

The Benefits of Competition Policy for Consumers

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Substantive Provisions of Competition Law in Pakistan

- Substantive Provisions
 - Abuse of Dominant Position
 - Prohibited Agreements
 - Merger Control Provisions
 - Deceptive Marketing Practices
- Primary Objective
 - To ensure markets remain competitive thereby resulting in Consumer Welfare

Provisions Protecting Consumer Directly

- Abuse of Dominant Position could be vis-à-vis
 - Competitors (Predatory Pricing)
 - Upstream seller (Refusal to deal by dominant buyer – Monopsony)
 - Downstream Buyer (Refusal to deal by dominant seller – Monopoly)
 - Consumers (Tied Selling)
- Deceptive Marketing
 - The distribution of false or misleading information to consumers

Tied Selling Bahria University-

- The university had made it mandatory for all incoming students to purchase Laptops imported by the university.
- The students were not informed about the compulsory purchase of laptops at the time of admissions
- Students had at the choice of buying laptops either on lump sum payment or through instalments .

Tied Selling Bahria University-

- Students purchasing on instalments were being charged 12.65 % interest rate.
- Education loan in the region charge between 0 to 8 % interest rate
- University was directed to discontinue compulsory sale of laptops and give refund to students who bought on installments to the tune of 5% of total interest paid (difference between the interest rate charged on education loans and the one charged by the university)
- Restitution money was in the tune of PKR 10 Millions

Deceptive Marketing Practices: Telecom

■ WARID TELECOM:

- Warid advertised its '*Minute*' Package, in which, it was publicized that, '***Calls can be made to any network from 'warid minute package' in Rs. 1.20/min***'.
- The advertisement did not disclose that the call rates of Rs. 1.20/min can only be availed during 11.00 PM to 4.59 PM.

Warid Telecom

- The advertisement did not disclose the fact that the rate charged could be different for on-net and off-net calls during 5:00PM to 10.59PM i.e. Rs. 1.50/minute + tax for on-net calls and Rs. 1.70/minute + tax for off-net calls
- The advertisement did not disclose the tax to be charged on the advertised rate i.e. 1.20/min, hence the consumers were not informed about the actual rate/price to be charged from them.

Ufone

- Ufone's advertised its Uwon Package with a slogan that now you can make calls to other networks at the cheapest rates not in Pakistan, not in Asia but world wide.
- In the advertisement they also claimed that the users of 'Ufone – Uwon' package can call on any network at the cheapest call rates.

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- It was found that the advertisement did not duly disclose the consumers about the duration of call – which was 30 seconds rather than one minute
 - When the rates were compared with other competitors it was found that they were not cheapest even in Pakistan.

Cooperation with other Regulators

- CCP enjoys good relations with sector regulators
- In the case of telecom Regulator (Pakistan Telecommunications Authority (PTA)) – CCP and PTA shared information and cooperated with each other in the matter involving transnational merger of Wind Telecom and Vimplecom.
 - Both companies had subsidiaries operating in Pakistan