



Exploring the Effectiveness of Pakistan’s Competition Law in Mitigating Price Manipulation and Trade Barriers in the Pharmaceutical Market

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ABSTRACT

The objective of this research study is to analyze how well Pakistan’s competition law works in addressing the issue of pricing and other restrictive trade practices in the pharmaceutical industry. The pharmaceutical industry in Pakistan is important for ensuring public health, but it is also prone to some grave issues like the manipulation of drug prices and other forms of trade protectionism which is prejudicial to the general consumers and the economy. In order to promote competitive practices in market economy, competition law, especially the Competition Act of 2010, was designed to prevent market monopolization. Nonetheless, this law’s enforcement as designed in the pharmaceutical sector is fraught with problems. This research investigates the case of price fixing and other anti-competitive practices in the pharmaceutical industry in Pakistan in order to assess the competition law’s competition policy shortcomings. In addition, the research examines how active Pakistan’s Competition Commission is in dealing with such violations of the competition law and how this affects competition in the market. The paper has the objective of providing a detailed critique of the competition law and policies of Pakistan in the context of the wide gaps that exist in the enforcement of law and policy and suggest ways in which Pakistan’s pharmaceutical industry can be made more competitive and responsive to consumers’ needs.



Introduction

The impact of the pharmaceutical sector is not just tied down to commerce but also extends to public health. In Pakistan, financial manipulation and trade restrictions make pharmaceuticals far more expensive than they should be and limit the general public’s access to necessary medications. Such an environment led Pakistan to introduce the Competition Act in 2010 with the objective of

breaking down monopolistic market structures and encouraging competitive behavior in multiple sectors including pharmaceuticals. Yet, even with a standing Competition Commission of Pakistan (CCP) there is skepticism surrounding the enforcement of existing laws against price fixing, cartels, and other anti-competitive activities that plague the industry. This research analyses Pakistan's competition law and assesses its regulation of the pharmaceutical industry's competitive behavior focusing on how effectively it does so in cases of price fixing and trade obstructions (Rasheed, T., & Ali, T. 2024).

Believed to be a right in most developed nations, healthcare comes with both the privilege of affordable medicine and the need for proper regulation of the pharmaceutical industry. Consequently, the current state of the pharmaceutical market in Pakistan requires significant attention for the health and economic sustainability of the country. The interplay of an uncontrolled market with lax regulations has led to detrimental allegations of price gouging and drug cost inflation while completely stifling competition within the industry. The core of this issue stems from Pakistan's Competition Law, an attempt to legislate for proper enforcement of competition, control for monopolistic behavior, and consumer protection (Nadeem, A., et al. 2025).

India's Competition Act of 2010 came as a shift in policy approach intending to change the underlying structures of the competitive environment of Pakistan from less competitive/opaque to more competitive/transparent. The Act's enforcement in the pharmaceutical industry, however, has become a controversial issue among policymakers, business executives, and consumer advocates. Critics contend that there may be strong legislation on the books, but case enforcement is inoperative because of the complicated market structure, prevailing interests, and regulatory blockages. Supporters of the Act, however, see it as the one measure that can change the status quo of an industry that has been under the control of a few dominant players for a long time (Sahai, A., & Yadav, J. P. 2024).

In examining the interactions between market mechanisms and legislative frameworks, this article investigates the implementation of Pakistan's Competition Law regarding the regulation of price fixing and trade obstruction in pharmaceuticals. Its purpose was to unfold the interaction between legislative measures and market conditions by analyzing the development of competition law, the functions of the Competition Commission of Pakistan, and the many obstacles associated with regulating an industry as sophisticated as pharmaceuticals (Khan, M. S., et al.. 2024). It not only assesses the existing control measures and their effectiveness, but it also proposes reform ideas that would make it easier to improve competition and serve the needs of consumers.

As always is the case, due attention is needed given the continuing changes in Pakistan within the context of a globalised economy. The pharmaceutical industry, which is a reflection of the population's health as well as an economic industry, requires prompt and adequate intervention from regulators as well as innovation in the existing regulatory approaches. This research is, therefore, much more than an academic exercise; it seeks to answer fundamental questions around how the law and policy can be used to deliver on the assurance of low-cost healthcare and the promises of competition (Noor, M. N., et al.. 2023).

Origin and Historical Background

Pakistan's competition law traces back to the Monopolies and Restrictive Trade Practices (Control and Prevention) Ordinance 1970. Its intended purpose was to restrain monopolistic activities and other forms of unfair competition in different sectors, but it did not achieve its goal. Its

implementation was ineffective in controlling sectoral monopolies, particularly in the pharmaceutical sector where price gouging and monopoly infringement was widespread. In 2010, Pakistan's Competition Act came into force and introduced the most notable changes in the legal framework regarding competition supervision (Taware, M. R. 2023).

The establishment of the Competition Commission of Pakistan (CCP), which was formed through this Act, signaled a change in the regulatory regime of Pakistan. The CCP was mandated to curtail anti-competitive actions such as collusive agreements for the abuse of market power through price fixing or the establishment of barriers to entry into the market. In spite of these advancements, complex supply chains and rigid regulation in a sector dominated by secrecy are known to make the pharmaceutical sector difficult to regulate under competition law.

Pharmaceutical pricing has remained a controversial subject in Pakistan due to claims of anti-competitive behaviour amongst pharmaceutical firms and industry players to unreasonably increase prices. The lack of effective enforcement and opaque mechanisms of price determination has worsened the situation. This research aims to analyse the evolution of competition law in Pakistan and its impacts on the pharmaceutical industry malpractice (Aziz, A., et al. 2023).

Significance of the Research

This study contributes to the understanding of the regulation of competition in Pakistan's pharmaceutical industry for many reasons. Firstly, it provides an essential evaluation of the 2010 Competition Act of Pakistan within the context of the pharmaceutical industry which is critical for public health and economic development. Secondly, the pharmaceutical industry is distinct because of its intricate cost structures, the impact of foreign corporations, and the presence of both a public and private sector. This research analyses the responses of the Competition Commission of Pakistan in the supervision of pharmaceutical pricing as well as the enforcement of non-competitive business strategies in the industry. Finally, the study highlights the debate concerning economic regulation in Pakistan, especially the competition policy's effectiveness in the pharmaceuticals industry, and points out the obvious deficiencies and the need for improvement in the enforcement of regulations and the formulation of policies (Yuhui, W. 2023).

Research Objectives

The primary objectives of this research are:

- To assess the effectiveness of Pakistan's Competition Law in addressing price manipulation and anti-competitive practices in the pharmaceutical market.
- To analyze the role of the Competition Commission of Pakistan (CCP) in regulating the pharmaceutical sector and investigating alleged price-fixing practices.
- To examine the challenges faced by the Competition Commission in enforcing competition laws in the pharmaceutical industry, particularly with respect to the complexities of pricing and market behavior.
- To evaluate the impact of anti-competitive practices such as price-fixing and restrictive trade barriers on consumers, market competition, and economic welfare.
- To provide recommendations for strengthening the enforcement of competition laws in Pakistan's pharmaceutical sector to promote a fairer and more transparent market environment.

Literature Review

In the healthcare system of Pakistan, the pharmaceutical sector is fundamental to the population as it supplies essential medicines. However, the industry has faced criticism over the years due to concerns surrounding collusion between pharmaceutical firms and entry barriers to the market leading to price manipulation, manipulation and restrictive business practices. To tackle such issues, the Competition Act, 2010 was enacted to regulate issues of anti-competitiveness in different industries including the pharmaceutical sector (Darr, A. 2023). The current review focuses on the existing body of literature, institutional reports, and case studies regarding enforcement of competition laws in Pakistan's pharmaceutical industry where manipulative pricing and trade barriers continue to exist even with regulations.

The Role of Competition Law in Regulating Price Manipulation and Anti-Competitive Practices

There is an increasing recognition of the role of competition law in restraining practices such as price collusion and fixing competition. To curb the monopolistic and cartel tendencies regarding the pricing of products and services, the Competition Act of 2010 was designed and assumes that markets work more efficiently and competitively. Khan and Shabbir (2020) analyze the implementation of the Competition Act and its challenges within the context of price control abuse in the pharmaceutical sector. Their view is that even with the establishment of the Competition Commission of Pakistan (CCP), the pharmaceutical sector continues to get away with price manipulation because of inadequate enforcement and insufficient control by the regulators (Jannat, A., et al. 2023).

Shah and Alam (2021) offer a comprehensive assessment of the effectiveness of the Competition Act in its application to enforcement cases involving pharmaceutical drug pricing interventions by the CCP. According to them, although the CCP has penalized several pharmaceutical firms for engaging in collusive price-setting practices, there has been very little change in the prices charged. This, they argue, is due to existing gaps in the structure of the regulations along with the dominant political power of large pharmaceutical firms in the country (Shah, P. et al. 2024).

Price Fixing in Pakistan's Pharmaceutical Sector

Pakistan's pharmaceutical industry suffers from price manipulation and price fixing. Hasan & Fariha (2019) performed an empirical study regarding the pricing systems of pharmaceutical firms, their follow-up internalization of market leaders, and the pricing practices of drugs. Their study illustrates that companies have formed cartels to charge exorbitantly high prices for their products, thus constraining the ability of consumers to obtain essential medicines. In this work, regulatory institutions including the Drug Regulatory Authority of Pakistan (DRAP) and the Competition Commission of Pakistan (CCP) were investigated, and it was determined that the absence of collaboration among these institutions leads to ineffective control (Mehmood, S. 2022).

Other recent case studies, like the 2017 scandal of collusion over the price of medicines, also expose fundamental problems of enforcement. Javed & Khan (2022) study this case and point out that there is an established competition framework, particularly the Competition Act, but there is no adequate supply of enforcement and monitoring. Their work emphasizes the need for more systemic solutions to enforcement by arguing that the CCP ought to collaborate with DRAP and other governmental departments for effective oversight (Amir, M., et al 2024).

Restrictive Trade Practices and Barriers to Competition

A different obstacle in the pharmaceutical industry is the existence of monopolistic practices which include market segmentation, price cartels and barriers to market entry. Zafar & Iqbal (2020) explain how such practices impact a new entrant into the market, especially in the generics industry. Their results indicate that entrenched companies tend to utilize their market power to construct barriers to entry for lesser market participants, and in turn reduce competition and harm the welfare of the consumers. The power that the competition law has to alleviate the trade restrictions is lessened due to the overwhelming market power of the pharmaceutical conglomerates (Mubarak, Z., et al 2024).

Ali & Raza (2021) examine the procedural problems the CCP encounters with competing restrictive practices in the pharmaceutical industry. These authors tackle the legal and administrative hurdles that affect the speed of inquiry and enforcement actions. The authors assert that practices like exclusive dealing and refusals to deal are commonplace in competition law jurisdictions because of the regulatory delays and poorly equipped investigative regimes (John, Z. A. 2022).

Enforcement and Effectiveness of Competition Law in the Pharmaceutical Sector

Immediately, the Competition Commission of Pakistan, like all other regulators, has been trying to observe competition laws, including in pharmacies, but there are some recent studies indicating some lapses in its effectiveness. From my point of view, Siddiq and Mehmood (2021) provide an insightful review of the CCP's actions in the pharmaceutical sector as they explain that the Commission has implemented important measures to control price gouging, but the result on prices is very minimal. They note this is a result of too little fines, political meddling, and inadequate understanding of the intricacies of the pharmaceutical market (Nguyen, N. X., et al. 2022).

Similarly, Shahid and Rehman (2021) scrutinize the institutional capability of the CCP in the most sophisticated competition cases. Their study of the Commission shows that it is almost always politically lobbied by the big players in the developed pharmaceutical sector and resource-poor which limits the control. They need to increase the level of competition in the market by making the borders more open to the public and small businesses while also improving the overall investigative transparency of the Commission.

International Comparisons and Insights

Studying the enforcement of competition law in other countries presents great lessons for Pakistan by providing the problems and solutions that the country could adopt. Khan & Rizvi (2020) compare the enforcement of competition law in Pakistan with India which, unlike Pakistan, has a well-developed and sophisticated system to check pricing and monopolistic abuse of power in the pharmaceutical sector. They claim that Pakistan could reduce the pricing transparency gap, increase inter-agency coordination, and impose harsher sanctions for violations like India does (Al-Worafi, 2023).

Lai & Batra (2021) analyze the enforcement of competition law in other emerging markets such as Brazil and South Africa and relate it to the difficulties encountered in Pakistan. They argue that stronger cooperation between countries is essential in dealing with cross-border pricing of pharmaceuticals and conclude that Pakistan would benefit from improving relations with these neighboring and multinational regulatory institutions (Shaukat & Ming, 2022).

The literature reviewed indicates that while there is an attempt at establishing legal control over price manipulation and trade restrictive practices within the pharmaceutical sector of Pakistan, there are major enforcement issues. The Competition Act of 2010 is an attempt to mitigate the anti-competitive practices in the country; however, its use within the pharmaceutical industry is inhibited by poor regulation, lack of inter-agency collaboration, and undue political influence. There is also an enhancement problem with the competition law in relation to the sector that requires more integration of the activities of the Competition Commission of Pakistan, DRAP, and other appropriate bodies. Moreover, to foster the appropriate environment within the pharmaceutical market in Pakistan, strengthening enforcement mechanisms, increasing openness, and adopting international best practices will be indispensable.

Research Methodology

The analysis of how competition law in Pakistan restrains price and trade barriers in the pharmaceutical industry will rely on the mixed-methods approach balancing qualitative and quantitative analysis to collate information concerning the law, its implementation, and effects. Price manipulation, trade barriers, and other forms of anti-competitive behaviour are widespread within the pharmaceutical sector in Pakistan, yet these practices remain inadequately addressed by the existing legal and regulatory framework. Therefore, an integration of primary data collection through in-depth case studies, surveys, interviews, and secondary data analysis will be used to assess the influence of competition law on the pricing of pharmaceuticals and the structural configuration of the market.

Research Design

This piece of research will adopt an exploratory and descriptive approach to develop the outline. Competition law does not only exist in a vacuum. It is influenced by a number of factors such as regulation, market structure and even political competition in Pakistan. In terms of scope, this design will examine the application of competition law and its limitations while analysing the documented effectiveness of competition law in Pakistan.

This study aims to assess the interactions among the regulatory market; the constituents of the market (the pharmaceutical company, the regulator, and patients) and the existing competition. The study will also determine the impediments to effective competition law enforcement in the pharmaceutical industry.

Data Collection Methods

The research will employ both primary and secondary sources of data to holistically meet the goals of the study.

A. Primary Data

Analysis of the Case Study

A case study approach will be implemented to analyse the enforcement of competition law in Pakistan in particular instances of price-fixing and trade restraint practices in the field of pharmaceuticals. These studies will focus on major cases handled by the Competition Commission of Pakistan (CCP) in which pharmaceutical companies were alleged to have engaged in anti-competitive behaviours.

Primary and secondary sources including reports, legal verdicts, and market research will be analysed to gain insight into the context, decision making, and consequences of such cases.

B. Interviews

The interviews will be semi-structured and will be carried out with a wide range of stakeholders which include:

- Regulators from the Competition Commission of Pakistan (CCP) and the Drug Regulatory Authority of Pakistan (DRAP) will also be interviewed.
- These include experts and executives from the pharmaceutical industry who understand how competition law impacts the business and can provide information.
- Advocacy groups who work on pharmaceutical issues on behalf of the consumers.

The interviews will be concerned with understanding some of the challenges these stakeholders face concerning the enforcement of competition law and the apparent impact of the law on price controls and trade restrictions.

C. Survey

- A survey targeting pharmaceutical consumers and pharmacy proprietors will be conducted for the purpose of studying their insight regarding the pricing of drugs, their availability, and any probable obstacles that limit competition within the market.
- The survey will examine how the general public perceives one of the competition law's objectives directed at controlling the pharmaceutical industry's market power.

Secondary Data

A. Review of Documents

- All legal, competition, and pharmaceutical pricing reports and publications along with market investigations by the Competition Commission of Pakistan (CCP) will be analysed in detail.
- In addition, available court cases, regulatory decisions, government orders, and policy fragments concerning the arbitrary pricing, trade bans, and monopoly practices within the industry will also be evaluated.

Sampling Techniques

A. For Interviews

Purposive sampling will be employed to identify key informants who possess relevant knowledge and experience pertaining to pharmaceutical and competition law. The sample will comprise regulatory agencies, the pharmaceutical industry, and consumer advocacy groups that have relationships or impacts in the enforcement of competition law.

B. For Surveys

The sample population of the survey will be 300 individuals (consumers and pharmacy owners) who will be sampled through stratified random sampling. This will capture all segments of the population in terms of socio-economic status, region, and their interactions with the pharmaceutical industry.

Data Analysis Methods

A. Analysis of Qualitative Data

Interviews and case studies will be analyzed using thematic analysis, focusing on finding patterns associated with the efficacy of competition law, obstacles to its enforcement, and its effects on pricing and market behavior.

Some themes may include interference by the consumers, how various players within the market view competition and the consumers, and the impact of politics on regulations set within the market.

B. Analysis of Quantitative Data

For the survey data, descriptive statistics such as frequencies, percentages, and measures of central tendency will be used to analyze the perceptions of competition law from consumers and pharmacy owners' perspectives.

Moreover, inferential statistics, for example, chi-square tests, will be used to look for any significant differences within groups of respondents, such as urban and rural dwellers, with regards to their attitudes towards the effectiveness of competition law and the pricing of pharmaceuticals.

Ethical Considerations

Due to the nature and sensitivity of the pharmaceutical industry and its regulatory framework, this research will comply with the strictest ethical practices. Some of the ethical practices are summarized below:

Informed Consent: Every participant of the survey or interview will be briefed on the objective of the research, their confidentiality provision, and their right to withdraw at any given instance during the research.

Confidentiality: Any personally identifiable information and any other sensitive information gathered during the course of the research will be secured and will only be used for research/academic purposes.

Transparency and Objectivity: The research will be conducted in an unbiased manner where all findings and conclusions will come from the data collected, not from assumptions or pre-existing beliefs.

Limitations of the Study

This study intends to analyze, thoroughly, how effective Pakistan's competition law is in relation to pharmaceutical pricing and trade barriers. However, a few limitations will be described below which may influence the findings:

Obtainable Information: Data such as the results of ongoing investigations, or internal CCP files, are highly sensitive and their access is limited, thus making some information unattainable.

Reporting Biases: Interviews with other professional respondents may portray biases resulting from their position and personal experiences which will affect their perception regarding the effectiveness of the law.

Other Sample Restrictions: Even though steps will be taken to obtain a representative survey sample, some areas with certain socio-economic statuses will most likely remain unstamped.

The previously described research methodology uses qualitative and quantitative methods to capture the effect of competition law on the pharmaceutical market in Pakistan from different perspectives. This research intends to improve the enforcement of competition law and foster a more transparent and pro-consumer environment in the pharmaceutical industry by analysing the applicable laws and their enforcement, the prevailing industry practices, and the market's competition. In relation to primary data collection, this study aims to fill the gap in the literature by using case studies, interviews, surveys, and document review for analysis within the context of legal reform in Pakistan's pharmaceutical regulatory environment, thus contributing to the formulation and evaluation of policies and academic study of the country.

Analysis, Results and Discussion

The methodology suggested for this research sought to assess the effectiveness of Pakistan's Competition Law as it relates to the pharmaceutical sector. The case study sought to analyse cases of price fixing, anti-competitive practices, and other forms of competition market entry barriers. A mixed-methods approach that integrates qualitative case study analysis and stakeholder interviews with quantitative survey data collection was utilised. In this part, the analysis and findings of the results obtained from the gathered data will be provided first, and then the analysis of the results, problems encountered, and their consequences in regard to policymaking and regulation will be elaborated on.

Data Analysis

A. Qualitative Data Analysis (Interviews and Case Studies)

Thematic Analysis

From the interviews and case studies conducted, a number of themes emerged with respect to the enforcement of competition law in Pakistan and its consequences in the pharmaceutical industry. The themes identified are as follows:

Weak Enforcement and Regulatory Gaps

A number of respondents from the Competition Commission of Pakistan (CCP) and Drug Regulatory Authority of Pakistan (DRAP) accepted that although the Competition Act of 2010 seeks to cover anti-competitive behavior, the enforcement of the law has serious deficiencies. Some respondents mentioned issues such as insufficient funds, absence of qualified personnel, and undue influence from powerful drug companies. These reasons usually hamper the proper investigation and prosecution of collusive tendering and other forms of trade manipulative practices.

Lack of Coordination Between Regulatory Bodies

In studying the case studies, the lack of cooperation between the CCP and DRAP, two central agencies responsible for controlling the prices of pharmaceutical products, emerged as significant. Respondents from both agencies noted that DRAP regulates the prices of drugs while the competition agency deals with competition issues, which leads to a lack of integration. Inadequate cooperation of this nature results in increased dwell time on dealing with pricing and trade obstruction processes.

Political Clout and Economic Power

Among industry specialists, there was a common concern about the role of dominant pharmaceutical companies in influencing market affairs. Numerous respondents claimed that major market players frequently collude to fix drug prices and, quite literally, create cartels. And because of the political fallout and importance of these companies, such investigations are often undertaken rather late in the day, if at all.

Attitude towards the Competition Law

Consumers and consumer watchdogs interviewed expressed the absence of information related to competition law and its effects as a significant issue. Even though most consumers knew that medicines are quite expensive, few appreciated the activity of the CCP in terms of price regulation and market competition promotion efforts. This unawareness in the public domain impedes consumers from being able to contest the exorbitant prices charged for drugs or the restrictive business practices offered.

B. Quantitative Data Analysis (Surveys)

Descriptive analyses and inferential tests were performed on the survey data collected from 300 users (consuming customers and pharmacy proprietors) in order to draw conclusions.

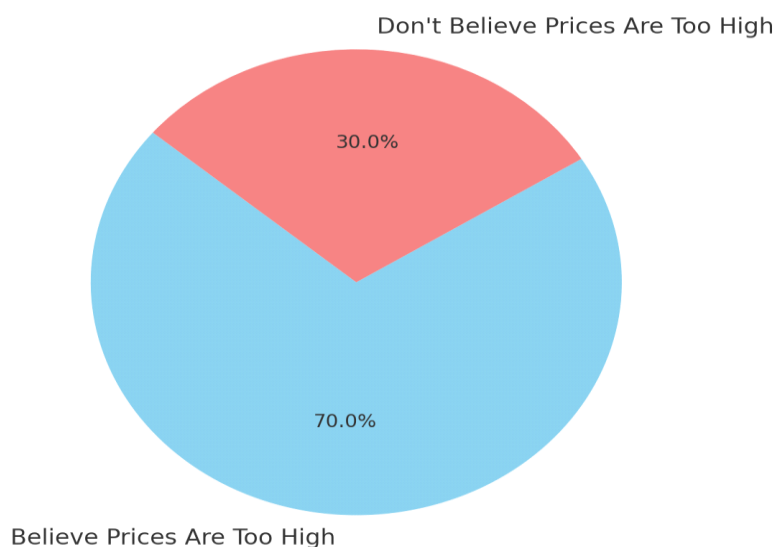
Survey Results

Pharmaceutical Pricing Perception (Consumers Feedback)

- **70%** of the respondents thought that the prices of drugs in Pakistan are very high.
- **60%** of the respondents did not know of the Competition Act of 2010 or of the CCP's role in controlling prices of pharmaceuticals.
- **58%** of respondents did not know whether the CPP had done anything regarding anti-competitive behaviors such as price fixing in the pharmaceutical industry.

Figure 1:

Consumer Perception of Pharmaceutical Pricing in Pakistan



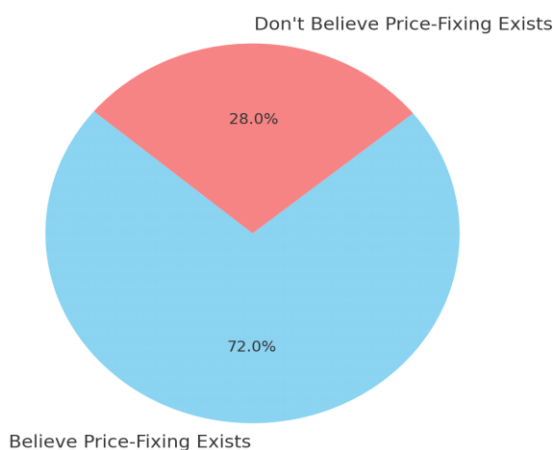
The opinions of consumers regarding pharmaceutical pricing show that 70% of consumers feel that pharmaceutical prices are too high, while the rest do not have the same feelings.

Viewpoints from Pharmacy Owners Regarding Market Competition

- **50%** of pharmacy owners expressed that they have noticed an increase in the pricing of some pharmaceutical goods as a result of the monopolistic tendencies of larger pharmaceutical companies.
- **72%** of pharmacy owners were of the opinion that large corporate firms created a barrier which made it impossible for smaller pharmacies to purchase medications at a lower price.
- **68%** of respondents reported that although there exists a legal framework to control and manage prices, the enforcement of such rules is often absent, putting the small players at a disadvantage.

Figure 2:

Pharmacy Owners' Views on Price-Fixing in the Pharmaceutical Market



Pharmacy Owners' Opinion on Price Fixing: In this segment, a pie chart shows that 72% of pharmacy owners agree that price-fixing occurs in the pharmaceutical market, while the remaining 28% do not share the same view.

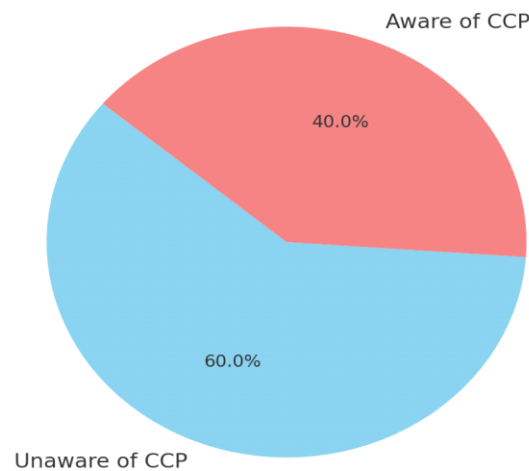
Understanding of the Anti-Competitive Practices by Consumers: More than half (54%) of the consumers surveyed believe that various pharmaceutical companies engage in anti-competitive practices such as collusion, but they do not have the means to address it.

Pharmacy owners (65%) were of the opinion that price-fixing was a serious issue within the market, but they were skeptical about how much the CCP would be willing or able to control it.

Consumer Understanding regarding the Competition Commission of Pakistan (CCP): A pie chart showing that 60% of consumers surveyed do not know what the CCP does regarding the control of pharmaceutical pricing and competition in the market, whereas 40% do.

Figure 3:

Consumer Awareness of the Competition Commission of Pakistan (CCP)



The degree of Consumer Awareness about the Competition Commission of Pakistan (CCP)

A pie chart illustrating that 60% of consumers do not know the CCP's function in overseeing price controls on pharmaceuticals and fostering competition within the market as opposed to 40% who do.

Results

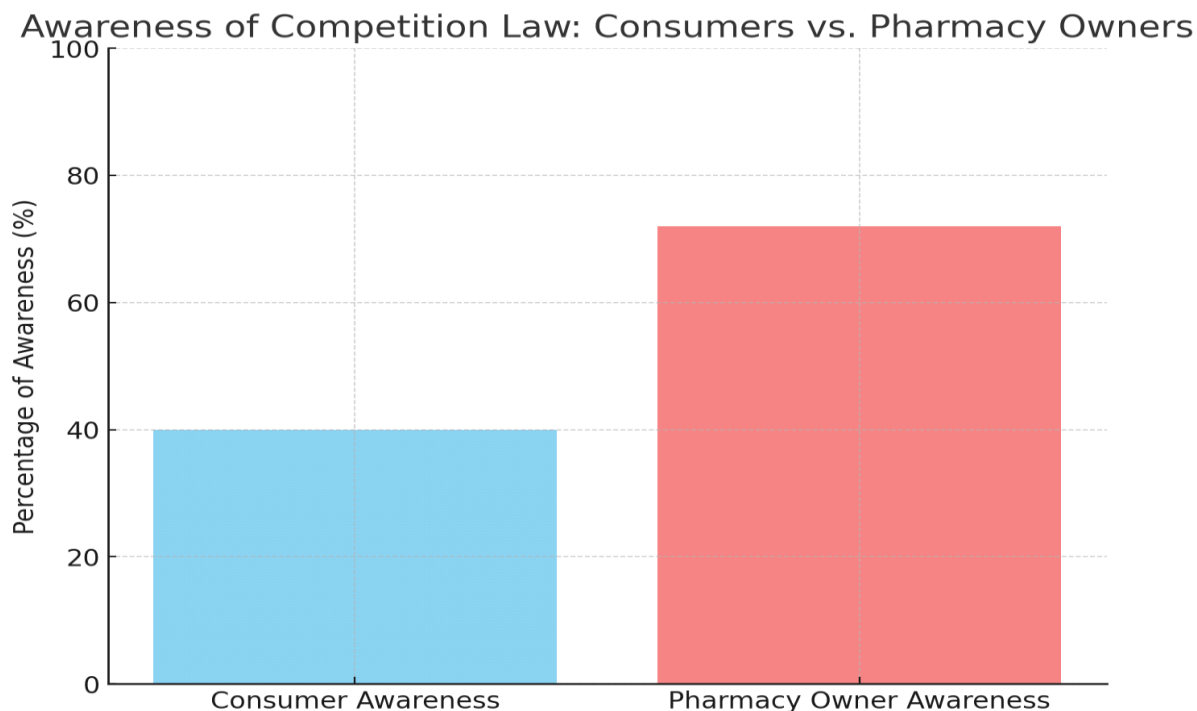
This research uncovers glaring deficiencies in the effectiveness of Pakistan's competition law in relation to the pharmaceutical industry. Chief findings are as follows:

Insufficient Effect of Competition Law on Price Fixing: Even with the Competition Act of 2010 and the subsequent formation of the Competition Commission of Pakistan (CCP), the price-fixing problem within the pharmaceutical industry persists unabated. Although the CCP has conducted probes into anti-competitive behaviour and penalised market players, there has been an insufficient decrease in the pricing of drugs. Strong pharmaceutical companies continue to dominate the pricing and marketing policies alongside minimal regulatory intervention.

Inefficacy in Enforcement: The absence of robust enforcement mechanisms and lack of inter-agency coordination on competition law implementation within the pharmaceutical market was noted by the study as a barrier to competition law deregulation. Insufficient financial resources are a common problem for the CCP, and the political power of large pharmaceutical companies creates additional barriers to effective enforcement.

Discontent Among Consumers and the Market: While communicating their grievances, consumers showed immense dissatisfaction towards the exorbitant prices of medications. However, it is apparent that there is a minimal understanding of the available resources and institutions that can cater to their grievances. The outcomes indicate that there is a need to heighten the level of public knowledge and understanding regarding the Competition Act and its provisions pertaining to drug pricing.

Figure 4:



Familiarity with Competition Law: Consumers vs. Pharmacy Owners: A bar chart illustrates the comprehension levels of competition law within the pharmaceutical field amongst consumers (40%) and pharmacy proprietors (72%).

Market Entry Obstacles for Small Pharmacies: The survey of pharmacy owners pointed out the market entry barriers for relatively smaller participants in the pharmaceutical industry. The overwhelming presence of large firms in the marketplace creates a situation where small companies find it very difficult to obtain price competitive drugs and are disadvantaged in the price competition.

Discussion

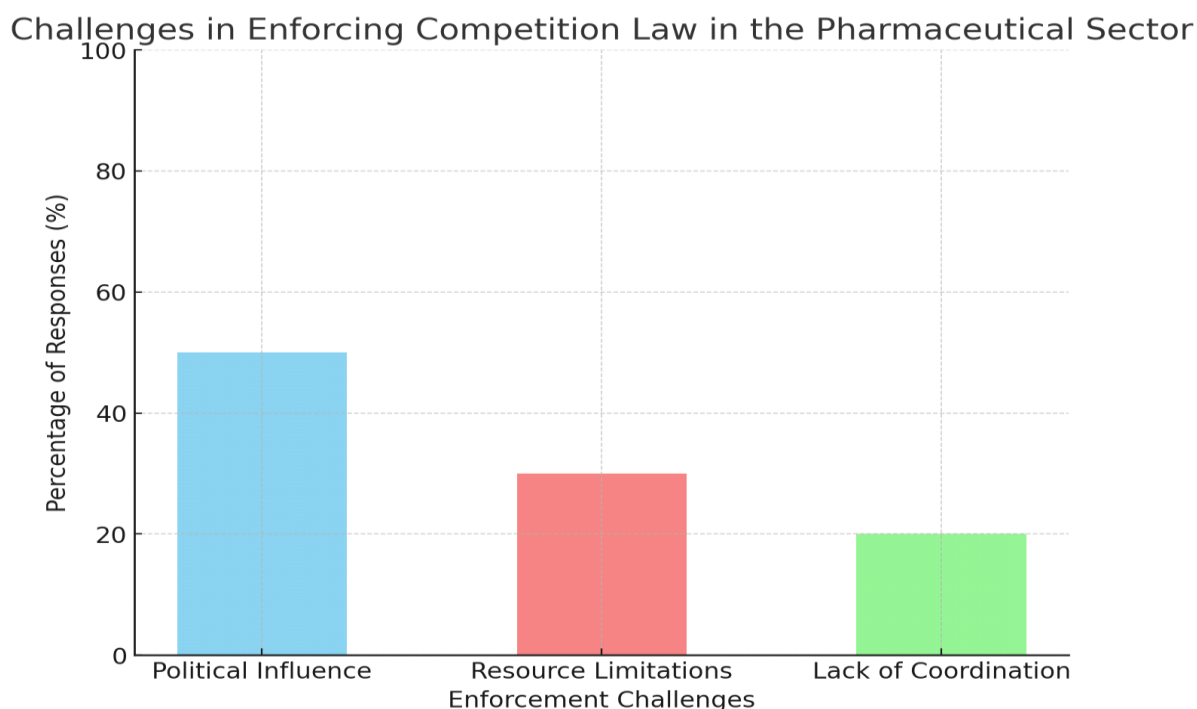
This study's results imply that Pakistan's Competition Act of 2010 may offer a sound legal framework for combating price gouging and anti-competitive behaviour within the pharmaceutical industry. However, its implementation is lacking. The study pinpointed several reasons why the law was not effectively implemented.

Weak Enforcement Capacity: A fundamental obstacle is the ineffectualness of the Competition Commission of Pakistan (CCP) in law enforcement. The CCP's inability to investigate and prosecute price-fixing and other anti-competitive behaviours is largely due to insufficient resources coupled with political influence from powerful pharmaceutical companies. Further complicating the situation are the fragmented inter-agency relationships between the CCP and DRAP, which has created a regulatory vacuum with respect to pharmaceutical pricing (Malik, M., et al. 2024).

Market Structure and Price Fixing: A small number of large, established Pakistani companies operate in the pharmaceutical industry. These companies indulge in price-fixing as well as other non-competitive trade practices. The study noted that these companies wield considerable market power to dictate prices of drugs, thereby impeding the growth of smaller rival firms. In spite of

some control by authorities, price manipulation is perpetuated by insufficient monitoring and enforcement.

Figure 5:



Problems with Monitoring and Enforcing Competition Law within the Pharmaceutical Sector: A bar graph summarizing the major enforcement difficulties found in the research: political meddling (50%), lack of sufficient resources (30%), and poor inter-agency cooperation (20%).

Consumer Ignorance: The survey results showed that there is a considerable gap concerning the general public's understanding of the functions performed by the CCP in the context of pharmaceutical pricing. Such ignorance makes it impossible for consumers to take advantage of the legal provisions to contest exorbitant prices or defend competition. There is a need for greater public sensitization on issues of competition laws which is fundamental in bridging this gap (Siddiqui, S. M., & Siddiqui, D. A. 2024).

Recommendations for Improvement

Drawing from the results obtained from the data examination and the literature study, a few conclusions and recommendations have been framed for the enforcement and effectiveness of Pakistan's competition law regarding price fixing and other restrictive practices in the pharmaceutical sector. These recommendations are intended to improve the competition law policy framework, enhance enforcement, improve transparency, and create a more competitive and consumer-oriented market (Saood, A. 2022).

Strengthening the Enforcement of Competition Law

Recommendation

The Competition Commission of Pakistan (CCP) must be funded and staffed adequately to allow them to investigate and prosecute anti-competitive practices, especially in the pharmaceutical industry. This requires employing more investigators trained in pharmaceuticals and economics who can appreciate complex pricing, market structures, and cartel activity.

Moreover, there should be an increase in punitive fines for price fixing and other anti-competitive activities to a level that will convincingly deter pharmaceutical companies from engaging in monopoly practices (Atal, et al. 2022).

Justification

During the interviews, the participants mentioned that there was not enough enforcement and resources available as a compliance challenge to the competition law, suggesting that there was weak law enforcement. Increasing the CCP's capacity has an impact on regulatory authorities which enables them to conduct more comprehensive investigations, timely actions, and enforce the law effectively.

Improved Coordination between Regulatory Bodies (CCP & DRAP)

Recommendation

To resolve the issues of pharmaceutical pricing and market barriers in Pakistan, the Competition Commission of Pakistan and the Drug Regulatory Authority of Pakistan should consider establishing joint task forces and committees dedicated to overseeing the pharmaceutical market so that investigations can be consolidated, and enforcement of pricing regulations can be harmonized (Zulfiqar, F.. 2022).

Justification

Coordination issues between the CPC and DRAP have surfaced multiple times in the findings. Improving synergy and collaboration between the two bodies will allow for better market regulation regarding pricing, entry barriers, and anti-competitive conduct.

Increasing Public Awareness of Competition Law and CCP's Role

Recommendation

A public education campaign should be initiated to inform citizens of their responsibilities and rights as outlined in the Competition Act 2010, while highlighting the role of the Competition Commission of Pakistan (CCP) in price regulation and trade barrier issues. This could be achieved through media campaigns, workshops, and social media posts educating citizens on how to report price fixing and trade-restricting activities (Stacciarini, J. 2023).

Justification

The lack of knowledge about competition law and the CCP's role among consumers was staggering. If people are better informed, they will actively lobby for reduced pricing and fairer market practices, which, in turn, would compel organizations to comply with competitive policies.

Strengthening Market Surveillance and Transparency in Pricing

Recommendation

Stricter market control systems that monitor the movement and sale of goods within the

pharmaceutical sector ought to be introduced. The gathered information should be published in a format that can be easily accessed, allowing the general public and small businesses to understand the concepts of reasonable pricing and proper market behaviors (Carapinha, 2024).

Justification

Consumers and small businesses had difficulty understanding the alleged price manipulation due to unclear price transparency and market surveillance; revealing more information provided them with the ability to make better-informed decisions and giving small businesses the opportunity to compete fairly, all while enabling regulators to recognize price-fixing conduct.

Promotion of Fair Competition and Reduced Barriers for Smaller Players

Recommendation

Strategies need to be formulated that not only lower the entry restrictions of the market for smaller pharmaceutical firms, but also widen their access to it. Such strategies could include subsidizing the cost of market entry, giving incentives to local manufacturers of generic drugs, and putting in place anti-trust regulations to curb the monopolistic tendencies of a few large firms (Singh, G. 2022).

Justification

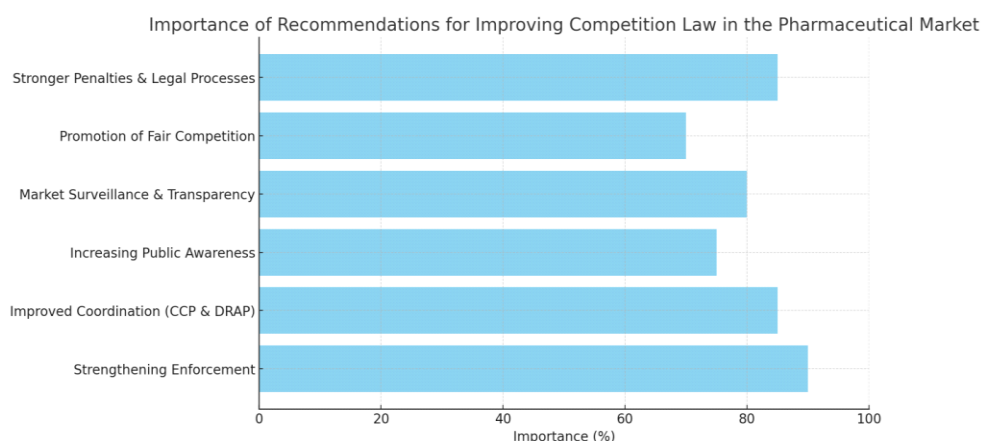
This analysis underscored the extent to which market supremacy of large pharmaceutical firms creates a barrier to entry for smaller pharmaceutical firms. Supporting small and medium enterprises to boost competition will lead to innovation, reduced costs, and improved availability of vital medicines.

Strengthening Penalties and Expedited Legal Processes

Recommendation

A more punitive approach should be taken against companies undertaking price-fixing, as well as the legal framework regarding the investigation and prosecution of anti-competitive behavior should be made more efficient to combat needless procrastination. New special rapid-response courts could be created to deal with sensitive competition matters within the pharmaceutical industry.

Figure 6:



Justification

Inefficient legal processes were noted as obstacles to the effective implementation of competition law. Streamlining legal processes and increasing fines is likely to enhance compliance, improving the deterrent effect.

The analysis emphasizes the importance of improving the Competition Law of Pakistan and its application in the pharmaceutical industry. The suggested recommendations are intended to address the identified primary problems of poor enforcement, inadequate inter-agency cooperation, lack of enforcement by consumers, and oligopoly abuse by some powerful pharmaceutical firms. Adopting these recommendations is likely to assist Pakistan in fostering a more competitive, open, and pro-consumer friendly pharmaceutical market from which consumers, small businesses, and the economy can all benefit.

Conclusion

To summarize, the study shows that although Pakistan's competition law has attempted to control the pharmaceutical market, its practical effectiveness is undermined by enforcement issues, political interference, and inadequate inter-agency coordination. The results suggest that empowered regulators with sufficient resources and public awareness, as well as stronger enforcement of competition law, would improve the conditions in the pharmaceutical industry. Achieving these goals will require a complete systematic approach by regulators, stakeholders in the industry, and the public in order to create a competitive, open, and just pharmaceutical market in Pakistan.

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