy efficiency and competitiveness.

Russell W Damtoft, Associate Director of US Federal Trade Commission while highlighting the relationship between competition and consumer protection said that the linkages between competition and consumer protection encourage viewing an issue as a market problem.

Addressing the international conference, he said that the lack of competition undermines incentives of firms to provide information to consumers and respond to consumer preferences. The unjustified restrictions of non-deceptive information undermines incentives to compete firms only innovate if they think they can sell. To sell, firms need to be able to promote and if restrictions inhibit truthful promotion, less incentive to innovate. If advertising is not seen as a trustworthy source of consumer information, consumers lose ability to benefit from competition.

In a perfect world, there would be no need for consumer protection. In the long run, competitive markets would reward producers who offer what consumers want and punish producers who fail to deliver for consumers and government intervention has costs. But in the real world, markets don't always protect consumers. The fraud operators have little need for repeat business, deception is not always easy to detect and sometimes it's too hard to obtain information or to exercise choice. The short-term cost to consumers of market solutions may be too high, and interests must be balanced, he said.

Dr Paulo Burnier da Silveria of competition agency of Brazil explained the Brazilian experience in the fight against cartels. He said that the cartels are using sophisticated strategies to conceal information and it is difficult to collect evidences of cartels. These cartels convene informal meetings on the beach, private clubs and even conduct overseas meetings to hide from the competition agency. The Brazil's fight against cartels revealed that during 2003, first search warrant was issued. During four years period of 2003-06, 30 search warrants were issued whereas 343 search warrants were issued during the period of 2007-10. This shows that there is 10 times increase in the search warrants issued during 2007-10 as compared to 2003-06.

Khalid Mirza former Chairman CCP explained the competition law of Pakistan and responded to various queries raised by international competition experts. He also talked about the key features of the Competition Act of Pakistan particularly its comparison with the old law.

Energy a major challenge, says finance minister

Mehtab Haider

ISLAMABAD: The power sector requires revamp because the government's dominant role has failed to bring about any improvement; rather it has become a major challenge, federal minister for finance and revenues, Dr Hafeez Shaikh, said on Thursday.

"There are challenges for the country such as the energy sector as it requires revamp to put in place corporate governance to achieve improvements.

The role of the government is dominant in this sector like in some other institutions like PIA and Railways," Dr Hafeez Shaikh said while addressing inaugural session of international conference titled "Competition Enforcement Challenges and Consumer Welfare in Developing Countries" organised by the Competition Commission of Pakistan (CCP) in collaboration with USAID here on Thursday.

Participants from the Americas, the European Union having representations of 27 countries, Africa, Far East, South Asia and the Caribbean Community (CARICOM) having representation of 15 countries

are attending the conference.

The minister made a comparison between institutions having full control of the government such as PEPCO, PIA and Railways that could be termed as cash bleeding and those where private entrepreneurs were involved, such as banking and telecom that could be termed as success stories.

"Pakistan is passing through a transition phase where democracy and Constitution of 1973 was restored by rendering a lot of sacrifices, president relinquished his powers in favour of prime minister and Parliament, the judiciary is free and independent media is a matter of pride, the opposition leader was heading Public Accounts Committee till recently and the government handed over greater role to provinces by granting administrative powers and rendering Rs900 billion additional resources through NFC Award," he said and added that it was part and parcel of democratic process that changes occurred in noisy way.

"Pakistan possessed a difficult neighbourhood and security environment is challenging," he said and reminded that

the devastating floods of 2010 caused \$10 billion loss to the economy, according to the assessment made by the WB and ADB.

Dwelling upon achievements on the economic front, he said that exports, remittances and foreign exchange reserves touched highest level in the last fiscal year while exports and remittances continued to rise in the current fiscal year.

Revenue collection that was considered a weak area was showing marvellous results as the FBR collected highest ever revenues to the tune of Rs640 billion in first five months (July-Nov) period, registering a growth of 28 percent compared to the same period last year, Dr Shaikh maintained.

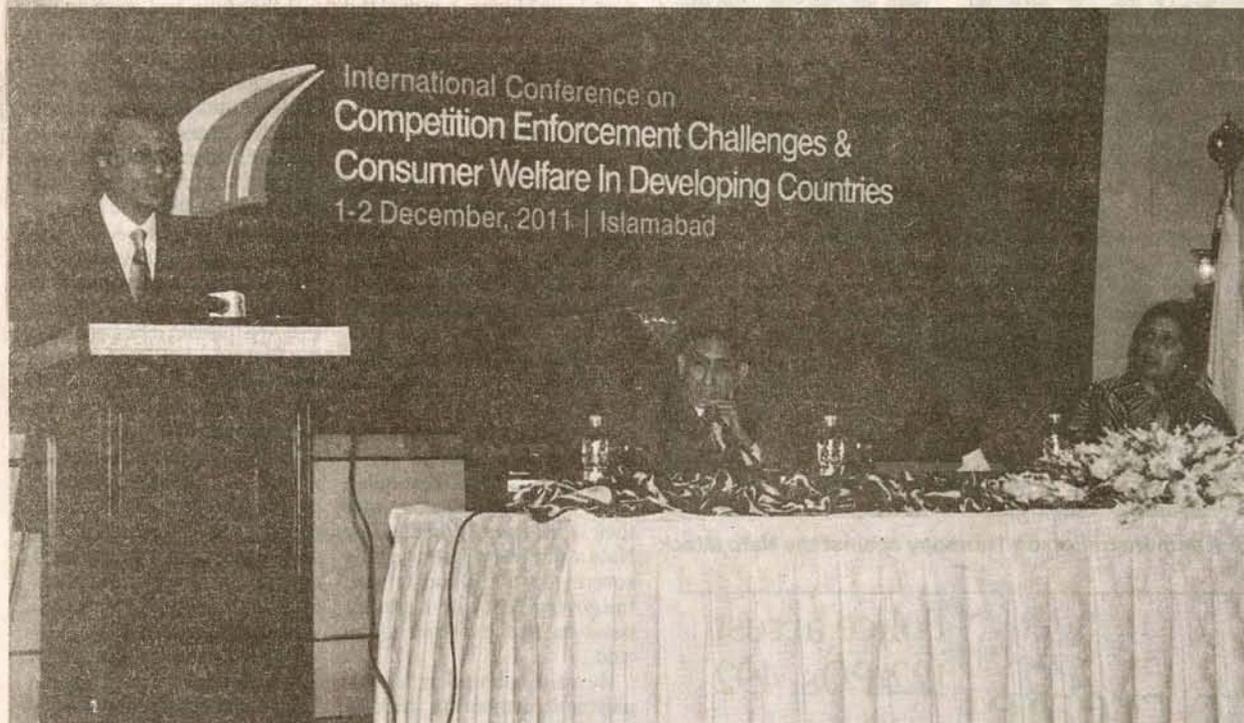
He said that the government had inherited a fragile economy in 2008 when fiscal deficit and inflation were 7.6 percent and over 25 percent respectively.

"We approached the IMF under Standby Arrangement (SBA) programme and took difficult decisions by passing on electricity and POL prices that were not done before for purely political reasons," he noted.

"There is need to strike a balance between these two approaches because role of the government becomes important when it stops excessive powers of certain groups at the cost of larger citizens of this country," he said adding the private sector was meant to make money but it should be done through legal means. If someone tries to make money through illegal methods then it is the job of the government to stop such practice.

CCP chairperson, Rahat Kaunain Hassan in her opening remarks touched upon key areas of competition law enforcement, advocacy and the challenges faced by the CCP in implementing competition law.

Rahat said the nascent CCP has taken significant enforcement actions. "We have busted and fined cartels, which is going to have a far-reaching impact on the economy. Industries that have been taken on and penalised include banks (Rs205 million), cement (Rs6.3 billion), sugar (proposed maximum penalty), LPG (Rs318 million), poultry (Rs50 million), edible oil (Rs50 million), jute mills (Rs23 million) and dredging (Rs200 million) etc."



ISLAMABAD: Federal Finance Minister Dr Hafeez Sheikh speaks at an international conference on Thursday. CCP Chairperson Rahat Kaunain Hassan is also sitting on the stage.—APP

Pakistan has good competition laws to protect consumers

OUR STAFF REPORTER

ISLAMABAD - Federal Minister for Finance, Revenue, Economic Affairs, Statistics & Planning and Development, Dr Abdul Hafeez Sheikh has said that Pakistan has good competition laws to promote business environment, competitiveness and protect the consumers' rights in the country.

He said this while addressing the 2nd International Conference of the Competition Commission of Pakistan (CCP), being organised with the collaboration of Competitiveness Support Fund (CSF)/USAID started here on Thursday.

Dr Hafeez Sheikh was the chief guest in the opening session. CCP Chairperson Rahat Kaunain Hassan, Members Abdul Ghaffar, Dr Joseph Wilson, Vadiyya Khalil, Dr Shehzad Ansar and Mueen Batlay, Secretary to the Commission, Hayat Jasra, and Registrar of the Commission Ikram ul Haq Qureshi were also present on the occasion.

The conference is being attended by panellists and participants from the Americas, the European Union having representations of 27 countries, Africa, Far East, South Asia and the Caribbean Community (CARICOM) having representation of 15 countries.

The Finance Minister lauded the work being done by the Competition Commission of Pakistan saying that the institution will be further strengthened to work towards a competitive economy. He thanked the conference delegates, particularly those coming from abroad to attend the conference. He said the conference was a very important initiative of the Commission.

CCP Chairperson Rahat Kaunain Hassan in her opening remarks touched upon key areas of competition law enforcement, advocacy and the challenges faced by CCP in implementing competition law. She thanked all the participants. She said the purpose of this conference is to create awareness about the sig-

nificance of a competition regime for our economy and highlight some of the more critical challenges we face in its enforcement.

"We look forward to enrich ourselves by learning about the experiences of the developed and other developing regimes. We see your presence as an endorsement of our mandate - to provide, free competition in all spheres of commercial and economic activity to enhance economic efficiency and to protect consumers from anticompetitive behavior. We thank you for the confidence reposed in us," she said.

Rahat said the Commission has a dedicated team and she has the confidence in its hard work and tenacity in encountering daunting challenges.

She paid tribute to the media and the civil society for consistently playing a very positive role in communicating to the public the importance of a robust competition regime.

Speaking about the performance of CCP, Rahat said despite

being in its infancy it has taken significant enforcement actions. "We have busted and fined cartels, which is expected to have a far-reaching impact on the economy. Industries that have been taken on and penalized include banks (Rs.205 million), cement (Rs.6.3 billion), sugar (proposed max penalty), LPG (Rs.318 million), poultry (Rs.50 million), edible oil (Rs.50 million), jute mills (Rs.23 million), dredging (Rs.200 million) etc."

She acknowledged the support extended by CCP counterparts in Turkey and US who have greatly facilitated our capacity building. "It is most encouraging that some of the new agencies now approach CCP for technical training and assistance."

On first day of the 2-day conference, three sessions were held i.e. Challenge for Competition Agencies to Deal with Cartels and Cartels in Disguise and; Deceptive Marketing & Consumer Protection; Lessons Learnt and Sharing of Country Experiences in Advocacy and Enforcement.

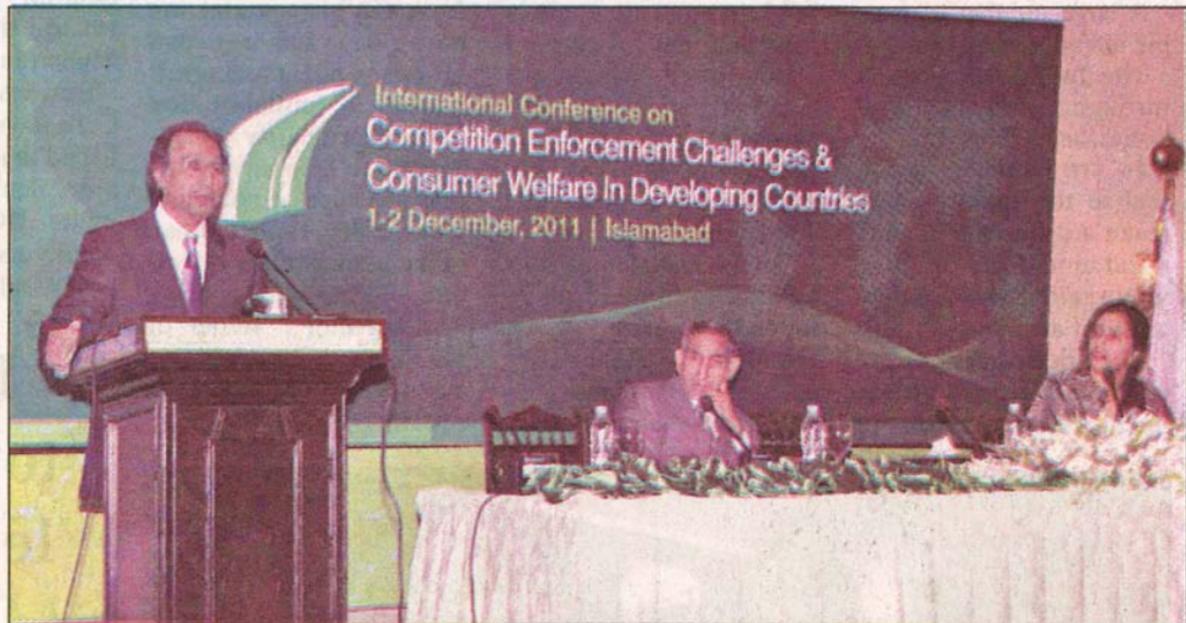
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ISLAMABAD: Federal Minister for Finance Dr Abdul Hafeez Sheikh addressing International Conference on Competition Enforcement Challenges and Consumer Welfare in Developing Countries, here on Thursday. —Recorder photo

The Financial Daily International

02 Dec 2011



ISLAMABAD: Federal Minister for Finance, Dr Abdul Hafeez Shaikh addressing the 2nd International Conference of Competition Commission of Pakistan. - APP

State unable to run institutions: Dr Sheikh

ISLAMABAD

JALALUDDIN RUMI

FINANCE minister Abdul Hafeez Sheikh admitted that the model of running institutions by the state has failed; as is evident from collapse of Pakistan Railways, PIA, Pakistan Steel Mills and other State Owned Enterprises (SOEs) which were not run on competitive basis. Speaking at inaugural session of the international conference on competition enforcement challenges and consumer welfare in developing countries, he said government was not interfering in affairs of regulatory organisations to provide a level playing field and they have performed well outside government's influence. The minister said government is adopting public private partnership to run SOEs so

that they could be run on profitable basis. He said government has decided to run two trains; Gul train from Lahore to Istanbul and Shalimar train from Lahore to Karachi with private sector participation in operation and maintenance of cargo and passenger train services. Giving example of banking sector that government privatised in last decade, he said after privatisation banking sector has flourished in last ten years and their capacity to deliver has grown. He said growth in country's private sector has given boost to regulatory system of the country. He praised performance of Competition Commission of Pakistan and said it helped introduce the culture of competition in different sectors. He said China, Indonesia, Korea and India, by changing their models in last two decades, have contributed enormously to

growth in their economies. He said due to prudent policies; the country's economy was showing encouraging signs of recovery. He said exports and Foreign Exchange Reserves have gone up and current account deficit has declined. He said Federal Board of Revenue (FBR) has collected Rs640 billion worth of tax during first five months with 28 per cent growth in current fiscal year. Later talking to reporters, the minister said that increase in petroleum prices was a difficult decision but said government had to pass on the impact in international markets to consumers. CCP Chairperson, Rahat Kaunain Hassan while touching upon key areas of competition law enforcement, advocacy and challenges faced by CCP in implementing competition law said that we look forward to enrich ourselves by learning about experiences of developed and other

developing regimes. Speaking about performance of CCP, Rahat said despite being in its infancy it has taken significant enforcement actions. Industries that have been taken on and penalised include banks (Rs205 million), cement (Rs6.3 billion), sugar (proposed maximum penalty), LPG (Rs318 million), poultry (Rs50 million), edible oil (Rs50 million), jute mills (Rs23 million), dredging (Rs200 million), etc. International competition conference aims to examine



CCP International Conference starts

Lack of competition in public sector is deteriorating national entities: Shaikh

■ Competition law is only a sub-set of competition policies ■ Consumers stand to gain most from greater competition

By Sajid Chaudhry

ISLAMABAD: Federal Minister for Finance and Economic Affairs, Dr Abdul Hafeez Shaikh on Thursday said that due to lack of competition, performance of public sector entities are deteriorating and Pakistan's power sector, national airline and national rail systems' performance is very poor.

Government has started developing new market structure so as to enable them to compete with private sector and improve their efficiencies. Pakistan economy is doing well despite multiple challenges, macroeconomic stability of the country has been restored and hoped that security challenges would be over in near future.

He said that Pakistan has good competition laws and vibrant competition agency to promote business environment, competitiveness and protect the consumers' rights in the country. The minister stated this while inaugurating the 2nd two-day international conference titled "Competition Enforcement Challenges and Consumer Welfare in

Developing Countries" here at a local hotel on Thursday. Heads and representative of competition authorities of some 50 countries are participating in the international conference to share their experiences.

He said that Pakistan's economic indicators are showing good results, exports and remittances have shown good improvement, similar to last year's performance, during July-November period. He announced that for the first time in the history of the country tax collection of Rs 640 billion have been realised during first five months of ongoing fiscal year 2011-12 and despite difficult environment tax collection have witnessed 28 percent growth over the same period of last fiscal year.

However, he said that Pakistan's public sector is showing different stories, after deregulation and privatisation, banking and telecom sectors have shown marked improvement, however, performance of the power sector, national airline and national rail sector is very poor.

He said that to restore macroeconomic stability, present government has taken most difficult and

un-popular decisions like increasing power tariffs, putting burden of increase of oil prices on consumers. Subsidy regime has been converted in to a targeted regime to benefit only real poor, Rs 50 billion have been earmarked for Benazir Income Support Programme.

The Minister termed 18th amendment and 7th NFC Award historic and said that during the last two years provinces have been provided Rs 800 billion additionally to directly provide people of Pakistan health, education and other civic services for improving their lives.

He added that due to prudent fiscal and economic policies of the government the economy has now on the right track as both internal and external sectors of economy are resilient despite shocks like floods in the country. He said that good competitions laws are vital to promote business environment and good regulatory framework for the flourishing the economy in the country. He added that it is the job of the government to ensure good polices and regulatory framework for the private sector to promote national economy.

Regulators across globe laud CCP achievements

ISLAMABAD: Heads and representatives of worlds key Competition Authorities here on Thursday lauded the performance of Competition Commission of Pakistan (CCP) and Russel Damtoft, Associate Director Office of International Affairs, Federal Trade Commission (FTC) of the United States said CCP has achieved what in just four years US FTC could not achieve in its first 50 years. The Second International Conference of the Competition Commission of Pakistan (CCP), being organised with the collaboration of Competitiveness Support Fund (CSF), USAID started here on Thursday. Federal Minister for Finance, Revenue, Economic Affairs, Statistics and Planning and Development, Dr Abdul Hafeez Shaikh was the Chief Guest in the opening session. CCP Chairperson, Rahat Kaunain Hassan, Members Abdul Ghaffar, Dr Joseph Wilson, Vadiyya Khalil, Dr Shehzad Ansar and Mueen Batlay, Secretary to the Commission, Hayat Jasra, and Registrar of the Commission Ikram ul Haq Qureshi were also present on the occasion. STAFF REPORT

The Minister for Finance said that government wanted to involve private sector to run business affairs while the government would provide good regulatory and macro economic frame work and conducive business environment to them to achieve this objective in the country.

Rahat Kounain Hassan, Chairperson of CCP speaking on the occasion highlighted the achievements of the Commission

for promotion of competitive business environment for the welfare of the consumers.

Competition law is only a sub-set of competition policies, which simply put a set of pro-competitive economic measures taken by the government (be it relating to trade, labour or investment). The more robust these policies are, the better, the enforcement of law and higher the chances of enhancing economic efficiency.

The consumers stand to gain the most from greater competition. Competitive markets encourage more trade (export and import), lower prices, provide greater choice and more employment.

Markets do not foster growth on their own. Market is only an instrument, just the way currency is. It is these policies along with the effective enforcement of competition law, which make markets work. These include measures intended to: ease market entry barriers, guarantee equal business opportunity, inject market principles into the process of privatisation, play the role of competition advocate in order to ensure that sectoral policies follow market principles, develop a culture of competition by instilling a competitive mindset, deregulation, non-discrimination, transparency, and accountability.

CCP despite being in its infancy has taken significant enforcement actions. "We have busted and fined cartels, which is expected to have a far-reaching impact on the economy. Industries that have been taken on and penalized include banks (Rs

205 million), cement (Rs 6.3 billion), sugar (proposed max penalty), LPG (Rs 318 million), poultry (Rs 50 million), edible oil (Rs 50 million), jute mills (Rs 23 million), dredging (Rs 200 million) etc. We have initiated and taken decisive actions against undertakings in the power sector, shipping industry, stock exchanges, professional bodies like ICAP, state owned entities including PIA and Pakistan Steel Mills and even Media organisations thus establishing in a very short time not only our independence but also our even-handed approach in fair and transparent manner. We have concluded 27 enquiries, and another 18 are in progress. We have issued 312 Show-Cause notices, carried out 11 searches and passed 46 decisions, orders across various sectors of economy," she added.

To draw a road map for CCP: She said, "Our priority remains to enforce the law in fair and transparent manner with the aim to provide for a level playing field. However, various aspects owing to their economic impact have been prioritised.

'No international law exists against global cartels'

By Mehtab Haider

ISLAMABAD: The cooperation among different countries and regions can be enhanced to counter the cartelisation, but there is no international law binding countries for taking actions against international cartels, a senior official of the US Federal Trade Commission said on Thursday.

"Sovereign governments cannot be forced for taking action," Russell Damtoft, Associate Director, Office of International Affairs, US Federal Trade Commission (US FTC) said, when asked whether any law dealt with international cartels.

He was talking to newsmen on the first day of the 2nd International Conference of the Competition Commission of Pakistan (CCP), being organised with the collaboration of Competitiveness Support Fund (CSF) of USAID on Thursday.

Former Chairman CCP Khalid Mirza said on the occasion that the competition agency should not be seen as hard or soft but it should act judiciously.

"The high-ups of competition agencies must maintain distance from government as well as from rich and influential," he further stated.

Earlier, CCP's Chairperson Rahat Kaunain Hassan said that the Competition Commission of Pakistan law protected consumers from anti competitive behaviour.

There are other forums to tackle white-collar crimes, but if it relates to abuse of dominance, it will come under the jurisdiction of the CCP, while there are other forums to handle cases of corruption.

Panelists and participants from the Americas, the European Union, Africa, Far East, South Asia and the Caribbean Community (CARICOM) are attending the Conference.

Competition Commission of Pakistan Chairperson, Rahat Kaunain Hassan touched upon key areas of competition law enforcement, advocacy and the challenges faced by the Competition Commission of Pakistan in implementing competition law.

"We look forward to enrich ourselves by learning about the experiences of the developed and other developing regimes," she said.

Hassan said the Commission has a dedicated team and she has the confidence in its hard work and tenacity in encountering daunting challenges.

On first day of the 2-Day Conference, three sessions were held i.e. Challenge for Competition Agencies to Deal with Cartels and Cartels in Disguise and; Deceptive Marketing & Consumer Protection; Lessons Learnt and Sharing of Country Experiences in Advocacy and Enforcement.

Pak has good competition laws to promote business environment

MUHAMMAD ARSHAD

ISLAMABAD—Federal Minister for Finance and Economic Affairs, Dr Abdul Hafeez Shaikh said on Thursday that Pakistan has good competition laws to promote business environment, competitiveness and protect the consumers rights in the country. He stated this while inaugurating the 2nd two-day international conference titled "Competition Enforcement Challenges and Consumer Welfare in Developing Countries" here at a local hotel on Thursday.

The event has been organized by Competition Commission of Pakistan (CCP) in collaboration with Competitiveness Support Fund/USAID. Chairperson of CCP, Rahat Kaunain Hassan also spoke on the occasion. The theme of the conference was, "Competition Enforcement Challenges and Consumer Welfare in Developing Countries."

The conference will provide a rare opportunity to hear from internationally acclaimed experts on competition law from the Americas, Europe, Africa, Far East and South Asia. The local panelists include representatives of the consumer right associations, business community, Competitiveness Support Fund, and the Government of Pakistan.

The conference participants include senior management members of corporate firms from across all sectors of the economy, legal community, academia, autonomous bodies, state-owned enterprises, other public and private institutions and the Government of Pakistan. The conference also aims to examine the status of competition enforcement in various jurisdictions with particular reference to the emerging economies such as Pakistan.

Dr Abdul Hafeez Shaikh said that present regime inherited a slug-

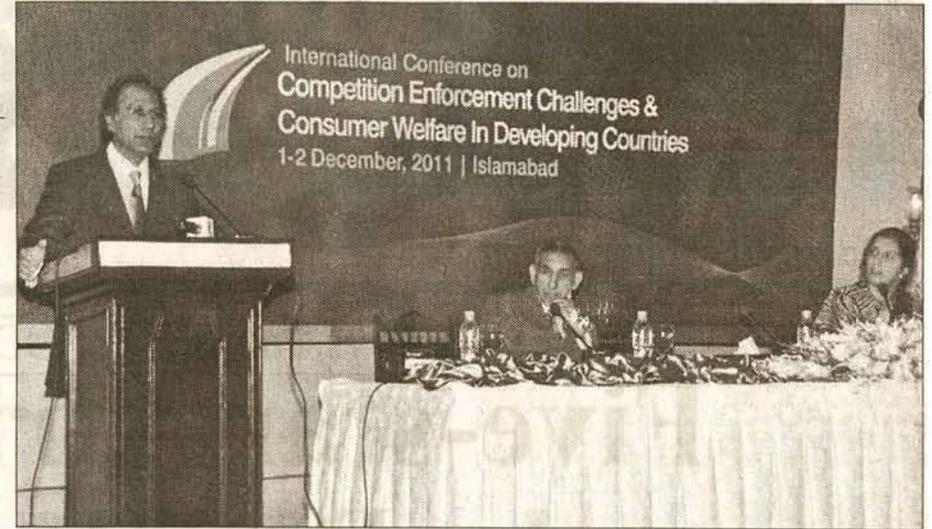
gish economy from previous government in 2008 as the Current Account deficit was at 8 percent of the GDP while Fiscal deficit was at 7.3 percent with high inflation. He added that due to prudent fiscal and economic policies of the government the economy has now on the right track as both internal and external sectors of economy are resilient despite shocks like floods in the country.

He said that good competition laws are vital to promote business environment and good regulatory framework for the flourishing of economy in the country. He added that it is the job of the government to ensure good polices and regulatory framework for the private sector to promote national economy.

The Minister for Finance said that government wanted to involve private sector to run business affairs while the government would provide good regulatory and macro economic frame work and condu-

cive business environment to them achieve this objective in the country. He said that government has empowered provinces by providing them extra amount of Rs.300 billion under the 7th National Finance Commission Award (NFC) in order to enable the provinces to sent more on social sector like health, education and people welfare related projects.

He reminded that government wanted targeted subsidy to the poor segment of society for their social protection and during the current budget Rs.60 billion have been allocated under the Benazir Income Support Programme (BISP) for the benefit of the poor. Dr Abdul Hafeez Shaikh said that media is free for comment and criticize in Pakistan, judiciary is working independently while the office of Chief Accounting Officers or Public Accounts Committee is headed by the leader of the opposition.



Federal Minister for Finance Dr. Abdul Hafeez Shaikh addressing the 2nd International Conference on Competition Commission of Pakistan.

معاشی پالیسیوں کی بدولت معیشت درست سمت میں ہے، وزیر خزانہ

این ایف سی ایوارڈ کی بدولت صوبوں کو 300 بلین روپے اضافی ملے

اسلام آباد (نمائندہ خصوصی) وفاقی وزیر خزانہ ڈاکٹر زیادہ تھی۔ تاہم حکومت کی موثر معاشی پالیسیوں کی عبدالحمید شیخ نے کہا ہے کہ موجودہ حکومت کو 2008ء میں بدولت معیشت درست سمت میں ہے۔ مسابقت کے معیشت اتر حالت میں ملتی تھی۔ کرنٹ اکاؤنٹ کا خسارہ 8 حوالے سے دو روزہ کانفرنس کے اجلاس سے خطاب فیصد اور مالی خسارہ 7.3 فیصد تھا اور افراط زر کی شرح بہت کرتے ہوئے انہوں نے کہا کہ (صفحہ 6 بقیہ 41)



اسلام آباد، وفاقی وزیر خزانہ مسابقتی کمیشن سے متعلق کانفرنس کے افتتاحی اجلاس سے خطاب کر رہے ہیں

41

وزیر خزانہ

بقیہ

ملک کے اندر صارفین کے حقوق کے تحفظ 'مسابقت میں اضافہ کے لئے اچھا قانون موجود ہے۔ انہوں نے کہا کہ اچھے کاروباری ماحول کے لئے مسابقت کا اچھا قانون ضروری ہے۔ این ایف سی ایوارڈ کی بدولت صوبوں کو 300 بلین روپے اضافی ملے ہیں۔ جن کی وجہ سے صوبوں کو تعلیم، صحت اور سماجی سیکٹر پر رقم خرچ کرنے کی گنجائش حاصل ہوئی ہے۔ انہوں نے کہا کہ ملک کے اندر میٹروں کے زیادہ سے زیادہ اور علاقہ بھی آزادانہ کام کر رہی ہے۔ مسابقتی کمیشن کی سربراہ راحت کونین حسن نے اپنے خطاب میں مسابقتی کمیشن کے کام اور کامیابیوں پر روشنی ڈالی۔ کانفرنس میں مسابقت کے قانون کے حوالے سے مختلف ممالک کی مندوبین مقالہ جات پیش کریں گے۔ کانفرنس جمعہ کو بھی جاری رہے گی جس کے اختتامی اجلاس سے وزیر اعظم خطاب کریں گے۔

2nd Int'l Conference Begins

Role of Competition Commission highlighted

ISLAMABAD: 2nd International Conference of the Competition Commission of Pakistan (CCP), being organised with the collaboration of Competitiveness Support Fund (CSF)/USAID started here on Thursday.

Federal Minister for Finance, Revenue, Economic Affairs, Statistics & Planning and Development, Dr Abdul Hafeez Shaikh was the Chief Guest in the opening session.

CCP Chairperson, Rahat Kaunain Hassan, Members Abdul Ghaffar, Dr Joseph Wilson, Vadiyya Khalil, Dr Shehzad Ansar and Mueen Batlay, Secretary to the Commission, Hayat Jasra, and Registrar of the Commission Ikram ul Haq Qureshi were also present on the occasion.

Speaking on the occasion, the Finance Minister lauded the work being done by the Competition Commission of Pakistan saying that the institution will be further strengthened to work towards a competitive economy.

He thanked the conference delegates, particularly those coming from abroad to attend the conference. He said

the conference was a very important initiative of the Commission.

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3pc fee/charges

PM assures CCP secured funding

SOHAIL SARFRAZ
ISLAMABAD: Prime Minister Syed Yousuf Raza Gilani on Friday assured the Competition Commission of Pakistan (CCP) that secured source of funding would be provided to the Commission through provision of 3 percent of fee/charges collected by regulatory authorities to ensure the CCP's financial and administrative autonomy.

Addressing the key session of 2nd International Conference on

"Competition Enforcement Challenges and Consumer Welfare in Developing Countries," the Prime Minister said People's expectations from the government are understandable and justified. However, for two years in a row, floods, energy and security situation have slowed down the economic growth. Nonetheless, due to timely interventions of the government, the country has been able to build strong economic

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PM assures CCP

> from page 1

fundamentals, he added.

The PM said that the international recognition and evaluation is a valuable barometer for judging performance of an entity.

He said that he is aware that due to the critical matter of funding the Commission's operations remain unresolved. Let me take this opportunity to assure you that in the same manner the government supported the passage of the law through the Parliament and it will focus attention on providing the Commission a secured source of funding to carry on its important work.

This is one of the fundamental outcomes of globalisation. In highly competitive environment, the role of governments is to create enabling conditions for businesses to operate with maximum ease. To prevent market failures, cartelisation and the abuse of dominance, institutions like the Competition Commission have been created around the globe, PM added.

"I believe, competition laws must reflect national priorities and take national peculiarities into consideration. Obviously, our main national priority is economic development of the country, the ability to provide goods and services to our people at affordable prices and to create better opportunities for their livelihood", he stated.

In 2011, the government released the New Growth Framework after taking the relevant stakeholders into confidence. The Framework document underscored the importance of competitive markets as an element of economic governance. It also identified competitive markets as the starting point towards increasing efficiency and bringing about innovation to promote and sustain economic growth, he maintained.

Prime Minister added that the Competition Commission has been quite active since its inception in addressing manipulation of the market. And like most countries, it has also faced opposition as it has challenged powerful vested interests.

The emergence of a competitive market is an evolutionary process. Mere deregulation will not achieve this goal. Building the culture of competition and an effective competition regime is a long-term endeavour. Competition must be 'mainstreamed' in all sectors, he said.

There is a need to overcome the fear of and opposition to competition by emphasising its benefits and by creating a good pro-investment climate. Thus, pro-competition policies must not only be well constructed but duly maintained to guard against anti-competitive behaviour in the market.

Promotion of competition culture

needs a strong and independent institution capable enough to point out when and where competition is being compromised or vested interests are working against economic growth. This independence, in my view, means both political and financial independence. People should perceive the competition law as a tool for realising the full potential of the economy for their benefit, he mentioned.

Addressing the special session, Federal Minister for Finance Dr. Hafeez Shaikh said that private sector is the engine of growth and government has removed entry barriers, and is trying to provide level playing field to ensure participation of private sector in country's sustained economic growth. He said that competition in economy is essential to improve efficiency and fair play in the country.

In his address, Federal Finance Minister said Pakistan was the most business friendly country of the region offering a number of incentives to the investors. He said the government encouraged foreign investment and there were no trade barriers in the way of foreign investment. He said that private sector was the engine of growth of any country's economy and it was government's responsibility to ensure appropriate measures along with provision of best possible policies, services and resources to facilitate the private sector for promotion of economic growth and job creation. Dr Shaikh reiterated the government's commitment towards strengthening the Competition Commission of Pakistan by resolving the pending issue of three percent fee. The issue of payment of 3 percent fee/charges by the regulators would be addressed to ensure smooth functioning of the commission.

Rahat Kaunain Hassan, Chairperson CCP on the occasion highlighted the achievements of the Commission for the promotion of competitive business environment for the welfare of the people. She said the Commission had a dedicated team and she had the confidence in its hard work and tenacity in encountering daunting challenges. She thanked the government for its support in the passage of Competition Law and hoped that the government will resolve all pending issues including the three percent fee and appointment of the Competition Appellate Tribunal.

Speaking on the occasion, Richard A Albright, Coordinator for Economic and Development Assistance Embassy of the United States, Islamabad said that fair and strong competition in business activities enhances economic strength of a country. He congratulated the Competition Commission of Pakistan and the Competitiveness Support Fund for organising a successful conference.

Public procurements

CCP making headway in curbing collusive bidding

RECORDER REPORT

ISLAMABAD: The Competition Commission of Pakistan (CCP) is making headway in curbing collusive bidding in public procurements as the Public Procurement Regulatory Authority (PPRA) has estimated \$8 billion savings through revamped public procurement procedure.

In his presentation at the international conference here on Thursday, CCP Member Abdul Ghaffar said that as per PPRA, Pakistan spends an estimated 20-25 percent of its GDP on public procurement which comes around to around 55-60 billion US dollars equivalent to Rs 5,312 billion. The Public Procurement Regulatory Authority (PPRA) has estimated 8 billion US dollars in savings from improved public procurement processes. "There is a need to have exclusive federal as well as provincial institutions to regulate public procurements," CCP Member told the heads of the competition agencies.

Abdul Ghaffar further stated that reportedly the misuse of the public procurement in Pakistan as per Transparency International stood at around \$4 billion and according to the PPRA the estimates come to around \$8 billion.

Keeping in view the huge impact on economy and thus consumer welfare, curbing collusive bidding in public procurement is a priority area for CCP under its roadmap. Furthermore, Public Procurement is highly susceptible to collusive bidding. Concrete steps have been taken by the CCP for capacity building of staff to investigate and prosecute the cases of collusive bidding, FBR Member said.

Abdul Ghaffar further stated that the in case of collusion between any employee or employees of Public Procurement Agencies (PPAs) and prospective bidders for a particular procurement, the case

is liable to be prosecuted by public prosecution agencies e.g. NAB, FIA or provincial anti-corruption agencies.

He explained that the PPRA is an autonomous body endowed with the responsibility of prescribing regulations and procedures for public procurements by Federal Government owned public sector organisations with a view to improve governance, management, transparency, accountability and quality of public procurement with regard to goods, works and services. It is also endowed with the responsibility of monitoring procurement by public sector agencies/organisations and has been delegated necessary powers under the Public Procurement Regulatory Authority Ordinance 2002. Punjab and Sindh have adopted PPRA Rules, 2004 and formed Punjab Procurement Regulatory Authority and Sindh Public Procurement Regulatory Authority respectively. In Khyber Pakhtunkhwa procurement is regulated under NWFP Public Procurement of Goods, Works and Services Rules, 2008. In Balochistan and Gilgit Baltistan Procurement is managed by provincial departments under their Purchase Manuals.

Collusive Bidding Agreements can be very difficult to detect as

they are negotiated in secret. Some inside information or search and inspection is usually required to establish such conspiracies.

He said that the CCP is making efforts to build a liaison with PPRA to jointly pursue the objective of ensuring competitiveness in public procurements by exchange of information and sharing of resources. In this connection, the CCP will ensure close liaison with PPRA at Federal Level and Procurement Regulatory Authorities at Provincial level. There is a need for sharing and exchange of information with NAB, FIA, etc. Moreover, the capacity building of CCP's staff to investigate cases of collusive bidding.

Abdul Ghaffar further stated that the collusive bidding/bid rigging can take many forms. Some of the broad categories included 'Cover Bidding' and 'Bid Suppression'. In case of Cover Bidding, where one or more bidders submit bids which are highly unlikely to be accepted, to give an impression of competition bidding. However, Bid Suppression is in cases where one or more competitors who normally bid do not submit their bids so that a particular competitor's submission is accepted, he added.



ISI AMABAD: Group photograph of panelists and participants of the international conference on 'Competition Enforcement Challenges and Consumer Welfare in Developing Countries' organised by the Competition Commission of Pakistan (CCP) and Competitiveness Support Fund CSF/USAID.

'State aid/bailouts as subsidies harmful for competition in economy'

RECORDER REPORT

ISLAMABAD: Member Competition Commission of Pakistan (CCP) Dr. Joseph Wilson shared an interesting experience with the heads of the competition agencies that the use of state aid/bailouts as government subsidies for the public sector entities is harmful for competition in the economy.

While giving a comprehensive presentation on the "State Aid and Distortion in Competition" on the second day of the international conference here on Friday, he cited examples of bailout packages for Pakistan Steel Mills, PSO, PIA and other entities and said that such state aid is promoting inefficiencies in public sector entities as well.

Dr. Joseph Wilson further informed that at present there is no specific provision dealing with State Aid within the Competition Law. The bailouts/State Aid while seems to be preserving employment and keep afloat a single entity, it, in effect, distorts competition in the industry of the aid recipient thereby affecting the whole industry and preventing it from growing. There is a need to devise State Aid rules/policy for

state-owned enterprises in Pakistan. In his presentation, he proposed to the government that State Aid rules should be defined in Pakistan so as to limit state aid (subsidies) only for the useful purposes and not for the sick public sector entities that is resulting in lessening the competition in Pakistan.

He said that the State aid gives the aid recipient an economic advantage that it would not otherwise have enjoyed under 'normal market conditions'. It thereby confers an advantage to the aid recipient on a selective basis, which may distort competition in the relevant market. Hence, state aid needs to be controlled to ensure that government interventions do not distort competition and trade. He said that the State aid rules are designed to regulate subsidies and to stop public authorities from distorting the markets. They also provide a framework and discipline to assist public authorities to ensure that scarce public resources are targeted where they are most required in an efficient and effective manner.

CCP Member concluded that a study was conducted to observe the nexus between State Aid and

Productivity looking at the economies of South Korea and Mexico. The study concluded that productivity growth in industrial sectors targeted by state aid has been poor compared with productivity growth in untargeted sectors.

Miek Van der Wee European Commission DG Competition also gave a detailed lecture on the 'State Aid and Distortion of Competition'. He stated that the subsidies undermine competitive process as they interfere with market signals. The core task of competition agencies have to eliminate distortion of competition. It included anti-competitive behaviour of companies and distorting state interventions.

He recommended adoption of the State Aid control system by the countries using effective criteria. The useful criteria would require demonstration that aid is targeted at market failure. There should be demonstration that there are no other more effective ways to address the market failure. There should be limited magnitude and duration of aids, and the ability of the same recipient to be granted subsidies on a regular basis, he added.

Competition enforcement

Top agencies develop consensus on focussing priority areas

RECORDER REPORT

ISLAMABAD: The representatives of leading competition agencies on Friday mutually developed consensus on focussing priority areas of public procurement, state aid/loans, strengthening policy laws, administrative and financial autonomy, active role of stakeholders and advocacy for public awareness.

On the conclusion of the two-day international conference on the "Competition Enforcement Challenges & Consumer Welfare in Developing Countries" organised by the Competition Commission of Pakistan (CCP) in collaboration with Competitiveness Support Fund (CSF)/USAID, CCP Chairperson, Rahat Kaunain Hassan shared outcome of the conference with the heads of the international competition agencies.

Heads and top officials of the competition authorities of over 50 countries shared their experiences to deal with the cartels, collusive bidding in public procurements and anti-competitive behaviour have negative impact on the general consumers.

The CCP Chairperson said that public procurement is on the priority list of many competition agencies due to phenomenon of the collusive bidding in such procurements. The issue of public procurements needs to be addressed on the top priority basis. Our procurement authorities have no enforcement tools and they cannot impose penalty in cases

of violations of the public procurements rules. The public procurement laws are defective which needs to be improved. The implementation and enforcement of the public procurement laws is very difficult due to lack of enforcement powers by procurement authorities. In Pakistan, there are over 400 public procurement agencies.

Some of the heads of the international competition agencies also highlighted the role of the leniency law in their respective jurisdictions. In order to detect cartels, leniency laws could be used as a big tool to check cartelisation and anti-competitive behaviour. One of the danger zone areas is the corruption and collusion by the anti-competitive forces.

Rahat Kaunain further said that the issue of informal sector also remained focus of discussion during the conference besides public procurements and cartelisation. The issue is that how to control the informal sector in the country. Pakistan is facing problems in the informal sectors which are hindering competition. Businesses and investors are asking the competition agency of Pakistan that what the concerned authorities are doing to deal with the informal sector which is hurting competition.

She said that Pakistan is also facing problem of the state aid, which is pointing towards limited use of loans.

On the second and last day of the Conference, Prime

Minister Syed Yousuf Raza Gilani, was the chief guest. It was also attended by Hafeez Shaikh, Federal Finance Minister, Andrew Sisson, Coordinator for Economic & Development Assistance, Embassy of the United States, Islamabad, Ms. Rahat Kaunain Hassan, Chairperson of the Competition Commission of Pakistan, and Shahab Khawaja, Chief Executive Officer of the Competitiveness Support Fund/USAID besides the international and local panelists and participants along with CCP officials.

On the second day of the Conference, two sessions were held on State Aid and Distortion in Competition, and Public Procurement and Collusive Bidding Affecting Consumer Welfare. The Session on "State Aid and Distortion in Competition" was chaired and moderated by Dr. Nadeem ul Haq, Deputy Chairman, Planning Commission, and its panelists included Miek Van der Wee, Head of Unit, International Relations, DG Comp, European Commission, Dr. Joseph Wilson Member, Competition Commission of Pakistan, Professor Kriengsak Chareonwongsak, President, Institute of Future Studies for Development, Bangkok, Thailand, Pradeep Mehta Secretary General, Consumer Unity and Trust Society, India, Ali Demiroz, Turkish Competition Authority & Board Member of the State Aids Monitoring and Supervision Board, Turkey.

The session on Public Procurement and Collusive Bidding Affecting Consumer Welfare, was chaired and moderated by Shahab Khawaja, CEO, Competitiveness Support Fund, and its panelists included Abdul Ghaffar, Member, Competition Commission of Pakistan, and Dr. Kusha Haraksingh, Chairman, Caribbean Community (CARICOM), Competition Commission.

On first day of the Conference, three sessions were held on Challenges for Competition Agencies to Deal with Cartels and Cartels in Disguise and; Deceptive Marketing & Consumer Protection; Lessons Learnt and Sharing of Country Experiences in Advocacy and Enforcement.

Presentations were given by Manuel Sebastiao President, Portuguese Competition Authority, Halil Baha Karabudak, Advisor to Chairman, Turkish Competition Authority, Turkey, Dr. Paulo Burnier da Silveira, Head of International Affairs, CADE, Brazil, Khalid Mirza, Former Chairman, Competition Commission of Pakistan, Russell Damtoft, Associate Director, Office of International Affairs, US Federal Trade Commission, Dr. Huma Bukhari, President, Consumers Forum, Karachi, Tounakti Khalifa, Director-General, Tunisian Competition Council, Ms. Halima Bensouda Morocco, Dr. Robert Ian McEwin, Professor, National University, Singapore.

Call to share experiences by CCP, Indian competition agency

RECORDER REPORT

ISLAMABAD: Chairman, Planning Commission's Task Force on National Competition Policy, India, Pradeep S Mehta said on Friday that the Competition Commission of Pakistan (CCP) and Indian competition agency should share their experiences taking into account the possible impact of regional free trade agreements and cross border transactions on business and trade of both the countries in future.

Explaining the importance of the international obligations during formulation of the National Competition Policy, he said that the relations between India and Pakistan were normalising and there was a need to share each other experiences in wake of World Trade Organization (WTO) agreements. Both the competition agencies should start consultative process to share their competition related experiences under trade liberalization.

He said that the National

Competition Policy should be chalked out in view of international obligations like UN Conventions, trade-related aspects of intellectual property rights (TRIPs) and World Trade Organization (WTO) etc. The national policy needs to be framed in a way so as to respect international obligations, such as UN Conventions, TRIPs, WTO etc. The countries should also take into account the competition provisions in regional trade agreements and bilateral or regional competition agreements to ensure a competitive environment for trade and investment.

He said after a long process India has initiated a National Competition Policy in June 2011, which is likely to be adopted in Dec 2011. The new policy has been inspired by the experience in Australia, where competition reforms resulted in 5.5 percent growth. This experience is now guiding many countries to sequence competition policy followed by a competition law.

CCP assured of financial autonomy

By A Reporter

ISLAMABAD, Dec 2: Prime Minister Syed Yousuf Raza Gilani on Friday assured financial autonomy to the Competition Commission of Pakistan as it was necessary to implement the fair business practices in the country.

He said that it would be ensured that all the regulatory authorities pay the three per cent of the charges collected by them to the CCP to allow it operate with more freedom and vigour.

Addressing the 2nd International Conference on "Competition Enforcement Challenges and Consumer Welfare in Developing Countries", the prime minister said international recognition and evaluation was a valuable barometer for judging the performance of an entity.

"I am pleased to learn that the CCP was chosen and given a fair rating this year by the Global Competition Review," he said.

The premier said that he was aware that due to the critical matter of funding the commission's operations remain unresolved.

"Let me take this opportunity to assure you that the

government will focus attention on providing the Commission a secure source of funding to carry on its important work," he added.

This is one of the fundamental outcomes of globalisation. In highly competitive environment, the role of governments is to create enabling conditions for businesses to operate with maximum ease.

"To prevent market failures, cartelisation and the abuse of dominance, institutions like the Competition Commission have been created around the globe," the premier added. "I believe, competition laws must reflect national priorities and take national peculiarities into consideration."

He said that the government's priority was economic development of the country, the ability to provide goods and services to our people at affordable prices, and to create better opportunities for their livelihood, he said.

Gilani added that the Competition Commission has been quite active since its inception in addressing manipulation of market. And like most countries, it has also faced opposition as it has

challenged powerful vested interests.

"There is a need to overcome the fear of and opposition to competition by emphasising its benefits and by creating a good pro-investment climate. Thus, pro-competition policies must not only be well constructed but duly maintained to guard against anti-competitive behaviour in the market," he asserted.

Federal Minister for Finance Dr Hafeez Shaikh said that the government had removed entry barriers and was trying to provide level-playing field to ensure participation of the private sector in sustained economic growth.

He said that competition in economy is essential to improve efficiencies and fair play.

The minister reiterated that most of the public sector enterprises were in financial debacle only because they had been operating in an uncompetitive behaviour.

CCP Chairperson Ms Rahat Kaunain Hassan on the occasion highlighted the achievements of the commission for the promotion of competitive business environment for the welfare of the people.



ISLAMABAD: Prime Minister Yousuf Raza Gilani speaks at an international conference on Friday. Federal Finance Minister Hafeez Sheikh is also seen.—Online

PM stresses competition culture for trade growth

ISLAMABAD (APP) - Prime Minister Yousuf Raza Gilani on Friday stressed mainstreaming the culture of competitiveness in businesses to prevent market failures, cartelization and abuse of dominance.

He was addressing the international conference on 'Competition Enforcement: Challenges and Consumer Welfare in Developing Countries' organised by Competition Commission of Pakistan and UASAIID's Consumer Support Fund here.

Gilani said to ensure competitive environment, the role of governments was to create enabling conditions for businesses to operate with maximum ease.

He said the emergence of integrated markets had spurred competition and the number of countries having competition laws and competition agencies had increased from a handful in 1990 to more than 120 today.

He said the competition laws must reflect national priorities and take national peculiarities into consideration. He said the government's main priority was economic development of the

country, the ability to provide goods and services to our people at affordable prices, and to create better opportunities for their livelihood. Gilani said people's expectations from the democratic government were understandable and justified. He mentioned that for two years in a row, floods, energy and security situation had slowed down the economic growth. He said the country's foreign exchange reserves were at comfortable level and said foreign remittances were more than 11 billion dollars.

He quoted Nobel Prize winning economist, Joseph Stiglitz, who once said, "A strong competition policy is not just a luxury to be enjoyed by rich countries." Gilani said in 2011, the government released the New Growth Framework after taking the relevant stakeholders into confidence.

He said the Framework document underscored the importance of competitive markets as an element of economic governance. It also identified competitive markets as the starting point towards increasing effi-

ciency and bringing about innovations to promote and sustain economic growth.

He called for allowing the markets to determine optimal allocation of resources and said incentives needed to be given for innovation and entrepreneurship because the government should not be the sole driver of economic growth or job provider.

He said building the culture of competition and an effective competition regime is a long-term endeavour and said it must be 'mainstreamed' in all sectors.

Gilani said there was a need to overcome the fear of an opposition to competition by emphasizing its benefits and by creating a good pro-investment climate. Thus, pro-competition policies must not only be well constructed but duly maintained to guard against anti-competitive behaviour in the market, he added.

He said promotion of competition culture needs a strong and independent institution capable enough to point out when and where competition is being compromised or vested interests

are working against economic growth.

He said the democratic government supported the passage of the law through the Parliament, and would focus attention on providing the Commission a secure source of funding to carry on its important work.

Finance Minister Abdul Hafeez Sheikh lauded the work being done by the Competition Commission of Pakistan saying that the institution will be further strengthened to work towards a competitive economy.

The right policies and level playing field were required for achieving the target of a stable economy. Richard Albright, Co-ordinator for Economic and Development Assistance, US Embassy said there was a need to mobilize all the resources in an effective way and discouraging monopoly of companies.

CCP Chairperson Rahat Kaurain Hassan in her opening remarks highlighted key areas of competition law enforcement, advocacy and the challenges faced by CCP in implementing competition law.



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country, the ability to provide goods and services to our people at affordable prices, and to create better opportunities for their livelihood. Gilani said people's expectations from the democratic government were understandable and justified. He mentioned that for two years in a row, floods, energy and security situation had slowed down the economic growth. He said the country's foreign exchange reserves were at comfortable level and said foreign remittances were more than 11 billion dollars.

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CCP's two-day international conference

Heads of 50 countries develop consensus for future cooperation

■ Identify five priority areas like public procurement, state aid subsidies for public sector entities, strengthening economic policies and laws, administrative and financial autonomy of the competition agencies, active role of stakeholders and advocacy for public awareness

By Sajid Chaudhry

ISLAMABAD: The heads and representatives of leading competition agencies of 50 countries on Friday mutually developed a consensus to focus on five priority areas for future cooperation. They identified priority areas like public procurement, state aid subsidies for public sector entities, strengthening economic policies and laws, administrative and financial autonomy of the competition agencies, active role of stakeholders and advocacy for public awareness.

On the conclusion of the two-day international conference on the Competition Enforcement Challenges and Consumer Welfare in Developing Countries organised by the Competition Commission of Pakistan (CCP) with the collaboration of Competitiveness Support Fund (CSF)/USAID, CCP Chairperson Rahat Kaunain Hassan shared outcome of the conference with the heads of the international competition agencies.

Heads and top officials of the com-

petition authorities of over 50 countries shared their experiences to deal with the cartels, collusive biddings in public procurements and anti-competitive behaviour have negative impact on the general consumers. The CCP chairperson said that public procurement is on the priority list of many competition agencies due to phenomenon of the collusive bidding in such procurements. The issue of public procurements needs to be addressed on top priority basis. Our procurement authorities have no enforcement tools and they cannot impose penalty in cases of violations of the public procurements rules. The public procurement laws are defective which needs to be improved. The implementation and enforcement of the public procurement laws is very difficult due to lack of enforcement powers by procurement authorities. In Pakistan, there are over 400 public procurement agencies.

Some of the heads of the international competition agencies also highlighted the role of the leniency law in their respective jurisdictions. In order to detect

cartels, leniency laws could be used as a big tool to check cartelisation and anti-competitive behaviour. One of the danger zone areas is the corruption and collusion by the anti-competitive forces.

Ms Hassan further said that the issue of informal sector remained also focused of discussion during the conference besides public procurements and cartelisation. The issue is that how to control the informal sector in the country. Pakistan is facing problems in the informal sectors, which are hindering competition. Businesses and investors are asking the competition agency of Pakistan that what the concerned authorities are doing to deal with the informal sector, which is hurting competition. She said that Pakistan is also facing problem of state aid, which is pointing towards limited use of loans.

CCP member Joseph Wilson in his presentation defined the state aid as government subsidies for the public sector entities and pointed out that use of such state aid is harmful for competition in the

economy. He cited examples of bailout packages for Pakistan Steel Mills, PSO, PIA and other entities and said that such state aid is promoting inefficiencies in public sector entities as well. He proposed to the government that state aid rules should be defined in Pakistan so as to limit state aid (subsidies) only for the useful purposes and not for the sick public sector entities that is resulting in lessening the competition in Pakistan.

In his presentation, CCP member Abdul Ghaffar said that as per Public Procurement Regulatory Authority (PPRA), Pakistan spends an estimated 20-25 percent of its gross domestic product on public procurement, which comes around to around \$55 billion to \$60 billion and Rs 5,312 billion. The PPRA estimates \$8 billion in savings from improved public procurement processes. "There is a need to have exclusive federal as well as provincial institutions to regulate public procurements," the CCP member said. Ghaffar further stated that reportedly the misuse of the public pro-

urement in Pakistan as per Transparency International stood at around \$4 billion and according to the PPRA the estimates come to around \$8 billion.

On the second day of the Conference, two sessions were held on State Aid and Distortion in Competition, and Public Procurement and Collusive Bidding Affecting Consumer Welfare.

The Session on 'State Aid and Distortion in Competition' was chaired and moderated by Planning Commission Deputy Chairman Dr Nadeem ul Haq.

The session on Public Procurement and Collusive Bidding Affecting Consumer Welfare, was chaired and moderated by CSF CEO Shahab Khawaja.

On first day of the conference, three sessions were held on Challenge for Competition Agencies to Deal with Cartels and Cartels in Disguise and; Deceptive Marketing and Consumer Protection; Lessons Learnt and Sharing of Country Experiences in Advocacy and Enforcement.

Gilani assures CCP of secure source of funding

By Sajid Chaudhry

ISLAMABAD: Prime Minister Yousaf Raza Gilani on Friday assured the Competition Commission of Pakistan (CCP) of a secure source of funding through provision of 3 percent of the charges collected by regulatory authorities of the country to ensure its financial and administrative autonomy.

The prime minister said this while addressing at a key session of the 2nd International Conference on 'Competition Enforcement Challenges and Consumer Welfare in Developing Countries'.

People's expectations from the democratic government are understandable and justified. However, for two years in a row, floods, energy and security situation have slowed down our economic growth. Nonetheless, due to timely interventions of the government, the country has been able to build strong economic fundamentals.

The prime minister said international recognition and evaluation is a valuable barometer for judging the performance of an

entity. I am pleased to learn that the global recognition commission was chosen and given a fair rating this year by the Global Competition Review.

The PM said that he is aware that due to the critical matter of funding the commission's operations remain unresolved. Let me take this opportunity to assure you that in the same manner the democratic government supported the passage of the law through the parliament, it will focus attention on providing the commission a secure source of funding to carry on its important work.

This is one of the fundamental outcomes of globalisation. In highly competitive environment, the role of governments is to create enabling conditions for businesses to operate with maximum ease. To prevent market failures, cartelisation and the abuse of dominance, institutions like the Competition Commission have been created around the globe, the PM added.

I believe, competition laws must reflect national priorities and take national peculiarities into consideration. Obviously,

our main national priority is economic development of the country, the ability to provide goods and services to our people at affordable prices, and to create better opportunities for their livelihood, he said.

In 2011, the government released the New Growth Framework after taking the relevant stakeholders into confidence. The framework document underscored the importance of competitive markets as an element of economic governance. It also identified competitive markets as the starting point towards increasing efficiency and bringing about innovations to promote and sustain economic growth.

Gilani added that the CCP has been quite active since its inception in addressing manipulation of market. And like most countries, it has also faced opposition as it has challenged powerful vested interests.

The emergence of a competitive market is an evolutionary process. Mere deregulation will not achieve this goal. Building the culture of competition and an effective competition regime is a long-term endeavour. Competition

must be 'mainstreamed' in all sectors, the PM mentioned.

There is a need to overcome the fear of and opposition to competition by emphasising its benefits and by creating a good pro-investment climate. Thus, pro-competition policies must not only be well constructed but duly maintained to guard against anti-competitive behaviour in the market.

Promotion of competition culture needs a strong and independent institution capable enough to point out when and where competition is being compromised or vested interests are working against economic growth. This independence, in my view, means both political and financial independence. People should perceive the competition law as a tool for realising the full potential of the economy for their benefit, he mentioned.

Addressing the special session, Federal Minister for Finance Dr Hafeez Shaikh said that private sector is the engine of growth and government has removed entry barriers, and is trying to provide a level-playing field to ensure participation of

private sector in country's sustained economic growth. He said that competition in economy is essential to improve efficiencies and fair play in the country.

The finance minister, in his address said Pakistan was the most business friendly country of the region offering a number of incentives to the investors. He said the government encouraged foreign investment and there were no trade barriers in the way of foreign investment. He said that private sector was the engine of growth of any country's economy and it was government's responsibility to ensure appropriate measures along with provision of best possible policies, services and resources to facilitate the private sector for promotion of economic growth and job creation.

Dr Shaikh reiterated the government's commitment towards strengthening the CCP by resolving the pending issue of 3 percent fee. He said CCP Chairperson Rahat Kaunain Hassan on the occasion highlighted the achievements of the commission for the promotion of competitive business environ-

ment for the welfare of the people. She said the commission had a dedicated team and she had the confidence in its hard work and tenacity in encountering daunting challenges. She thanked the government for its support to the commission in the passage of Competition Law and hoped that the government will resolve all pending issues including the 3 percent fee and appointment of the Competition Appellate Tribunal.

Speaking on the occasion, Richard A Albright Coordinator for Economic and Development Assistance Embassy of the United States, Islamabad said that fair and strong competition in business activities enhances economic strength of a country. He congratulated the CCP and the Competitiveness Support Fund for organising a successful conference.

On the second day of the conference, two sessions were held on State Aid and Distortion in Competition, and Public Procurement and Collusive Bidding Affecting Consumer Welfare.

Curbing collusive bidding**CCP to share information with investigation agencies**

By Mehtab Haider

ISLAMABAD: The Competition Commission of Pakistan (CCP) has decided to share information with investigation agencies to curb collusive bidding after Public Procurement Regulatory Authority's (PPRA) disclosure that 8 billion dollars could be saved in procurement by government sector out of 55 to 60 billion dollars spent every year.

According to PPRA estimates, Rs5,312 billion, or 25 percent of gross domestic product (GDP), is spent on procurement by the government sector so it is the priority area for the CCP to probe any collusive bidding that could cause billions of rupees losses to the exchequer.

This was the crux of discussions held in the last session of the two-day international conference on "Competition Enforcement Challenges & Consumer Welfare in Developing Countries" organised by the CCP in collaboration with USAID and Competitiveness Support Fund.

Deputy Chairman Planning Commission Dr Nadeem Ul Haq said that cartels existed in the public sector and the CCP should take action against them.

Chairperson of the CCP Rahat Kaunain Hussain said that PPRA lacked powers to enforce any penalty in case of any violation. "The PPRA law is defective."

She said that there were some basic flaws in the law as over 400 public procurement agencies were working and the government was involved to

make distortion in the market.

CCP member Abdul Ghaffar stated in his presentation that Pakistan spent an estimated 20-25 percent of its GDP on public procurement, which comes to

prospective bidders for a particular procurement, the case is liable to be prosecuted by public prosecution agencies such as National Accountability Bureau (NAB), Federal Investigation

Country most business-friendly in region: Shaikh

ISLAMABAD: Federal Minister for Finance Dr Abdul Hafeez Shaikh said on Friday that Pakistan was the most business-friendly country of the region offering a number of incentives to the investors.

"We encourage investment from outside the country and there are no trade barriers, no visa restrictions and no business requirements for local partnership".

The minister said this while addressing the concluding day of the two-day international conference on "Competition Enforcement Challenges and Consumer Welfare in Developing Countries" organised by the Competition Commission of Pakistan (CCP) in collaboration with USAID.

He said that private sector was the engine of growth of any country's economy and it was the government's responsibility to take appropriate measures and provide best possible policies, services and resources to facilitate the private sector.

Talking about the achievements on the economic front, Shaikh said that the government was focusing on rural areas' development. —APP

around 55 to 60 billion US dollars, or 5,312 billion rupees.

"The PPRA estimates 8 billion US dollars in savings from improved public procurement processes," he further stated.

He said that the CCP is authorised to impose penalty of Rs75 million, or 10 percent of turnover, on those found involved in collusive bidding in public procurement.

He said that in case of collusion between any employee or employees of Public Procurement Agencies (PPAs) and

Agency (FIA) or provincial anti-corruption bodies.

The CCP member said Punjab and Sindh have adopted PPRA Rules 2004 and formed Punjab Procurement Regulatory Authority and Sindh Public Procurement Regulatory Authority, respectively.

In Khyber, Pukhtunkhawa, procurement is regulated by NWFP Public Procurement of Goods Works and Services Rules, 2008. In Baluchistan and

CCP...*Continued from page 15*

Gilgit-Baltistan, procurement is managed by provincial departments under their Purchase Manuals.

Collusive bidding agreements can be very difficult to detect as they are negotiated in secret, he said and added that different forms of collusive bidding are closely monitored by the CCP, including bid rotation where competitors take turns in submitting the lowest bid for similar projects; market allocation where competitors divide up markets geographically or sector wise and agree not to compete in each others' portion; and sub-contracting where the competitors agree that those who submit a losing bid or do not bid will be sub-contracted on the project by the winner.

Efforts are being made to build a liaison with PPRA to jointly pursue the objective of ensuring competitiveness in public procurements by exchange of information and sharing of resources, he said. Abdul Ghaffar said that the CCP would establish close liaison with PPRA at the federal level and procurement regulatory authorities at provincial level.

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Corruption public procurement

CCP to involve investigative agencies in crackdown

Cartelisation has become a norm in Pakistan rather than an exception

SHAHBAZ RANA
ISLAMABAD

Competition Commission of Pakistan (CCP) has decided to involve federal investigation agencies to crackdown on those responsible for corruption in public procurement, as the Public Procurement Regulatory Authority (PPRA) has estimated \$8 billion annual loss in the government sector, said a top official.

Abdul Chaffar, Member Cartel and Trade Abuses of CCP, revealed in his presentation that Pakistan spends 25% of the total national output or \$55 billion on public procurement and out of that \$8 billion are lost either because of collusion or mis-procurement.

He spoke at the last session of two-day international conference on "Competition Enforcement Challenges



“cartelisation has become a norm in Pakistan rather than an exception

Competition Commission of Pakistan Chairperson
Rahat Kaunain Hassan

and Consumer Welfare in Developing Countries”.

“By making the system effective the government can save at least \$8 billion per annum”, said Chaffar. The estimated saving is even more than what the United States intends to give in five years under the Kerry-Lugar Brahman Act.

“As a way forward, the CCP has decided to exchange information with the National

Accountability Bureau and the Federal Investigation Agency to curb collusive bidding after PPRA’s disclosure”, said Chaffar.

Planning Commission Deputy Chairman Dr Nadeemul Haque said that there were cartels that existed in the public sector with the support of the government and the CCP should take action against them.

CCP Chairperson Rahat

Kaunain Hassan said that the PPRA did not have powers to enforce any penalty in case of unearthing a violation. “The PPRA law is defective and needs improvement,” she added. She said the cartelisation has become a norm in Pakistan rather than an exception.

She said that the CCP law applied on collusive bidding by going into prohibited agreements. The CCP is authorised to impose a penalty of Rs75 million or 10% of turnover on those found involved in collusive bidding for public procurement.

Chaffar said Punjab and Sindh have enforced PPRA Rules, 2004 but in Khyber-Pakhtunkhwa procurement is regulated under Public Procurement of Goods Works and Services Rules, 2008 and in Baluchistan and Gilgit-



“Cartels that existed in the public sector with the support of the government and the CCP should take action against them

Planning Commission Deputy Chairman **Dr Nadeem ul Haque**

Baltistan Procurement is managed by provincial departments under their purchase manuals.

Chaffar said the public procurement was an area which was “highly susceptible to collusive bidding”.

Citing examples of collusive bidding that caused losses to the exchequer, Chaffar said that Pakistan Jute Mills Association and its ten members colluded in supply of

grain sacks, prompting the CCP to impose Rs23 million in fines. He said that the following year in the same nature of contract the government saved Rs250 million after it broke the cartel.

He said that in a case involving dredging companies, the CCP imposed Rs50 million in fines after unearthing a cartel but the parties went to the Sindh High Court and obtained a stay order.

NATO attack aftermath

Bonn boycott, Shamsi base demand not 'confrontation': PM

Gilani says the govt is only fulfilling its responsibilities by taking such decisions

SHAHBAZ RANA
ISLAMABAD

Prime Minister Yousaf Raza Gilani has said that Pakistan's decision to boycott Bonn Conference and have the Shamsi base evacuated should not be seen as "confrontation".

"The government is fulfilling its responsibilities [by taking these decisions]," the PM told reporters on Friday, at the sidelines of a two-day international conference organised by the Competition Commission of Pakistan.

However, Gilani evaded answering a question on the US decision to attach more strings with military assistance to Pakistan. The US Congress has linked military assistance with Pakistan's "sincerity" towards the fight against militancy.

Joining the chorus of Pakistan Peoples Party's senior leadership, he said that the government has foiled several attempts to dislodge it. "It was the strength of parliamentary democracy that even a single attempt wasn't successful," he said.

The PM did not explain what sort of threats the government was facing at this juncture but cautiously pointed a finger at the Pakistan Muslim League-Nawaz, saying: "some elements are running away from the upcoming Senate elections."

In March 2012, 50 senators will retire after completing their six-year-long constitu-

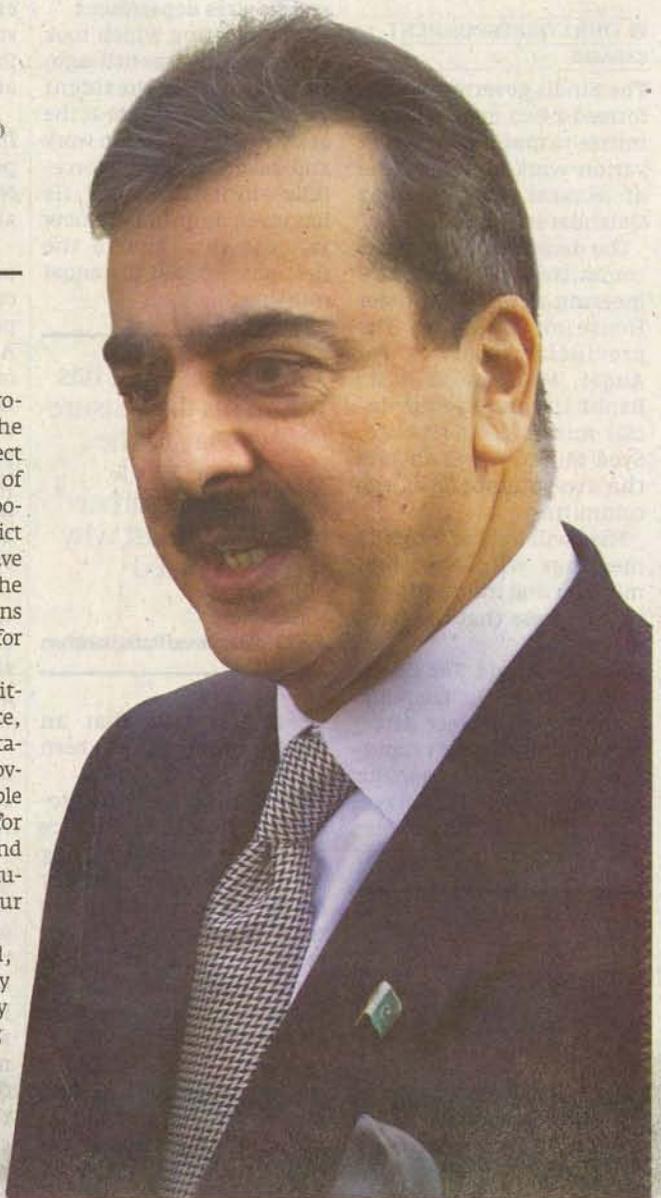
"The government should not be seen as the sole driver of economic growth and providing jobs to people

Prime Minister
Yousaf Raza Gilani

tional term. The four provincial assemblies and the National Assembly will elect new senators on the basis of proportionate strength of political parties. Analysts predict the PPP and its allies will have a comfortable majority in the upper house after the elections which can create problems for any new government.

Earlier, delivering his written speech at the conference, he said that people's expectations from the democratic government were understandable and justified. "However, for two years in a row, floods and the energy and security situation have slowed down our economic growth," he said.

Nonetheless, Gilani said, due to timely intervention by the government, the country has been able to build strong economic fundamentals: "The government should not be seen as the sole driver of economic growth and providing jobs to people," he said.



'Conspiracies' won't derail system: PM

OUR STAFF REPORTER

ISLAMABAD - Seeing no threat of destabilisation of incumbent political dispensation, Prime Minister Syed Yousuf Raza Gilani said Friday that the parliamentary system had gained strength during the past four years and expressed his optimism that government would complete its mandated term.

Talking to media persons here after attending a conference Premier Gilani dismissed the impression that it was facing any threat of destabilisation even through a democratic move.

"To destabilise the government is next to impossible," he said when asked about the possibility of general elections ahead of upcoming Senate elections in March next.

The prime minister said it



was the testimony of a strong democratic system that the government was in place despite several undemocratic attempts against it.

He said the conspirators were now giving a hopeless try to destabilise the government by pushing for general elections before the Senate polls.

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Conspiracies

From page 1

"They can do no harm to us. I want to give this message loud and clear," Gilani said without naming any political party and added that the democratic system was not established in a single day and was the result of countless sacrifices including those of Mohtarma Benazir Bhutto and Zulfikar Ali Bhutto Shaheed for the cause of democracy. "This system has come to stay and it will not be destabilised through any democratic or undemocratic move," he categorically said and added that those who were dubbing the Parliament as rubber stamp should clear all doubts in mind as the Parliament would complete its term.

The whole nation, civil society and media were standing behind the democracy and no one could cast bad eye on it.

Earlier, addressing the conference on Competition Enforcement: "Challenges and Consumer Welfare in Developing Countries," here at a local hotel, the prime minister said that despite challenges of floods, energy and security situation, the country has been able to build strong economic fundamentals due to timely interventions. "We have shown a remarkable resilience in the face of these challenges and the country is on the path of turn around. Our exports are all time high. Pakistan has become wheat exporting than a wheat importing country. Our foreign exchange reserves are at a comfortable level and foreign remittances touching the mark of 11 billion dollars."

The prime minister said that the New Growth Framework has been announced which underscores the importance of competitive markets as an element of economic governance. This, he said, will help achieve sustainable economic growth over the years. He stressed the need for allowing markets to determine optimal allocation of resources.

He stressed the need that incentives should be given for innovation and entrepreneurship because the government should not be the sole driver of economic growth or job provider.

حکومت کے خلاف سازشیں مٹی رہی ہیں

پارلیمنٹ میں ہندو تاجاریوں سے ملکر شد پوری کرینگے وزیراعظم

تعاون کیلئے نہیں ہو سکتا، امریکا سے امداد نہیں ایسے حملے نہ ہرانے کا عہد چاہتے ہیں، نیو حملے نے ہمیں قومی سلامتی کے تصور پر نظر ثانی پر مجبور کر دیا، قومی سلامتی کمیٹی سے خطاب

جیلے بہانے سے حکومت کو جتانے والے لیسنٹ کے انتخابات ملتوی کرنا چاہتے ہیں مختلف ممالک کی منڈیوں کے قریب آنے سے مسابقت میں اضافہ ہوا کانفرنس سے خطاب صحافیوں سے گفتگو

اسلام آباد (نیوز رپورٹر) وزیراعظم موجودہ نظام چلتا رہے گا ان کی حکومت سید یوسف رضا گیلانی نے کہا ہے کہ

وزیراعظم گیلانی

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کے خلاف سازشیں ہوئی رہی ہیں لیکن جمہوری طریقے سے اس کو غیر مستحکم نہیں کیا جا سکتا۔ پارلیمنٹ ریو اسٹ نہیں، پارلیمنٹ اور پارلیمانی نظام مستحکم ہو چکا ہے اسلئے یہ سازشیں کامیاب نہیں ہو سکتیں۔ جو کہ سوائسٹی کیلئے نئے ذراہتمام کانفرنس سے خطاب کے بعد صحافیوں سے غیر رسمی گفتگو کے دوران سوالوں کا جواب دیتے ہوئے انہوں نے کہا کہ حکومت کو ہانے کے لئے مختلف جیلے بہانے کرنے والے لیسنٹ کے انتخابات کا اہتمام چاہتے ہیں۔ یہ نظام آسانی سے نہیں بناسا کے لئے بہت سی قربانیاں دی گئی ہیں یہ نظام قائم رہے گا۔ انہوں نے کہا کہ جیلے جب سازشیں ہوتی ہیں تو لوگ پہلی سازش میں ہی جیلے جاتے تھے موجودہ حکومت اتحادیوں نے مل کر بنائی ہے یہ مقررہ مدت پوری کرے گی۔ انہوں نے کہا کہ آئندہ بھی پوری قوم میں ایڈورسول سوسائٹی ملک میں جمہوری نظام کو سپورٹ کریں گے جب ان سے امریکی لیسنٹ کی جانب سے پاکستان کی فوجی امداد بند کرنے سے متعلق سوال کیا گیا تو انہوں نے جواب دینے سے گریز کرتے ہوئے کہا کہ وہ اس کا جائزہ لے کر جواب دیں گے۔ عوامی امکانات پر عملدرآمد نہ کرنے سے متعلق سوال پر انہوں نے کہا کہ آئی قانونی ہم اس کا جواب دے چکی ہے۔ یون کانفرنس میں عدم شرکت سے متعلق سوال پر بھی وزیراعظم نے کہا کہ وہ اس پر اپنا موقف دے چکے ہیں۔ نیو فورمز کے حملے کے ایشور پر جوابی کارروائی کے حوالے سے جب ان سے پوچھا گیا کہ آئی پیٹ کے جواب سے کیا ہم تصادم کی طرف نہیں جا رہے تو وزیراعظم نے کہا کہ ان کا خیال ہے یہ اقدام اٹھا کر ہم اپنی ذمہ داری پوری کر رہے ہیں۔ قس اڑیں کانفرنس سے خطاب کرتے ہوئے وزیراعظم نے کہا کہ مجھے تو یقین ہے یہاں پر فورڈنگ کے بعد جو سفارشات سامنے آئیں ان سے حکومت کو پالیسیاں وضع کرنے میں مدد ملے گی۔ عالمگیریت کے تصور نے دنیا کو ایک کر دیا ہے اور اب ان کے مفادات بھی مشترک ہو گئے ہیں۔ یہ آزادی کا دور ہے انٹاریشنل ٹیکنالوجی سے فاصلے سمٹ کر رہ گئے ہیں اور ہم اب زیادہ تعداد میں ملکوں سے روزمرہ اور مصنوعات کا تبادلہ کر سکتے ہیں۔ وزیراعظم نے کہا کہ منڈیوں کے قریب آنے کی وجہ سے مسابقت میں کمی اضافہ ہوا ہے مسابقت ہر جگہ دنیا میں ہر شعبہ میں ہے یہ عالمگیریت کا ہی نتیجہ ہے۔ مسابقت کی فضاء میں مصنوعات کا فرض ہے کہ وہ برس کیلئے سارا کا رضاء قائم کریں۔ مارکیٹ (منڈی) کو ناکامی سے دوچار ہونے سے روکنے اور کارڈیٹا ٹیکنیٹن کو روکنے اور بالادستی کی روک تھام کیلئے بھی حکومت کو اپنا کردار ادا کرنا چاہئے۔ بہت سے ملکوں نے مسابقت کے قوانین بنائے ہیں اور مسابقت کی اینجینیاں کام کر رہی ہیں تو پل پر ان کا نام اپنا لیا تو اسٹ جوزف سلنگٹون نے کہا تھا کہ ایک مشروط مسابقتی پالیسی صرف گلوبلری نہیں ہے جسے امیر ملک ابجائے کریں۔ وزیراعظم نے کہا کہ مسابقتی قوانین کو قومی ترجیحات کا مظہر ہونا چاہئے ہماری قومی ترجیحات معاشی ترقی سے ہماری ترجیح ہے کہ ہمارے لوگوں کو مناسب جیٹوں پر روزمرہ اور مصنوعات میں اور انہیں زندگی گزارنے کیلئے بہتر مواقع میسر آئیں۔ جمہوری حکومت سے عوام اپنی توقعات رکھتے ہیں حتیٰ بجانب ہیں تاہم دو سال کے دوران سلاب، توانائی اور سلامتی کی صورت حال سے معاشی ترقی کی رفتار متاثر ہوئی تاہم حکومت کی بروقت مداخلت کے نتیجے میں ملک مشروط معاشی بنیادوں پر کھڑا ہونے میں کامیاب ہو گیا ہے۔ پاکستان کیلئے گندم درآمد کرنا قابل گندم برآمد کرنے والا ملک بن گیا ہے 2011ء میں حکومت نے تمام سٹیک ہولڈرز کو اعتماد میں لیکر نیا گندم فریم ورک جاری کیا یہ فریم ورک مسابقتی منڈیوں کو اقتصادی کوزس کے عنصر کے طور پر زور دیتا ہے یہ فریم ورک زور دیتا ہے کہ بائیندر معاشی گروٹھ اور جدت کے فروغ اور استعداد کار کو بڑھانے کیلئے مسابقتی مارکیٹ ضروری ہے۔ مسابقتی کمیشن ایسے قیام سے لیکر اب تک متحرک رہا ہے اور اسے اقدام میں ثالثت کا بھی سامنا کرنا پڑتا تاہم کمیشن کو حکومت کی سپورٹ حاصل رہی ہے۔ مسابقتی مارکیٹ کا قیام ایک ارتقائی عمل ہے صرف ذی ریکیشن سے یہ مقصد حاصل نہیں کیا جا سکتا مسابقت کا پھر اور موثر مسابقتی ماحول ایک طویل الوقت کام ہے مسابقت تمام شعبوں میں ہونی چاہئے۔ لوگوں میں یہ شعور ابھر کر کرنے کی ضرورت ہے کہ مسابقت کیلئے ایچ پی ہے اس کے فوائد سے لوگوں کو آگاہ کرنے کی ضرورت ہے۔ مسابقت کے پھر کو فروغ دینے کیلئے ایک آزاد ادارہ بہت ضروری ہے کیونکہ بعض لوگوں کے مفادات آگاہ کر گروٹھ کے منافی کام کرتے ہیں اس آزادی کا مطلب یہ ہے کہ سیاسی اور مالیاتی دونوں آزاد ہیں۔ لوگوں کو باور دیا جائے کہ مسابقتی قوانین سے معاشی فوائد حاصل ہونگے۔ وزیراعظم نے یقین دلایا کہ جس طرح جمہوری حکومت نے قانون پاس کرایا ہے کہ اسی طرح ادارے کو فٹ زبھی فراہم کریں تاکہ وہ موثر انداز میں فرائض انجام دے سکے۔

Parliament not a rubber stamp, says PM

Conspirators who had failed to oust govt now making new plans

Mehtab Haider

ISLAMABAD: Prime Minister Syed Yusuf Raza Gilani said Friday the PPP-led government had strengthened the parliament and parliamentary system despite the fact that people said parliament was a rubber stamp.

The premier said this while talking to reporters after chairing a session at an international conference entitled "Competition Enforcement Challenges and Consumer Welfare in Developing Countries" organised by the Competition Commission of Pakistan (CCP) in collaboration with USAID and the Competitiveness Support Fund (CSF)

here.

PM Gilani said conspiracies were being hatched against the democratically elected government for the last four years but the system would prevail. "It is next to impossible to oust this government because it came into power through the democratic process," the PM said. "The conspirators have failed to oust us thus far and are now making new evil plans," he added.

The existing political system, the premier said, would not go anywhere in one day because the government had strengthened parliament through concerted efforts. When asked

about the possibility of growing conflict among different institutions of the country in the aftermath of the Supreme Court's decision to form a one-member commission on the memo scam, the premier said "no comment." He added that conspiracies against the government had been continuously hatched in the last four years but the government had, in close collaboration with coalition partners, foiled all such attempts.

To another query about the suspension of aid from US after the approval of its Upper House, Prime Minister Gilani said he

Continued on Page 9

Parliament not...

Continued from Page 1

would examine the issue before giving his response on the development.

Earlier, addressing the conference, Prime Minister Gilani assured the CCP that its funding of three percent from other regulators would be resolved as was done in the case of the approval of Competition Law from the parliament.

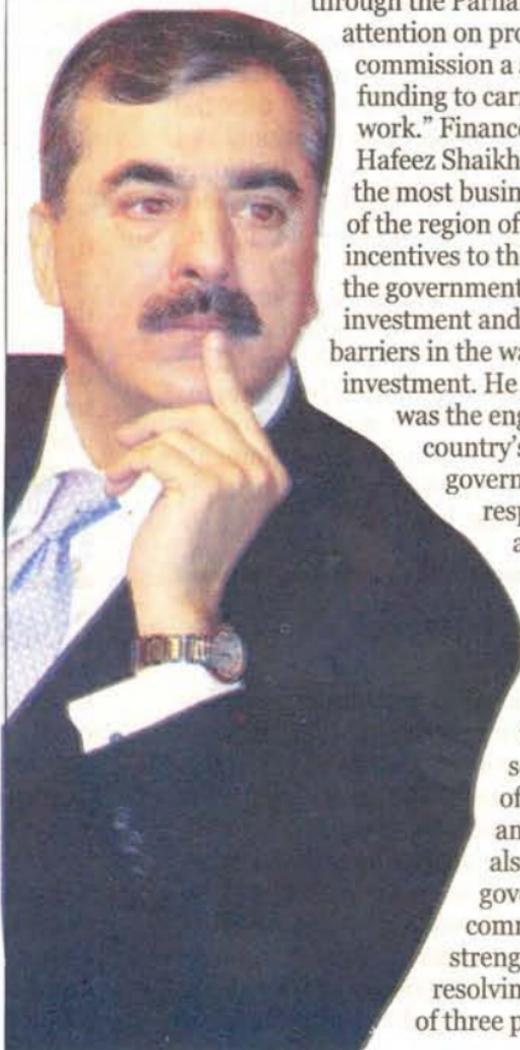
PM Gilani said the promotion of a culture of competition needed a strong and independent institution capable of pointing out when, where and how competition was being compromised or vested interests were working against economic growth.

Prime Minister praises performance of CCP

ISLAMABAD
STAFF REPORT

PRIME Minister Syed Yousaf Raza Gilani said government's new growth framework identifies competitive markets as the starting point to increase efficiency and bringing about innovations to promote and sustain economic growth. He said this while addressing 2nd international conference organised by Competition Commission of Pakistan (CCP) in collaboration with Competitiveness Support Fund and USAID. Prime Minister praised CCP for being quite active since its inception in addressing manipulation of the local markets. And like most countries, it has also faced opposition as it has challenged powerful vested interests. "Nevertheless, the commission enjoys continued support and acknowledgment of the government". He said government recognised the importance of competition law and CCP and it could be judged from the fact that the Competition Ordinance of 2007 was re-promulgated twice to ensure continuity of the commission's important work. "Because of our efforts and resolve to institute competition as the law of the land, the ordinance was given approval as an act of the parliament in October 2010". Prime Minister said international recognition and evaluation is a valuable barometer for judging performance of an entity. "I am pleased to learn that the commission was chosen and given a fair rating this year by the Global Competition Review. This international recognition and feedback, I am sure, would help competition commission in transcending to global standards of excellence." Prime Minister said he was aware that due to the critical matter of funding the commission's operations remain unresolved. "Let me take this opportunity to assure you that in the same manner the democratic government supported the passage of the law

through the Parliament, it will focus attention on providing the commission a secure source of funding to carry on its important work." Finance Minister Abdul Hafeez Shaikh said Pakistan was the most business friendly country of the region offering a number of incentives to the investors. He said the government encouraged foreign investment and there were no trade barriers in the way of foreign investment. He said private sector was the engine of growth of any country's economy and it was government's responsibility to ensure appropriate measures along with provision of best possible policies, services and resources to facilitate the private sector for promotion of economic growth and job creation. He also reiterated government's commitment towards strengthening the CCP by resolving the pending issue of three per cent fee.



PAKISTAN TODAY

03 Dec 2011

“Pakistan has good competition laws to promote business environment, competitiveness and protect the consumers' rights in the country

Finance Minister, Dr Abdul Hafeez Shaikh



03 Dec 2011

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پاکستان سرمایہ کاری کیلئے بہترین ملک ہے: حفیظ شیخ

غیر ملکی سرمایہ کاروں کیلئے کوئی رکاوٹیں نہیں، ملک میں ٹیکس نیٹ موثر بنانے کی ضرورت ہے

اسلام آباد (خصوصی رپورٹر، اسے پی پی) وزیر خزانہ ڈاکٹر عبدالحفیظ شیخ نے کہا ہے کہ پاکستان دنیا میں سرمایہ کاری کیلئے بہترین ملک ہے، غیر ملکی سرمایہ کاروں کیلئے کوئی رکاوٹیں نہیں ہیں، ملک میں ٹیکس (باقی صفحہ 5 نمبر 44)

حفیظ شیخ

44

نیٹ کو موثر بنانے کی ضرورت ہے، رواں مالی سال کے دوران پہلے پانچ ماہ میں 640 ارب روپے کے محصولات جمع کئے گئے جو پاکستان کی تاریخ میں ایک ریکارڈ ہیں۔ مسابقتی کمیشن، یو ایس ایڈ اور یو ایس ایف کے زیر اہتمام عالمی کانفرنس سے خطاب کرتے ہوئے وزیر خزانہ نے کہا کہ اگر ہماری پالیسیاں درست سمت میں ہوں گی تو تب ہی ہم کامیاب ہو سکتے ہیں نئی شعبہ ملک کی معیشت کا اہم پیہہ ہے، اجارہ دار گروپوں اور اجارہ داری کی کوئی جگہ نہیں یہ وقت ہے کہ ہم اپنے قومی اقتصادی مفاد کو مقدم رکھیں منصوبہ بندی کمیشن کے ڈپٹی چیئرمین ڈاکٹر ندیم الحق نے کانفرنس سے خطاب کرتے ہوئے کہا کہ مسابقتی قوانین کے نفاذ سے مارکیٹ میں بہتری پیدا ہوتی ہے جس سے صارفین کو ریالیف ملتا ہے۔

پارلیمنٹ میں اختلاف سازش ناکا اہوئی مد پوری کرینگے وزیراعظم گیلانی

جمہوری نظام قائم رہنے کیلئے آیا ہے اسے کوئی نقصان نہیں پہنچا سکتا، فوج، سول سوسائٹی اور میڈیا جمہوریت کی حمایت کر رہے ہیں، پارلیمنٹ کو ریزسٹپ کہنے والوں کو اپنا ذہن صاف کرنا چاہئے حکومت بنانے کیلئے مختلف طیلے بہانے کرنوالے سینٹ انتخابات سے بھاگنے کا راستہ اختیار کر رہے ہیں، فوجی امداد بند کرنے کے امر کی سینٹ کے فیصلہ کا معاملہ دیکھ کر جواب دینگے، وزیراعظم کا عالی کانفرنس سے خطاب اور میڈیا سے گفتگو

اسلام آباد (نمائندہ خصوصی) وزیراعظم یوسف رضا سائیس کامیاب نہیں ہوں گی۔ اپوزیشن سینٹ الٹیشن گیلانی نے کہا ہے کہ پارلیمنٹ اور حکومت مضبوط ہیں۔ سے بھاگنے کا راستہ اختیار کریں (صفحہ 6 بقیہ 44)

بقیہ وزیراعظم گیلانی 44

ہے۔ جمہوری نظام رہنے کیلئے آیا ہے اس لئے کوئی اسے نقصان نہیں پہنچا سکتا۔ وزیراعظم نے ان خیالات کا اظہار گزشتہ روز مسابقتی کمیشن کے زیر اہتمام مسابقت کے حوالے سے بین الاقوامی کانفرنس سے خطاب کے بعد اخبار نویسوں سے گفتگو کرتے ہوئے کیا۔ وزیراعظم سے تہذیبی سوالات کئے گئے جبکہ وزیراعظم نے کچھ سوالات کا ”فول کمٹس“ کہہ کر جواب نہیں دیا۔ وزیراعظم نے مختلف سوالات کے جواب میں کہا کہ انکی حکومت کیخلاف سازشیں ہو تو رہی ہیں لیکن جمہوری طریقے سے اس کو غیر مستحکم نہیں کیا جا سکتا۔ جمہوری حکومت کا برقرار رہنا ثابت کرتا ہے کہ یہاں پارلیمانی نظام مضبوط ہو چکا ہے۔ حکومت بنانے کیلئے مختلف طیلے بہانے کرنوالے سینٹ انتخابات سے بھاگنے کا راستہ اختیار کر رہے ہیں۔ وزیراعظم نے کہا کہ گزشتہ 4 سال میں ملک کے اندر پارلیمانی نظام نے جڑیں پکڑی ہیں۔ وزیراعظم سے سوال کیا گیا کہ آیا مارچ میں سینٹ کے انتخابات سے قبل ملک میں عام انتخابات کے انعقاد کا کوئی امکان ہے؟ جس پر وزیراعظم نے کہا کہ یہ تاثر درست نہیں ہے کہ پارلیمانی نظام کو کسی خطرے کا سامنا ہے حتیٰ کہ حکومت کو غیر مستحکم کرنے کیلئے کوئی جمہوری طریقہ بھی کارگر ثابت نہیں ہو سکتا۔ یہ ملک میں جمہوری نظام کے مستحکم ہونے کا ثبوت ہے کہ حکومت موجود ہے اور اسکے خلاف متعدد غیر جمہوری کوششیں بھی کامیاب نہیں ہوئی ہیں۔ سازشی اب سینٹ انتخابات سے قبل عام انتخابات کے انعقاد کی بات کر کے حکومت کو غیر مستحکم کرنے کی بے مقصد کوشش کر رہے ہیں۔ وہ ہمیں کوئی نقصان نہیں پہنچا سکتے۔ وزیراعظم نے کہا کہ سپیل سازشیں ہوتی تھیں تو لوگ پہلی سازش میں ہی چلے جاتے تھے۔ موجودہ حکومت اتحادیوں سے مل کر بنائی۔ یہ اپنی مقررہ مدت پوری کر چکی۔ وزیراعظم سے سوال کیا گیا کہ امریکی سینٹ نے فوجی امداد بند کر دی۔ پاکستان کا کیا رد عمل ہو گا؟ وزیراعظم نے کہا کہ وہ تمام معاملہ دیکھ کر جواب دینگے۔ دریں اثناء بین الاقوامی مسابقتی کانفرنس سے خطاب کرتے ہوئے وزیراعظم نے کہا کہ عالمگیریت کی وجہ سے دنیا ایک دوسرے کے قریب آئی ہے۔ دنیا ایک دوسرے پر انحصار کے دور سے گزر رہی ہے جس سے مسابقت پیدا ہوئی ہے۔ حکومت کا کام کاروباری طبقہ کیلئے سازگار ماحول پیدا کرنا ہے۔ مسابقت کے قوانین سے قومی ترجیحات کا اظہار ہونا چاہئے۔

EU official says subsidies undermine competitive process'

By Mansoor Ahmad

LAHORE: European Union Director General Competition Miek Van der Wee has warned that subsidies undermine the competitive process as they interfere with market signals and where provided on inputs lead to inefficient allocations as perceived prices deviate from cost base prices.

Speaking at a session on "State aid and distortion of competition at the international conference on competition enforcement challenges and consumer welfare in developing country", which concluded on Friday, Wee said that subsidies in the EU that distort competition are prohibited unless targeted at stated objectives of the European Union and cause minimum trade and competition distortion.

Speakers from Pakistan, Turkey and Thailand also supported his notion.

Wee said that the EU Competition Commission has the powers to order the recovery of illegal and incompatible subsidies.

Creditable research has shown that limitation of wasteful subsidies attract foreign direct investment, he said, adding that Eastern European countries benefited from the FDI that eliminated subsidies.

The EU Commission did not object to the bailout packages provided to the banks in the recent past, as it was considered essential to save the global financial system, he said.

If it is essential to provide subsidies the competition authorities the world over should demonstrate that subsidies are targeted at market failure and there is no other effective way to tackle the issue, he said.

Member Competition Commission of Pakistan Dr Joseph Wilson said that subsidies or state aid is a preferential public assistance and a financial support given by a government to a certain business or economic sector in the shape of grants, interest and tax reliefs, guarantees, provision of goods and services at preferential terms, or waiver of licence fee etc.

The state aid gives the recipient an economic advantage that it would not otherwise have enjoyed under "normal market conditions", he said, adding that

it, thereby, confers an advantage to the aid recipient on a selective basis, which may distort competition in the relevant market.

In Pakistan, he said, the state aid is directed towards state-owned enterprises.

Dr Wilson said some other governments have also devoted considerable amounts to subsidise state-owned enterprises. In Sri Lanka in 1980s and 1990s, more than 10 percent of the GDP was allocated to the "maintenance of SoEs".

In China, 95 percent of subsidies to SoEs in between 1995-2005 were directed to loss-making SoEs. However, he said that past experiences have proved that the government support gives the SoEs little incentive to change.

Referring to the futility of subsidies to SoEs that in turn provide workers (whether needed or not) with an "iron rice bowl," that is lifetime employment and social welfare.

He said the common argument in sustaining inefficient SoEs is saving "employment of large number of employees". However, he said, the state should differentiate between 'employment' versus 'Welfare'.

Moreover, often SoEs give employment as a favour and not on merit, he said, adding that apart from the power sector the other three main recipients of the state aid in Pakistan are Pakistan International Airlines (PIA), Railways and Pakistan Steel Mills (PSM).

Pakistan Steel got whopping Rs11 billion bailout package on November 29. PIA, he said, added another Rs10.7 billion to losses in the first half of the year 2011. The airlines' accumulated losses shot up to over Rs107 billion.

Ali Demiroz of Turkish Competition Authority/State Aids Monitoring and Supervision Board said Turkey is trying to ensure the compatibility of the state aid with the related provisions of the agreements between Turkey and the European Union. Professor Kriengsak Chareonwongsak of Korea said that the state aid should be provided in case of natural disasters as was done in the recent floods in Bangkok.

Prudent state intervention is also essential to prevent market failures, he added.

Emergence of competitive market evolutionary process: PM

ISLAMABAD: The following are excerpt from the speech of Syed Yousuf Raza Gilani Prime Minister of Pakistan on "Competition Enforcement: Challenges and Consumer Welfare in Developing Countries":

The phenomenon of globalization has brought the world together with shared stakes. It is an era of interdependence.

We can exchange goods and services with a greater number of countries as the phenomenal growth of information technology has reduced distance to mere seconds.

The emergence of integrated markets has spurred competition. Competition is the name of the game in every walk of life and it is all

around.

I am told that the number of countries having competition laws and competition agencies have increased from a handful in 1990 to more than 120 today.

Nobel Prize winning economist, Joseph Stiglitz, once said, "A strong competition policy is not just a luxury to be enjoyed by rich countries."

I believe, competition laws must reflect national priorities and take national peculiarities into consideration. Obviously, our main national priority is economic development of the country, the ability to provide goods and services to our people at affordable prices, and to create better opportunities for their livelihood.

People's expectations from the

democratic government are understandable and justified. However, for two years in a row, floods, energy and security situation have slowed down our economic growth. Nonetheless, due to timely interventions of the government, the country has been able to build strong economic fundamentals.

As a nation, we have shown a remarkable resilience in the face of these challenges. Our exports are all time high. Pakistan has become a wheat exporting than a wheat importing country. Our foreign exchange reserves are at a comfortable level. Foreign remittances are more than 11 billion dollars. The country is on the trajectory making a turn around.

In 2011, the government released the New Growth Framework after taking

the relevant stakeholders into confidence.

I believe that markets must be allowed to determine optimal allocation of resources. Incentives need to be given for innovation and entrepreneurship because the government should not be the sole driver of economic growth or job provider.

The Competition Commission has been quite active since its inception in addressing manipulation of market.

And like most countries, it has also faced opposition as it has challenged powerful vested interests.

Nevertheless, the Commission enjoys continued support and acknowledgment of the government.

Our recognition of the importance of competition law and the Competition

Commission can be judged from the fact that the Competition Ordinance of 2007 was re-promulgated twice to ensure continuity of the Commission's important work. Because of our efforts and resolve to institute competition as the law of the land, the Ordinance was given approval as an Act of the Parliament in October 2010.

International recognition and evaluation is a valuable barometer for judging the performance of an entity. I am pleased to learn that the Commission was chosen and given a fair rating this year by the Global Competition Review.

This international recognition and feedback, I am sure, would help the Competition Commission in transcending to global standards of excel-

lence.

The emergence of a competitive market is an evolutionary process. Mere deregulation will not achieve this goal.

Building the culture of competition and an effective competition regime is a long-term endeavour. Competition must be 'mainstreamed' in all sectors.

Advocacy is needed for a new competition regime to succeed. People need to understand why competition is good for the economy, and how to apply competitive principles to business decisions, both in public and private sectors.

Promotion of competition culture needs a strong and independent institution capable enough to point out when and where competition is being com-

promised or vested interests are working against economic growth. This independence, in my view, means both political and financial independence. People should perceive the competition law as a tool for realizing the full potential of the economy for their benefit.

In the end, I am aware that due to the critical matter of funding the Commission's operations remain unresolved.

Let me take this opportunity to assure you that in the same manner the democratic government supported the passage of the law through the Parliament, it will focus attention on providing the Commission a secure source of funding to carry on its important work.—PR

Let the competitive juices flow!

Competition is an essential ingredient for free markets.

While some firms thrive of it, others may barely survive as a consequence of heightened competition. There is always a possibility that unscrupulous market players, and those on the verge of being competed out, may resort to unfair practices to achieve their ends. That is where a competition agency steps in, strives to flatten out the business landscape and provides the proverbial 'level-playing field'.

Since its inception, the Competition Commission of Pakistan (formerly Monopoly Control Authority) has been up-arms against anti-competitive

behaviour of business entities and trade associations in the country. Revered and feared at home, now the Commission has captured the attention of international competition agencies and earned accolades abroad, too.

This was evident in the two-day international conference on "Competition Enforcement Challenges and Consumer Welfare in Developing Countries" organised by the CCP in Islamabad last week. Representatives of various competition agencies, consumer protection forums and legal experts from across North America, Asia Pacific, Europe and Africa were in attendance.

To ensure competition and con-

sumer protection, a competition agency should be established on solid grounds, highlighted by the panelists: First, the agency has to be viewed as an institution, with due considerations for human capital, financial resources, and independence; secondly, an overarching competition policy should guide in formulation of the competition law and specify the agency's mandate; thirdly, enforcement sanctions need to be punitive as well as supportive (e.g., leniency programmes) and finally, the agency should be an advocate of competition itself, and inform and advise both the public and private sector.

It was heartening to see interna-

tional delegates showering praise on the CCP for its achievements and recommending its model to countries confronting business dynamics similar to Pakistan. The zeal with which CCP is pursuing its mandate is worthy of appreciation. However, there are certain areas which have (and may continue to) impede its progress.

To start with, many of the accused have obtained stay orders from the courts against CCP's decisions. Hence, the charged entities continue to indulge in anti-competitive practices and a significant portion of the CCP-imposed penalties remains outstanding. The CCP chairperson underscored the need for active and speedy judicial

reviews in order to move forward and set precedents.

Moreover, the public procurement sector in Pakistan—which accounts for a quarter of GDP and causes financial hemorrhage of billions of dollars annually—has been a no-go-area for CCP, so far. Due to its limited mandate, there is very little CCP can do, besides issuing policy notes, if the government does not rectify the anti-competitive practices itself. In this regard, CCP officials insist, they are open to cooperation with NAB and FIA.

In addition, CCP's source of funding still hangs in the balance as it awaits contributions from sector regulators. CCP's financial autonomy will go a long way in

ensuring that it operates independently and is able to attract and retain the best talent available in market. It remains to be seen whether the government would make good on the funding-related assurances given to CCP during the conference.

There is a need to build on this momentum. The private sector would get more competitive if CCP is facilitated by relevant authorities and sector regulators. A lot hinges on the government's actions and disposition towards letting competitive forces prevail. Towards that end, government's footprint on the economy has to be reduced and markets have to be liberalised.

Annexure 2

Visuals of Conference Branding

www.iceat.org/iceat/iceat.asp
Competition Enforcement Challenges &
Consumer Welfare In Developing Countries
11 - 21 September 2011
Islamabad



Competition
makes markets
work **well** for
consumers.

 Competition Commission of Pakistan
Creating a new playing field

www.iceat.org/iceat/iceat.asp
Competition Enforcement Challenges &
Consumer Welfare In Developing Countries
11 - 21 September 2011
Islamabad



Competition
creates **better**
products.

 Competition Commission of Pakistan
Creating a new playing field



International conference on
**Competition Enforcement Challenges &
 Consumer Welfare In Developing Countries**
 11 - 12 September 2011
 Islamabad

“
 Strong **competition**
 policy is **not** just a
luxury to be enjoyed
 by rich countries **but**
 a **real necessity** for
 those striving to
 create **democratic**
 market economies.



Competition Commission of Pakistan
 Dhergha, Islamabad



International conference on
**Competition Enforcement Challenges &
 Consumer Welfare In Developing Countries**
 11 - 12 September 2011
 Islamabad

“
Competition is
 the keen cutting
 edge of
business, always
 shaving away at
costs.



Competition Commission of Pakistan
 Dhergha, Islamabad



International conference on
Competition Enforcement Challenges &
Consumer Welfare in Developing Countries
11-27 November 2011
Washington

“
**Competition is
the driving
force behind
progress.**”



Competition Commission of Pakistan
Creating a level playing field



International conference on
Competition Enforcement Challenges &
Consumer Welfare in Developing Countries
11-27 November 2011
Washington

“
**Competition is not
only the basis of
protection to the
consumer, but is
also the incentive
to progress.**”



Competition Commission of Pakistan
Creating a level playing field





**Competition Commission
of Pakistan**
Creating a Level Playing Field

International Conference on

Competition Enforcement Challenges & Consumer Welfare in Developing Countries

1st - 2nd December, 2011
Islamabad



**Competition Commission
of Pakistan**
Creating a Level Playing Field

International Conference

on
Competition Enforcement
Challenges & Consumer Welfare
In Developing Countries

1st - 2nd December,
2011, Islamabad







Competition Commission of Pakistan
Government of Pakistan



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Competition Enforcement Challenges &
Consumer Welfare In Developing Countries
1st - 2nd December, 2011 | Islamabad