

# Business Recorder

April 3, 2010

## Call for early re-promulgation of CCP Ordinance

### RECORDER REPORT

ISLAMABAD: An organisation working tirelessly against cartelisation and deceptive market behaviour needs ample powers to break the monopoly of a few speculators, fleecing the nation with all their might.

These views were expressed by some leading economic experts with the hope that the competition ordinance will be re-promulgated by the President to rein in the profiteers for which the competition commission took some bold steps in regulating the market as National Assembly and Senate sessions have been prorogued today (Friday).

Chairman Competition Commission of Pakistan (CCP) Khalid Mirza, commenting on the issue said that it is need of the hour to re-promulgate the CCP Ordinance in its original shape to give fair play a chance for the benefit of the consumers.

"It is the best law that has been working excellently for the last two years and our decisions are quoted world over," Mirza said at a roundtable on "Importance of Competition Laws for Consumers' Protection" organised by The Network for Consumer Protection.

Expressing full confidence on the parliament and other top democratic institutions, he was upbeat that competition law would be enacted sooner than later to provide help in regulating the economy.

He said restoration of the competition laws was in the best interest of the country, adding

that the competition laws are important for the growth of national economy in the form of innovation and improved efficiency.

"These factors in turn reduce the price of the commodities and help increase sales," he said and added that healthy competition is always beneficial for the business in the long run.

Similarly, he added, weak competition laws actually scare away investment from the country and increase the size of grey markets as those with less affordability go for counterfeits.

Speakers at the roundtable discussion said that Pakistani consumers are faced with serious challenge of deceptive market and the consumers have the right to information over the products that they purchase.

Dr. Arif Azad of The Network said that even the food items do not have the required information that the consumers should know.

"Many products have hidden charges and the price of any single item is different in various markets," Dr Azad said.

He said consumers' rights are almost non-existent in the country and added that strong Competition laws are needed to improve the market mechanism in Pakistan.

He said competition laws were important as they helped to keep the prices in check and give the people a choice. He appreciated the CCP for bold decision in interest of consumers and announced to resist any effort by the government and big business-

men to dilute or delay the enactment of the law.

Responding to a question about heavy fine imposed by the CCP on cement sector, the chairman CCP Khalid Mirza said that it was based on merit and helped to end cartels and price fixing in the country.

"Rs6.5 billion fine on cement industry was a mild fine as according to reports the industry inflicted a loss of over Rs120 billion on the national economy, and CCP could impose much higher penalty."

To a question, he said CCP is a national body dealing with, among others, inter-provincial issues, and the Supreme Court would be the best forum for any appeal against its decisions.

The Chairman said that competition laws were important for protection of middle level businessmen and poor consumers, who had nothing to fall back upon in hour of unfair market practices by the big industrialists. He asserted that all malpractices like cartels making and fixing of prices would end if the CCP was allowed to work independently for another three years.

Mirza expressed fears that if the laws were not enacted within a fortnight, the genie of cartels would remerge. He also said it will be difficult to punish for all violations in the period when the CCP ceased to exist and the violators will take a plea that there was no law when they committed a certain illegal act. He urged media and civil society to help early legislation on the issue.