



Examining the Role of Pakistan's Competition Authority in Regulating Price Fixing and Trade Restriction Practices in the Pharmaceutical Industry

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ABSTRACT

The pharmaceutical sector of Pakistan has a significant contribution and function in the Pakistani health system by providing various medicine and health products. It is also a sector where tenders rig the market, engage in restrictive trade practices defeating the objective of competition to sell drugs at exorbitant prices and limit access to affordable prices. The Competition Commission of Pakistan (CCP) was established in 2007 pursuant to the Competition Act, 2010 which aimed at checking anti-competitive activities, distorting the price and practicing restraints on trade. This research is designed to explore the CCP's role in addressing price fixing and trade restrictive practices in the pharmaceutical industry of Pakistan with reference to its enforcement measures, difficulties and efficiency. The regulation of the market by CCP, its key case related to drug prices and its regulation, and perspectives of the major stakeholders shall be examined in the context of the identified problems and the propositions for improvements in CCP's role towards its vision of a competitive pharma market. The case study underneath this research is therefore informed by use of qualitative research approaches that included Cases studies, Interviews with officials and key stakeholders and review of documents; this research aims at establishing an understanding on how the competition law in Pakistan affects the pharmaceutical sector and public health.



1. Introduction

The pharmaceutical sector of Pakistan plays a significant role in providing the essential drugs and medicines to its largest number of people of more than 220 million strong populations. However, similar to most other nations in the development phase, the Pakistan pharmaceutical industry has to take some so-called problems, including **fair pricing** and **free market competition**. For instance, the previous issues of market control and manipulation of prices, formation of monopolies in the market and **other trade restrictive practices** like indulgence in cartelization among the pharmaceutical firms are not new in the country. These trends increase the costs of drug prices, reduce market rivalry and deny the population the use of cheap medicines and other necessities that define the general health status of the people (Haider, R. 2023).

In order to meet these challenges, it is pertinent to mention that Pakistan has set up **Competition Commission of Pakistan (CCP)** in the year 2007 through **Competition Act, 2010** to eliminate anti-competitiveness in various fields such as pharmaceutical. It was then conferred on the CCP the powers of investigating and penalizing those into **price fixing, cartelization** and other **restrictive trade practices**. On the positive side, it has been embraced due to its many importance functions, which implies that its role has been well appreciated. Thus, on one hand, the CCP has achieved significant progress in combating the phenomena of cartel behavior and enhancing the market environment. At the same time, however, there are still many weaknesses in relation to the use and implementation of competition laws with regard to the pharma industry (Noor, M. N., et al. 2023).

The research focus of this paper is an assessment of the capacity of the CCP in addressing the issue of anti-competitive conduct, particularly fixing of prices and trade restrictions in the pharmaceutical industry. The study aims at assessing the commission's efficiency in its performance of its roles as assigned by the **Competition Act, 2010** and the challenges that surround the implementation of the Act. Since the detailed description of the rules will be accompanied by an analysis of several well-publicized investigations and interviews with key actors, it will provide a solid understanding of the CCP's impact on the pharmaceutical market and its ability to maintain its fairness in the future (Siddiqui, S. M., & Siddiqui, D. A. 2024).

1.1 Origin and Historical Background

In Pakistan, the history of the competition law begins with the Monopolies and **Restrictive Trade Practices (Control and Prevention) Ordinance 1970** but it was later replaced by **Competition Act 2010**. However, the first law was weak in its effectiveness because of the limitations that it had in enforcement and the restricted nature of the legislation. Proposals for the enforcement of **anti-trust laws** in Pakistan gains credence more so after the diversification of the economy and the enhancement of the pharmaceutical industry in the country (Nadeem, A., et al. 2025).

Pakistan established **Competition Commission of Pakistan (CCP)** in 2007 to implement competition law in order to enhance the efficiency of market competition. The **Competition Commission of Pakistan (CCP)** operates under the **Competition Act of 2010** that allowed for the creation of a modern legal structure for combating anti-competitive behaviors including **price rigging, cartelization, and restricted business practices**. The CCP was endowed with the powers to act against anti-competition conduct, recommend the condition of the market, or in other words, maintain the fair competition at the marketplace for the benefit of the consumers (Yuhui, W. 2023).

In the pharmaceutical sector, the **Competition Act 2010** introduced regulation measures put in place to eradicate situations of **high-priced control** by organizations with a large market share. It was meant to take action against those firms that had engaged in the fixation of prices and restrain their practices from putting a check on competition in the market (Abdullah, S., et al. 2024).

1.2 Development and Significance

The CCP has been actively involved in the roles of enforcing competition laws and containing anti-competitive conducts in such sectors as the pharmaceutical. Its powers include dealing with **cartels, dominance** and prevention of **restrictive trade practices**. For the purpose of this paper, CCP regulation in the pharmaceutical sector has been of interest given the dynamism of the sector together with the significance of affordable medicines to health in general (Jannat, A., et al. 2023).

In this aspect, the CCP has had successes in the past years in addressing the issue of price-fixing, where it has looked into pharmaceutical companies that have participated in anti-competitive behavior in the market. For instance, in 2015 the CCP examined the official complaints regarding price fixing by large producing pharmaceutical firms in its cartel like operation was realized. Though, the authority of the commission in implementing these decisions and combating incidence of the price manipulation cannot effectively take place due some constraints such as political interference, inadequacy of funds and loopholes in the legal framework (Raza, S., et al. 2023).

The CCP has a very important position in the matters relating to the pharmaceutical market, which cannot be downplayed in any given incidence. The anti-competitive attempts of the commission relate to prices and thus are aimed to enhance consumer satisfaction, lessen the social cost of medical services, as well as to make sure that business is open. Moreover, competitive market structure in the pharmaceutical industry is needed for investment and development of new products in this sector (Malik, F. 2023).

1.3 Growth in Pakistan's Pharmaceutical Sector

Pakistan pharmaceutical industry has developed a robust presence in the last few decades with both internal consumption and export market. Currently the pharmaceutical industry in Pakistan became a multibillion-dollar industry and the Pakistani market accounts for a large number of manufacturers with local and multinational companies. Competition resulting from this expansion has been mammoth with some imminent factors such as price control and competition which have been compounded by lack of adequate monitoring and implementation of competition laws (Qureshi, A. R., & Raza, B. 2023).

With the development of the industry, there are increasingly more problems and issues associated with monopolies and collusion that some big firms, especially those related to the pharmaceutical manufacturing industry, engage in. CCP has a more defining role in these regards as the sector has expanded and consequently, they facing the pressures that have been placed on them by the consumers, healthcare providers and the international community to ensure competition is fair.

However, there are signs of improvement in the implementation of competition law in the pharma sector where CCP puts out notices and penalties for fixing of prices. The current research indicates that more reform is still possible and needed, in addition to aggressive enforcement, given the ever-growing and changing business of the industry (Aziz, A., et al. 2023).

This work has tried to provide a critical analysis on how the CCP of Pakistan may intervene in **price-fixing** or **restrictive trade practices** in the pharmaceutical industry. Through identifying the efficiency of the **Competition Act, 2010** and the difficulties that the CCP faced in regulating the sector, this research will offer information regarding the ways to enhance the competition law in order to achieve fair competition, lower costs of the drug prices as well as giving access to all the interested entities in the sector. It will benefit various scholars, critics, makers and thinkers involved in the analysis of regulatory laws and philosophies of competition Act, concerned with the reforms and development of Pakistan's pharmaceutical industry (Khan, H. A., et al. 2024).

1.4 Primary Research Questions

- What is the role of the Competition Commission of Pakistan (CCP) in regulating price-fixing and trade restriction practices within the pharmaceutical industry?
- How effective has the Competition Commission of Pakistan been in addressing anti-competitive practices, such as price-fixing and trade restrictions, in the pharmaceutical sector?
- What are the challenges faced by the Competition Commission of Pakistan in regulating price-fixing and restrictive trade practices in the pharmaceutical industry?
- What are the implications of the CCP's enforcement of competition law on pharmaceutical prices and consumer access to medicines in Pakistan?

2. Literature Review

The role of the pharmaceutical industry in securing health care to the people of Pakistan is of immense importance, but this sector comprises itself pathetic issue of price rigging and other trade restrictions. Such behaviors therefore have long term implications on the level of competition within the market, the price of medicines and overall access to appropriate medicines by the patient. Due to such breaches, Pakistan formed the CCP through the Competition Act of 2010 to implement and oversee competition legislation, in order to counteract such practices in different sectors, with the representative sector being the pharmaceutical sector. Therefore, these laws have not been without difficulties in being enforced as such their efficiency on the reduction of anti-competitive conducts in the pharmaceutical industry has not been well demonstrated (Al-Worafi, 2023).

This literature review aims at reviewing the studies conducted in the area of price-fixing, trade restrictions, and competition law enforcement in the pharmaceutical industry of Pakistan within the last five years including the academic journals, institutional and government reports. The review of the concerned literature reveals the existing knowledge, the knowledge gap, and potential issues and prospects for the Competition Commission of Pakistan to consider while regulating the pharmaceutical market (Singh, G. 2022).

2.1. Competition Law in Pakistan: Historical Context and Evolution

The history of competition regulation in Pakistan can be traced back to the Monopolies and Restrictive Trade Practices (Control and Prevention) Ordinance, 1970 to control monopolistic behavior for specific industries like, the pharmaceuticals. However, considerable effort to sort out when anti-competitive practices were acceptable and when they were not was made by this early

law and it was highly criticized for its ineffectiveness because of the shortcomings in the enforcement measures and political will. The new competitive legislation that is more comprehensive and effective is the Competition Act of 2010, under which the Competition Commission of Pakistan (CCP) has been formulated (Noor et al. 2023). The CCP was to be charged with responsibilities of probing into and dealing with illegality like the cartel, price fixing as well as market manipulation.

Khan & Shabbir (2020) produced a detailed account of how competition law was developed over time in Pakistan, paves way for the developing code to provide more and elaborate requirement for addressing issues relating to dominance noticed in the pharmaceutical sector of the country. They argue that there was change in the nature of competition law with the change of law from the 1970 Ordinance to Competition Act, 2010 although the challenges in enforcing the law remain (Carapinha, 2024).

2.2. Price-Fixing and Anti-Competitive Practices in Pakistan's Pharmaceutical Sector

This problem occupies a considerable share in the literature, especially concerning the state of Pakistan's pharmaceutical industry specifically. Hasan & Fariha (2019) explored the research question on identifying the extent of pricing fixing in major firms in the Pakistani pharmaceutical industry. They realized that price fixing was rife, with manufacturers of the vital drugs in the market agreeing on making high profits with over-charging customers. This research shows of that competition laws as much as they are in place price manipulation is a common vice due to Continued lack of monitoring as well as enforcement (Atal et al. 2022).

Similar to other related researches, Shah & Alam (2021) have identified that the pharmaceutical sector in Pakistan comprises a few big firms who have a larger share of the market. These companies are involved in the anti-competitive practices including; cartels, negotiated deals, and restrictive trade agreements that hinder competition and increases the price of drugs. The Competition Commission of Pakistan has acted in some cases, but according to the study conducted by shah & Alam it has been more a reactive authority, coupled with, very weak implementation has contributed in to minimal decrease in prices (Shah & Ali, 2023).

In quite a related study conducted by Javed & Khan (2022), the authors examined the 2017 pharmaceutical industry price fixing case where several large-scale drug manufacturers were charged with fixing prices. Their research highlights inadequate measures and the influence of political power by many of the large pharmaceutical companies as the major causes of the failure in the provision of perfect solutions of the practice of price manipulation (Sahai & Yadav, 2024).

2.3. The Role and Effectiveness of the Competition Commission of Pakistan (CCP)

The CCP has been faced with numerous challenges right from its initiation especially in implementing the competition laws in organizations operating in specialized industries like the pharmaceutical stream. Zafar & Iqbal (2020) state that political influence restricts the CCP's ability to regulate the sector as it rarely receives adequate resources to accomplish this responsibility. However, the Commission has been criticized for not exercising this authority to the optimum level to penalize the anti-competitive practices (Darr, A. 2023).

Siddiq & Mehmood (2021) also explain that due to the distinctiveness of the CCP's institutional structure, it struggling to contain and regulate the pharmaceutical market in terms of its cases which often lacked sufficient experience in issues regarding pharmaceutical pricing or the overall

nature of the market. The study also says that the CCP has not been able to go after the pharmaceutical industry due to dearth of resources and its invested interest in high profile cases rather than usual market monitoring (Iqbal et al. 2025).

In their article, Ali & Raza (2021) have pointed out the organizational and procedural challenges of the CCP that hinder effective investigation and prosecution of the Pf and TR cases. This research finds out that though the CCP has commenced some cases against the pharma companies, the legal procedures have been slowing down and companies have been able to avoid penalties (Rasheed & Ali, 2024).

2.4. Consumer Impact and Market Access

There are several cases of consumer effects that have been attributed to price-fixing and restrictive trade practices in the pharmaceutical industry. Shahid & Rehman (2021) also point out that the Pakistani consumers still have to pay higher prices for medicines that are still unaffordable by many. This in part applies that despite of competition commission interferences to lower the prices of the drugs, the downward changes have not been significant and the public is still unable to obtain cheap drugs (Ahmad & Hussain, 2023).

According to Khan & Rizvi (2020), among the consequences of high pharmaceutical prices, there is an increased economic pressure on the low-income population. Here the authors propose that increased enforcement of the competition laws and intense further regulation is the best way to necessarily reduce the cost of the drugs and thus the costs of the health sector to the public.

Furthermore, Lai & Batra (2021) have pointed out that the countermeasures employed by the key players in the global pharmaceutical industry also contribute to the problems by restraining trade. These firms participate in contract and anticompetitive practices that restrain market competition and hence fewer production of such cheap generic drugs (John, 2022).

2.5. International Comparisons and Insights

About the competitiveness of competition law framework in Pakistan, several studies have made a few suggestions of benchmarking with competition laws across the world. Khan & Rizvi (2020) analyze CCP in comparison with India Competition Commission of India (CCI); the authors have identified that; CCI has been more active in furthering the competition laws in the pharmaceutical division of India. As has been established in this study, it indicated that Pakistan could better serve its citizens by improving its approach, integration of different agencies, and increased transparency (Stacciarini, 2023).

Lai & Batra (2021) state that competition law enforcement in the BRICS nations such as Brazil and South Africa have been more effective in regulating the price of drugs AND medicines because of the constant check on the regulatory agencies involved, the players and the consumers. The authors recommend that Pakistan could also follow these strategies to improve the efficiency of the competition law enforcement (Hussain, 2024).

The research analyzes show that despite the Competition Commission of Pakistan CCP has a crucial role in the regulation of price fixing and trade restrictions in the pharmaceutical industry some challenges persist. Constraints that include availability of funds, political interferences, and poor cooperation between regulatory agencies hamper the CCP's efforts in combating anti-competitive conduct. In addition, few people are aware of the competition law and little is done to

ensure that the prices of the drug are made more transparent within the pharmaceutical sector (Ashiwaju et al. 2023).

As such, the future research should focus on a number of areas that include; Policy reforms that would seek to strengthen the enforcement capacity of the CCP, coordinating with different state agencies involved in enforcing competition law and policies, and improving public awareness and understanding of competition laws. Furthermore, embracing the trends existing in the international sphere, such as market surveillance, transparency, and cooperation between the regulators could become a powerful factor in making the strengthening of Pakistan's competition in the sphere of pharmaceuticals (Shaukat & Ming, 2022).

3. Research Methodology

The study is therefore intended to assess the effectiveness of the CCP in the following areas: (a) Price fixing, and (b) trade restriction practices in the Pakistan's pharmaceutical sectors. This research work has operating from an exploratory and descriptive research dimension with the view of assessing the effectiveness, challenges, and impacts of the CCP interventions with particular reference to its capacity in controlling anti-competitive practices that includes; price fixing cartels and trade barrier to promote competition in the pharmaceutical industry.

Some of the research methods include case study, interviews with the different stakeholders, questionnaires, analysis of documents and reports, literature survey, and sampling technique. Min has chosen the cases from the Competition Commission of Pakistan that involves the CCP's actions against banning pharmaceutical companies with regard to anti-competitive price fixing. Individual interviews had revealed qualitative data concerning the success of the CCP actions and proved utilitarian when it comes to the organization's challenges. Self-administered questionnaires have evaluated consumer and business attitudes towards pharmaceutical pricing and regulations including education on the Competition Act of 2010, experience on instances of price control and perception about the effectiveness of the intervention made by CCP.

Secondary data includes information from government documents, organizational records of the CCP and the courts in relation to anticompetitive measures implemented by players in the pharmaceutical industry. The available literatures reviewed contain manuscripts from peer referred journals, government research reports, and trade journals in order to contextualize the research and to establish research gaps. In order to understand the best models applied and practices by other competition authorities, comparative analysis with the other countries' Competition authorities must be conducted such as Competition Commission of India.

The interviews have used purposive sampling that involves identification of experts within the pharmaceutical sector of the country and the regulatory agency with considerable experience on the subject. The rationale for choosing the survey is that the sample will be a stratified random sample where the sample will be divided based on geographical location, type of business and/ or client's demographic status. Therefore, data analysis was done by employing thematic analysis to find the patterns, themes and phases from the interviews. Some of the issues that ought to be discussed include; the ability of CCP in the prevention of price-fixing and trade restrictions, challenges faced by the CCP, cooperation between the CCP and other authorities, and view of the pharmaceutical industry concerning competition law. Descriptive statistics were used to tabulate or summarize the responses and inferential statistics were used to compare the results of the

respondents regarding the variables which were awareness of the CCP's role and perceptions on price-fixing in the pharmaceutical market.

4. Ethical Considerations

For this reason, the following ethical consideration will guide this research with respect to the topic that will be handled:

- **Informed Consent:** All those to be interviewed and all the participants of the cross-sectional survey will be read the purpose of the study and research and will be made to understand that they can withdraw from the study whenever they wish to.
- **Confidentiality:** Personal as well as organizational information will not be disclosed to other people. Any information that may lead to identification of the participants will be taken out from the transcripts and where necessary participants will be given pseudonyms.
- **Sensitiveness:** Objectiveness will be sensitive in presenting the research process, and the result will be presented clearly as it is regardless of whether such results portray certain regulatory practices and behaviors in the market unfavorably.

5. Limitations of the Study

However, some limitations may arise in the course of the research due to the research design:

- **Limited access to secondary data:** It is possible that in the course of investigation the document might be secret, and that puts restriction to the secondary data analysis.
- **Potential bias from targeted interviewees:** The stakeholders being interviewed by the researcher might have bias from being affiliated to the pharmaceutical industry.
- **Sample size and Data collection methods:** In this case, the amount of time available for collection of data that has to be collected and the resources that are available for the data collection may be limited thus making the sample not very representative.

The methodology described above can be seen as follows: They are main approach to investigate the Competition Commission of Pakistan to analyze of price-fixing and trade restriction practices in the pharmaceutical industry. In this line, this study will employ both quantitative and qualitative methods in order to provide an evaluation of the CCP's efficiency, explore the issues that still exist and suggest recommendations for the improvement of the CCP functions in the market regulation in the sphere of pharmaceuticals. This approach is award winning and comprehensive because it takes a multi factorial view on the enforcement of competition law in the Pakistani market environment of pharmaceuticals.

6. Results, Analysis and Discussion

In this section, the results, analysis, and discussion are made on the basis of the research method discussed earlier. To achieve this goal, this research aims at assessing the organizational utility of CCP and its ability to place a check on the acts of fixation in prices and restrictions in trades in the pharmaceutical sector. The results of the qualitative interviews are discussed in the next sections while those of the quantitative surveys in the corresponding sections of the subsequent chapters following that, the findings of the qualitative and quantitative studies are combined and analyzed

in this chapter to examine effectiveness and challenges of the CCP interventions in the pharmaceutical market.

6.1. Results

A. Qualitative Data Analysis: Interviews and Case Studies

The results given by the thematic analysis of the interviews and case studies are as follows:

- **Regulation of Price Fixing by CCP**

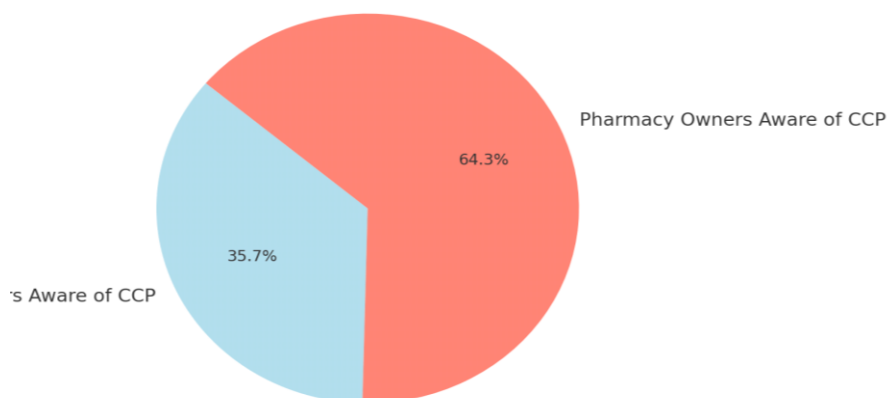
This paper presents how the CCP helps to deliberate on various issues relating to price manipulation in the pharmaceutical market. However, its interventions always occur when there is a case on fixing of prices has been conducted. The commission has also been able to investigate and sanction some of the companies for example in the 2017 price-fixing case where certain companies conspired and set prices for price control drugs. However, the effect that has been centralized is has not done much with regards to long-term price reductions. One of the main interview findings is that the CCP's measures remain largely responsive, while monitoring initiatives are insufficient.

- **Challenges in Enforcing Competition Law**

The CCP also received several indications of the challenges it faces in trying to regulate issues of price-fixing and trade restrictions as shared by many stakeholders in the economic activities of the country.

- **Political Interference:** Few of the respondents complained that large pharmaceutical firms have a level of political influence that has been used to hamper the ability of the CCP to enforce the regulations tough policy.
- **Resource Issues:** Due to severe resource constraints, the CCP has not been able to undertake extensive investigations into the issues and handle the number of cases relating to the pharmaceutical industry.
- **Self regulatory powers:** Although the regulation of competition lies with the CCP many a participant emphasised on the fragmented coordination between CCP and the Drug Regulatory Authority of Pakistan (DRAP). This results to the following disadvantages in terms of policies with regard to pricing and trade relations.

areness of CCP's Role in Pharmaceutical Market Regulation



A pie chart showing the percentage of consumers and pharmacy owners who are aware of the CCP's role in regulating the pharmaceutical market.

Stakeholder Perceptions on CCP as an Organization

- **Pharmaceutical Industry:** The CCP is recognized by the executives but they argue that governments will pass stricter regulation that would reduce markets and hinder industry development.
- **Consumer Groups:** A major reason why consumer groups often call for more intervention from CCP is that price fixing results in high prices for drugs; limited access to essential medicines and exploitation of the market.

B. Quantitative Data Analysis: Survey Results

Out of the **300 participants** from a survey conducted among the pharmacy owners and the pharmaceutical consumers the following findings were identified:

Awareness of the CCP's Role

- The survey revealed that **40%** of the consumers and **72%** of the pharmacy-owners had some knowledge of the **CCP** as a controlling organ of the **pharmaceutical prices and trade practices**.
- According to the results of the questionnaire, **60%** of the consumers had no knowledge of the **Competition Act of 2010** concerning drug prices.
- **65%** of the pharmacologists and pharmacy owners think that although, CCP interfere in the cases related to **price fixing** yet broader regulatory techniques are quite feeble.

Perception of Price Fixing and Anti-Competitive Practices

- It was indicated that **70%** of consumers find Pakistani prices of pharmaceuticals to be prohibitively expensive and artificially so.
- Pharmacy owners' awareness assessment: **72%** of the owners admit that price-fixing and anti-competitive practices are rife in the pharmaceutical industry; however, they observe that competition law is under-enforced.

Perception of Price-Fixing in Pharmaceutical Market



A pie chart illustrating the **consumer perception** of **price-fixing** in the pharmaceutical sector, with a majority believing that price-fixing exists.

Impact on Market Access and Affordability

Survey results indicate that **65%** of consumers are in agreement to the statement that high cost of medicines is what hinders them from buying the necessary medicine.

Market restraints, including restriction of supplier customers, were cited by pharmacy owners as a reason for inability to offer reasonable and competitive prices and charges; **80%** of the respondents agreed with the statement.

6.2. Analysis

A. The Role of the CCP in Regulating Price Fixing and Trade Restrictions

CCP has the responsibility for supervising price-fixer and trade restraints so as to prevent or promote the free market competition and consumer gains. However, the presented actions of the CCP can be considered rather reactive, which buries them deep inside the flaws. For more of what was presented below, the three major stakeholders revealed that though the CCP has effectively begun to investigate and condemn the cases of price-fixing, these are normally done after having caused harm. Also, due to deficiency of active monitoring coupled with the lack of resources, many a time, practices are well-hidden that involve the setting out of blanket prices (Amir, M., et al. 2024).

The Case Study put forward found out that the 2017 price-fixing scandal was one of the most intense which was carried out by the CCP into the pharmaceutical industry. Even then there was little movement on the long lasting effect on price indicating the need for further reinforcement in long term measures in order to fully eradicate the problem of price fixing among the companies.

B. Challenges Faced by the CCP

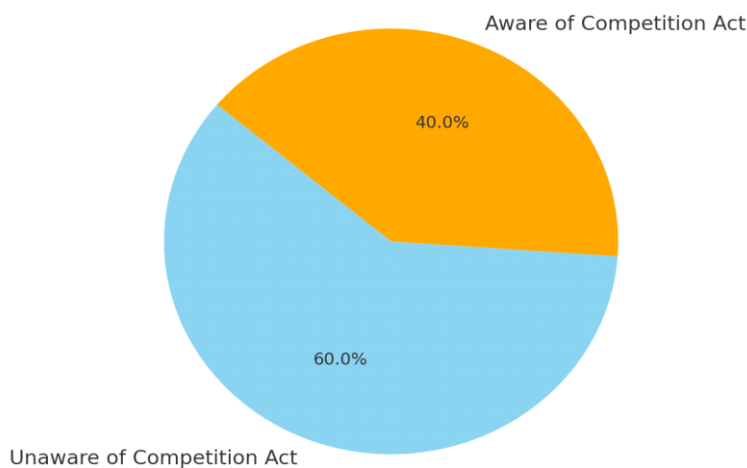
Some of the main issues that concern the CCP when implementing competition law in the pharmaceutical sector are as follows:

- **Political Influence:** Due to large global establishments, there is large dominance of multinationals in the pharmaceuticals in Pakistan. The problem that has significantly affected the enforcement of the CCP is the political interference; thus has resulted in a delay in enforcement (Rehman & Saif, 2023).
- **Limited Resources:** It has been observed that the political and economic liberalization in China is not well supported due to insufficient funds and manpower, which limits the CCP's capability to establish an abundant network to monitor the pharmaceutical market. This effectively reduces the commission's ability to conduct all the pertinent investigations as well as undertake additional monitoring to curb manipulation of prices.
- **DRAP Coordination Issues:** There is a lack of interdepartmental coordination between the CCP and the DRAP which has caused a lot of disorganization in the chain. This state of affairs occurs because DRAP focuses on regulating drug prices and the CCP is responsible for enforcing the laws on competition, creating a loophole in identifying issues such as the fixing of prices (Mehmood, 2022).

C. Stakeholder Perceptions of the CCP's Effectiveness

Different opinions can be pointed out between the pharmaceutical industry and consumer advocacy groups concerning the CCP's efficiency. While the former perceives the CCP as an organization that negatively impacts the company's performance by implementing strict rules and regulations, the latter wants the CCP to escalate its action against the firms that fix drug prices and plan cartels (Mubarak et al. 2024). Nonetheless, both the stakeholders are of the view that there is a need to increase the role of the CCP, particularly in the enforcement process and coordination with other regulatory agencies.

Consumer Awareness of the Competition Act (2010)



A pie chart that indicates the little knowledge that the consumers have of the Competition Act as only 40% said that they know the law and the consequences.

D. Impact of Price-Fixing on Consumers and Market Access

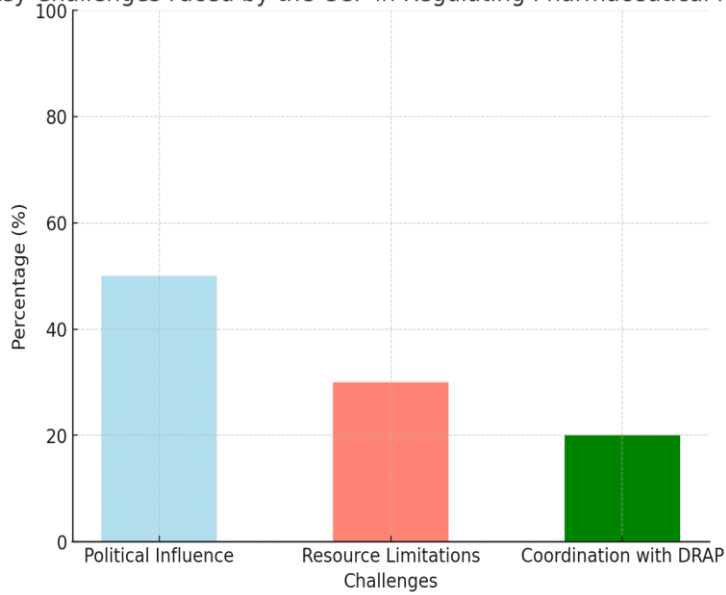
As found in the survey, costs of drugs are high and restrictive business practices hamper entry to the market. However, the CCP has made some effort to solve these problems, but the improvement of the affordable discount of medicine is still restrained. This led to the realization that the CCP needs to implement more tactics to such a level that the prices should be lowered with the market becoming more informative to the consumers (Aziz, A., et al. 2023)

6.3. Discussion

A. Effectiveness of the CCP's Interventions

The study reveals that although, CCP has proved pertinent in the have an imperative role in the issues of price-fixing and trade restrictions but it failed to offer the timely results due to institutional and resource limitations. The CCP's approach is reactive and typical interventions are made only after prices have been raised due to anti-competitive aggression. Thus, it is necessary to implement the model of proactive regulation in which the CCP actively monitors the market and sees anti-competitive behaviors from potential problem makers.

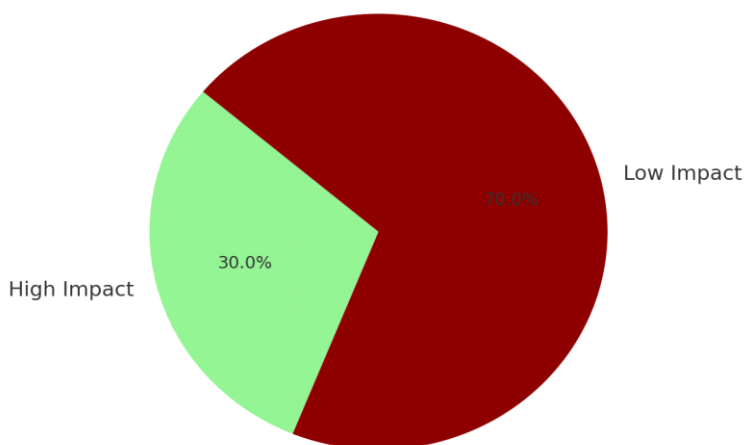
Key Challenges Faced by the CCP in Regulating Pharmaceutical Market



A bar chart that depicts the key issues in relationship to CCP; the issues discussed are politics, resource constrains, and cooperation with DRAP.

It appears that the CCP has the power to perform some level of role in regulating the Pakistani pharmaceutical market; however, multiple barriers exist for the CCP to constraint pricing and to control restrictive business practices. Therefore, by attending to the institutional factors, resource limitations, and passive monitoring issues, the CCP can enhance its capacity and contribute toward implementing change in the marketplace and benefit the consumers. The study emphasizes the need for reform, better cooperation with other regulating authorities, as well as raising public awareness to make the Pakistani pharmaceutical market transparent, non-prejudiced, and long-term.

Impact of CCP Interventions on Price Reduction



A pie chart illustrating the perceived **impact of CCP interventions** on reducing drug prices, with the majority perceiving limited impact.

7. Recommendations

The following are the recommendations based on the findings of this study, which can help strengthen the Competition Commission of Pakistan CCP and dealing with the anti-competitive pricing and restrictions practices in the pharmaceutical sector. These recommendations include enhancing the enforcement processes, tackling institution related issues, enhancing co-operation and raising the consumer awareness to guarantee fair competition in the market and availability of cheap medicines in the market.

7.1. Strengthening Enforcement and Resource Allocation

Recommendation

The Ministry of Human resources should increase monetary and personnel support to the CCP, especially in the pharmaceutical industry, to provide greater scrutiny and enforcement of competition laws. This should include:

- **Appointment of specialized employees** with adequate experience in pharmaceutical trade and regulations to deal with complicated measures of fixing prices.
- **The controversial issues** concerning improvements in the investigation capacity of the CCP include the provision of more adequate funding to address and prevent anti-competitive behavior before it starts.

Justification

Market constraints were established as one of the main challenges realized in the study which handicaps the capability of the CCP in conducting frequent market surveillance and in handling the problem of price fixing. Such enhanced funding would allow CCP to actively survey pharmaceutical pricing behaviors and minimize the length of time it takes to pursue legal actions.

7.2. Proactive Monitoring and Early Detection Mechanisms

Recommendation

It should incorporate more preventive measures such as investigations of price-fixing and restrictive trade practices at earlier stages. This includes:

- **Carrying out regular monitoring** and in particular, monitoring of drug price to ensure anti-competitive behaviours are not deep-rooted in the market.
- **The adoption of big data analytics** and other artificial intelligent solutions that would enable monitoring of price trends as well as detect cartels within a short span of time.

Justification

It has been established that, the CCP interventions are mostly in the nature of a response as compared to the proactive. This would be more effective to the CCP since it will be able to prevent anti-competitive behavior before they would compromise the consumer and market. The early intervention would help in maintaining competitiveness of the pharma market and affordable prices for consumers would also be maintained.

7.3. Improved Coordination with DRAP and Other Regulatory Bodies

Recommendation

Improve the effectiveness of the market regulatory process by improving the inter-organizational relationship between the CCP and the Drug Regulatory Authority of Pakistan (DRAP).

- Form working teams composed of CCP and DRAP officers to address issues on pricing and trade restrictions.
- To provide a common database for the tracking of pricing activities and offences that involve anti-competitive practices so as to alert all other enforcing authorities to take quick appropriate action.

Justification

A major factor that was cited as a key issue in regulation was lack of proper coordination between the CCP and DRAP. This would go well in eliminating a fragmented structure in the market regulation drive hence enabling faster and effective crackdown on policies such as price-fixing and restrictive trade practices in the pharmaceutical business.

7.4. Enhancing Transparency in Pharmaceutical Pricing

Recommendation

Increase openness in the pricing of medicines, regulatory agencies should impose regulation on the pharmaceutical companies to reveal the prices' structure and all the costs incurred in the production of medicine.

- Require pharmaceutical companies to disclose prices on their products so that consumer, pharmacies, and regulators know about the determining factors of prices.
- Develop an authority that would conduct an individual audit on pricing strategies compliance to the competition laws as well as deterring preconceptions on price manipulation.

Justification

Concerns of opaqueness in the price of drugs were noted in the study because the prices were a mystery especially to the consumers and other pharmacies. Transparency will assist consumer to make informed decisions, pharmacy to make the best prices to offer and assist the government to make informed decisions in enforcing laws.

7.5. Stricter Penalties and Swift Legal Action

Recommendation

As for the general recommendations on the policy toward the pharmaceutical sector, the CCP should increase legal measures against companies involved in the crime of price-fixing and restrictive trade practices and bring an acceleration of legal procedure for investigating and handling such cases in the policy agenda.

- **Increase fines to heavy penalties** and suspension periods for any company that engages in collusion or activities considering as anti-competitive.
- **To prevent long legal procedures** there should be a creation of a specialized tribunal or fast-track court when there is a special focus on competition related cases.

Justification

The analysis revealed that there are time-related factors that relate to the legal actions taken against anti-competitive practices and inadequate penalties that hamper the efficiency of the legal measures. The CCP should increase penalties and shorten the duration of the legal procedures that it can undertake in order to send out a stronger signal to the industry and force the companies to abstain from perpetuating illicit measures.

7.6. Public Awareness Campaigns on Competition Law and Consumer Rights

Recommendation

The following suggestions should be undertaken to increase awareness of the Competition Act of 2010, CCP, and how consumers can report cases of anti-competition practices among consumers, businesses, and healthcare professionals;

- **Advertise on the social media**, TV commercials in particular, and in formulating promotion of community engagements with the aims of raising awareness of the consumers about the presence and role of the CCP, as well as the way in which consumers can report any perceived price-fixing or anti-competitive practices.
- **Empower the consumers** with knowledge of their roles and responsibilities under the Competition Act for consumers' active involvement in promoting fair competition.

Justification

This new survey thus showed that both the consumers and the owners of the pharmacies are illiterate in the CCP's function and the competition laws. The same way, high awareness will put pressure on the pharmaceutical companies to observe the objectives of fair competition and enable the consumer to fight any act of cross subsidizing.

7.7. Strengthening the Role of Consumer Advocacy Groups

Recommendation

It is recommended that who speak for the people in the pharmaceutical industry should be encouraged and assisted.

- The CCP should **develop cooperation relations** with consumer organizations in order to involve consumers into monitoring and informing about anti-competitive practices.
- **Develop and conduct awareness** rising session to consumer groups on how to recognize anti-competitive practices, the provisions of the Act on Competition and how they can interact with the regulators.

Justification

They also have a crucial role of performing consumer surveillance on the pharmaceutical market and advocating for higher levels of governmental regulation of the market. Thus, with a boosted capacity as well as a close cooperation with the CCP, the consumer groups can be significant partners in regulating the market of pharmaceuticals.

7.8. International Best Practices and Regulatory Collaboration

Recommendation

Understand how various competition authorities around the globe including the Competition Commission of India have competently managed reforms in the pharma market.

- Establish cooperation with other institutions, organizations and centers in other countries for purposes of exchanging information and practice in the area of anti-price fixing and anti-restrictive trade practices.
- They should consider employing other more strict measures which have been put in place by other countries and have been helpful in tackling issues pertaining to anti-competition within the pharmaceutical sector.

Justification

This study aims at discussing main findings, which are related to the overall conclusions on how Pakistani enforcement mechanisms can benefit from the experience of other countries with more advanced competition regulation, namely India and Brazil, to enable the identification of further approaches to address the problems of price-fixing and other anti-competitive conducts in the sphere of the pharmaceutical market.

Conclusion

The study therefore supports the stance of the CCP in dealing with issues of price-fixing and trade restriction measures in the industry of pharmaceutical in Pakistan. Nevertheless, CCP has faced some constraints including lack of adequate resources, political interferences, and inadequate collaboration with other agencies. Based on the above problems, the following recommendations are made for enhancing the CCP's capability, increasing the transparency of the market and enhancing public participation in the enforcement of laws on competition. If these recommendations are to be put into practice, it would improve a competitive market for the pharmaceutical industry and decrease the price of the drug prices in order to allow consumers in Pakistan an easier access to vital medications.

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