

**WORLD
COMPETITION
DAY**



DECEMBER
2013
CCP, ISLAMABAD

SEMINAR ON

**ECONOMIC GROWTH
AND COMPETITIVENESS**



Competition Commission of Pakistan
Creating a level playing field

Table of Contents

Retrospective view.....	3
Seminar Environ.....	3
The Goal.....	4
The Awayday	4
The House of Discussion	7
Queries	9
Goodie Takeaway.....	10
Epilogue	10
Press Clippings.....	11
Daily Times.....	11
Business Recorder.....	12
Express Tribune.....	13
The News.....	14
Pakistan Observer.....	14
Jahan Pakistan.....	15

RETROSPECTIVE VIEW

International days are observed in various areas of governance to focus attention of the society to burning and vital issues. Such observances in the developing world are always very helpful to accelerate the agenda. Following the same trend of remembrance World Competition Day has been scheduled to be celebrated on the 5th of this December, 2013.

Historically speaking, on 5th of December 1980, the UN General Assembly on its 35th meeting saw the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (UN Set), which had been approved by the UN Conference on Restrictive Business Practices. As a commemoration, the similar day has been marked as world Competition Day, globally. The day is celebrated every year on 5th December to create awareness on competition related issues and how the enforcement of a competition regime benefits consumers.

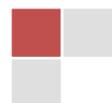
The Competition Commission of Pakistan (CCP) took its initiative and marked the day by holding the seminar on the theme of “Economic Growth and Competitiveness”. The seminar was to ensure that stakeholders from across the society realize the potential benefits from an effectively implemented competition regime, and also play their role in making a viable economy. The Seminar offered a deep insight over an openness of bilateral trade among Pakistan and India.

SEMINAR ENVIRON

Seminar was held in the conference hall of CCP office Islamabad. Which has been attended by H.E. Greg Giokas, Canadian High Commissioner, Dr. Manzoor Ahmed, Regional Trade Advisor US Aid Trade Project, Ms Mia Ter Haar, representative of the US Embassy Islamabad, Mr. Chuk Lambert, Trade Policy Team Lead, US Aid Trade Project, senior officials of the Ministry of Finance, representatives of Oil & Gas Regulatory Authority (OGRA), Pakistan Telecommunication Authority (PTA), Ministry of Industries, representatives of chambers, senior management of private sector companies and academia.

The seminar was hosted by the Chairman Dr. Joseph Wilson and was also been attended by Commission’s members namely Mr. Shehzad Ansar and Mr. Mueen Batley, Director General and directors of various departments.

The commencement of the seminar was highly encouraged by the participants. Their feedback has been the emblem of appreciation that such kind of interactions needs to be arranged frequently and regularly as it provides a golden opportunities to learn about Commission’s actions, initiates, happenings and the significance of the subject.



THE GOAL

The World Competition Day would enable all competition law jurisdictions to participate and deliberate on a competition oriented theme. It would bring important competition concerns in to limelight that emphasized the need to safeguard and promote competition to enhance consumer welfare and their ultimate contribution towards a sustainable development.

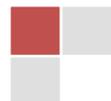
THE AWAYDAY

The key speakers included the distinguished names of H.E Greg Giokas, the Canadian High Commissioner, Dr. Manzoor Ahmed, Regional Trade Advisor for USAID Trade Project and Dr. Joseph Wilson, the Chairman CCP.

Dr. Joseph Wilson in his opening note addressed that competitiveness was essential to achieve sustainable economic growth which in turn would rid the country of poverty. He further noted:

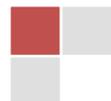
"Competitiveness is a function of the enforcement of competition regime".

Citing the World Economic Forum's Global Competitiveness Index, he stated that Pakistan's competitiveness had deteriorated over the years with the country now ranked at number 133 out of 148 countries. He added that Pakistan's ranking was lowest in the region falling behind India, Bangladesh and Sri Lanka.

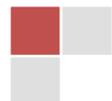


The Canadian High Commissioner, H.E. Greg Giokas, speaking on the occasion stated that having a discussion on competitiveness was very important. He focused on how to gain a competitive advantage in international trade. The High Commissioner was of the opinion that the competitiveness of Pakistan lay in its agricultural sector and Canada was providing its expertise to Pakistan in this sector, so that the potential of this sector could be harnessed.

Mr. Giokas linked the competitiveness of a country like Pakistan to the promotion of agriculture. He noted that instead of hiding behind high tariff walls the agriculture sector needed to focus on improving its competitiveness. As a starting point there were three important ways to improving competitiveness: policy development, business development and consultations with stakeholders. He said that big gains could come from simple improvements.



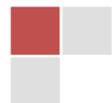
Dr. Manzoor Ahmad addressed the issue of exemptions granted to certain businesses through SROs which, according to him, provided an unfair advantage to large businesses at the expense of SMEs. He cited the example of the auto sector where special SROs practically prohibited new entrants and gave an unfair advantage to auto producers in Pakistan. He noted that the telecom and banking sectors were success stories where opening up of the sector to competition resulted in enormous benefits to businesses and consumers.

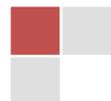


THE HOUSE OF DISCUSSION

Chairman CCP while addressing the seminar noted that competitiveness was essential to achieve sustainable economic growth which in turn would lift the country out of poverty. He was of the opinion that there was a close relationship between competitiveness and competition as competition in an industry was essential in ensuring competitiveness. After that Dr. Wilson opened the house for discussion and the participants took keen interest in discussing various issues concerning Pakistan's competitiveness.

While responding to a question, CCP Member Dr. Shehzad Ansar appreciated the new SME policy recently introduced by the government saying that the policy would go a long way in creating more business opportunities particularly for small investors. Mueen Batlay, Member CCP, observed that unless you were competitive domestically you could not be competitive internationally.

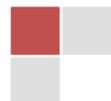




QUERIES

As the seminar was open discussion oriented an adequate amount of time was allocated for the queries raised by the participants. There was question regarding the auto sector and its general perception about cartelization in the industry. The participants while debating the question of trade with India noted that although trade with India was beneficial to Pakistan but there was a perception that the government of India was not interested in trade liberalization. One of the participants stated that whatever policy the government formulated should be done in consultations with the relevant stakeholders at the proper forum.

Ms. Mia ter Haar from the US Embassy noted that it was important to not only to have good laws but also enforcing those laws. She stressed the importance of protection of Intellectual Property on which the Chairman CCP Dr. Joseph Wilson responded that protection of intellectual property was important for competitiveness of the economy.



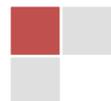
GOODIE TAKE AWAY

As a token of thanks goodie bags accompanied each participant. Whereas, for the remembrance of the celebration of World Competition Day printed mugs were also distributed among the distinguished guests.



EPILOGUE

It is important for the agencies to engage in education and outreach programmes to raise awareness about the interrelated phenomenon of economic growth and competitiveness. Competition and competitiveness are not just etymologically related they also have a more pragmatic and logical relationship in the economy. It is competition between firms that creates a business environment that encourages investment and innovation. Simply put: "competition makes markets work better".



PRESS CLIPPINGS

THE EXPRESS
TRIBUNE

Page # 11
06 December 2013

Clean chit

PM's investment package doesn't break law, says CCP

FBR drafts rules for obtaining data of bank depositors, loan defaulters

SHAHBAZ RANA
ISLAMABAD

As the anti-trust watchdog gives a clean chit to the prime minister's blanket amnesty scheme for investors, the national tax agency has issued a draft of rules in the first phase of implementing the PM's package, which is widely perceived to be pro-industry.

The rules, issued by the Federal Board of Revenue (FBR) on Thursday, deal with reporting requirements for banking companies about those account holders who are not taxpayers.

The FBR agreed with the prime minister's decision that barred the tax authorities from getting access to bank accounts of existing taxpayers.

Describing it as a package that will promote growth and investment, Nawaz Sharif had last week announced incentives for the industrialists – who are called his traditional voters. Experts say the incentives offer the industrialists a chance to legalise

their black money by investing in various projects.

He also stopped the FBR from accessing the bank accounts of taxpayers and exempted a category of existing and all new taxpayers from tax audit.

Tax experts and civil society activists call the amnesty scheme a reward for the tax thieves, which would also impede the drive to broaden the country's narrow tax base.

However, Competition Commission of Pakistan Acting Chairman Dr Joseph Wilson believed that the prime minister's package was not a violation of the Competition Act of 2010 and would not damage the cause of competitiveness.

He said though the package was not applicable to certain industries like sugar, cement, beverages and cigarettes, these industries were "well entrenched" and would be immune from any adverse competitive implications.

"It is the discretion of the government and the PM to provide any incentive to any industry and there is nothing in the package that raises concerns of competitiveness," said Wilson at a seminar here on Thursday.

Exemptions granted to certain businesses through SROs are providing unfair advantage to large businesses at the expense of SMEs

USAID Trade Project's Regional Trade Adviser Dr Manzoor Ahmad said exemptions granted to certain businesses through Statutory Regulatory Orders (SROs) were providing unfair advantage to large businesses at the expense of small and medium enterprises.

For the first phase of implementation of the PM's package, the FBR has notified the draft rules for obtaining monthly information from banks about depositors and loan defaulters. The FBR would consider the proposals for seven days since publishing the draft after which the amendments would be considered part of the Income Tax Rules 2001.

As desired by the PM, the FBR allowed the banks not to give any information about monthly transactions and written-off loans of those

who either hold the National Tax Number or are active taxpayers.

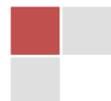
This came in the backdrop of hue and cry the industrialists and traders were making against the government's move to give the FBR access to their bank accounts.

According to the banking companies' reporting requirements, in case a person does not have an NTN and is a non-filer, every banking company will furnish the FBR a monthly account holder deposit statement, credit card payment details and any loan written off.

However, any such information becomes useless when a person decides to file the income tax return and pay a minimum tax of Rs25,000 irrespective of what he owes to the exchequer.

The PM had also announced that those who decide to come in the tax net, their accounts will not be accessed and they will be exempted from the audit.

The decision to exempt people from the audit is seen as a major blow to the government's drive to broaden the tax net, as those who owe millions can get away by paying just Rs25,000.



06 December 2013
Page # 03

Canadian HC for opening up of bilateral trade between Pakistan and India

RECORDER REPORT

ISLAMABAD: Canadian High Commissioner Greg Glokas said that it was important for regional stability that both Pakistan and India should open up bilateral trade, which would boost economies of both the countries considerably.

Addressing a seminar organised by the Competition Commission of Pakistan (CCP) titled as "Economic Growth and Competitiveness" here at the CCP headquarters, he said that keeping in view their experience (Canada) for having large neighbour like USA, Pakistan should open up trade with neighbouring India to reap the fruits.

"Don't fight with India," he said, adding that this decision should be taken by bringing in more stakeholders and improving political discourse and debate within the society.

The Canadian envoy said that their experience showed that instead of conflict with big neighbouring country, the smaller country should focus more on having an edge in competitiveness and efficiency to accumulate maximum benefits.

By creating competitive environment and devising public policy with more engagements with the stakeholders, he said that Pakistan could achieve more by having solid trade ties with India.

Sharing experience of Canada for evolving consensus on trade ties with US, he said that trade unions severely resisted moves for establishing trade ties with the US and it became major debate in the country, but later on it was



ISLAMABAD: Chairman Competition Commission of Pakistan Dr. Joseph Wilson speaking at a seminar on "Economic Growth and Competitiveness," here on Thursday.

realized by aligning policies with the US their country could secure utmost gain.

"Ten year later, it proved that when you become strong, your dependency would go down," he said and added that the same could happen in case of Pakistan if the government and people of the country take decision to move towards in positive manner.

"It is up to the government and people of Pakistan to take decision on the subject and move ahead," he said and added that it was their suggestion to talk more and open up trade with India.

For improving the country's agriculture sector, he said that Pakistan require a comprehensive policy package by devising it in consultation with the relevant stakeholders.

"Pakistan requires a comprehensive policy package, allowing better trade opportunities with India, recognized role of business and focus more on agriculture sector that will have positive impact on generating more employment than investing in any

other sectors," he said.

With the help of donor-funded project, he said that the research study proved that with policy intervention in dairy sector the income of 22,000 people could be doubled.

He said that there was no shortage of studies and funds from the donors but you would have to take a decision to open up trade with India.

Responding to a query on aid effectiveness, he said that it was the responsibility of the government to execute policies for the benefit of people of Pakistan by pouring donors' money in areas where it required more.

He said that having a discussion on competitiveness was very important. He focused on how to gain a competitive advantage in international trade. The High Commissioner was of the opinion that the competitiveness of Pakistan lay in its agricultural sector and Canada was providing its expertise to Pakistan in this sector, so that the potential of this sector could be harnessed.

tries as compared to SMEs having no benefit of the customs tariff regime. The SMEs have to purchase raw material/inputs from the open market and SMEs cannot make use of the SROs. At present the 'anti-SMEs' SROs are operating creating a serious disadvantage for the small and medium businesses.

The FBR has to get rid of these SROs to provide a level playing field to business and trade across the country without discrimination, he maintained.

Dr. Manzoor Ahmad while addressing the issue of exemptions granted to certain businesses through SROs which, according to him, provided an unfair advantage to large businesses at the expense of SMEs also cited the example of the auto sector where special SROs practically prohibited new entrants and gave an unfair advantage to auto producers in Pakistan. He noted that the telecom and banking sectors were success stories where opening up of the sector to competition resulted in enormous benefits to businesses and consumers.

The seminar was also attended by Mia Ter Haar, representative of the US Embassy Islamabad, Chuk Lambert, Trade Policy Team Lead, USAID Trade Project, senior officials of the Ministry of Finance, representatives of Oil & Gas Regulatory Authority (Ogra), Pakistan Telecommunication Authority (PTA), Ministry of Industries, representatives of chambers, senior management of private sector companies and academia.

Dr. Joseph Wilson, Chairman

CCP, while addressing the seminar noted that competitiveness was essential to achieve a sustainable economic growth which in turn would rid the country of poverty. "Competitiveness is a function of the enforcement of competition regime," Dr. Wilson noted.

He said that the CCP organised a seminar to mark the World Competition Day, which is celebrated every year on 5th December to create awareness on competition-related issues and how the enforcement of a competition regime benefits consumers.

Responding to a query on government's investment scheme, Dr. Joseph Wilson said that no competition issues were involved in the recently announced scheme. The investment scheme would not create disadvantage for existing sectors. "I have analyzed the scheme and competition issues are not involved in the scheme where source of question would not be asked on making new investments," he added.

Dr. Wilson opened the house for discussion and the participants took keen interest in discussing various issues concerning Pakistan's competitiveness. While responding to a question, CCP Member Dr. Shehzad Ansar appreciated the new SME policy recently introduced by the government, saying that the policy would go a long way in creating more business opportunities for small investors. Mueen Batliay, Member CCP, observed that unless you were not competitive domestically you could not be competitive internationally.

Daily Times

Your right to know. A new voice for a new Pakistan.

Page # B3
06 Dec 2013

Marking World Competition Day

Seminar held to create awareness on competition issues

Staff Report

ISLAMABAD: Competition Commission of Pakistan (CCP) organised a seminar to mark the World Competition Day, which is celebrated every year on December 5 to create awareness on competition related issues and how the enforcement of a competition regime benefits consumers.

The topic of the seminar was Economic Growth and Competitiveness.

Dr Joseph Wilson, Chairman CCP said competitiveness was essential to achieve sustainable economic growth, which in turn would rid the country of poverty. Competitiveness is a function of the enforcement of competition regime, Dr Wilson added.

Citing the World Economic Forum's Global Competitiveness Index, he noted Pakistan's competitiveness had deteriorated

over the years with the country now ranked at number 133 out of 148 countries.

Pakistan's ranking was lowest in the region falling behind India, Bangladesh and Sri Lanka.

The Canadian High Commissioner Greg Giokas said having a discussion on competitiveness was very important. He focused on how to gain a competitive advantage in international trade. The High Commissioner was of the opinion the competitiveness of Pakistan lay in its agricultural sector and Canada was providing its expertise to Pakistan in this sector, so that the potential of this sector could be harnessed.

Mr Giokas linked the competitiveness of a country like Pakistan to the promotion of agriculture. Instead of hiding behind high tariff walls the agriculture sector needed to focus on improving its competitiveness. As a start-

"Competitiveness was essential to achieve sustainable economic growth, which in turn would rid the country of poverty"



Joseph Wilson
Chairman CCP

ing point there were three important ways to improve competitiveness: policy development, business development and consultations with stakeholders. He said big gains could come from simple improvements.

Dr Manzoor Ahmad regional Trade adviser for United States Agency for International Trade (Project), talked about the issue of exemptions granted to certain businesses through SROs, which according to him, provided an

unfair advantage to large businesses at the expense of small and medium enterprises. He cited the example of the auto sector where special SROs practically prohibited new entrants and gave an unfair advantage to auto producers in Pakistan.

He noted the telecom and banking sectors were success stories where opening up of the sector to competition resulted in enormous benefits to businesses and consumers.

Dr Wilson opened the house for discussion and the participants took keen interest in discussing various issues concerning Pakistan's competitiveness. While responding to a question, CCP member Dr Shelizad Ansar appreciated the new SME policy recently introduced by the government saying the policy would go a long way in creating more business opportunities, particularly for

small investors.

Muqeen Batlay, Member CCP observed unless you were not competitive domestically, you could not be competitive internationally.

To a question regarding the auto sector and the general perception that there was a cartelisation in the industry, it was observed policies should be formulated with the consensus of the relevant industry at a proper forum.

Ms Mia Ter Haar from the US Embassy Islamabad, said it was important not only to have good laws but also enforcing these laws.

Senior officials of the Ministry of Finance, representatives of Oil and Gas Regulatory Authority (OGRA), Pakistan Telecommunication Authority (PTA), Ministry of Industries, representatives of chambers, senior management of private sector companies and academia attended the event.

