

Pakistan needs reforms to ensure ease of doing business

Agencies

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ISLAMABAD-In spite of its commitment to promoting competition in the domestic market, Pakistan still needs to introduce more reforms in trade, agriculture and manufacturing sectors, reported WealthPK.

Talking to WealthPK, Vice Chancellor of Pakistan Institute of Development Economics (PIDE) Nadeem-ul-Haq said, “Pakistan still lacks a proper regulatory framework for competition; we have a competition commission in the country, but we don’t have competitive markets. The government’s intervention in the market has put pressure on businesses and prevented them from operating to their full potential.”

He further said, “Domestic competition is constrained by structural regulatory barriers to entry, market dominance by few firms, lack of effective competition policies, etc. It is very difficult for industries in Pakistan to operate due to the lengthy government regulatory framework, which leads to excessive paperwork, rent-seeking, high transaction costs and trade barriers.” “Furthermore, excessive government protectionist policies have impeded the development of competitive markets, causing significant inefficiencies. All of these have constrained the ease of doing business in the country and have led to high costs and a lack of productivity and innovation in the domestic industry,” he said. In Pakistan, major reforms are required in light of the dismal state of market competition.

The government needs to reduce the cost of doing business and remove policy distortions to investment, competition, and trade. The competition law and policy should be effectively implemented, so that economic actors can freely and fairly compete, to the ultimate benefit of consumers and society. The Competition Commission of Pakistan (CCP) in line with its mandate to promote a healthy competition for an efficient and sustainable economy strives to create a level playing field for all economic players.

The main goals of competition policy in a country are to maintain and boost the process of competition in order to encourage efficient use of assets while keeping the freedom of economic actions of various market participants in control. Talking to WealthPK, an official spokesperson for the Competition Commission of Pakistan said, “The CCP works to ensure a free competition in all domains of commercial and economic activity, enhance economic efficiency and protect consumers from anti-competitive practices, such as deceptive marketing.”

“The Commission has taken a number of enforcement actions in areas such as deceptive marketing, collusive bidding, and cartelization. These enforcement actions are aimed at protecting the consumers from exploitation by certain elements in the business community.” He said the business community should approach the Commission on consumer issues and help identify anti-competitive business practices. In order to make policy decisions and provide guidance to various departments, the Commission serves as a collegiate body, he added.

The Commission has been monitoring poultry, automobile, real estate, education, edible oil, accountancy, power, packaging, steel, retail, aviation, print media, batteries, courier services, pharmaceuticals, paints, insurance, banking and finance, health, oil and gas, ports and shipping, telecom, cement, sugar and fabric sectors.

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