

Ministry of Industry and Trade

Competition Directorate
Seventh Annual Report
2009



His Majesty
King Abdullah the Second

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Minister's Speech



The Jordanian Economy, since declaring the independence, has came across five decades of different economic cycles, whereas the Jordanian government played a unique role in the national economy according to the requirements for each era; according to observers, the 50s and 60s was an era in which the government had to step in due to the lack of financial capacity at the private sector from one hand, and the fear of taking risks on the other hand, yet, the 90' s witnessed remarkable changes, that was mirrored by the fact that the commercial openness culture, and markets' globalization became widely known. The government has endeavored huge strides to keep abreast with these developments by following the international vision. Furthermore, it started adapting a wide set of policies, procedures and programs that aims at liberating economy, correcting the malformations that resulted from the dominance of the public sector, therefore paralyzing the market's capacity, and misdistribution of resources at hand.

The economy of the free market is based on demand and supply, and prices liberalization from any restriction except those imposed by the principles of free competition. The economy primarily depends on individuals and institutions' private prosperity. Nonetheless, the market's economy does not minimize the role of the public sector in any way, or that of the government in organizing the economic process. Upon that arises the government's role in decision making and drawing the policies, and essential principles and regulations that governs the political activity. The government seeks to provide the private sector with a stable economic and healthy environment that enables the private sector to implement and participate in its execution.

The competition policy is considered one of the tools that contribute in boosting and protecting the economic activity; wherein it organizes the methods and procedures the private sector should adhere to, as to ensure the welfare of all relevant parties. These methods and procedures are demonstrated by the private sector's providing commodities and services for citizens at lowest rates and best qualities, encouraging creativity and development, in addition to increasing productivity and competing in the international markets. The Competition Law aims at creating a suitable economic environment that stimulates a business, by which; economic wellbeing can be accomplished, in a way that helps all beneficiaries through fulfilling the principles of sustainable development in reality. Whereas drawing limits for anti competitive practices, directly serves economic and social considerations that is the main target for governmental policies, as to become a reality. Upon that, one appreciates the significant role of the Ministry of Industry and Trade in committing to the wise directions of H.M. King Abdullah II , that aspire to doing what it takes to uplift the national economy, and dealing with all the obstacles that may block the economic development process. This report is a sample of the continuance effort of the Ministry of Industry and Trade that aims at activating the principle of transparency in the governmental work, which comes through demonstrating the scientific and methodical approach referred to when tackling all subjects and cases at the Ministry. Furthermore, this report contributes in demonstrating the importance of the Law, and the competition policy, and also displaying the positive outcome for social and economic aspects in the Jordanian citizen's life.

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Introduction

In compliance with Article (12/B) of the Competition Law, the Competition Directorate at The Ministry of Industry and Trade assumes preparing an annual report demonstrating the competition status in the Jordanian market, whereas the Minister of Industry and Trade undertakes submitting a report to the Council of Ministers.

Herein we present to the researchers and heedful people a summary of the most important accomplishments of the Competition Directorate for 2009, according to the Ministry's role in promoting the competition culture and raising awareness of the provisions of the Law, in addition to their efforts to encourage this activity in various economic sectors and among different community levels, which is a priority objective for the Directorate.

The report is divided to three sections; the first section will tackle the authorities entitled to implement the Competition Law; which includes, in addition to the competition Directorate, the committee of competition matters, which is responsible for declaring the general plan for the competition, plus investigating the issues regarding the provisions of the Law and preparing drafts of the Law, regulations pertaining either to the competition, or those which bestow new privileges or exceptional rights. The Law is to be considered the third authority that is responsible for implementing the Law, whereas courts of first instance hear cases pertaining to violations of the provisions of the Competition Law.

It should be noted that an attorney general represents the public prosecution.

Furthermore, the second section displays the most important files assumed by the Directorate during the year of 2009, along with the enormous efforts in promoting the competition culture, and recruiting cadres for implementing the Law. All that in addition to cooperation with similar authorities abroad for the purpose of exchanging information and data and all matters related to implementing the provisions of the competition. Finally, the third section discusses the points of view for a number of sectors in regard of the developmental stages the competition has undergone in light of the regulations in force, illustrating the positive effects of the competition law and policy implementation. In addition to the annexes of this report which will include all the studies carried out by the Directorate.

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Vision

Contributing in achieving a sustainable economic development in Jordan, and raise its competitiveness by increasing the efficiency of economic, and encouraging creativity.

Mission

Successful implementation of the competition policy that apprehends the needs and prospects of Jordan and that contributes to elevate the level of competitiveness in all sectors by setting out free market mechanisms and incentives.

Objectives

1. Develop a follow-up and information systems on competition matters, monitor market mechanisms, and handle the complaints and requests presented to the Directorate.
2. Promote the competition culture among the public, and raise the awareness about the provisions of the Competition Law and encourage competition in every economic sector.
3. Amend the legal legislations on competition in the light of the outcomes of the practical implementation of the Law.
4. Qualify and train the national potentialities specialized in the implementation of the Law.
5. Liaise with all the related institutions and agencies in Jordan, and with the similar agencies abroad and benefit from their experience.

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Section One

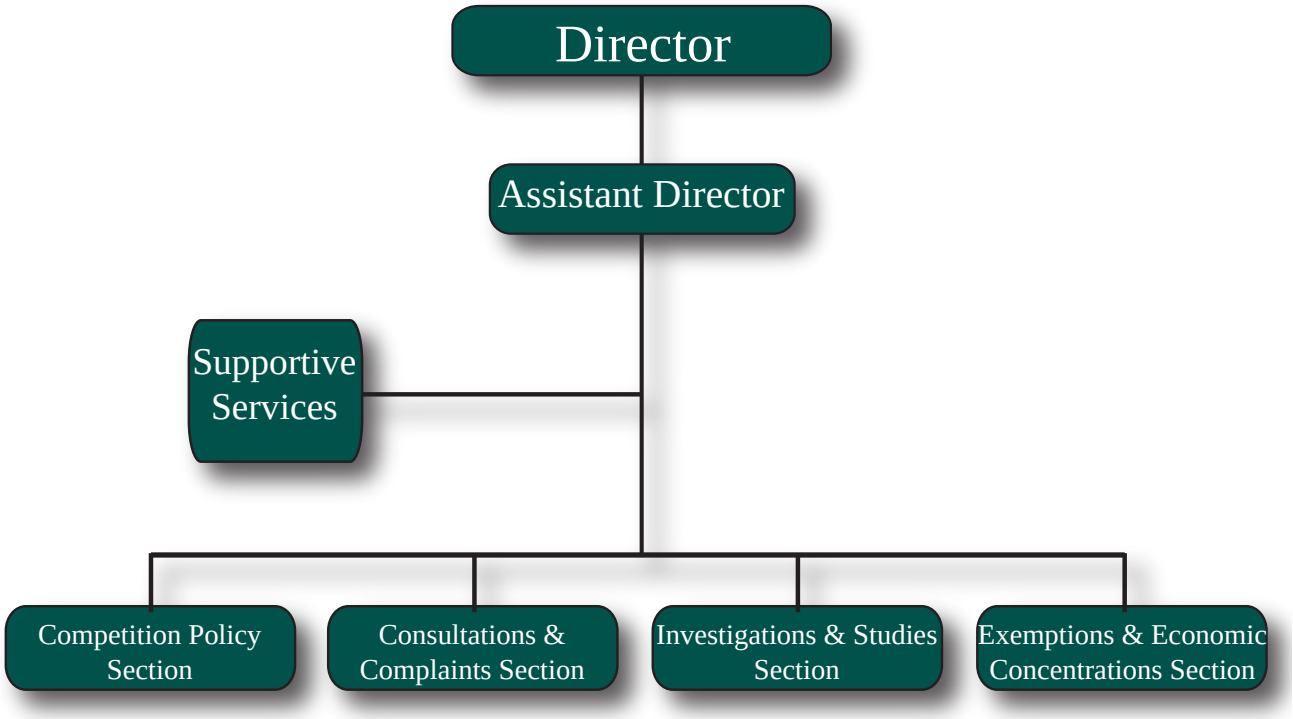
Parties responsible for implementing the Competition Law

1-1 Competition Directorate

The Competition Directorate of the Ministry of Industry & Trade is the entitled authority of implementing the Competition Law. It was incorporated within the organizational body of the Ministry of Industry and Trade on 18/12/2002; the Directorate undertakes its tasks and competences in compliance with the provisions of article (12) of the Law, which includes the following:

- Investigating on anti competitive practices.
- Carrying out investigations that are either discovered by the Directorate or based on claims and complaints by other parties or competent courts.
- Receive and follow up economic concentration requests, in addition to preparing reports and draft decisions in that regard.
- Publish detailed records on Directorate issues, either by an initiative thereof, or under the request of concerned institutions.
- Participate in preparing the general plan and the regulations for the competition, along with any related studies.
- Promoting, protecting and encouraging the competition culture.
- Utilizing the experiences of outdoor consultants and experts to carry out some tasks of the Directorate mandate.
- Cooperate with foreign agencies within the same field of interest, for the purpose of exchanging information and data, and matters related to implementing the Competition Law.

The Directorate's cadre, up until 2009, constitutes of 12 employees, in addition to the director, all of them hold university degrees in Law, Economy, Engineering and administration. The employees are distributed into the three sections of the Directorate, as demonstrated below:



1-2 Committee of Competition Matters

Pursuant to the Provisions of Article (14) of the Competition Law, Committee of Competition Matters was founded to submit points of view and consultation for the Competition General Plan to be applied in the different sectors. The Committee also reviews matters put forward by the Minister that are related to the provisions of Competition Law, drafting Laws and regulations relating to competition or those that grant new privileges and exceptional rights.

The Committee of Competition Matters is chaired by the Minister of Industry and Trade and the membership of:

- The Secretary General of the Ministry of Industry and Trade (as Vice president).
- The Director General of the Insurance Commission.
- The Chief Executive Officer of the Telecommunications Regulatory Commission.
- The Director General of the Transportation Regulatory Commission.
- The President of Jordan Chamber of Commerce.
- The President of the Board of Amman Chamber of Industry.
- The President of the Consumer Protection Society.
- Dr. Yousif Mansour.
- Dr. Basheer Al-Zu'bi.
- Mrs. Nisreen Barakat.
- The Director of the Competition Directorate (Committee Rapporteur).

- On March 31st, 2009, The seventh meeting of the Committee for Competition Matters chaired by the Minister of Industry and Trade was held for reviewing what has been achieved by the Competition Directorate according to the Directorate Action Plan and discussing the telecommunication Law Project.

Whereas the Committee of Competition Matters recommends the following:

- Activate cooperation between the Ministry of Industry and Trade and Jordan Chamber of Industry to spread the competition culture and educate with Competition Law and Policy in which the Ministry and the chamber's representative agreed upon financing the designing and publishing of a booklet, defining the Competition Law, in addition to contributing in organizing educational seminars for the industrial sector.

- Coordinate with the University of Jordan whereas the Competition Directorate would give lectures in respect of the Competition Law and Policy in Jordan for the participants in the program of Competition Master's Degree held in by the University.

- Concentrate on assembling more meetings for the Committee of Competition Matters.

Thereupon, the Ministry / Competition Directorate have carried out the procedures needed for executing the above-mentioned recommendations.

1-3 Jurisdiction

The Courts of First Instance shall have the right to hear cases related to violations of the provisions of the Competition Law, including the compensation and damages matters arising from such violations. The office of the Prosecutor General shall be represented by a competent Prosecutor General.
During 2009, Ministry submitted three complaints before the competent Prosecutor General to be heard before Courts of First Instance in addition to four complaints submitted in 2007 shown in the following table:

Defendant	Competent Court	Year	Status (2009)
Vocational association	Amman Court of First Instance	2009	Under hearing
Commercial market (Mall)	Zarqa Court of First Instance	2009	Under hearing
Paper cups plant	Amman East Court of First Instance	2009	Under hearing
Press agent	Amman North Court of First Instance	2007	Under hearing
Electrics trading company	Amman South Court of First Instance	2007	conviction is issued
Computer trade company	Amman Court of First Instance	2007	conviction is issued
Mobile company	Amman West Court of First Instance	2007	Under hearing

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Section Two

Competition Directorate's Achievements according to the Action Plan of 2009

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2-1 The most important files dealt by Directorate

The Competition Directorate has dealt with a set of files, which were divided according to their nature to: Complaints, economic concentration requests, opinions on the concentrations processes and monitoring them, consultancies on matters related to competition in various economic sectors. In addition to several studies and investigations conducted by the Directorate to keep a close eye on the market.

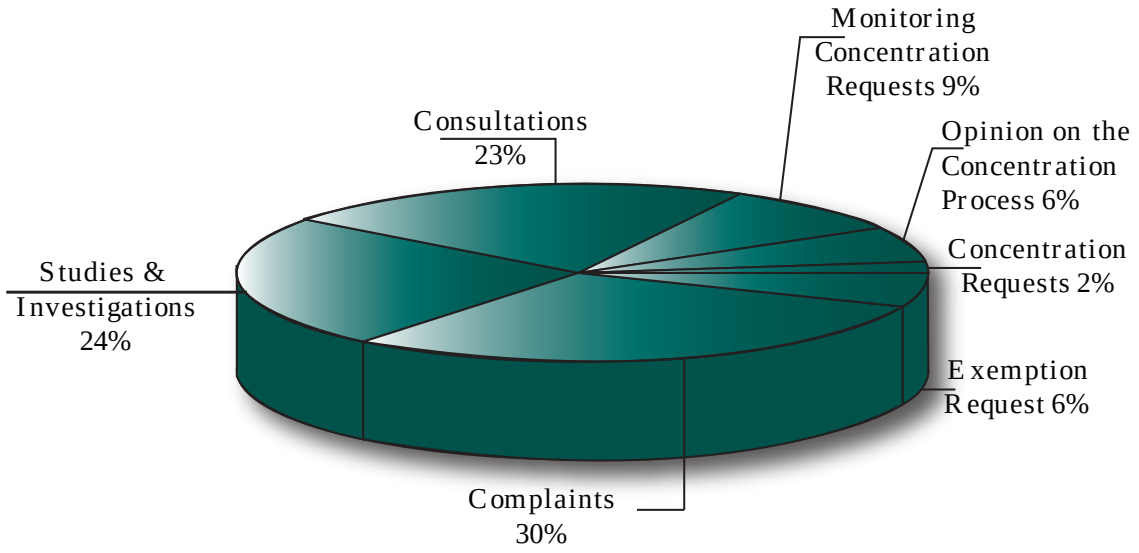
In 2008, the Directorate studied (66) files, distributed as follows:

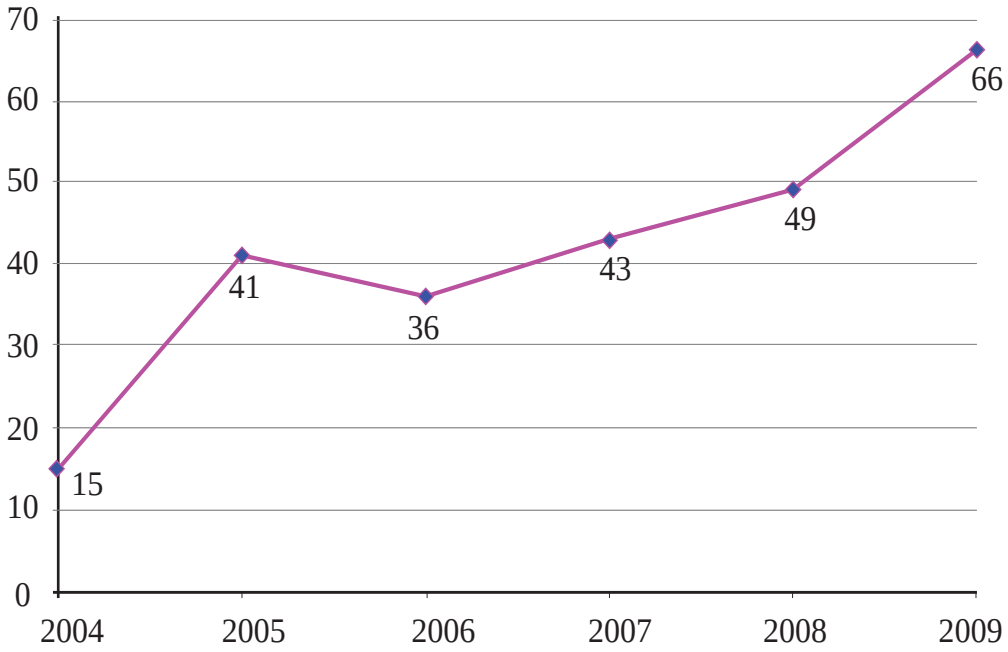
Table (1): Distribution of Files based on each one's nature

Nature of the File	2004	2005	2006	2007	2008	2009
Complaints	2	12	12	19	20	20
Studies & investigations	7	9	9	9	14	16
Consultancies	3	12	4	5	5	15
Monitoring Concentration requests	0	6	8	6	5	6
Opinions on the concentration processes	0	1	2	3	2	4
Concentration Request	1	1	0	0	2	1
Exemptions requests	2	0	1	0	1	4
Total	15	41	36	43	49	66

It is obvious that the number of files dealt by the Directorate during 2009 has significantly increased compared to previous years, a matter that indicates that there is a high level of awareness of the provisions of the Competition Law.

Diagram (1) illustrates that the percentage of complaints is (30%) which represents the highest percentage of all kinds of files that were dealt with by the Directorate during its 7th year.





According to chart (1), the number of files reviewed by the Directorate has increased during the years 2004-2009, whereas the number of files reviewed by the Directorate in 2004 which is the year following its foundation reached (15) files, while in the year of 2005 the number of reviewed files were (41) with a 26% increase, and a growth percent of 173% compared to 2004. As for 2009, the directory handled 66 files, with a growth percentage of 34.7% compared to 2008.
Despite the fact that the Competition Directorate was recently established, the number of cases that was received since it started is a clear proof on the effective role of the Ministry in implementing the provisions of the Law, and promoting the competition culture. The Ministry has adopted a policy, that is followed by most advanced countries in the competition field especially in the first years of implementing the Law, whereas this policy grants violators a chance to correct their situation in accordance with the provisions of the Law, a matter that had a great impact on maintaining the balance of the market, and contributed in promoting the competition cultures in various economic sectors. Also, the Directorate has reviewed the great majority of the files at hand during 2009, an indication to the Directorate's ability to cover all different aspects as stated by the Law.

Table (2): Distribution of Files according to their accomplished percentage

Nature of the file	NO	Accomplished Percentage
Consultancies	15	100%
Opinions on the concentration requests	16	87%
concentration requests	20	65%
Exemption Requests	4	100%
Studies & investigations	6	100%
Monitoring of the concentration processes	1	100%
Complaints	4	75%

It should be noted that that the Directorate has followed 30% of the files' total by its own initiative,

while the private sector followed the greater percentage of 50%. Moreover, files presented by the governmental sectors reached a percentage of 13% of the total.

Table No.: (3) demonstrates the distribution of files according to their source.

The body presenting the file	Complaints	concentration requests	Monitoring of concentration processes	Exemptions requests	Opinions on concentration requests	Consultancies	Studies & investigations	Total	Percentage of the total
The Directorate by its own initiative	-	-	6	1	-	-	13	20	30%
Private institutions	18	1	-	1	4	7	2	33	50%
Official bodies	-	-	-	-	-	8	1	9	13%
Professional and Association bodies	1	-	-	2	-	-	-	3	5%
Societies	1	-	-	-	-	-	-	3	5%
Total	20	1	6	4	4	15	16	66	100%

2-2 A summary of the most important files reviewed by the Competition Directorate

The Directorate has reviewed (66) file in 2009, which were divided according to their type into: Complaints, economic concentration requests, opinions on the concentrations processes and monitoring them, consultancies on matters related to competition in various economic sectors. In addition to several studies and investigations conducted by the Directorate.

Following there is summery of these files;

2-2-1 Complaints

The competition dealt with (20) complaints filed by different authorities, whereas it was reviewed, and suitable procedures were taken.

1. " National Express" against " Carrefour"

"National Express Co." filed a complaint against "Majed Al-Fatiem / Carrefour Jordan", stating that the later refused to work with National Express Co. and gave no legitimate justification, whereas Carrefour refused to allow the usage of machines for "National Express".
Upon that, Carrefour was addressed as to clarify the situation, while the reply stated a number of reasons, one of which is the commissions that Carrefour should pay to the credit cards' companies. After reviewing the reasons and justifications presented by Carrefour, and considering the same

from the economic and legal aspects, the Directorate announced that these justifications are indeed commercial justifications pursuant to the provisions of Article 6 of the Competition Law.
Therefore, Carrefour did not violate the provisions of the Competition Law No. 33 for 2004.

There upon, the complaint was filed pursuant to the provisions of Article 19/H of the Competition Law, and concerned authorities were addressed.

2. Jordanian Institute for Industrial Supplies against Al-Fateh Co. for Industrial Equipments

The Jordanian Institute for Industrial Supplies filed a complaint against Al-Fateh Co. for Industrial Equipments, stating that the later is selling with a price below cost in the industrial equipments' market.
When calculating the cost for (Makita) trademark products, based on the purchase bills, shipping invoices, and custom data of the Al-Fateh Co., and comparing it to the selling price of the same products, it has been agreed that the company is selling these products at prices that provide reasonable profits, and that applies to all products, which indicates that the claim of the Jordanian Co. is not justified.
Upon conducting the economic and legal investigation for this complaint, the defendant was proved not to be selling below cost.
There upon, the complaint was filed pursuant to the provisions of Article 19/Ha of the Competition Law, and concerned authorities were addressed.

3. Mahmoud Sha'ban Co. complaint against the commercial market (Mall)

Mahmoud Sha'ban & Brothers Co. filed a complaint against a commercial market (Mall) stating that the company is selling below cost for (Tiger) and (Falfeleehum) rice and (Bostman Milk), as an intent to violate the provisions of the Competition Law No. 33 for 2004.
Upon thorough investigations was done by the Competition Directorate, and after reviewing the purchase bills, selling bills and offers made by the company, in addition to investigating the mentioned brands. It was discovered that (Falfeleehum) rice and (Bostman) milk were sold with a below cost price which violates the provisions of Article (8\B\1) of the Competition Law No. 33 for 2004.

Upon conducting the economic and legal studies for this complaint, the following was concluded:

1. The defendant does not have a dominant position in the said market.
2. The defendant was indeed selling with a below cost price for (Falfeleehum) rice and (Bostman) milk.

- Thereupon, the defendant was violating the provisions of Article (8\B\1) of the Competition Law.

- Upon that, the complaint was filed at the Zarqa prosecutor general for violating Article (8\B\1) of the Competition Law.

4. Hekmat Yasin sons and partners Co. against Abu Taweeleh group

Hekmat Yasin sons and partners Co. filed a complaint against Abu Taweeleh group for Investment, stating that the complainant has published an Ad. In Al-Waseet newspaper about selling two types of

Samsung Screens, one is (Plasma PS42B430) in its stores and (Safeway), and the other is LCD screen (LA32B350) in its stores and Carrefour's at below cost price, therefore violating the Competition Law.
Upon conducting the economic and legal investigation for this complaint, the following was concluded:

1. Abu Taweeleh Group sold products with below cost prices by selling Plasma screens (42) and LCD (32).
2. The Co. imports high tech products whose market value reduces when importing more developed products, thus, keeping a large storage of the same puts the company at the risk of loss.
3. Abo Taweeleh Group signed a partnership agreement with (Philips Co. for electronics\ the Middle East and became its exclusive agent, on the other hand, the company decided to quit Samsung's agency.
4. The purpose of selling with below cost price is to sell all products with Samsung trademark, including the subject screens, and not to harm competition in the market.

The practices of the complainant does not constitute a violation of provisions of Article (8\B\2) of the Competition Law No 33 for 2004, for the purpose of the selling is to renew the storage products. There upon, the complaint was filed pursuant to the provisions of Article 19/H of the Competition Law, and concerned authorities were addressed.

2-2-2 Exemption requests

The Directorate has received four exemption requests for practices justified by public benefit by implementing the provisions of articles (6) and (5) of the Competition Law, pursuant to the provisions of Article 7 of the Law, herein after a summary of one of these requests:

The exemption request for the Jordanian Bar Association:
Upon reviewing this request that was presented on 13\4\2009 in accordance with the provisions of article 7 of the Competition Law No.33 for 2004, which requests exempting one of the practices justified by a public benefit of complying to article (1\A\5) of the Law. The Jordanian Bar adjusted the list of Morals of the Legal Practice and Behaviors of the lawyers by adding paragraph (G) to Article 11, whereas it included setting a minimum rate for the fees of the attorney whose clients are Banks and Public Shareholding Companies, as to be no less than 500 Jordanian Dinars per month. Upon that, the Ministry\Directorate concluded the fact that there are indeed positive effects with public benefit, as follows:

- Maintain the principles and ethics of the bar, in addition to defending the rights of the Bar and its members.

- Improve the quality of the services provided by the Lawyers to their clients accordingly.

Upon that, the minister issued his decision of approval for giving the Jordanian Bar the exemption stated in the request by virtue of decision No.4 on 9/1/2010, in accordance with the provisions of Article (7/B) of the Competition Law No. 33 for 2004.

2-2-3 Economic Concentration Requests

The Directorate received one request for a concentration process, while four concentration processes were reviewed and given opinion on based on the demand of concerned authorities. Other than that, six merge operations for the Companied Control department were studied and considered, herein after a summary of them:

1. Approval for exchanging shares between Zain Co. / Kuwait & the Palestinian Telecommunication Co. (Paltel)

The Telecommunication Regulatory Commission addressed the Ministry/ Competition Directorate on 19/4/2009 requesting opinion on exchanging shares between the two companies, by which Zain Co. will be entitled to the higher share of (56.59%) at (Paltel), while in exchange, the Palestinian Telecommunication Co. (Paltel) will own (100%) of (Bella Investment Co.) which is the owner of all the shares of Zain Co.
On 7/7/2009, The Jordanian Co. for Telecommunication (Zain) represented by its legal attorney filed a request for an Economic Concentration process. The Directorate reviewed the request, and a committee of the Ministry/Directorate, The Telecommunication Regulatory Commission, the Ministry of Telecommunication and information technology was formed for the purpose of reviewing the (Zain – Paltel) transaction, and investigating the results brought about by the same. Upon that, the committee concluded that the transaction will not cause any change neither in the system of the Telecommunication Market in the kingdom, nor in the competition level in the market, as it will not provoke or boost a dominant position.
Upon that, concerned authorities were addressed. As to inform the same of the fact that this is considered an economic concentration process, pursuant to the provisions of Article (9/A) of the Competition Law No. 33 for 2004, nonetheless, a written approval is not required.

2. Opinion on the current developments in the American Life Insurance Co. and the American International Group.

Yaqoub Al-Far legal office for consultations and arbitration filed a consultation request (seeking a demonstrative opinion) in regard of the on going changes with their client (The American Life Insurance Company, ALICO) and the Mother company (American International Group, AIG), whether this is to be considered an economic concentration process, one that requires the written approval of the Ministry to be completed pursuant to Article (9/A) of the Competition Law.
According to the study conducted by the Ministry, the following was concluded:

1. The subject process is considered an economic concentration process pursuant to Article (9/A) of the Competition Law.
2. The total market shares of the companies involved in this operation does not exceed (40%) of the total market share
3. This process does not create or consolidate a dominant position, and no negative impacts that may affect the competition in the market.

Upon that, the Directorate has notified the concerned authorities that this is considered an economic concentration process and does not require written approval from the Ministry to be completed.

3. Opinion on the economic concentration process between (Glasco Smith Clain Trading Services Limited GSK) and (UCBSA)

Ali Sharif Al-Zou'bi's office filed a consultation request (seeking a demonstrative opinion)
In regard of the purchase operation (GSK) intends to finalize, whereas the company would buy some of the assets, intellectual property, and foreign affiliate companies from (UCBSA) which is engaged in the distribution and marketing some UCB's products . The companies' request is whether this operation is to be considered an economic concentration process, which requires the Ministry's written approval according to Article (9/B) of the Competition Law.

The Directorate studies the case and concluded:

- The above mentioned operation is considered an economic concentration process pursuant to Article (9/A) of the Competition Law.
- The total market shares of the companies involved in this operation does not exceed (40%) of the total market share.
- This process does not create or consolidate a dominant position, and no negative impacts that may affect the competition in the local market.

Upon that, the Directorate has notified the concerned authorities that this is considered an economic concentration process and does not require written approval from the Ministry to be completed.

4. Opinion on the merge between Al-Sha'lan for Medical Solutions Co. & The Medical Care Co. for medical productions Co.

1. In the process of monitoring economic concentration processes, and cooperation between Al-Sha'lan for Medical Solutions Co. and the companies' controlling department, the competition Directorate was notified on 22/0/2009 of the merge between the two companies (both with limited liability), as to check for the need to submit a request for approval for this operation, in case the total market shares of the companies involved in this operation does not exceed (40%) of the total market share pursuant to he provisions of the Competition Law.
2. The Directorate studies the case and concluded that the operation does not require the Minister's approval to be completed for the total market shares of the companies involved in this operation does not exceed (40%) of the total market share.

Upon that, the Directorate addressed the companies' controller general for the purpose of finalizing the merge duly.

2-2-4 Consutations

The Directorate of Competition has received number of consultations from various bodies to give their opinions about the following competition-related cases:

1- Consultation on granting an exclusive right for the Royal Jordanian Airlines

The Directorate of Competition received a consultation request in regard of the possibility of giving the Airlines the exclusive right to be the only airline on which persons of Sri Lanka nationality traveling from and to the kingdom can use,

If the Ministry of Labor grants the R.J this right, the following negative effects shall rise from it:

1. Limiting the competition between airline companies in the market of trips between Jordan and Sri Lanka could affect the R.J too, in terms of improving its services in the trips between Jordan and Sri Lanka.
2. Limiting choices for offices that provide employment services for Sri Lankan nationals, and being put under the full dominance of R.J.
3. Granting this exclusive right violates the provisions of article (5/A) of the Competition Law, whereas there is no legal script that allows the Ministry of labor to limit travelers' choices in regard of airline companies.

Upon that, should there be a public benefit that can only be accomplished by granting the exclusive

right to R.J, the Ministry of labor may present a study demonstrating the positive effects of granting this right, as to be reviewed in accordance with the provisions of article (7/B) of the Competition Law no. 33 for 2004.

2. Consultation on licensing and investing billboards on the pedestrian bridges and cars' bridges

The Directorate of Competition received a consultation request from Amman Municipality on the request presented by a group of commercial agencies, whereas the companies requests the exclusive right to issue licenses and investing in the billboards on bridges for pedestrians' and cars' bridges, and whether this violates the Competition Law No. 33 for 2004.
The Ministry/ Directorate studied the case and concluded that granting this right is construed a violation of article (5/A/4) of the Competition Law that states the following:
Practices, alliances, or agreements, explicit or implicit, that may prejudice, contravene, limit or prevent competition, shall be prohibited, especially those whose subject or aim is to:
Set barriers to entry of enterprises into market or eliminate them there from.
Upon that, and to ensure the freedom of competition in the above mentioned investment process, Amman Municipality proposed announcing the investment operation through a public sale, in accordance with the provisions of permitting media and advertising instructions No. 1 for 2006. This way complies with the Competition Law No. 33 for 2004.

2-2-5 Studies and Investigations

The Directorate has conducted sixteen studies and investigations on its own initiative regarding competition related issues:

1. A study on organizing private offices which operates on recruiting and bringing in non Jordanians housekeepers

Pursuant to the circulated note of The Prime Minister no. (1S8/15203) on 30/10/2005. The Ministry of Labor was asked to present the Ministry/Competition Directorate with copies of the following:

- The draft of the regulation on organizing private offices which operates on recruiting and bringing in non Jordanians housekeepers
- The draft of instructions on the conditions and procedures of private offices in the line of recruiting and bringing in non Jordanians housekeepers

For the purpose of assuring its compliance with Competition Law No. 33 for 2004:

- The Ministry of labor has provided the Directorate with the draft of the regulation on organizing private offices which operates on recruiting and bringing in non Jordanians housekeepers, as for the draft of instructions on the conditions and procedures of private offices in the line of recruiting and bringing in non Jordanians housekeepers, it is still incomplete.

The Directorate studied the draft, and referring to the conditions for licensing these offices, it was concluded that Article (3/B/4) may restrain the freedom entering the competition market for some groups.
Thereupon, the Ministry of Labor was addressed with a number of recommendations to be taken into consideration when issuing the regulation, as to ensure its compliance with the Competition Law No. 33 for 2004.

2. Investigation of the practices of Al-Sahm for Commercial Services Co.

The Directorate received a report stating that Al-Sahm for Commercial Services Co. is unjustly raising prices in exchange for its services to transport passengers form –to King Hussein Bridge, The Directorate is investigating the practices of Al-Sahm for Commercial Services, in regard of the prices and its compliance with the provisions of the Competition Law No. 33 for 2004.
The Regulatory Commission for Public Transport was addressed as to ensure whether the practices of this company are legal, the Ministry/Directorate requested the following:

1. The records of Al-Sahm for Commercial Services Co. (licenses and permissions)
2. The pricing protocol (the minimum and maximum rate) for the provided services.

The study is still under consideration.

3. A study on the connection between the competition and the unofficial economy.

The Competition Directorate participated in the Eighth International Conference for the competition matters. Whereas the Directorate presented a paper about the correlation between competition and the unofficial economy, the study introduced a definition for the unofficial economy, and the most important reasons for the same. It also demonstrated its impacts on the competition through a diagram comparing the volume of unofficial economy, with the total local production, along with other economic arguments in 25 countries. Finally, the study referred to the most important results of the unofficial economy's predominance, in addition to the procedures governments could do to prevent this phenomenon.
The study was published on the website of the Organization for the Economic Cooperation and Development.

2-3 Capacity building of the national cadres responsible for the implementation of the Competition Law

The employees of the Directorate participated in several in-house and abroad training courses, whereas the Directorate aims at expanding the knowledge and skills of its employees, as to be fully capable of reviewing the competition cases. Hereinafter a list of these courses:

Table No. 4 training courses for the year 2009

Course Title	Organizing Authority	Place
Competition Rules and Policy	Korean Agency for International Cooperation	Seoul
Companies' Financial statements Analysis	The Ministry of Industry and Trade	Amman
Electronic Trade Strategy during the years 2009-2013	The Ministry of Industry and Trade	Amman
Knowledge Management Definition	The Ministry of Industry and Trade	Amman
English language Courses	The Ministry of Industry and Trade	Amman
The role of The Public Institution for Food and Medicine in improving the quality and competitiveness of the medicine	Jordan Food and Drugs Association	Amman

Course Title	Organizing Authority	Place
Overpricing	International Competition Network ICN	Teleseminar
The progression on applying the competition Law and policy in the member countries	International Competition Network ICN	Teleseminar

2-4 Promoting Competition culture and raising awareness on the provisions of the Competition Law

The Competition Directorate gives this part a great deal of attention because the Competition Law is one of the most important economic laws. The Directorate undertook a decision to continuously launch awareness campaigns on the provisions of the Law in many economic sectors in Jordan to reflect the impacts and outcomes of the Competition Regulatory Law. In this regard, the Directorate is:

1. Launching a comprehensive media campaign for two months via the audio and visual media. The campaign had included broadcasting radio advertisements, publishing advertisements in the newspapers, and billboards.
2. Publishing an Annual report for the Directorate's activities in 2007, and distributing it to several official parties and private sector institutions. In addition to preparing the 2008 annual report to be printed and distributed.
3. Holding a seminar for the judicial studies students in collaboration with the judicial institute.
4. Participating in the radio program "Economic Files"
5. Participating in the T.V. program "Mid of the Day"
6. Continuously updating of the Directorate's website.

2-5 Cooperation, exchanging information and experience with similar agencies abroad.

The Directorate aimed at consolidating the relations with a number of international bodies involved in applying competition law and policy, whereas a number of agreements has been signed or agreed upon to be signed in the competition field with each of the following countries: Morocco, Saudi Arabia, Tunisia, Yemen, Egypt, Syria, Kuwait and the Palestinian authority. These agreements contribute in enhancing cooperation between the authorities responsible for implementing the Competition law, and ensure the harmony in applying the law, as to ward off the negatives impacts on the Competition, which may limit the positive incomes arising from liberating commercial trading between countries.

Furthermore, in order, to be familiar with the international experiences, gaining knowledge, and exchange experiences with world wide committees and organizations. The Directorate participated in several regional and international annual forums, such as; the International Competition Network (ICN) conference, meetings of the Organization for Economic Cooperation and Development (OECD), and meetings between the United Nations Organization for Trade and Development (UNCTAD) and the government work team of competition experts.
During 2009, the Directorate participated in the following activities:

Table No. 5 participating in international conferences / 2009

Course Title	Organizing Authority	Place
The Seventh Competition's International Conference	(OECD)	Paris
The final conference for the program of Euro-Mediterranean partnership	(EIPA)	Barcelona
The Tenth Meeting for Competition Experts	(UNCTAD)	Geneva
The Global Conference of the International Competition Network	(ICN)	Zurich

2-6 Future work Programs

The Competition Directorate seeks to draw future work programs to keep pace with developments at all levels, whether in follow-up and information or in the procedures taken to handle the requests and complaints, or the attempt to amend the regulations, and other, below is a review of these programs:

- Complete the development of the follow-up and information systems on the status of competition in the market, and handle the complaints and requests submitted to the Directorate.
- Continue to promote the competition culture and awareness of the provisions of the Competition Law, and encourage competition in different economic sectors.
- Amend the regulations of competition in light of the practical Implementation of the Law.
- Continue to hold training programs for the Directorate's employees and judges, learn from the international experiences and provide the Directorate with the adequate human resources.
- Make use of all the international and regional forums and conferences to liaise them with the concerned authorities and organizations in Jordan and with the similar bodies abroad to exchange information and expertise.
- Establish and update a database, which will increase the efficiency of the Directorate to conduct the necessary investigations and studies. In addition, finding the proper solutions to the problems related with accessing the data by liaising with the concerned bodies and departments such as; income and sales tax, and public statistics.
- Study the matters related to the provisions of this Law, draft laws and regulations related to competition, or those granting new franchises or exceptional rights.
- Draw experts in competition and exchange expertise by holding the Third National Conference on Competition.
- Secure financing and sponsoring bodies for the Directorate to improve its performance and the services they deliver.

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Section Three

Competition in Some
Economic Sectors

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COMPETITION LAW

Preamble

This section aims at reviewing the competition status in some sectors of the economy, and the development of the application of competition law and policy in these sectors based on the contributions of concerned authorities involved in these sectors.

3-1 Telecommunication Sector[1]

The Telecommunication Regulatory Commission (TRC) adhered to performing the assigned tasks by virtue of the Telecommunication law and the government's public policy. By which the (TRC) is responsible for protecting and encouraging the competition in the Telecommunication and Information Technology Sector in addition to creating effective competition in this field.

The Sector has witnessed a number of accomplishments and developments during the year 2009, such as adding new services, Increasing the number of licensed companies as to reach 78 companies by the end of 2009, a matter that gave the subscribers a wide variety of options, raising the services' quality with low charges, in addition to increasing the penetration rate of Telecommunication services in the Kingdom.

Furthermore, the mobile Telecommunication sector has improved remarkably during 2009, whereas the number of subscribers in the mobile cell phones services reached six million subscribers till the end of July of the same year, and with a penetration rate of 101% for the first time ever. This growth is due to the fierce competition in the sector, as the working companies are proposing a collection of offers that satisfy the needs of all subscribers, also the prices that dropped to approximately 38% in the first half of 2009 compared to the second half of 2008.

On the other hand, and in light of the TRC's continuous efforts to provide cutting edge Telecommunication services in the Kingdom. On June of 2009, (Orange for Mobile Services Co.) was granted a license as to provide 3G services in the Kingdom, and it is expected to be launched on February 2010.

Moreover, on July 2009, the TRC has issued an announcement on the possibility of transferring mobile numbers, whereas the TRC will cooperate with service providers as to create an independent third party to start a private central system for the purpose of controlling and facilitating this possibility, a matter which would enable all subscribers to transfer easily between service providers, this is expected to be applicable by the end of 2010.

As for the Internet services, the number of subscribers has increased as to reach about 1.6 million by the end of June 2009, with a penetration rate of 28% compared to 2008 which was 26%. The reason behind this increase is the initiative of new companies for providing broadband wired Internet using the infrastructure of The Jordanian Telecommunication Co., and the WIMAX companies. This contributed in reducing the concentration levels in the market, thus increasing competitiveness, a matter that resulted in raising the subscribers of internet broadband services as to reach 186000 by the end of the third quarter of 2009 compared to the number reached on 2008 of 136000. This also affected the internet rates, as it decreased with an average percentage of 9% for all connection speed offers.

1 Source: The Telecommunication Regulatory Commission (TRC)

Arising from the TRC's desire to increase the Internet services, it confirmed, during 2009, the instructions on the conditions and procedures of applying, using, and operating the local computer radio spectrum systems (Wi-Fi) and its amendments, whereas according to these instructions, radio waves of frequencies 2.4 – 2.4835 GH were allowed to be utilized outside buildings, within the restrictions and conditions mentioned in the instructions. As the issuance of these instructions comes in conformity with the public governmental policy in the sectors of Telecommunication, Information Technology, and the mail sector for the year 2007, in which it encourages increasing the access points for internet at public areas, malls, and educational institutes.

As for the fixed Telecommunication sector, the year 2009 witnessed a significant increase in the numbers of service providers (operators), especially the international telecommunication and voice services that depends on internet protocol. That, in addition to scaling up investment in building infrastructure networks based on the light fibers, and international access points, which contributed in creating new international capacities and reducing price rates.

Finally, TRC started to work on two important projects in the beginning of 2009 with high ranking European consultation companies; the first project is reviewing the telecommunication markets, while the other one is the building of interconnection modules using the (Long Run Incremental Cost / LRIC). The two projects are expected to be enforced during the year of 2010, the application of which shall have positive impacts in creating effective competition circumstances in the sector from one hand, and limiting the dominance effects on the other hand, all of that, comes in accordance with the international best practices in that respect.

3-2 Electricity Sector[1]

The Electricity sector in Jordan has developed greatly in the past decades, due to the government's efforts to undertake the mission of developing and operating the unified electrical system, thereupon, a feature of a monopolist nature dominated the market.

In the light of the economic shifts in the world and the kingdom in the last few years to restructure the economic sectors, including the electrical one, this sector has witnessed a limited competition represented by the competition of the market to enter into the generating electrical power sector. Whereas there are three power generating companies in the market, one of which is wholly owned by the government, as the work continues to have other companies in the power generating sector. One should take into consideration the long-term agreements for power purchasing signed by the aforementioned companies because it limits a shift to an easier competitive status.

Furthermore, the transference and distribution sectors carry the monopolists feature, three of the companies in the distribution sector are owned by the private sector for the time being, till the market is apt for more competition, and ensuring the availability of the infrastructure; measuring equipments, information technology and the required communication.

The Commission shall play a pivotal role in monitoring the market, and ensuring its readiness for more competition, as to recommend taking the initiative to the next level.

1 Source: The Electricity Regulatory Commission (ERC)

3-3 Transport Sector[1]

First: Land Transport

- Public Transport:

One of the most crucial goals the Public Transport Regulatory Commission (PRC) aims at the continuance encouragement of competition, and preventing monopoly in the sector. Whereas setting strategies and regulations is the optimal method as to stop speculation and illegal competition among bodies involved in all sections of public transport, thus, insuring the investor's rights, and supporting public transport services with high quality and at competitive rates.

The (PRC) pursues a healthy competition environment among investors by the hereinafter investments:

- Issuing licenses for (1) bus renting company, and a provisional acceptance for (16) companies.
- Adding (26) buses to the existing capacity of (25) medium cars for the rental companies.
- Issuing provisional acceptance for (2) offices in the line of renting luxury cars (Limousine).
- Issuing licenses for (2) International Transport Companies.
- Issuing a license for (Al-Ma'bar) taxi office.
- Issuing licenses for (5) tourist cars offices, and granting provisional acceptance for (16) projects concerned in building and operating (Al-Intelaq Al-Muwahhad) center for international transport at Um-Swinieh, with a budget of 6 million Jordan Dinars.
- A bid invitation was published for investment on the (Raghdan –Salt) route, for (23) buses.

- Road Freight Transport:

Competition is considered one of the most significant factors for success in providing the best services for land transport via trucks. The Ministry endeavors, through granting licenses for specialized transport service providers, to give way, to those who want to be part of this system. Consequently, the number of licensed companies for specialized transport amounted to (231) till the end of 2009.
Moreover, the Ministry shall work on setting the regulations required to perform the classification processes for transport companies and shipping agents, all for the purpose of achieving fair competition between companies involved in this kind of business.

Second: Air Transport

In compliance with the national strategy for the Air Transport Sector, which assumes the liberation principle, and provoking competition among Aviation Companies, in addition to attracting new investments, the Civil Aviation Regulatory Commission (CARC) is working on adding a new article concerning competition in requesting the agreements of Aviation companies to impose control on competition among these companies.

1 Ministry of Transport

As for the local aspect, *Regulations of encouraging competition between investors* was ratified, for the purpose of controlling competition.
Furthermore, the (CARC) updates, reviews, and improves the related economic regulation instructions as necessary. One of these instructions is the economic licensing system that aims at consolidating the controlling role over the Jordanian Aviation companies.
On the other hand, three companies for irregular aviation (Business level \Air taxi) were licensed, in addition to one regular aviation company. In the mean time, two companies are at the final stages for being issued a license, and six under licensing.
The Instructions for Licensing Regular Aviation Airlines were established as a mean for the regulation, and fair distribution of aviation companies. These instructions are used to monitor the licensing process, and operational performance of the airlines.
In regard of supporting Aviation services, the following instructions were updated; The special instructions of air shipping agents, the supervising agents of private and irregular plane services, in addition to announcing instructions for land handling a step that presented the chance for professional Land handling services companies to enter the market, thus liberate the land handling services in airports. Furthermore, the Instructions for Consumer Protection will be ratified during the first quarter of 2010 in conformity with the European model.

Third: Maritime Transport

Ships Registration:

Competition in registering ships, as there is a vigorous competition on the regional and international level to register ships under the national flag of those countries, considering the financial and economic benefits and profits on the economical status of the countries.

Instructive institutes for educating, training, and rehabilitating Captains:

There is a fierce Competition among the instructive institutions for attracting the Students and sailors (Captains, Officers, Engineers, and Mariners), for studying and training to obtain marine certificates between Jordan and other neighboring countries.

Supporting Marine Services:

Among these services: Marine inspections, marine maintenance, marine agents, shipping agents, and catering of ships.
There's also a strong competition at the international and regional levels, especially in providing marine shipping broker services and marine maintenance. The competition will increase upon completing the liberation of all marine transport services as per the agreement of the World Trade Organization.

Port workers and admission of Ships and goods:

There is increasing competition to attract the goods' ships (importing-exporting) between Aqaba port and other ports in Syria, Palestine and Saudi Arabia, large containers and general goods ships in particular.

Demand on using the empty spaces on ships for transporting goods by sea

The competition on this field is at the regional and international levels, especially goods shipped by containers.

Captains, officers, and marine engineers job opportunities to work on board of the commercial ships in the local and international market.

Due to the vast demand rates of marine capacities in the international market, the competition in the sub sector of marine transport is limited. Thereupon, there is a need for graduating new classes of mariners (Captains), officers, marine engineers and sailors. Whereas studies conducted by The *International Marine Organization* and the *International Union for mariners* indicate that there is a raid shortage of the number of mariners at the international level, and that this shortage threatens the Marine transport industry, Commercial ships administration and operation is particular, a matter that may reflect badly on the effectiveness of the marine transport, trade, international economy, safety and security of marine environment.

3-4 Banking Sector [1]

A good banking apparatus should encompass a healthy competition among its banks. In the past five years, the Jordanian banks sector has witnessed a great improvement in the competition rate in the banking sector. There is a high competition rate among the institutions in the Jordanian banking apparatus, (which means, there is no concentration of assets in few banks). To measure the competition rate, the government adopts the "Herfindahl Index" which is considered as the optimum index. Thereupon this Index has shown a tremendous improvement in the level of competition in the Jordanian banking apparatus. By the end of 2003, the Index decreased from (1332) points to (1072) points by the end of 2009. It should be noted that competition among the banking institutions will increase when the indicator of this Index reaches (1000) points or less.

As a result of the rapid developments and changes in the quality of banking services presented by the banks, and entrance of new banks into the banking market in 2004, the level of competition has increased among the Jordanian banking institutions to present modern banking services and develop the existing ones. Knowing that the Central Bank of Jordan has issued three licenses for new banks (two of which are Islamic banks), where Islamic bank of Dubai has started operating on the 3rd of January, 2010 and it is expected that the other two banks to start operating during 2010 and this in turn will reflect positively on enhancing the level of competition within the banking sector.

In this regard, the Central Bank of Jordan continued to adopt the most updated international standards in the field of banking audit, a matter that enhanced the competition among the banks locally and internationally, and protected and strengthened their financial status. There is an increasing interest in certain fields as, risk management, audit, internal control, control of money laundry, and terrorism financing, in addition to implementation of corporate governance principles.

Moreover, the Central Bank has contributed in updating and issuing lots of instructions and guidelines to increase the competition among the institutions of the banking sector. It has also ordered the banks to publish their financial statements as per the International Standards of Financial reports as of 31 December 2007. The Central Bank believes that this move would enhance transparency and increase the investors' confidence in the institutions of the banking sector, and enable these institutions to compete locally and internationally.

Since October 2008, the Central Bank of Jordan has taken many monetary and banking measures to deal with the repercussions of the global economic and financial crisis, and strengthen confidence in the national economy. The most notably was the interest rate cut on the window of deposit with the

1 Source: The Central Bank

Central Bank and the proportion of mandatory cash reserve several times each so that they reached the rate of 2.5% and 7%, respectively. The Central Bank of Jordan injected liquidity into the national economy by ceasing the issuance of certificates of deposit, in addition to the procedures for allotment and classification of debt and legal liquidity.
The Central Bank of Jordan is issuing a report on the stability of the financial sector in 2009, which comes after the first and second report for the years 2007 / 2008 respectively. This report aims to provide a complete and accurate database on all aspects of the financial sector, which enhances the level of competition between the institutions of the banking apparatus in Jordan.

Consequently, the Central Bank has adopted the new capital standard "Basel II" at the end of the first quarter of 2008, by which its application would yield fundamental modifications in the banking activities in Jordan. Under these new standards, the banks will have to price their products depending on the potential risks. The bank at the time being is in the final stages for issuing the second instructions supporting "Basel II"
These modifications will contribute to increase the solidity and soundness of the banks in Jordan by developing their risk management systems, enhance the corporate governance, and enhance their ability to compete locally and internationally.

3-5 Commercial Sector[1]

Under the economic laws and regulations and the regulation of the commercial sector, which includes tens of thousands companies and individual facilities, all these institutions are now able to live harmonically in a competitive climate and open market that is free from any investment conditions or procedural or monopolistic restrictions.

The commercial sector in Jordan is remarkable in the field of foreign trade, as there is not administrative or custom restrains imposed on the process of importing. In addition to the fact that most of these laws and regulations are promoting exportation, a matter that led to a continuous increase in the foreign trade, free transference and trade of goods and services. Consequently, the local markets were supplied with all kinds of goods and services.

Concerning the local market, the internal trade now enjoys the free commercial investment in all country areas, where various types of goods are sold in a much easier way in a fair competitive climate away from any sort of monopoly. In addition to that, this Sector enjoys a free pricing system that is subject to the market mechanisms of demand and supply. Thus the liberated prices tend to increase and decrease according to the cost and market mechanisms.

Furthermore, last year carried a great economic challenge for many countries of the world, whereas the unexpected rise in the oil prices, merchandise and primary materials has affected the life conditions of citizens at those countries, the poor and less developed countries in particular.

Despite the implications and negative effects of the global financial crisis on the international economy but the national economy in Jordan has not received those blows that were received by most of the economies of the world. On the contrary, the national economy has been affected more positively than negatively. As a result of this crisis, a significant savings for imported oil bill to the kingdom, and saving in the value of commodity imports, which led to a decline in the deficit in the trade balance. In addition to low inflation rate and high reserves of the Central Bank of foreign currency. All gratitude is to the policies and reform programs and actions taken by the government

1 Source: Chamber of Commerce

owing to the directives of His Majesty King Abdullah II.
During the preceding year, Jordan Chamber of Commerce has assumed its role as one of the leading institution in the civil and economic society, as to go on with its pioneering role in leading the commercial sector in the kingdom towards achieving the goals and purposes of the Chamber, and the national, social, and economical developmental process. It is reflected in all economic activities and performance of the Jordan Chamber of Commerce, which includes all the 16 Chambers of Commerce in the Kingdom distributed in all cities and regions by adding Jordan to the commercial sectors.

The focus of attention of Jordan Chamber of Commerce is to take care of all affairs of the commercial sector in the Kingdom and give attention to various issues that is relevant to this sector and is working to strengthen its role in the economy and development. The chamber continued its activities at a high momentum coping with the economic activity movement in the Kingdom. It maintained the process of cooperation and coordination with the government and in particular with the Ministry of Industry and Trade and other government agencies. Also, the chamber continued to enhance the activity of the commercial sector locally and abroad, and contributed to the promotion efforts to invest in Jordan and the definition of the investment climate.
We believe that the momentum of economic growth will continue at an accelerated pace, building on the achievements during the past year as the Jordan Chamber of Commerce will continue to intensify its own efforts, and cooperation with the Government, private sector institutions to implement the directives of His Majesty the King and achieve aspirations and ambitions, in order that Jordan remains an oasis of safe, enjoy security, stability and all supplements to attract investment.

In addition to what has been previously mentioned, some of the competitive properties of the commercial sector in Jordan are as follows:

- The government is only responsible for monitoring, supervising, and regulating the commercial sector, and that includes coordination with the Chambers of Commerce in Jordan.
- The Jordanian Commercial Sector is well organized, as it largely depends on modern and updated laws and regulations and keeps pace with the international developments in this regard.
- The development of the commercial sector in Jordan has turned Jordan into a significant transit point through its free zones, ports and border points.
- Consolidate the genuine partnership between the public and the private sectors, in order to promote the competitiveness of the national economy, make the best use of its qualities, and widen the foundation of commercial partners, which would definitely mirror positively in upgrading the welfare of the Jordanian citizens.
- The Commercial Sector is organized by the Chambers of Commerce that are spread in all areas of the Kingdom, and which supervise the Sector and make efforts to protect the interests of their members, in addition to the realization of the national objectives of the economic and social development.
- The Commercial Sector is struggling with a problem concerning the Civil Service Consumer Corporation and Military Service Consumer Corporation, as they sell goods directly to the consumers. The other problem is the traveling salesmen and unlicensed barrows that are found in many provinces of the kingdom, that matter that may create a unfair competition in the Sector.

- Exploiting the Arabic Free Trade Agreement in regard of providing goods and commodities at competitive prices, due to the low cost of energy and transportation in comparison with the other countries.

- Promoting the competitiveness of the national product by performing campaigns, the subject of which is to encourage the Jordanian consumer to trust the national products.

- Lowering the debts in the commercial budget by reducing the kingdom's imports, taking into consideration the importance of producing alternative national products. These procedures could be done, provided that the government takes motivational measures for national industry, such as providing financial and taxes facilitations.

- Resort to alternative power sources of oil shale and uranium, which could contribute in reducing the petrol fees, and boost national industry.

3-6 Industrial Sector[1]

The Competition Law contributed in the development of the Jordanian Industry, where the key principles of industry are free trade, fair competition, and preventing monopolization. Due to the fact that the Law guaranties these principles, the number of factories in Jordan is increasing rapidly, and a large number of investors are interested in investing in the industrial sector in Jordan, a matter that confirms the importance of this Law, and the need to spread awareness of its provisions and principles, considering that it's a relatively new law.

The Ministry of Industry and Trade represented by the Competition Directorate had the biggest influence in promoting awareness about this Law among bodies involved in industry. On the other hand, the increasing number of reviewed cases at the Directorate is also a genuine effort on the Directorate's part to educate concerned authorities with the Competition Law. In this regard, the Directorate dealt with 66 cases during the year 2009, compared to 49 cases during 2008.
In its continuous efforts to spread the Competition culture, Jordan Chamber of Industry promoted a special campaign to inform concerned authorities about Competition Law and culture in 2009, it did so by distributing booklets that demonstrates the Law in a plain way. Jordan Chamber of Commerce intends to hold seminars for the same purposes.

3-7 Consumer Protection

From a bird's eye's view, one of the features that distinguished the Jordanian market today is the large quantities of goods and commodities, and the diversity of its quality and prices, which is a result of its different sources. Thus, giving the consumer the opportunity to get what he needs based on his requirements and his purchase potentials.

When considering the development of the Jordanian industry, the increasing number of traders, the normal and abnormal population growth, and the massive geographical area, raises the urgent need for adopting techniques and regulations to prevent monopolization and enhance competition.

Whereas the commercial competition is considered an essential element in the market economy, one that brings real results for the consumer. Those results we've seen so far in terms of reducing prices, enhancing services in the Telecommunication sector in Jordan, in addition to the price rates at grand

1 Source: Jordan Chamber of Industry

malls.

It is expected that we would be able to witness this kind of change in the cement prices, shortly after allowing the products of other plants in the market. The same here for regular restaurants, and furthermore, for oil, and yoghurt products, the later did not witness any change so far due to the union of yoghurt distributors along with other reasons.

On ground of the above mentioned, we conclude the following:

- The competition is rendered null upon the existence of agencies and exclusive concessions which lead to monopoly, the government on the other hand should not be obliged to ensure protection by preventing other parties of the production and importation of goods covered by exclusivity because it will also lead it to monopoly, as is the case in the production and distribution of electricity and oil refinery. There is also a legislative mechanism to suit fully with the law of the open market and the requirements of globalization that protects the purchasing power of citizens and provides a variety of services. A mechanism that prevents monopolization and encourage competition, by which it prevents any company or trader from monopolizing the distribution of a commodity or a service.

- The competition is rendered null upon the existence of different monopolistic practices, among which are the monopoly on the distribution of certain commodities and determine a fixed price, and reduce the flow of products to the market, storage and refrain from selling it and the withholding of competitive products from institutions and other companies, adhere to production and marketing operations and sharing the market between producers and distributors, either geographically or by customer and collusion between competitors, offer or non-submission of procurements and the dissemination of inaccurate information about products' prices and even fictitious transactions in the financial market, all these practices exist are present in the Jordanian market.

- The commercial competition is rendered null upon the presence of the idea of establishing a national company with contribution of the government for the distribution of essential materials to the citizens; such an idea will have no active role in serving the purpose for which it was established. That would be due to the lack of flexibility and speed in decision-making and the existence of long term mechanisms, in addition to forcing citizens to pay unnecessary expenses.

- Reducing the bank interest rates to borrowers on the basis of benefits for one night between the banks, plus certain margin of profit.

- The Consumer Protection Law allows that there is one association in each province to defend the rights of citizens which leads to monopolizing the defense of consumer's rights and awareness to one association, which is a contradiction with the concept of market economy, where it is obvious that the increase in association pressure leads to increased control and competition in providing services to consumers.

- Some monopolistic companies may charge the consumer with additional fees that are obviously hard to calculate. As is the case in the production and distribution of electricity as they charge the consumer prices of columns and cables, the consumer also provides space for a generator which is not compensated for the rent as is the case with telecommunications companies.

- Encourage investors for investing in projects carried out by a few, in order to create real competition among them and to combat factionalism and communities through Jordan Investment Board.

- Creating an official website, or an official newspaper that provides consumers with an indication of prices, quality and their substitutes and offers, appended with directions or advices from the Institution for Standards and Metrology to educate citizens to be able to judge the actions of producers, importers and distributors, thus the consumer becomes the first monitor for the market mechanisms.

- The reduction of customs duties on inputs of local industry and reliance on cheaper alternative sources of energy for the purposes of industry to enable the local industry to compete and thus bring added value to the national economy.

- The expansion of trade agreements leading to the continued flow of financial aid and achieving sustainable peace.

- Adopting the goals of the World Trade Organization by the Ministry and the development of policies and activities to achieve these goals.

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Annex No.: (2)

Complaint of the Jordanian Institution for Industrial Supplies Against Al-Fateh Company for Industrial Equipments

August 2009

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Introduction

Jordanian Institution for Industrial Supplies submitted a complaint by virtue of Letter JIE2009/6/0032 dated 14.06.2009 at the Ministry of Industry and Trade / Competition Directorate against Al-Fateh for Industrial Equipments Company regarding the violation of the Provisions of Competition Law by selling products at price less than cost.

In case of proving the aforementioned, this complaint shall include a violation to Article (6) concerning abuse of dominant position and / or Article (8) selling below cost (practices against the integrity of commercial transactions)

Parties of the complaint

The complainant: Jordan Institution for Industrial Supplies as founded as an individual institution on 02.08.1983 under number (33131) with a capital amounting to (10,000) JD and is engaged in import and trade of the industrial equipment as partner's shares are divided as follows:

Owner	Capacity	Nationality	Share/Dinar
Raghda Muhammad Ali Al-Rajal	Individual institution	Jordanian	10,000

The Complained against against: Al-Fateh for Industrial Equipments, Wesam Al-Lahham and Yazeed Al-Shalash Company under trade name (Al-Fateh for Industrial Equipment) is founded as joint-liability company on 26/1/2009 under no.: (93266) with a capital of (5000) JD and engaged in the trade of industrial equipment and tools, as partners' shares are divided as follows:

Partner›s name	Capacity	Nationality	Share/Dinar
Yazeed Jacob Daoud Shalash	Acting	Jordanian	2.500
Wesam Ali Mustafa Al-Lahham	Acting	Jordanian	2.500

Legal Status of the Complaint Contents

The complaint filed against Al-Fateh for Industrial Equipments includes (from the viewpoint of the complainant) a claim of selling below cost whereas this is a violation to the Provisions of the Competition Law No. (33) of 2004.

Through the above, we find that Competition Law has treated the case of selling at price below cost in two places as follows:

1. Violation to the provisions of Article (6) of the Competition Law, in this case the defendant is required to enjoy a dominant position in accordance with the definition of dominant position in Article (2) of the Competition Law.

2. Violation to the provisions of Article (8) of the Competition Law in terms of selling below cost, in such case, the defendant is not required to be in a dominant position for applying content of the law.

Accordingly and for verifying that the defendant has practiced what have been mentioned above, it is

necessary to carry out economic studies to show the following:

1- Selling at price below cost.
2- In case of selling less than cost, it is necessary to verify if the defendant enjoys a dominant position.

Facts

1. Jordan Institution for Industrial Supplies (Complainant), by virtue of Letter no.: JIE2009/6/0032, dated 14.06.2009, submitted a complaint before the Ministry of Industry and Trade / Competition Directorate against Al-Fateh for Industrial Equipments (the complained against) claiming that the complained against party had sold products of (Makita) Brand of industrial devices (as the complainant is a commercial agent for the Makita Gulf Co.) at a price below cost by which the complainant was affected with massive losses.

2. Complainant submitted purchase invoices relating to its imported Makita products from the United Arab of Emirates and customs data on these invoices.

3. The practice of selling below cost (in this case), if it is proved, shall constitutes a violation to the Provisions of Articles (6 / b) and (8 / b / 1) of the Competition Law, which is stipulated as follows:
Article (6 / b):
An Enterprise with a Dominant Position in the local market or a significant part thereof is prohibited from abusing this Dominant Position in order to prevent, limit or weaken competition including the following:
b- An activity or action which leads to setting barriers of entry of other enterprises to the market, or their elimination there from, or their exposure to gross losses including loss selling.
Article (8/b/1):
Prohibiting any institution to re-sell a product at price less than the real purchase price plus taxes, fees imposed on the product and transportation expenses, if any, if that aims to breach the competition “)

4. To verify the correctness of allegations submitted by Jordanian Institution of Industrial Supplies, the Competition Directorate had proceeded the investigation procedures upon receiving the complaint and visited AL-Fateh for Industrial Equipments Company, where meeting was held with Mr. Yazeed Shalash who stated the following:

• Mr. Yazeed Shalash was asked about the complaint above and the fact that Al-Fateh Company had sold products of (Makita) brands at prices less than the cost according to the claim by the plaintiff institution, to which he replied that his company imported items of (Makita) brand from Turkey and not purchased from the local market, as they make good profits by doing so without selling at a price below cost.
• Mr. Shalash was requested to provide the Competition Directorate with purchase invoices and customs statements and bills of lading for the products of the brand above as well as bills of sale.
• AL-Fateh for Industrial Equipment Company has provided the Competition Directorate with purchase invoices, customs data for the invoices, bills of lading and sales invoices.

Economic Survey

By studying and analyzing the bills of purchase and selling of Al-Fateh Company for Industrial

Equipment, it is shown the following:

- Al-Fateh Company bought products of (Makita) Brands from Turkey not from the local market, and therefore, the study of the cost incurred by the company shall be made by the purchase and shipping invoices from Turkey in addition to customs data for these bills, and then compare the costs with the prices of sales through sales invoices issued by the company.

- Upon calculating costs of the products of (Makita) brands as per purchase invoices, bills of lading and customs data of Al-Fateh Company and comparing same with sale prices for the same products, it is founded that:

List of costs and sales prices for (Makita) Brand according to Al-Fateh Company for Industrial Equipments				
Profit Rate %	**Profit**	**Sale Price**	**Cost price plus transportation in Dinar**	**Item No.:**
x	X	34.482	x	6413
x	X	51.724	x	HP1630
x	X	137.931	x	2414NB
x	X	86.260	x	GA9020
x	X	125.000	x	N5900B
x	X	43.103	x	4327
x	X	31.034	x	HL500
x	X	68.965	x	GA9020
x	X	47.414	x	HP1620
x	X	103.450	x	BO4901
x	X	103.448	x	MAKITA LS1040
x	X	94.828	x	HR2470
x	X	172.414	x	LS1040
x	X	38.793	x	MGA451

It is noted that Al-Fateh Company sells products branded (Makita) at prices to achieve good profits for all items, which means that the company has not sold products below cost, contrary to what has been claimed by the Jordanian Institution for Industrial Supplies.

Legal Study

Jordanian Institution for Industrial Supplies submitted a complaint before Ministry of Industry and Trade / Competition Directorate against Al-Fateh for Industrial Equipment Company claiming that Al-Fateh for Industrial Equipment Company had sold products at a price below cost.

Practice of selling below cost is considered (in this case) to be a violation of the Provisions of Articles (6 / b) and/or (8 / b / 1) of the Competition Law, which stipulates that:

Article (6 / b):
An Enterprise with a Dominant Position in the local market or a significant part thereof is prohibited from abusing this Dominant Position in order to prevent, limit or weaken competition including the following:
b- An activity or action which leads to setting barriers of entry of other enterprises to the market, or their elimination there from, or their exposure to gross losses including loss selling.

Article (8 / b / 1):
(The resale of a product as is at a price below its actual purchase price plus the taxes and charges and transport costs applicable thereto, if any, is prohibited if the purpose of such a sale is to limit competition.

Upon the results of economic analysis for the costs and selling prices for the (Makita) Brand products, it is shown that Al-Fateh Company sells products of (Makita) Brand at prices to achieve good profits for all items, which means that it has not sold below the cost, in other words, the complained against party has not violated the Provisions of Competition Law No. (33) of 2004.

Study Results

Upon comparing the import prices of the complained against (Al-Fateh for Industrial Equipments Company) with sale prices, it is shown that such company made profits from all (Makita) Brand items sold, which means that no sale made below cost.

Recommendations

By the investigations and the study, it is proved that Al-Fateh for Industrial Equipment Company has not sold items of (Makita) Brand at price less than the cost and violated no Provisions of the Competition Law no. 33 of 2004, therefore, the study recommends to:

1. File the complaint due to no violation proved against Al-Fateh for Industrial Equipments Company to the Provisions of the Competition Law No. (33) of 2004.
2. Address parties concerned to the complaint to inform them about the study results.

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Annex No. (3)

Complaint of Hekmat Yassin Sons Co. against Abu-Taweela Investment Group

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Complaint Summary

*Complainant:
Hekmat Yassin Sons and Partners Co., is a company with limited liability exists under no. (14349), and a registered capital of (1.370.000), which was founded on 23/5/2007, where the head office is located in Amman, and is engaged in wholesale and retail trade of electrical and electronic devices.

*Complained against:
Abu-Taweela Investment Group Company, a limited liability company under no.: (8451) with registered capital (2,000,000) on 13/01/2004 whose office is located in Amman and is engaged in wholesale and retail trade in electrical and electronic devices.

*Subject of the complaint:
The complained against party had sold Samsung plasma screen PS42B430 and Samsung LCD LA32B350 screen with below-cost prices for limiting the competition.

Facts

* On 01.11.2009, Hekmat Yassin Sons and Partners Co. submitted a complaint against Abu-Taweela Group claiming that on 24/10/2009 the complained against published an announcement in Al-Waseet Newspaper for selling Samsung plasma screen PS42B430 with price of 555 JD in its exhibitions and Safeway exhibition in Amman, knowing that this price, according to the plaintiffs claim, is less than the cost.

* on 11.11.2009, Hekmat Yassin Sons and Partners Company also submitted a complaint against Abu-Taweela Group, claiming that complained against published an announcement in Al-Waseet Newspaper on 31/10/2009 for selling LCD LA32B350 with price of 377 JD in its exhibitions and Carrefour Exhibition in Amman, knowing that this price, according to the plaintiffs claim, is less than the cost.
* Actions have been initiated to investigate the complaint, whereas Hekmat Yassin Sons and Partners Company is addressed under Letter number (24/1/1/34267) dated 07/11/2009 to provide the Ministry / Directorate of Competition with the following statements:
1. Purchase (cost) and sale invoices of Samsung plasma screen (PS42B430) provided that these invoices show the specifications of the screen in question.
2. A copy of the announcement published in Al-Waseet Newspaper on 24/10/2009 regarding the sale of Samsung plasma screen (PS42B430) with price of 555 Dinars.

* Hekmat Yassin Sons and Partners Co. replied by virtue of Letter No.: (2009/11/HY/CM/36) on 9 / 11 / 2009 by providing a sale invoice of Samsung plasma screen (PS42B430) issued by (Samsung)) Company through its regional office to Abu-Taweela Group, as well as a copy of the announcement published in Al-Waseet Newspaper on 24/10/2009 in respect of sale of Samsung plasma screen (PS42B430) with price of 555 Dinars.

* Samsung Company / Jordan replied under the letter (without number) Dated 10/11/2009 by providing a sale voucher of Samsung plasma screen (PS42B430) issued by the Parent Company of (Samsung) to Abu Taweela Group Company.
* Hekmat Yassin Sons and Partners Co. replied under letter No. (2009/11/HY/CM/53) dated 16/11/2009 by providing the pricing mechanism of Samsung plasma screen (PS42B430).

* The staff of the Ministry / Directorate of Competition visited Abu Taweela Investment Group Company on 18/11/2009, where an investigation about the complaint has been carried out with both Financial Director and Director of Sales of the Company that they were signed undertaking to deliver purchase invoices of screens and the customs statement.

* Abu Taweela Investment Group replied under letter no.: (without number) dated 3/12/2009, where it stated that:
1. On 16/7/2009, the Group imported screens from Samsung with a total cost of (800) thousand U.S Dollars, but it was surprised that the same Samsung Company has sold the same items and goods on the same date on the same ship to Hekmat Yassin Sons Co. at price with less 25% of the selling price.
2. As result of the above, Abu-Taweela Group Company liquidated the business and products related to Samsung to reduce losses, especially since the group had become an authorized agent for the products of Philips (PHILIPS) Electronics / Middle East in Jordan which such company deals with the same products of Samsung.
3. The response by Abu-Taweela Group included a copy of a letter by Philips (PHILIPS) to inform the group as of 15/11/2009 to be the authorized agent for their products (electric and home appliances and multimedia).

Legal Status of the Complaint Contents

The practice mentioned in the complaint (in case of proving same) is considered a violation to the integrity of commercial transactions and contrary to the Provisions of Article (8 / b) of the Competition Law No. (33) of 2004, which stipulates that:

Article 8
B-1- The resale of a product as is at a price below its actual purchase price plus the taxes and charges and transport costs applicable thereto, if any, is prohibited if the purpose of such a sale is to limit competition.
2- For the purpose of this paragraph, the actual purchase price shall mean the price set in the invoice after deduction of the discounts specified in the same invoice. The aforementioned restriction shall not apply to perishable goods and allowed reductions on sales for the purpose of liquidation of a business, or to restock at lower prices.
Accordingly and for the purposes of verification if Abu-Taweela Investment Group Company had practice that have been stipulated above and for determining the Article that has been violated (in case of proving practice), it is necessary to conduct the economic study to indicate the extent of the occurrence of the sales less than the cost.

Economic Survey

Abu –Taweela Company operates since more than nine years as an authorized agent for Samsung Company, a South Korea company specialized in manufacturing electronics to be the first name of Korea Group in the industry that founded in March 1st, 1938 in Daegu.

The group is distributed in several offices in 58 countries and employs more than 254 000 workers. This company is engaged in research and sale of semiconductor equipment, telecommunications, home-electric, computer screens and large visual screens.

To investigate the violation to the provisions of Competition Law in terms of sales at less than cost, it is required to study the cost of offers that the products in question are imported, thus, the cost of offers mean all costs incurred to import the product from the country of origin till selling to the final consumer. Therefore the costs would include the cost

of product in the country of origin, shipping costs, customs duties, sales tax, transport costs and costs (overhead) of storage and distribution and other costs.

The Directorate visited Abu Taweela Group Company which provides copies of purchase invoices of two plasma screens (42) and LCD (32) from the country of origin and a copy of the customs statement in order to analyze and compare same with sale rates, as the following table shows the costs of two plasma screens (42) and (32) from the country of origin till arrival at the company's warehouses:

Costs[1]	PS42B430PXS	LA32B350F1XSV
Price in dollars	X	x
Price in Dinar	X	x
Freight charges and insurance	X	x
Cost before customs duties	X	x
Customs duties (21%)	X	x
Cost including customs duties	X	x
Sales tax (16%)	X	x
Cost including sales tax	X	x
Transport from Aqaba	X	x
Cost including transport	X	x
OVERHEAD Costs (10%)	X	x
The cost of the screen	X	x

To illustrate the practice of selling at price less than cost, costs mentioned in the table above shall be compared with the offers prices, if it is found that the sale price is higher than the cost, it means that the company achieves profits and thus no practice for sale less than cost, otherwise, loss selling and therefore the company practices selling at less than cost.
Thus, by comparing the prices of offers for screens, subject of the complaint with its costs, it is clear that the Abu Taweela Group has sold less than the cost as the following table shows this.

Screen	Offer Price[2]	Cost	Loss
PS42B430PXS	555	x	X
LA32B350F1XSV	377	x	X

Abu Taweela Group had sold less than cost by selling screen (42) at price less than cost by (x) Dinars, and sale of a screen (32) at price less than cost by (x) Dinars, therefore, the practice above is a violation to the provisions of the Competition Law if it is proved to limit the competition in the market.

1 Import screen vouchers and customs statements/ Abu Taweela Group Company – Financial Director and Sales Manager

2 Source/Al-Waseet Newspaper/No. 530-24.10.2009 & No. 531-31.10.2009

Legal Survey

By applying the Provisions of Competition Law to the facts and according to what is stable by:
1. Purchase invoices of the complained against (Abu-Taweela Investment Group) of Samsung plasma (PS42B430) screen and Samsung LCD (LA32B350) from Samsung (Samsung) on 16/7/2009.

2. The customs statement number (20 857) dated 13/8/2009 for the screens imported by (Abu-Taweela Investment Group) Company and exported by Samsung Company - Malaysia.

3. Advertisement published in Al-Waseet Newspaper 24/10/2009 no. (530) dated 24/10/2009 for selling Samsung plasma screen PS42B430 at price of 555 Jordanian Dinars in its exhibitions and Safeway Exhibition.

4. Advertisement published in Al-Waseet Newspaper no. (531) dated 10.31.2009 for selling Samsung LCD LA32B350 screen at price of 377 Jordanian Dinars in its exhibitions and Carrefour exhibition.

5. Bills of sale of the screens from Samsung Company, dated 16/7/2009.

6. A letter addressed by PHILIPS Electronics / Middle East, a company that deals with the same products of Samsung, to inform the complained against (Abu-Taweela Investment Group) to be its authorized agent for its products (electric and home appliances and multimedia) as of 15/11/2009.
We find that the complained against (Abu-Taweela Investment Group) had sold at price less than cost of the Samsung plasma (PS42B430) screen and Samsung plasma (PS42B430) to liquidate its business and products with Samsung in order to reduce losses and due to appointing it as authorized agent for their products (electric and home appliances and multimedia) for PHILIPS for Electronics / Middle East.
Thus, the practices by the complained against shall constitute no violation to the Provisions of the Competition Law No. (33) of 2004 by virtue of the Provisions of Article (8 / b / 2), which stipulates that:
(The aforementioned restriction shall not apply to perishable goods and allowed reductions on sales for the purpose of liquidation of a business, or to restock at lower prices).

Results

1. (Abu-Taweela Investment Group) sold below the cost by selling plasma screen (42) at price less than cost by (x) Dinars and LCD screen (32) at price less than cost by (x) Dinars.
2. The products that are imported by (Abu-Taweela Investment Group) are products of rapid development technology and that the retention of a large inventory of these products shall form a loss to the company.
3. (Abu-Taweela Investment Group) has signed partnership agreement with PHILIPS Electronics / Middle East to be an authorized agent for the products of Philips Group as (Abu-Taweela Investment Group) Company decided to neglect the agency by Samsung Company.
4. The practice of selling at price less than cost by (Abu-Taweela Investment Group) aimed to spend its stocks of products branded Samsung including the screens subject of the complaint and to not harm the competition in the market.
5. The practices by the complained against shall not constitute a violation to the Provisions of Article (8 / b / 2) Competition Law No. (33) of 2004, the fact that sales were less than the cost in order to renew the stock.

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Annex No. (4)

Opinion on the Process of Economic Concentration Glaxo Smith Kline (GSK) And UCB SA Company (UCB SA)

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Introduction

Office of Ali Sharif Al-Zu›bi – Advocates and Legal Advisers requests the advice of the Ministry of Industry and Trade - Competition Directorate regarding the issuance of view about the purchase process that its principal, Glaxo Smith Kline Trading Services Ltd. (GSK) intended to complete, representing by purchasing certain assets, intellectual property rights and foreign sub non-Jordanian companies from UCB SA Company (UCB SA) that associated with the distribution and marketing for certain products owned by (UCB) Company whether the process constitutes an economic concentration and requires the approval of the Minister of Industry and Trade in accordance with Article No. 9 (b) of the Competition Law no. (33) of 2004.

Companies Involved in the Process

• Glaxo Smith Kline Trading Services Ltd.:
Irish Company engaged in the preparation, sale and distribution of pharmaceuticals and health care for the consumers around the world.
• UCB SA Company:
Belgian Company working in the field of biological medicines and specialized with drugs of central nervous system disorders, cancers, infections, allergies and respiratory tract.

Nature of the Process

• The process involves that Glaxo Smith Kline Trading Services Ltd. (GSK) purchased a certain assets, intellectual property rights and foreign sub non-Jordanian companies from UCBSA Company that engaged in the distribution and marketing for certain products owned by (UCB) Company and that as follows:

Branch	Country	Total Shares	Shares sold	%
UCB Pharma ltd	Hong Kong	570000	570000	100%
UCB Pharma Asia Pasific Sdn. Bhd	Malaysia	500000	500000	100%
UCB Philipiens	Philippine	125000	125000	100%
Schwarz Pharma Philipiens Inc	Philippine	7662600	76626	1%
UCB Singapore Private Ltd.	Singapore	250000	250000	100%
UCB (Taiwan) Ltd	Taiwan	8000000	8000	0.10%
Fipar (Thai) Ltd	Thailand	100000	1000	1%
UCB Pharma (Thai) Ltd.	Thailand	2000000	9805	0.49%

• This process involves the full transfer of ownership of four subsidiary companies to Glaxo and purchase small shares in other companies.

• This process enables (Glaxo) Company to directly control the four sub-companies.
Therefore, this process[1] constitutes economic concentration, in accordance with the Provisions of

1 Process of purchasing four companies in full.

Article 9 (a) of the Competition Law No. (33) of 2004[1].

Mrarket Shares

For the purposes of showing whether the process of the economic concentration between the (Glaxo) and (UCB) Companies requires the approval of the Minister of Industry and Trade to be completed or not, it is necessary to study the market shares of both companies in the market concerned.

1. The market concerned[2]: the market concerned for the study shall be determined according to the commodity and geographic dimensions.

- Commodity Dimension:
  with regard to the process of economic concentration in question, we find that both companies are engaged in manufacturing and marketing human drugs, that the companies involved in the process had provided a list of the drugs that deal with which are classified to groups according to its use in accordance with the International Classification (IMS), so these groups shall be adopted as commodity dimension in the market.
- Geographical Dimension:
  The process of economic concentration shall be executed between companies practice its commercial activity on the global level and have a trade business in the local market of Jordan, as the Competition Law is concerned with all the activities of production, trade and services in the Kingdom as its provisions include any economic activities take place outside the Kingdom and effects may be raised within, therefore, Jordanian market shall be accredited as geographical dimension in the study.

2. Market Shares:
Commodity Dimension for the market is determined with the commodity “groups of drugs that produced and distributed by companies involved in the process” whereas the Jordanian local market is considered a geographical dimension for the study and for examining the impact of process on the Jordanian market, market shares for products that will be affected by the process (groups of drugs that are imported by both companies) shall be studied.

Companies involved in the process submitted the information related to its market shares in the Jordanian market as defined by (IMS) Company[3] as follows:

ATC-I	GSK Market Share	UCB Market Share	Market Share after Merge
Respiratory drugs R	% x	% x	% x
Nervous system N	% x	% x	% x
Cardio-vascular System C	% x	% x	% x

1 Competition Law No 33 of 2004 defines the economic concentration ““ Any activity resulting in the full or partial transfer of ownership of or interest in property or rights or shares or obligations of an Enterprise to another, and which may enable an Enterprise or a group of Enterprises to control, directly or indirectly, another Enterprise or group of Enterprises”.

2 Article 2 of the Competition Law no 33 of 2004 defines the market as: The product or service or all products or services which are, in view of their price, characteristics and uses, interchangeable and mutually replaceable to meet a particular need of the consumer in a particular geographical location wherein compatible competition conditions exist.

3 A global company is specialized in the field of statistic information related to the medicine industries.

The table above shows that the market share of companies involved in the process will not be increased in the market concerned on the process of concentration whereas it shall not exceed 40% after the completion of the process.

Impact on Competition

- Companies involved in the process exercise their commercial and production business outside the Kingdom whose products are imported to the Kingdom by its authorized agents and the production companies shall not intervene in determining the price in the local market, and thus the impact of process on prices will be limited, especially, its market share of drugs within the concerned market is reduced.
- The process does not include any prohibition on any of the companies with respect to other company's continuity to work in the market, and thus the freedom to entry to and elimination from the market was not affected by the process.
- It is seen through the locations of companies involved in the process that it aimed to find marketing channels for the merging company in East Asia whereas the target market was not within the Kingdom or the Middle East, which means that the impact of this process on the Jordanian market is limited.
- It is clear that the impact of this process on the local market will be limited and would not change prices or create obstacles before entry to the market.

Results

- The process of purchasing for number of subsidiaries of the (UCB) Company to be wholly owned by Glaxo is a process of economic concentration, in accordance with the Provisions of Article 9 (a) of the Competition Law No. (33) of 2004.
- Total market shares of the companies involved in the process of economic concentration in question does not exceed (40%) of the total transactions in the market concerned.
- This process does not achieve or support a dominant position in the market and will not result in adverse effects on competition in the domestic market.

Abstract

The process of economic concentration in question does not require the approval of the Minister of Industry and Trade to be completed in accordance with the Provisions of Article 9 (b) of the Competition Law No. (33) of 2004.

Annex No.: (5)

Opinions on Economic Concentrations Processes

American Life Insurance Company and American International Group

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Introduction

Jacob Mouse Firm for Law, Arbitration and Consultations requested the advice of the Ministry of Industry and Trade - Competition Directorate regarding the issuance of point of view explaining the ongoing developments of its principal, the American Life Insurance Co. (ALICO) and its mother Company American International Group (AIG) as if they constitute the process of the Economic Concentration, and require the approval of the Minister of Industry and Trade in accordance with the Article (9 /B) of the Competition Law No. (33) for the year 2004.

Companies Concerned with this Process

- American Life Insurance Co. (ALICO):
  A subsidiary U.S.A Company of the American International Group AIG and represented in Jordan through its branch registered with the Companies Department under No.:5 of 1963 to work as a foreign company branch engaged in life insurance and personal accidents.

- American International Group (AIG):
  American International Group AIG is the largest insurance companies in the world and ranked to be 35 in the category of the largest global companies, was established in 1919 and its current head office is New York City with Group›s total assets 1050 billion dollars distributed to 130 countries around the world and work in many activities such as (Life Insurance - Car Insurance - insurance against injuries - facilities, properties and assets insurance - real estate lending and financial services - investment in aircraft, real estate, ports, oil, telecommunications, securities and capital markets.

Nature of the Process

American International Group AIG faced a severe financial crisis after the U.S. real-estate mortgage crisis, due to the hugeness of the volume of investments in real estate sector on the one hand, and real estate and facilities insurance on the other. In light of the crisis, Group's shares prices dropped up to 95% of its value in September 2008 whereas the value of shares fallback from 70 dollars to 1.25 dollars.

For promoting stability in the financial markets and limit the damage caused to the U.S. Economy in general, U.S. financial authorities have developed a contingency plan to save the group with value amounts to 85 billion dollars for two years. Under the loan contract entered into in September 2008 (amended later), the Group has issued preferred shares on 4/3/2009 that enjoying the right to vote and participate in the profits to equal to 77.9% of the group's issued and current convertible shares to stop (TRUST)[1] was created by the Bank of Federal Reserve in New York for the benefit of the U.S Government Treasury.

In case that the Group declares of dividends for regular stockholders (not including Company's revenues and investments), then the Group shall be obligated to pay a proportion of 77.9% of the profits to the U.S. Government Treasury.

The fact that the American International Group (AIG) submitted an endowment for the U.S.A. Treasury by virtue of the control agreement falls under the definition of the Economic Concentration,

1 Trust is the body corporate holding all preferred shares of (C) category on behalf of the U.S.A. treasury and has the right to vote by a proportion of 77.9% of all vote rights granted for all regular issued and suspended shares.

in accordance with the Provisions of Article (9 /A) of the Competition Law No. (33) of 2004[1].

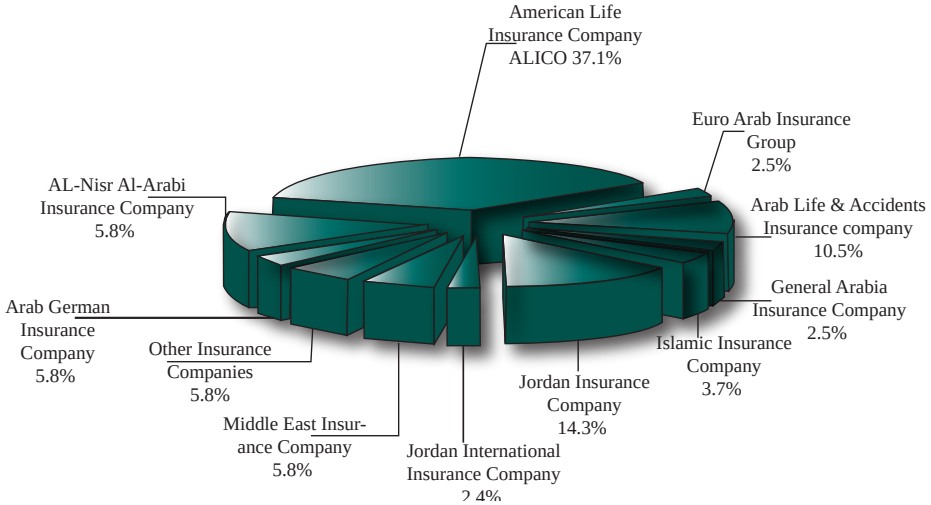
Market Shares

For the purposes of showing whether the process of the economic concentration in question requires the approval of the Minister of Industry and Trade to be completed or not, it was necessary to study the market shares of the institutions involved in the process in the market concerned.
The concerned market[2]: the market concerned to be studied will be determined according to the commodity and geographic dimensions.

- Commodity Dimension:
  With respect to the process of the economic concentration in question, we found that the American International Group (AIG) is not engaged in commercial activity within the Kingdom only through its subsidiary, American Life Insurance Co. (ALICO), which executes life insurance business in addition to other public insurances under the license granted to by the Insurance Commission, therefore and for the purposes of studying market shares, insurance branches submitted by the company will be adopted as concerned markets to be studied.
- Geographical Dimension:
  The process of economic concentration will be executed outside the Kingdom, but the American Life Insurance Co. (ALICO), owned by American International Group (AIG) has a commercial activity in the Jordanian market, thereupon the local Jordanian market will be considered as geographical dimension for the study.

Market shares:
Insurance sector in the Kingdom consists of (28) insurance companies including ten companies licensed to conduct business of general insurances, one company licensed to practice the business of Life Insurance (ALICO) and seventeen companies are engaged to practice both types of insurance together.

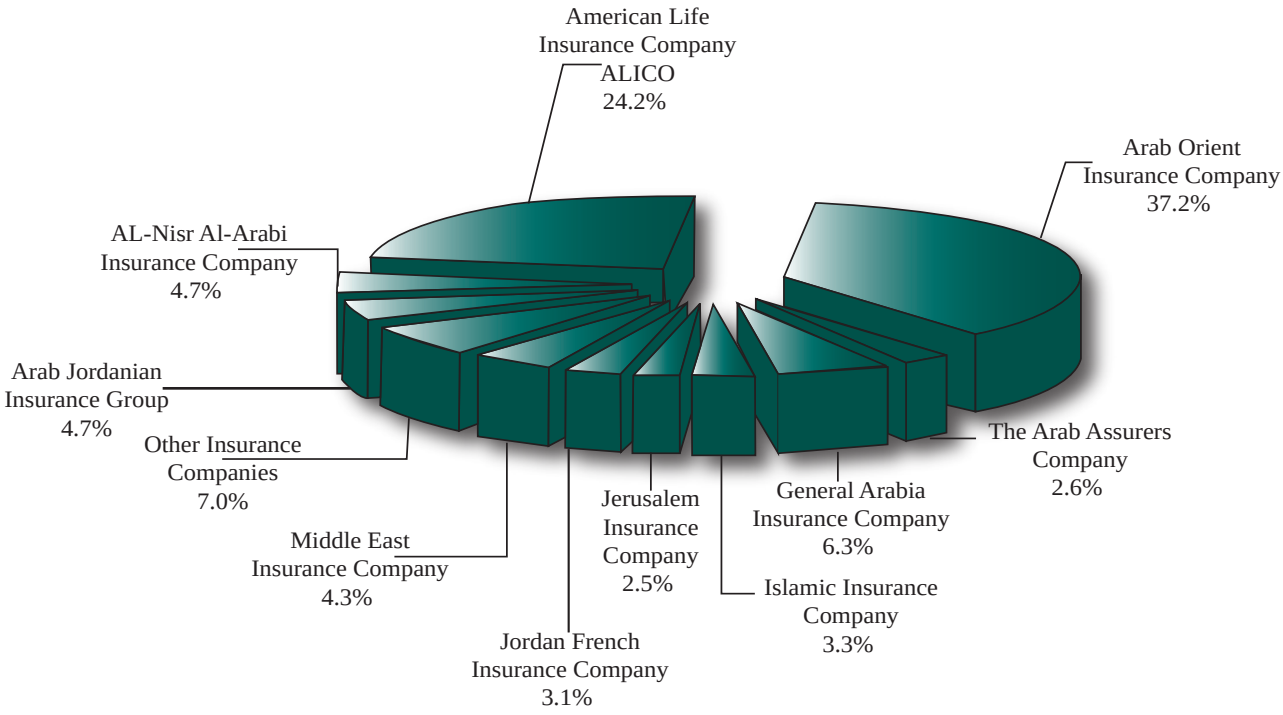
Companies share of total subscribed installments / business of life insurance of 2008



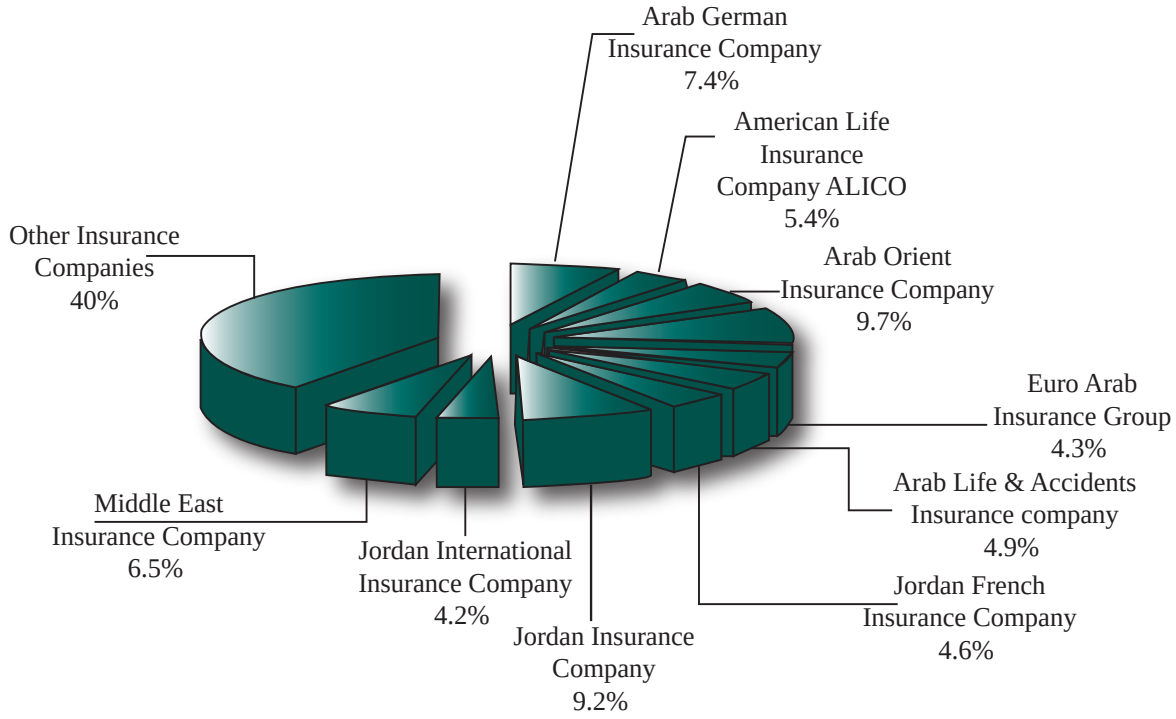
1 Competition Law No.: (33) of 2004, has defined the Process of the process of the economic concentration as:
" Any activity resulting in the full or partial transfer of ownership of or interest in property or rights or shares or obligations of an Enterprise to another, and which may enable an Enterprise or a group of Enterprises to control, directly or indirectly, another Enterprise or group of Enterprises".

2 Article (2) of the Competition Law No.: (33) of 2004, has defined the Market as:
"The product or service or all products or services which are, in view of their price, characteristics and uses, interchangeable and mutually replaceable to meet a particular need of the consumer in a particular geographical location wherein compatible competition conditions exist."

Companies share of total subscribed premiums / other general insurance of 2008



Companies share of total subscribed premiums of 2008



Therefore, the market share of the American Life Insurance Co. (ALICO) is estimated as follows:

Market Share	Market
37.1%	Life insurance business
24.3%	Other general insurances
5.4%	All insurance business

According to the table above, it becomes clear that the market share of the American Life Insurance Co. does not exceed 40% of the total transactions of the market in question.

Impact on Competition

- The operation in question is one of the procedures carried out by the U.S. Government to save American International Group AIG from the acute financial crisis that has occurred, which means they do not achieve or support a dominant position in the market.
- The structure of the Jordanian insurance market shall not be changed by the process in which the American life Insurance Company will continue to practice its business within the Kingdom as a subsidiary Company of American International Group concerned with the current changes taking place.
- Is not expected that this process may negatively affect competition in the market concerned.

Results

- The process in question (ongoing developments on the American Life Insurance Co. (ALICO) and its mother company American International Group AIG) shall be considered a process of economic concentration, in accordance with the Provisions of Article 9 (a) of the Competition Law No. (33) for the year 2004.
- Total market shares for the companies involved in the process of the economic concentration in question do not exceed (40%) of the total transactions of the market concerned.
- This process does not achieve or support a dominant position in the market and will not result in adverse effects on competition in the domestic market.

Abstract

The process of the economic concentration in question does not require the approval of the Minister of Industry and Trade to be completed in accordance with the provisions of Article 9 (b) of the Competition Law No. (33) for the year 2004.

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COMPETITION

Annex No. (6)

Study for the prices of food supplies (Sugar, vegetable oils, rice, and powdered milk)

Contents

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Introduction

The Competition Directorate executed a field study by visiting a large number of retailers and wholesalers in order to show the status of various markets for basic food supplies, namely:

1. Sugar.
2. Rice.
3. Powdered milk.
4. Vegetable oils.

The advisory office (modern training & consultancy center) has been provided by the information and data that were collected for analysis and preparation of a study regarding the status of the markets for these goods and submit number of findings and recommendations.

Study Methodology

Study was prepared according to methodology steps as follows:

1. A team has been appointed to carry out field visits for various stores in different areas, conduct interviews with retailers and wholesalers and importers of goods and observe prices of the global stock markets.
2. The team collects information about the prices of the materials, in question, for a period of about 9 months, in addition to information about the most important traders, importers and the most important obstacles and problems they faced.
3. The advisory office has been provided with the data for analysis and preparation of the study required.
4. The Directorate received the study by the advisory office and modified same upon the coordination with the office where some added tests and standards were adopted to define the markets for goods such as test (SSNIP).

Study

The goods were classified to several markets, according to use method, prices and features of each commodity, then analysis and comparison for each item was separately carried out, as follows:

Sugar

Jordan annually consumes 180 thousand tons of white sugar approximately at 500 tons per day, in which Saudi Arabia, Brazil and India are the main countries that export sugar to Jordan.
Sugar is distinguished by unique and specific uses features, a matter that limits the possibility of having other alternatives and the convergence of features and uses for different types of sugar makes it difficult to be classified into different markets, therefore, prices of white sugar will be examined as representative item for all types of sugar where it is considered the most locally used product.

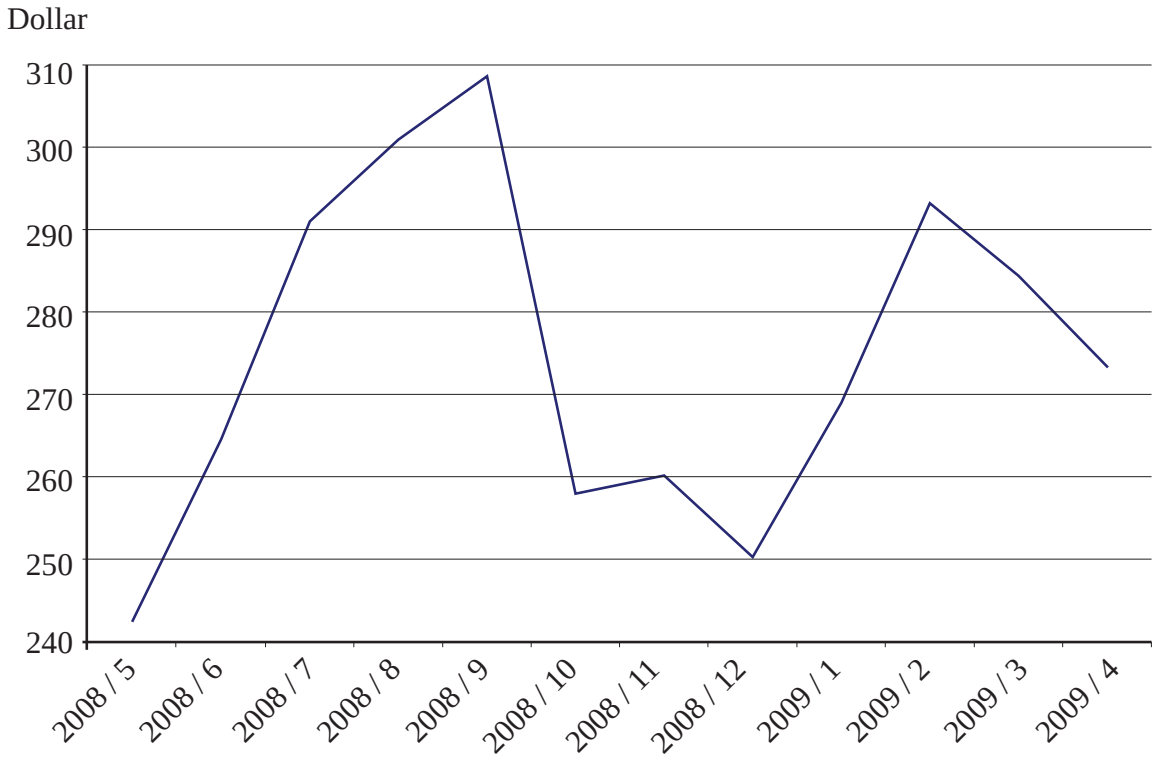
Global Sugar Prices

Sugar prices vary in the international stock markets up and down, as during the last twelve months, sugar price reached about 242 Dollars / Ton in May 2008, then reached nearly to 309 Dollars / ton in September 2008, i.e. rise up to 27% comparing with the price during April 2008 whereas prices dropped to be 273 Dollars / ton during April of this year, as shown in the following table and chart:

Global development of white sugar prices

Month	2008/5	2008/6	2008/7	2008/8	2008/9	2008/10	2008/11	2008/12	2009/1	2009/2	2009/3	2009/4
Global price (Dollar /ton)	243	265	291	301	309	258	260	250	269	293	284	273

Global development of white sugar prices



Local Sugar Prices

Import prices[1] of sugar are unlike the global prices, as the stock markets issue prices of crude sugar while refined and ready sugar for consumption in Jordan are imported, that import prices ranged between (xxx) and (xxx) Dinar / ton during the period 5/2008 to 4/2009 while selling prices adopted by the local importers for the same period ranged between (290) and (340) Dinars / ton , that developments in import prices of sugar and the wholesale prices (for traders) can be observed in the following table.

1 Import prices mean item price at the country of origin in addition to transportation, packaging, packing, governmental fees and taxes.

Import and sale prices of sugar (Dinars/ton)

Difference	Wholesale price	Import price	Month
3%	335	**xxx**	2008/5
2%	330	**xxx**	2008/6
4%	310	**xxx**	2008/7
0%	310	**xxx**	2008/8
3%	290	**xxx**	2008/9
-5%	310	**xxx**	2008/10
-2%	305	**xxx**	2008/11
1%	310	**xxx**	2008/12
8%	315	**xxx**	2009/1
1%	320	**xxx**	2009/2
5%	330	**xxx**	2009/3
7%	340	**xxx**	2009/4

In comparing the import price with the global prices, we find lack of consistent between the two rates due to slow impact of the global price on the price of the exporting country as a result for the length of time required for shipping, refining and marketing crude sugar.
Thus, impact of the global price needs a period up to month to be reached to the local importer.

It is noted that the domestic sugar price (wholesale price) is less, in some cases, than the import price due to the availability of local stocks at lower prices than the current price; the competition and speculation exist in the market.

Despite of the drop of the global prices in recent times, but the domestic price has not been reduced because of the lack of response of the import price to changes in the global price, which means that there are opportunities for importers to obtain prices better than those import prices in the event of having new resources for this material.

Comparison of import and sale prices of sugar with the global prices (Dinar/ton)



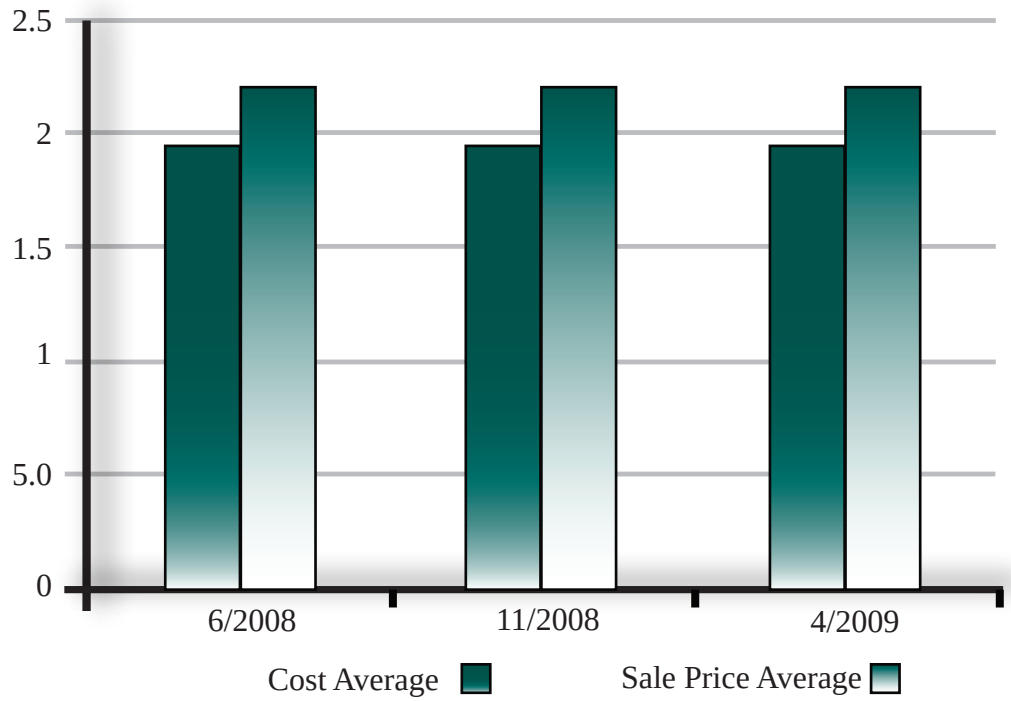
For the retail prices of sugar, it is noted that the purchase price for retailers of this material and selling prices are almost stable, moving within the simple margins not exceeding (0.02) JD / bag 5 kg for the purchase and (0.05) JD / bag 5 kg for the sellimg to the final consumer during the period 6/2008 to 4/2009, and this is shown in the following table and chart.

Sale and purchase prices of sugar for retailers

Profit	Average of Sale price for customer (Dinars/bag 5 kg)	Cost average (Dinars/bag 5 kg)	Term
12%	2.19	**X,xx**	6/2008
12%	2.17	**X,xx**	11/2008
13%	2.22	**X,xx**	4/2009

It is clear by the above table that the rate of profit for retailers ranges from 12-13% which is reasonable.

Sale and purchase prices of sugar for retailers



Sugar Prices in Neighboring Countries

Retail prices of sugar in Jordan will be compared with several neighboring countries such as (Syria, Iraq, Saudi Arabia) that the following table shows the domestic price and prices in neighboring countries for the sugar packages of 5 kg during April of this year:

Sugar prices in Jordan and neighboring countries (JD / 5 kg)

Name of item	Jordan	Syria	Iraq	Saudi Arabia
White Sugar	2.20	2.31	3,195	2.46

It is noted that retail price of sugar in Jordan is the lowest among the neighboring countries, which indicates that the Jordanian sugar traders achieved reasonable profits.

Results

1. The domestic price of sugar (wholesale price) is often less than the price of import due to the availability of local stock of lower prices than the current price and the existence of competition in the market.
2. The difference between the purchase price of the retailers and the price of sale to the final consumer ranges from 12-13% and that the profits rate achieved by retailers is reasonable.

The retail price of sugar in Jordan is the lowest among the neighboring countries, which indicates that the Jordanian sugar traders achieved reasonable profits.

Vegetable Oil

There are a number of vegetable oils to be classified according to the plant which is extracted from, these oils have various features and price, which means that it can be classified into different markets, so the most commonly used in Jordan, shall be examined as follows:

1. Corn oil
2. Soybean oil
3. Sunflower oil

The following is a review of developments in prices for each type of these oils:

Corn Oil

There are no prices in the global stock markets regarding the corn oil, therefore, it is sufficient to study import prices and domestic prices for this material.

Local Corn Oil Prices

It is noted that the wholesale prices of corn oil conform with import prices since the percentage difference between both of them is fixed at 12% during all terms where this ratio is reasonable and indicates to a state of stability in the market. The following schedule and chart show the import and wholesale prices for the period 1/2008 to 4/2009.

Term	Import Price Average (Ton/ Dinar)	Wholesale Price Average (Ton/Dinar)	Profit
2008/1	**xxx**x	1483	12%
2008/2	**xxx**x	1560	12%
2008/3	**xxx**x	1636	12%
2008/4	**xxx**x	1828	12%
2008/5	**xxx**x	2203	12%
2008/6	**xxx**x	2203	12%
2008/7	**xxx**x	2203	12%
2008/8	**xxx**x	2203	12%
2008/9	**xxx**x	2203	12%
2008/10	**xxx**x	1261	12%
2008/11	**xxx**x	1074	12%
2008/12	**xxx**x	1074	12%
2009/1	**xxx**x	1074	12%
2009/2	**xxx**x	1302	12%
2009/3	**xxx**x	1302	12%
2009/4	**xxx**x	1302	12%



Wholesale prices of corn oil has significantly been decreased during the last quarter of 2008, Whereas the ratio of price decline reached 51% as response to the dropping to import prices of corn oil by the same percentage.

For retail prices of corn oil, it is clear that the prices have greatly been changed as response to the change of import and wholesale prices.

Term	Cost average (Dinar/1.8 Liter)	Selling price for customer average	Profit
6/2008	x.xx	2.50	11%
11/2008	x.xx	4.69	13%
4/2009	x.xx	2.86	12%

Corn Oil Prices in Neghboring Countries

Retail prices of corn oil in Jordan will be compared with such prices in various neighboring countries such as (Syria, Iraq, and Saudi Arabia). The following table shows the domestic price and the prices in neighboring countries for the 1.8-liter containers during April of this year:

Name of item	Jordan	Syria	Iraq	Saudi Arabia
Corn Oil	2.82	3.08	2.70	3.78

It is noted that the retail price of corn oil in Jordan is lower than in both Syria and Saudi Arabia, despite of the fact that Saudi Arabia is one of the largest producers of corn oil in the Middle East.

Results

1. Selling prices of corn oil is greatly compatible with import prices, whereas the difference between the import price and the selling price is fixed at 12% during all periods and this percentage is reasonable and indicates to the achievement of a reasonable profit.
2. The retail price of corn oil in Jordan is lower than in both Syria and Saudi Arabia, although Saudi Arabia is one of the largest producers of corn oil in the Middle East.

Soybean Oil

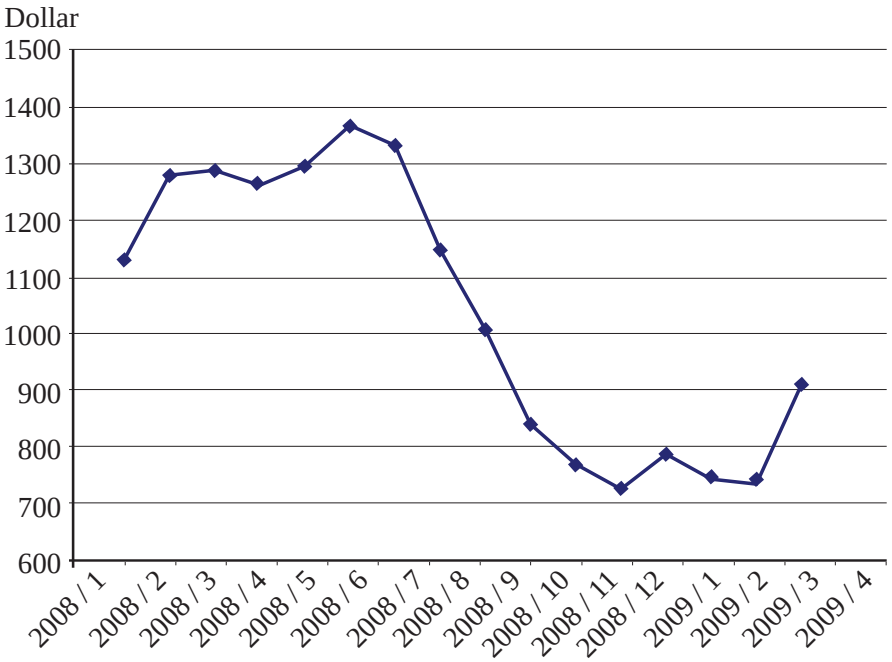
Soya oil is the most obtainable among other vegetable oils with percentage reached 20% of the global production for vegetable oils while corn oil forms 2% only.

Global Soybean Oil Prices

During the past two years, prices of soybean oil swayed in the world, up and down, where at the beginning of 2007, the price of soybean oil approximately reached 620 Dollars / ton, then in the mid-2008 increased to be 1,400 Dollars / tons, but it is declined to 780 Dollars / ton in April of this year according to the following table and chart.

Term	2008 /5	2008 /6	2008 /7	2008 /8	2008 /9	2008 /10	2008 /11	2008 /12	2009 /1	2009 /2	2009 /3	2009 /4
Global price (Dollar /ton)	1,330	1,410	1,370	1,160	1,000	810	730	680	750	700	690	890

Development of the global prices of soybean oil

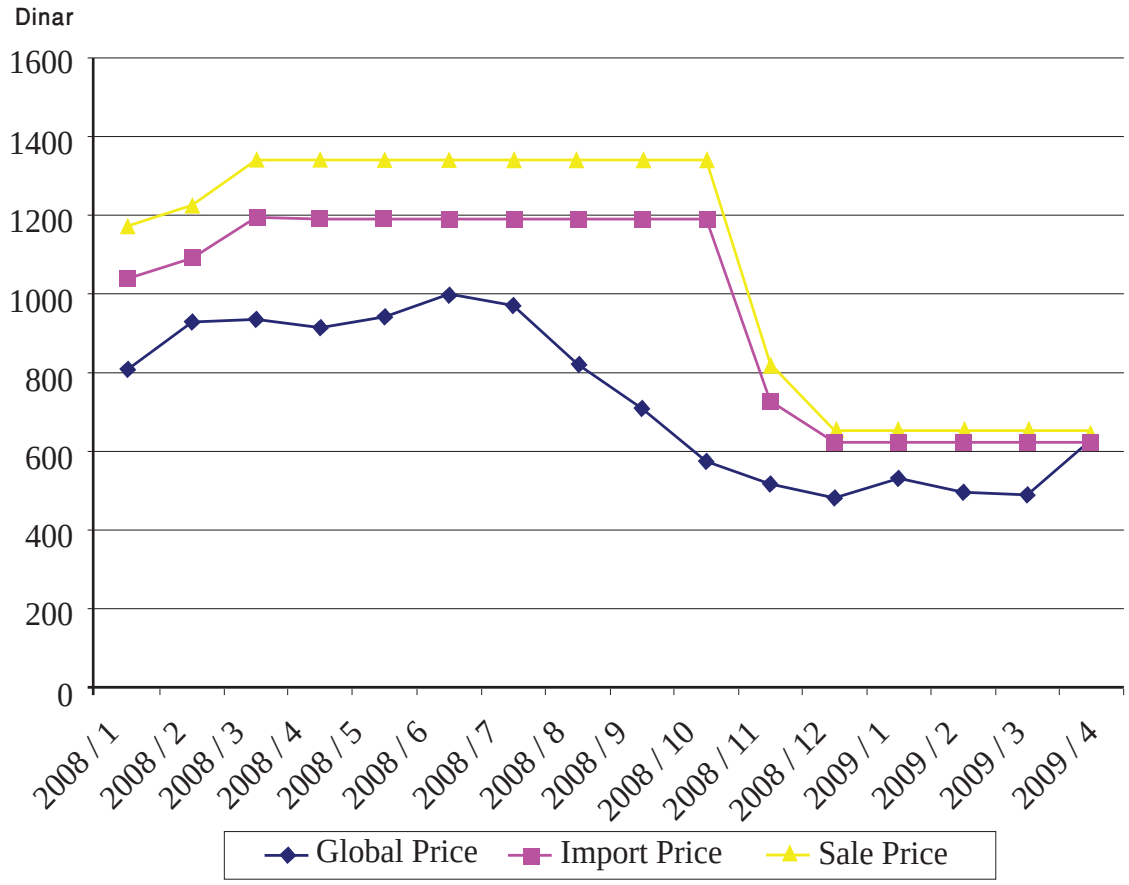


Local Soybean Oil Prices

As seen that the wholesale prices of soybean oil is greatly compatible with the import prices as the proportion of difference is fixed at 13% in 2008 and 5% during the first months of this year which percentage is reasonable profit and this indicated to a state of stability in the market. The following schedule and chart show the import prices and selling prices for the period 1 / 2008 to 4 / 2009.

Wholesale prices of the soybean oil are locally dropped by 51% during the last quarter of 2008 with a greater decline compared with the import price, which amounted to 48%, as seen import prices match the global price.

Term	Import price (Dinar/ Ton)	Sale price (Dinar/ Ton)	Profit ratio
2008/1	xxxx	1,174	13%
2008/2	xxxx	1,228	12%
2008/3	xxxx	1,343	12%
2008/4	xxxx	1,343	13%
2008/5	xxxx	1,343	13%
2008/6	xxxx	1,343	13%
2008/7	xxxx	1,343	13%
2008/8	xxxx	1,343	13%
2008/9	xxxx	1,343	13%
2008/10	xxxx	1,343	13%
2008/11	xxxx	825	13%
2008/12	xxxx	654	5%
2009/1	xxxx	654	5%
2009/2	xxxx	654	5%
2009/3	xxxx	654	5%



Results

1. Wholesale prices of the soybean oil locally dropped by 51% during the last quarter of 2008 and with greater proportion of decline in comparison with the import price, which amounted to 48%.
2. The wholesale prices of soybean oil are greatly compatible with import prices as the ratio of profit remained stable at 13% during 2008 and 5% during the first months of this year.

Sunflower Oil

Local Sunflower Oil Prices

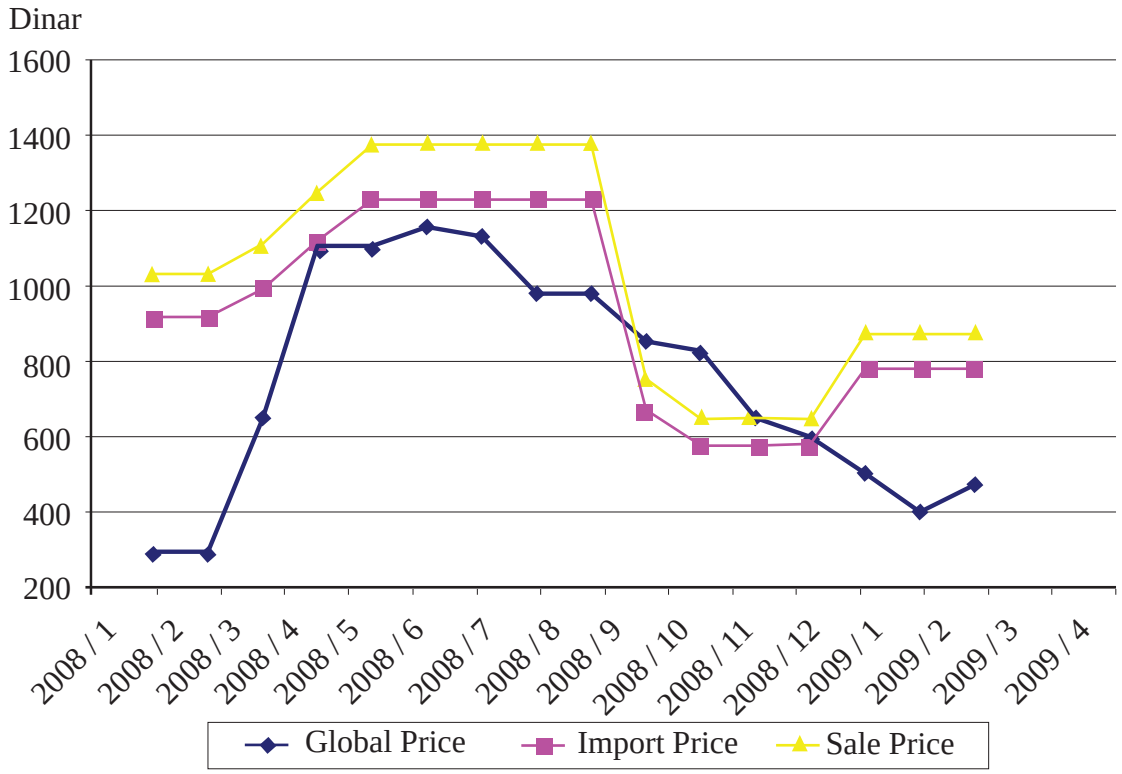
In February 2008, global price of sunflower oil reached 600 Dollars / ton, then such prices amounted to 2,200 Dollars / ton during the next two months to be gradually dropped after that per month to be 800 U.S. Dollars per ton approximately, the following chart shows the development of global prices of sunflower oil during the previous period.

Local Sunflower Oil Prices

Import prices and wholesale prices of sunflower oil are closely associated, since the rate of profit remained stable at 12% during all periods and the following table and chart show the import and selling prices for the period 1 / 2008 to 4 / 2009.

Period	average of import price (Dinars / ton)	average of wholesale price (Dinars / ton)	Profit ratio
2008/1	xxxx	2,053	12%
2008/2	xxxx	2,053	12%
2008/3	xxxx	2,212	12%
2008/4	xxxx	2,483	12%
2008/5	xxxx	2,729	12%
2008/6	xxxx	2,729	12%
2008/8	xxxx	2,729	12%
2008/9	xxxx	2,729	12%
2008/10	xxxx	1,503	12%
2008/11	xxxx	1,294	12%
2009/1	xxxx	1,294	12%
2009/2	xxxx	1,738	12%
2009/3	xxxx	1,738	12%
2009/4	xxxx	1,738	12%

As seen that the wholesale prices of sunflower oil have significantly been dropped over the last quarter of 2008, whereas the percentage of decline in the price reached 53%, such decline forms a response to the decline in import prices of sunflower oil by the same proportion, also it becomes clear that the global prices were higher than the local prices during the last quarter of 2008.



For consumer prices, it is noticed that the prices have been significantly changed as a result to the change in the import and wholesale prices.

sunflower oil	Average of wholesale price (Dinar/1.8 L.)	Average of retail sale price (Dinar/1.8 L.)	Profit ratio
6/2008	x.xx	2.05	6%
11/2008	x.xx	3.74	9%
4/2009	x.xx	2.68	7%

Sunflower Oil Prices in neighboring Countries

Upon comparing sunflower oil prices collected in Jordan and other neighboring countries, it is noted that the price of sunflower oil is the highest in Jordan than Iraq and Syria while is lower than Saudi Arabia, despite of the fact that Saudi Arabia is one of the producers of this commodity, as shown in the following table.

Item	Unit	Jordan	Syria	Iraq	Saudi Arabia
Sunflower Oil	1.8 liter	2.50	2.15	1.62	3.02

Results

1. Local import and selling prices of the sunflower oil are closely associated as the profit ratio remained stable at 12% during all periods.
2. During the last quarter of 2008, prices of sunflower oil are significantly declined, where the ratio of decline in the price amounted to 53% due to the decline in import prices of sunflower oil in the same proportion.
3. That the price of sunflower oil in Jordan is lower than Saudi Arabia despite of the fact that Saudi is one of the producers of this commodity while it is higher than Iraq and Syria.

Rice

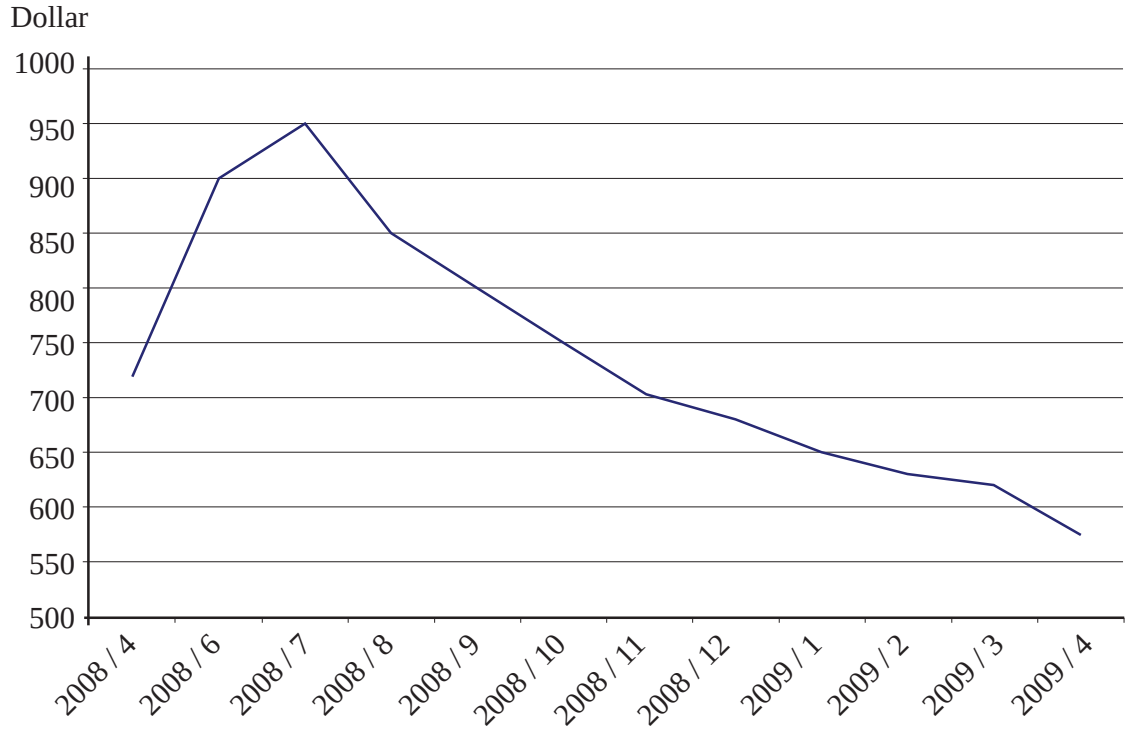
Jordan nearly consumes 110,000 tons of rice of all kinds per year, in other words, an approximate average of 305 tons per day, whereas this material is imported from various countries such as U.S.A, India and Egypt, and due to the different characteristics, features of rice upon country of origin and different uses and prices, rice types shall be separately studied upon country of origin.

U.S. Rice

Global U.S. Rice Prices

U.S. rice prices have globally been changed from 550 to 950 Dollars / ton during the first and second

quarters of 2008 and gradually declined to 575 Dollars / ton in April of this year. The following table and chart show development of price of U.S rice in 2008 and the first quarter of 2009.



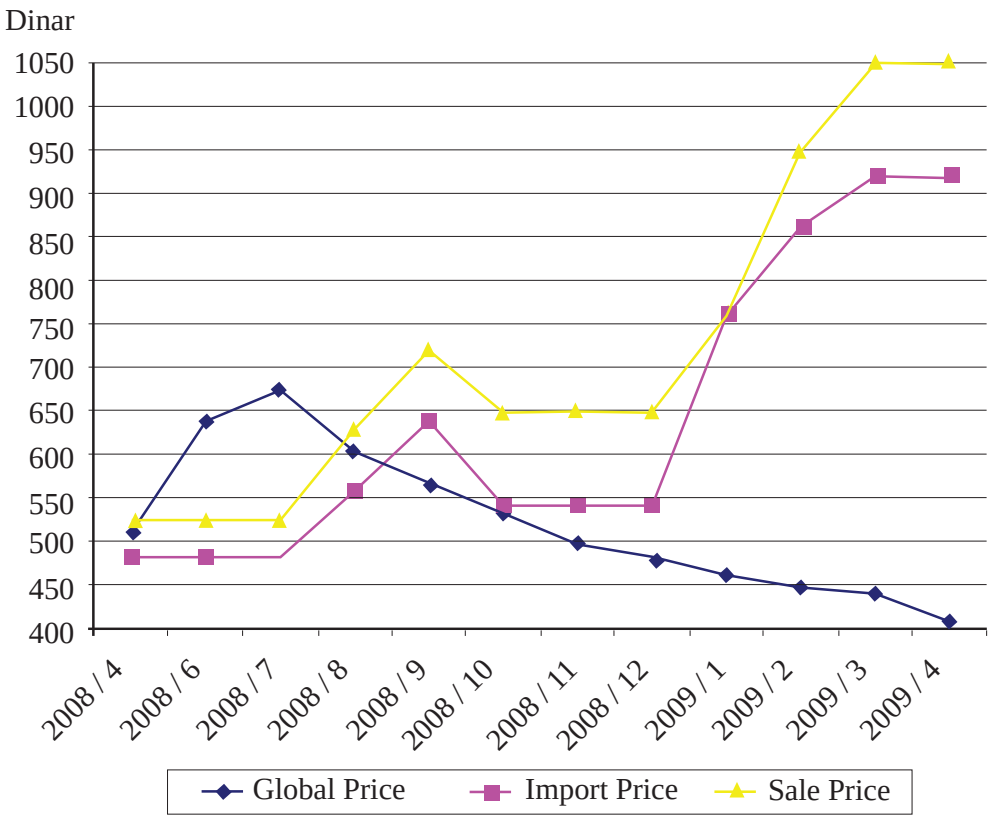
Local U.S. Rice Prices

Import prices of U.S. rice range between (xxx) and (xxx) Dinar / ton during the period 5/2008 until 4 / 2009, that selling prices adopted by the local importers range for the same period between (290) and (340) Dinars /ton, and developments of import prices of sugar and local selling prices (for dealers) can be shown by the table and graph below.

Import prices are closely linked to the local sale prices of U.S. rice as the domestic price rises upon the rise of import price and vice versa, however the difference between the import price and sale price is unstable where it ranged between zero and 20%, although that such ratio is reasonable in most times, but it is noticed that this ratio rose during the last quarter of 2008, although U.S. rice prices were declining during that period, also it is noted that the global price was less than the domestic price and import price during the second quarter of 2008.

Month	Import price (dollars / ton)	Wholesale price (dollars / ton)	Profit ratio
2008/1	xxx	649	9%
2008/2	xxx	740	8%
2008/3	xxx	740	9%
2008/4	xxx	740	9%
2008/6	xxx	740	9%
2008/7	xxx	740	9%

2008/8	xxx	889	13%
2008/9	xxx	1,016	13%
2008/10	xxx	915	20%
2008/11	xxx	915	20%
2008/12	xxx	915	20%
2009/1	xxxx	1,072	0%
2009/2	xxxx	1,340	10%
2009/3	xxxx	1,481	14%
2009/4	xxxx	1,481	14%



Upon analyzing retail price of the U.S. Rice, which includes cost price of the supermarkets and the selling price from the supermarket to the consumer, it is clear that the rate of profits of shops and supermarkets ranged between 10% and 13%, which is appropriate and non-high and can be seen by the following table:

U.S. Rice 5 kilo bag	Average of wholesale price / Dinar	Average of retail sale price / Dinar	Profit ratio
6/2008	x.xx	3.91	10%
11/2008	x.xx	5.65	11%
4/2009	x.xx	6.41	13%

U.S. Rice Prices in Neighboring Countries

upon comparing the prices obtained for U.S. rice in Jordan and neighboring countries, it is noted that the price of U.S. rice the highest in Jordan than Iraq and less than Saudi Arabia with excluding Syria due to unavailability.

U.S. rice priced in Jordan and neighboring countries (Dinar/5 Kg)

Item	Unit	Jordan	Iraq	Saudi Arabia
U.S. Rice	5 Kg	6.18	4.26	7.56

Results

1. Import prices are linked with domestic selling prices of U.S. rice where the domestic price rises upon the rise of import price and vice versa.
2. The profits ratio for shops and supermarkets ranged between 10% and 13% which is considered appropriate and non-high.
3. The price of U.S. rice in Jordan is less than Saudi Arabia and the highest than Iraq with excluding Syria due to unavailability.

Indian Rice

Local Indian Rice Prices

Indian rice is the best and finest global rice such as basmati and Punjabi rice, in view of the fact that global prices of the Indian rice are unavailable, analysis of the import and sales prices of the Indian rice will be only submitted.

Month	Import price (Dinar/Ton)	Sale price (Dinar/ton)
2008/1	xxx	659
2008/2	xxx	739
2008/7	xxxx	1368
2008/8	xxxx	1558
2008/11	xxxx	1398
2009/1	xxxx	1248
2009/2	xxxx	1148
2009/4	xxx	1070

As seen that the local sale prices of the Indian rice are compatible with such import prices by profit rate ranged between 5% and 9%, in addition to the cost of imports, which is a reasonable profit within the permitted limits, also it is noted that prices significantly rose in 2008 and dropped in August 2008 until April of this year.



Egyptian rice

Local Egyptian rice prices

The Egyptian rice is not included in a particular Stock Exchange, so the price of Egyptian rice is controlled by senior Egyptian rice traders in Egypt and the Rice Division in the Egyptian Industries Federation whereas the Egyptian rice is considered to be of high quality and acceptable price which means it is consumed by large category of the Jordanian consumers.

Month	Import price (Dinar/ Ton)	Sale price (Dinar/ ton)	Profit ratio
2008/8	xxx	648	20%
2008/9	xxx	648	20%
2008/10	xxx	648	20%
2008/11	xxx	648	20%
2008/12	xxx	648	20%
2009/1	xxx	759	0%
2009/2	xxx	803	6%
2009/3	xxx	855	13%
2009/4	xxx	777	18%

As seen that the Egyptian rice is delivered to Jordan by the same price for several months, unlike U.S. rice or Indian rice, which prices were greatly changed than the Egyptian rice because of the stock market and speculators who control prices more with or without referring to the stock market. With regard to the profits ratio of importers, it ranged between 20% and 0% in 1/2009 due to great high of exporter prices by which the importer's stock was available with less price with no possibility of a speedy lifting for the prices, as the 20% rate is somehow considered high but not fixed for the

conditions of competition between traders.



Regarding the retail price of Egyptian rice, it is gradually rise, although of this rise, the profits ratio of shops and supermarkets in respect of the cost rice ranged between 10% and 13%, which rates are appropriate and non-high, as shown in the table below.

Egyptian rice	Cost average (Dinar / 5 kg)	Average of selling price to the consumer (Dinar / 5 kg)	Profit ratio
6/2008	x.xx	2.06	13%
11/2008	x.xx	3.78	12%
4/2009	x.xx	5.00	10%

Egyptian rice prices in neighboring countries

As seen that the price of Egyptian rice is higher in Jordan than in Syria, Saudi Arabia and less than Iraq and this can be illustrated by the following table.

Item	Jordan	Syria	Iraq	Saudi Arabia
Egyptian rice	5.20	4.62	8.12	5.10

Results

1. Profit ratios for importers are between 20% and 0% during the period 1/ 2009 till 4/2009.

2. That the local sale price of the Egyptian rice for to the consumer is higher in Jordan than in Syria, Saudi Arabia and less than Iraq.

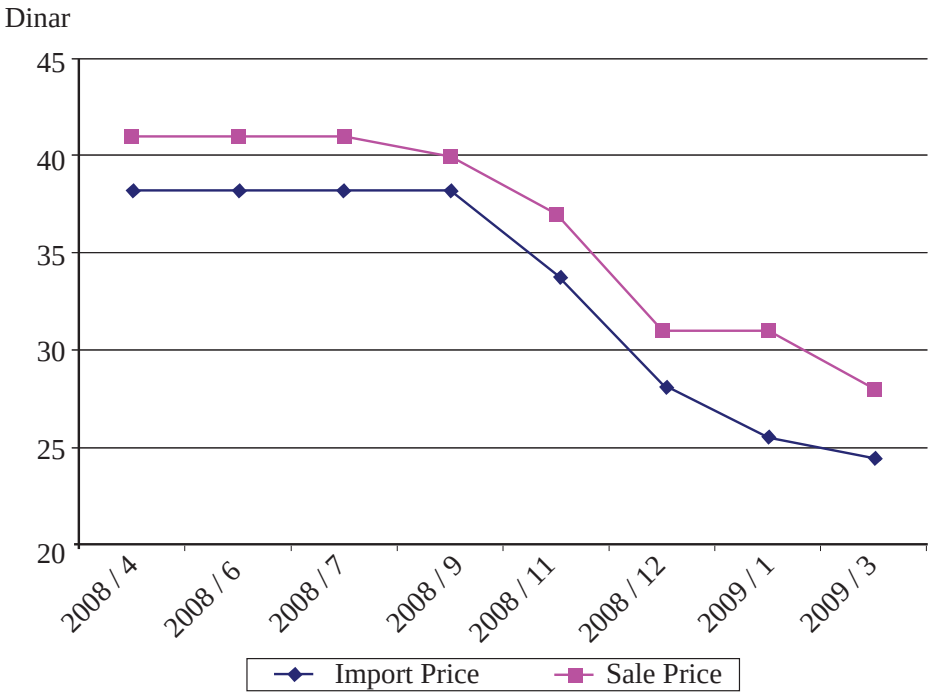
Milk Powder

In this part of the study, the dried milk shall be examined as allocated material for direct use by the final consumers not as production material.

Local Milk Powder Prices

No Stock Exchange exist for the milk powder, therefore it has been working on analyzing import and sales prices of this material.
Import price of milk powder declined at the end of 2008 and beginning of 2009 but the declined of selling prices was not by the same percentage, thus profit ratios of milk powder traders were increased , as shown in the following table and chart.

Term	Import price (Dinar / cartoon)	Wholesale price (Dinar /cartoon)	Profit ratio
2008/4	xx	41	7%
2008/6	xx	41	7%
2008/7	xx	41	7%
2008/9	xx	40	4%
2008/11	xx	37	9%
2008/12	xx	31	10%
2009/1	xx	31	21%



Retail Prices of Milk Powder

Upon analyzing, it is found that there are considerable price differences among various types of milk, which enjoined on classifying it into two parts, as the following is an independent analysis for each type.

Milk Powder/ First Class

Upon analyzing the purchase and retail sale prices of milk, it is noted that the percentage of profits achieved by the owners of shops and supermarkets ranged between 9% and 18%.

Nido Milk 900 gm	Cost average / Dinar	Average of selling price for the consumer / Dinar	Profit ratio
62008/	x.xx	3	9%
112008/	x.xx	5.62	18%
42009/	x.xx	4.65	14%

Prices of Milk Powder/First Class in neighboring countries

By comparing the retail prices of milk of first class between Jordan and neighboring countries, it is noted that the price is higher in Jordan than in Syria and less than in Iraq and Saudi Arabia, as this is shown in the following table.

Item	Jordan	Syria	Iraq	Saudi Arabia
Egyptian rice	4.95	4.62	5.11	6.62

Results

- Import prices of first-class milk declined at the end of 2008 and the beginning in 2009 by 28% but this decrease was not directly reflected by the same proportion as the sales prices for the final consumers.
- The local sale price of the first class milk displayed to the consumer is less in each of Saudi Arabia and Iraq and higher in Syria.

Milk Powder/ Second-Class

upon analyzing purchase and retail prices of the second class milk, it is noted that the profits ratio achieved by the owners of shops and supermarkets of the second class items are considered reasonable and range between 10% and 13%, as shown in the following table.

Second Class Milk	Cost average Dinar/900 gm	Average of selling price for the consumer / Dinar/ 900 gm	Profit ratio
62008/	x.xx	2.28	10%
112008/	x.xx	4.79	13%
42009/	x.xx	3.81	12%

Prices of Second-Class Milk in neighboring countries

By comparing sales prices of the second-class milk to the consumer in Jordan and neighboring countries, it is noted that the price is lower in Jordan than Syria, Iraq, and Saudi Arabia as shown in the following table:
Prices of second-class milk powder in Jordan and neighboring countries (Dinar / 900 grams)

Item	Jordan	Syria	Iraq	Saudi Arabia
Second–class milk	4	4.31	4.33	4.35

Results

- The percentage of profits achieved by the retailers of second-class items ranged between 10% -13% which considered reasonable.
- That the sale price of the second class of milk powder displayed to the final consumers is lower in Jordan than in Syria, Iraq and Saudi Arabia.

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Excessive Pricing Concept and Application

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Introduction

The increase of consumer prices in recent times clearly threatens the standard of living for many low-income families as numerous reasons are behind this rise that some of them were justified by the high cost of workmanship, global transportation and insurance charges while the remained was attributed to the international low purchasing power for the Dollar, which means that the inflation of prices forms kind of imported inflation that it could not be faced.

Through the several developments and changes in the global economy in 2008 and 2009, is there anyone who took advantage of those fluctuations in prices for the excessive pricing? Since the excessive pricing are considered punishable practices by law in Jordan, how this law can be activated to protect the national economy from the possibility that this phenomenon becomes spread? To answer these questions, excessive pricing, its concept and countries' experiences of dealing with it shall be defined which this report aims to.

Executive Summary

This study aims to contribute to activate Competition Law by selecting the perfect definition for the excessive pricing, legitimacy of exercising same in different countries, ways to prove same and identify the international methods and procedures to limit the excessive pricing, by the study, it is reached to number of conclusions, including:

- The excessive pricing are not clearly mentioned in Article 6 of the Jordan Competition Law No. 33 of 2004 as a practice punishable by law.
- Difference of point of view of laws regarding the legitimacy of excessive pricing among countries.
- Different actions carried out to reduce excessive pricing and the various methods of treatment.
- Difficulty to prove cases of excessive pricing, lack of cases submitted and the rareness of issues proved.
- Research team was able to reach a definition of excessive pricing including different definitions, which is: that a dominant enterprise in the market or group of companies have carried out some procedures by raising prices for different reasons, whether by reducing its production or any other action may lead to higher prices for certain or a set of complementary commodities and achieving a profit margin not compatible with its economic value.

It has been reached to number of recommendations, including:

- Adopting a clear definition for the excessive pricing and considering practicing it as explicit violation of the Provisions of Competition Law.
- To be enlightened with the experiences of the developed countries in the field of fighting excessive pricing, benefiting by its experiences and examine the possibility of applying it in Jordan.
- Adopting any international policy to limit excessive pricing which shall be appropriate with the requirements of the national economy.

- Issuing clear written instructions that interpret and govern the application of the competition laws and its procedures and business models to limit excessive pricing.
- Observing the domestic prices for the various sectors and comparing such prices with the global prices to determine fair prices, carrying out regular studies and activate the role of the Controller of Companies to ensure access to clear precise information with respect to the pricing by companies, and thus the ability to file cases against those violating the provisions of the law with regard to the excessive pricing.
- Holding workshops with representatives of the Chamber of Industry and Trade to set the future policies and establish a competent court of competition by specialists.

Study Methodology

Study methodology includes the following:
A. Defining the concept of excessive pricing and its causes.
B. Examining local laws that dealt with excessive pricing.
C. Reviewing the experiences of countries with respect to the definition of excessive pricing and applicable procedures to reduce this phenomenon.

Study Restrictions

The study was faced by number of restrictions, including:
A. Different standards of countries regarding the excessive pricing and the legitimacy to practice same.
B. Countries differ about the possibility to apply the methods to reduce this phenomenon.
C. The impact of companies on the decisions of countries and its effect on the ability of countries for fighting excessive pricing.

First / The concept of excessive pricing

Talking about the excessive pricing shall lead us to initially present the definition of prices and policies adopted by the companies to determine prices (pricing), as follows:

1.1 Definition of the Price[1]

There is no doubt that the price of the product or service affects the business revenues and profits, which means that the pricing process shall be part of the establishment steps for the preparation of a policy or strategy in the future to be the common denominator factor among consumers, suppliers and producers.
Hence, the price can be defined as the value given to a particular good or service in cash, by which the benefit received by consumers as buying a particular commodity is expressed by a certain value to be translated by the company by a certain price to be paid by consumers for this benefit.
Therefore the price paid may not only reflect the material components of the product, but can also include many aspects such as market competition, the psychological aspects of consumer, product celebrity, the range of services provided and related to selling goods or service.

1.2 Methods for determining prices:

1 ar.wikipedia.org/wiki/

Some of pricing methods and policies can be summarized as follows:

A. Pricing by the cost plus profit margin:

This method is the simplest and most common way, by which the price is determined as follows:
Price = Costs + Profit Margin

The profit margin would be determined as a percentage of costs or as achieved ratio of particular revenue for the investment, in general, this method depends on the logic that the price in this case ensures to cover the total costs incurred by the business man or an organization and thus stay in the market, however, this method is filled with serious risks that may lead to neglect the impact of the competition forces, supply and demand, and any cause leads to actual lower sales than the planned one, a matter could lead to the default by the organization to cover its fixed costs.

B. Pricing on the basis of break-even point:

This method depends on the proportion of the total costs to the total revenue, with no profit and no loss, whereas this analysis might be used to determine appropriate prices which gives the maximum profits possible, as shown as follows:

$$\text{Break-even point} = \frac{\text{Fixed Cost}}{\text{Selling price per unit - variable cost per unit}}$$

C. Pricing on the basis of competition:

This method based on determining of establishment products after observing market prices to meet competition and there are three alternatives on the table before the institution and reasonable grounds for each method, namely:

- Pricing is equal to the competitors' level, in case of reasonable competition.
- Pricing is lower than the competitors' level, in the event of competition control and other distinguished products.
- Pricing is higher than the competitors level, in case of lack of competition and the product of the company is distinguish.

D. Pricing on the basis of the request:

The demand for commodity is one of the main forces to determine the price of the commodity, while the costs set the minimum price that can be made by the product, the level of demand set the maximum limits of what consumers can pay. As well as the exchange process depends on the extent of saturation achieved by the good for the consumer.
It is noted that the costs element is the main component for determining the prices that all companies take same into account when pricing their products and services.

1.3 Fair Price (Fair Value)

Fair price (fair value) is a concept used in finance and economics, defined as the rational and non-biased value to assess the market price of goods and services after taking into account some objective factors such as:
A. Acquisition, production and distribution costs, as well as the replacement costs or the cost of similar alternatives, also the costs of integral goods and services.
B. Supply vs. demand

Subjective factors such as:
A. Risk characteristics (country, sector, industry, administration)
B. Cost and revenues for the capital

Comparison between the fair price and the market price
Two schools are concerned about the relationship between the market price and fair price in any kind of markets, especially for the goods:
Efficient Market Hypothesis suggests that if the market is characterized with organization and reasonable transparency whereas the market price is, in general, equal to or close to the fair price, as the companies speedily react to any new information or change in the market regarding prices and production techniques.
Behavioral Finance Theory suggests that the market price often differs than the fair value for many reasons, including common cognitive biases between buyers or sellers. However, even proponents of behavioral finance generally acknowledge that the behavioral change that can cause such a difference occurs in ways that can not be predicted by any chaotic.

1.4 Definition of excessive pricing[1]:

There is no general definition for excessive pricing, but number of definitions include:

A. Liberal definition for excessive pricing (Ordo-liberal view): a dominant company or group of companies set unfair rate whether the price is low to buy or high to sell of which other companies are forced to follow its price policy.
B. Definition of Industrial Organizations (Modern Io) is: raising the level of prices of crude and supplementary materials more than the level of competitiveness, which limits the capacity of companies to compete.
C. European Court of Justice: Those excessive pricing take places when a reasonable relationship between the price and economic value for the goods or services is absent.
These definitions are vague and non-inclusive that any of these definitions can not be used and circulated. Therefore, through these definitions, it is reached to common ground for defining excessive pricing as a dominant company or group of companies carry out certain procedures by raising prices for various allegations or reduce its production or any action that lead to higher prices for a particular commodity or group of complementary goods and achieve margin profit that not commensurate with their economic value.

1.5 Reasons for Excessive Pricing

1.5.1 Monopoly[2]:

There are multiple types and images of monopoly such as seller or producer monopoly which is

1 LECG Europe
2 Legal Gate http://www.tashreaat.com/view_studies2.asp?id=255&std_id=47

the most common as those control volumes of goods in the market and its prices, while the buyer monopoly occurs when the sole producer of certain commodity of services with no use alternative, so be monopolized to purchase those materials. Monopoly varies in degrees and levels as follows:

A. The definition of Monopoly:

There are many definitions of monopoly, including:
1. Monopoly[1] is a situation where the market is only one company provides a product and / or service (products and /or services) to all consumers. In other words, this company controls large part of the market and in such case company is called Monopolist, the market is monopolized and case is the monopoly. In this event, the company can impose price as it wants due to lack of other competitive companies in this market. All companies are seeking to reach this stage in order to control the product and price and thus to increase their profits. Monopoly is branched into many cases, for example, other companies exist in the market may compete for the same product and / or service, but when the competition is marginal with the company controlling the market, the case called quasi monopoly (quasi monopole) but when the market is dominated by few companies, this case called oligopoly (oligopole / oligopoly) as mentioned hereinafter.

2. Monopoly[2] is holding (storage) product or service to be unavailable among people, then raising prices and so people are suffering damage and poverty as some persons buy the necessities of individuals and store same until price is increased, then sell same by the highest price and make money.

B. Monopoly Types:

- Oligopoly: few producers or sellers produce a particular commodity so that they can influence to raise its price.
- Interactive monopoly: a producer or vendor monopolizes certain product by a single buyer to purchase, in such case; the price depends on bargaining between the seller and the buyer.
- Full monopoly: In which one person monopolizes the production and sale of a commodity and there is no alternative for this commodity.
- Monopoly of state: the state controls the production and sale of a particular commodity in order to reduce production or to get rid of it for raising the price and control display.

C. Monopoly Risks:

With so many economic systems in the world, monopoly systems are multiple whereas at the socialism systems, the state exercises the monopoly on the contrary of the capitalism system where individuals are the monopolists but the result in both cases is to have many risks to the individual or the state, including:

1 http://ar.wikipedia.org
2 Islamic Library – Islamic Cases http://www.afdhl.com/islamic/show.php?id=464

- The monopoly leads to killing the spirit of fair competition between individuals and nations, which is the way to work mastery and improvement for the level of production.
- The monopoly could lead the monopolist to spend a part of the resources and get rid of it whether by burning or throwing in the sea or otherwise for fear of prices decline in the global market.
- The monopoly leads to many economic and social risks, such as unemployment, inflation and recession.
- D. Treatment Means for Monopoly:
- Competition authorities shall warn monopolists to sell goods hold by them at moderate prices, in case of restrain, and then authorities are entitled to attach these goods and sell them for the monopolist, in order to remove distress and injustice among individuals.
- State shall provide essential commodities which become rare in the market due to exercising monopoly by some people and raise production to increase the supply of these commodities for decreasing prices, so monopolists lose and fail.
- Promote trade and exchanges with other countries to increase the supply of scarce commodities.
- Pricing, whereupon the State determine the price of the goods without harming the seller or the buyer, taking expert's advice but this can be applied if the state completely consumes all previous methods; because pricing may result in injustice, in addition to the restriction on the freedom of individuals to deal.

1.5.2 Economic Inflation[1]:

A. The definition of economic inflation:
The "economic inflation" is one of the greatest common terms of economic, but the economists do not agree on its definition due to the difference of opinion to identify the concept of inflation as this term is used to describe a number of different situations, as the following cases:

- Extremely high in the general level of prices.
- High incomes in cash or a component of cash income such as wages or profits.
- High costs.
- Excessive for creating cash balances.

B. Types of inflation:

- Inflation caused by the cost: this kind results due to high operational costs in the industrial or non-industrial companies as contribution to the departments of companies to raise wages and salaries of its members or high prices of raw materials.
- Inflation caused by the demand: this one is arisen as result of the increased demand in cash which is accompanied by a fixed display of goods and services, as the aggregate arising of demand is not met by increasing production by which lead to higher prices.

1 Islamic Library – Islamic Cases

C. Actions to reduce inflation:

– Economic policies: The Ministry of Finance sets fiscal policy of the State by which income sources and uses are determined and surplus in the budget will reduce the volume of liquidity available. Consequently, reducing the average of inflation. Or by reducing the volume of liquidity in the market through the fiscal policy (Monitory Policy) which is started by the Central Bank.

1.6 Effects of excessive pricing in the national economy:

1. Spreading the financial and administrative corruption to mainly secure the individual's food needs.
2. Increasing poverty and hunger which lead to frustration and psychological distress.
3. Excessive pricing would lead to weaken purchasing power by the citizen and results in manipulation of products and commercial fraud by all means to easily purchase and distribution.
4. Increasing crime rates due to unemployment and poverty.

1.7 State Intervention for the treatment of excessive pricing

The state intervention in economic activity, in general, is considered the most important criteria that determine the basic parameters of economic doctrine followed by the State.
This matter clearly highlights the involvement of the State or non-interference in setting prices and wages of employees, as well as, additional problem is represented by linking wages with prices which means that whenever a rise in the prices of goods and services occurs, workers call to raise wages, and higher wages increases the cost of goods and services which leads again to raise prices, so to be in a double circle towards lifting prices, and this is what dominates the world today.
Today, economists are divided regarding this problem to teams and groups, some of them believed that a State may absolutely not intervene in setting prices and wages, on the other hand, others supports that the State shall fully price goods, services and wages in accordance with the policies and plans based on the approach that the State has fully hold all factors of production.

Second / Legal Status of Excessive Pricing pursuant to Jordan Applicable Laws:

Jordan grants the individual freedom of economic activity in the economy in a market clean and free of monopolies, blocs and fraud whereas the State may intervene only if the individuals did not abide by laws and regulations governing the transaction, for example, a State may intervene in cases of excessive pricing, monopoly and cheating or causing harm to others in general, and thus the responsibility of the State is to protect the economic activity and preserving the rights of people.

2.1 Jordan Competition Law[1]

The Law is based on freedom of prices according to market rules and the principles of free competition, excluding:

– Prices of basic foods such as bread and fuel which other laws dealt with.
– Prices set by the Council of Ministers to meet exceptional circumstances.

1 Jordan Competition Law no.: 33 of 2004

Article (6) of the Competition Law shows cases of breaching competition. This is stipulated as follows:
An Enterprise with a Dominant Position in the local market or a significant part thereof is prohibited from abusing this Dominant Position in order to prevent, limit or weaken competition including the following:
a- Fixing, setting prices or conditions of resale of products or services.
b- An activity or action which leads to setting barriers of entry of other enterprises to the market, or their elimination there from, or their exposure to gross losses including loss selling.
c- Discrimination between customers in similar contracts with regard to price of products or services or conditions of sale or purchase.
d- Forcing any of its customers to refrain from dealing with a competing Enterprise.
e- Attempting to monopolize certain resources necessary for a competing Enterprise to carry out its activities or to purchase a particular product or service to an extent that leads to increasing the price thereof on the market or preventing its decrease.
f- Refusing, without objective grounds, to deal with a particular customer under the usual commercial conditions.
g- Tying the sale of a product or the provision of a service to the purchase of another or others or the purchase of a limited amount or a request for the provision of another service.

Dominant position is defined as: the position where the enterprise is able to control and affect the activity of the market.

2.2 Actions carried out against the violating companies[1]

lawsuits related to anti-competitive practices are filed by:
A. Minister of Industry and Trade.
B. Private sector institutions.
C. Consumer Protection Associations licensed.
D. Any gathering of five consumers affected, at least.
E. Chambers of Industry and Commerce.
F. Professional associations and unions.
G. Regulatory and sector bodies.

The competent court of the competition lawsuits shall be Amman Court of First Instance and the rest of the violations of the law are subject to the general rules of the jurisdiction of the courts, knowing that the lawsuits issued by the court in respect of the competition are subject to appeal before Appeal and Supreme Courts.
Articles 20-25 of the Law stipulates imposed on the violation of its provisions in cases of practices against the competition.
It appears by the Law text that excessive pricing is not expressly mentioned, but it can be concluded by the items (a), (b) and (e) of Article 6 of the Law.

Third / Global Laws in respect of excessive pricing

States differ in their application to basically reduce the excessive pricing by the government intervention or non-interference, as the following is clarification of the leading countries in terms of application of policies to reduce excessive pricing.

1 Competition Law, Page 15

U.S. Perception of excessive pricing:[1]

United Sates does not consider excessive pricing as violation to the law, (as indicated by the Main Basic System for Anti-trust and Sherman Act), whereas the methods followed to maintain the monopoly position of any company are only considered illegal, so that the law of the Federal Trade Commission, which involves the concept of Justice of the antitrust is only interested in the volume of the company, authority and methods. The Supreme Court stated that the volume of power is not inconsistent with the law, including the company holding significant market share and authority to determine the influence of pricing and production.

Accordingly, no definition is given for the excessive pricing and was considered one of the legal techniques to make a profit. The U.S. government attributed its withdraw from anti-trust or considering it illegal due to U.S. citizen's awareness and knowledge of the methods of supply and demand as well as its interference is deemed contrary to the principle of Capitalism, which indicates that the government's role is limited to service and defense.

European Union Perception of Excessive pricing[2]

On the contrary, the EU adopts a policy where the European Union considered reducing excessive pricing one of its duty as a nation to maintain justice and not to exploit citizens. The European Union considered that the excessive pricing is a major concern and followed the methods to control excessive pricing, such as:
1. In case of merging companies to increase profits, the prior government approval must be obtained.
2. When many manufacturers for similar products agree to raise rates, the European Union considers the decision unenforceable and punishable by the law of the European Union as stipulated in Article 82 of the Treaty of the European Union.
3. One or more companies misuse its dominant position within the market or in any part of the Common Market or interfere with the common market or to affect trade between Member States by violating the agreement between the Member States through imposing unfair purchase or sale price which is illegal practice punishable by law.

4. Limit production in order to raise prices.

From the viewpoint of the European Union, the weaknesses is represented by the actions carried out to limit excessive pricing for the difficulty to judge whether corporations helped to excess prices or violated Competition Law, so the methods vary according to each sector and each company, however, the most common method and effectiveness is by comparing the sector or company with sectors or companies similar in neighboring countries or within the same country, taking into account all of the cost variables. In the event that a noticeable difference of prices is founded, the costs of the company and the margin of profit shall be examined. If the profit margin increased from the level specified in advance, investigation shall be executed to know reasons stand behind that and then start imposing fines on those violating companies but it can not be determine whether the company was violating only after examining all the variables affecting the price.

South Africa Perception of Excessive pricing

1 University of Chicago economical issues page 342.
2 EU competition law article 82.

South Africa considers the excessive pricing as offense punishable by law and defined as the price exceeds the economic value for a commodity or service, that South Africa faces difficulty to apply competition law or to fight excessive pricing due to the large influence of companies and violation to the law, where the state was under the rule of the white minority who controls the economy, When the Black Revolution led to a gap between the government and its decisions which were made by the black majority while major companies remained under the control of the white minority of the West and this has led to a conflict between the companies and the government which has weakened the government decisions, and has been helped by a dependency of large companies dominant from foreign countries.

Four / Examples of Actions to Limit Excessive pricing:

One of the global actions to fight the excessive pricing that carried out by the European Union to impose financial penalties and fees on the companies as follows:

- European Union imposed a fine of around half a billion Euros on one of the largest glass manufacturers in the world in 2007 because of the excessive pricing of doors, windows and mirrors glass[1].
  In this regard, four international glass companies had held meetings in hotels and restaurants across Europe to coordinate prices raise in the European market, that amounted to 1.7 billion Euros for the glass panels used in construction as those companies control nearly 80% of this market activity, but Commission officials were skeptical about the matter after meeting with the competent national competition authorities in several EU member states as they began to carry out unexpected investigation campaigns on the four companies

- Imposing a fine of 992 million Euros on 5 Netherlands Elevator companies due to use their join forces to raise the prices and wages of elevator maintenance from 1998 to 2005[2]:
  When Neelie Kroes, European Commissioner for Competition was able to extract confessions of Dutch five manufacturers of elevators regarding the practices of violating the law to fix prices among themselves, then a fine of 992 million Euros was imposed on them. Since 1998 until 2005, they had held secret meetings to ensure raising prices of machinery and service contracts. Five companies, namely, Connie, Otis, ThyssenKrupp, Schindler and Mitsubishi control about 80% of the market in the Netherlands. It is estimated that the initial loss is amounted to several thousand Euros per elevator assembled during the year, and is expected that 70,000 users as the owner of the company or hospital and government offices, homes and associations may claim with compensation for the harm they affected by for determining prices upon this violating way. European Union also called for separate compensations for installation of elevators in the premises of the European Union by the consortium of five companies.
- Impose a fine amounting to 151 million Euros on Telecom Aubirator Telefonica Spain, because of misuse of its dominant position in the Spanish telecommunications market in order to raise prices.

1 AL MANAR Lebanese Chanel website
2 AlWAST Bahraini Newspaper Archives number 412 / 2007

– European Union imposed a fine amounting 1,06 billion Euros on the Intel Company, which manufacture processors used in computers due to its practices contrary to the principles of the competition in 2009[1].

The European Commission concluded that Intel had paid sums of money for a number of manufacturers and wholesalers of computer hardware in order to promote its products, said the Commission's decision to investigate the matter came after complaint submitted by the (AMD) company, the second largest manufacturer of processors in the world after Intel. The Commission said Del, Acer, Hewlett Packard, Lenovo and NEC companies have received a huge discount from Intel for using processors that exclusively produced in their products. The Commission concluded that Media Saturn Marketing series has received money by Intel for the promotion of computers that contain processors produced by it. The Commissioner for Competitiveness in the European Union, Neelie Kroes said: "Intel has hurt millions of European consumers by knowingly keep competitors out of the way of the processors market for several years". She added: "We can not accept this serious and continuing violation to the instructions of antitrust in Europe." Intel has produced 80.5% of the groups of computer processors in the world, while (AMD) produced 12% only. The Commission ordered Intel also "refrains any illegal practices immediately if these practices continued until now."

1 AL MANAR Lebanese Chanel website

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Annex No.: (8)

Competition Law no.: (33) of the year 2004

ACCOMPLISHMENTS OF THE

COMPETITION LAW

The Competition Law No. 33 of the Year 2004 Published on page 4157 of the Official Gazette no (4673) on 1 September 2004, This Law will replace the temporary Competition Law no (49) of 2002

Article 1

This Law is called (The Competition Law of the year 2004) and shall take effect upon its publication in the Official Gazette.

Definitions

Article 2

The following terms and phrases appearing herein shall have the meanings assigned thereto hereunder unless the context denotes otherwise:

The Ministry: The Ministry of Industry and Trade.
The Minister: The Minister of Industry and Trade.
The Directorate: The Competition Directorate at the Ministry.
The Director: The director of the Competition Directorate.
The Court: The court with competence to hear competition cases in accordance with the provisions of this Law.
The Enterprise: Any person, natural or juristic, carries out economic activities, or any grouping of such persons.
Market: The product or service or all products or services which are, in view of their price, characteristics and uses, interchangeable and mutually replaceable to meet a particular need of the consumer in a particular geographical location wherein compatible competition conditions exist.
Dominant Position: The condition in which an Enterprise is able to control and affect the activity of the market.

The Law's Scope of Application

Article 3

The provisions of this Law shall apply to all production, commerce and service provision activities in the Kingdom, as well as to any economic activities occurring outside the Kingdom and having an effect inside the Kingdom.

Prices of Products and Services

Article 4

Prices of products and services shall be set in accordance with the conditions of market rules and the principles of free competition, with the exception of the following:
a. The prices of basic materials specified in accordance with the Industry and Trade Law or any other Law.

b. Prices set by a decision of the Council of Ministers through temporary measures to deal with exceptional circumstances or an emergency or a natural disaster, provided that such measures be reviewed within a period not exceeding six months after the beginning of the application thereof.

Anti-Competitive Practices

Article 5

A- Practices, alliances and agreements, explicit or implicit, that prejudice, contravene, limit or prevent competition, shall be prohibited, especially those whose subject or aim is to:
1. Fix the prices of products, services or conditions of sale, and the like.
2. Fix quantities of production or service provision.
3. Share the market on the basis of geographical regions or quantities of sales or purchases or customers or any other basis that negatively affects competition.
4. Set barriers to entry of Enterprises into the market or eliminate them there from.
5. Collusion in tenders or bids, whether in overbidding or underbidding, but it shall not be considered collusive to submit joint offers in which the parties announce such joint offer ab initio, and without the goal of such joint bidding being to prevent competition in any way.
B- The provisions of paragraph (A) above shall not apply to agreements with weak effect wherein the total share of the Enterprises party thereto shall not exceed a rate to be set by instructions issued by the Minister, and which shall not exceed 10% of total transactions in the market, and provided that such agreements do not include procedures that fix price levels and market sharing.

Article 6

An Enterprise with a Dominant Position in the local market or a significant part thereof is prohibited from abusing this Dominant Position in order to prevent, limit or weaken competition including the following:
a- Fixing or setting prices or conditions of resale of products or services.
b- An activity or action which leads to setting barriers of entry of other enterprises to the market, or their elimination there from, or their exposure to gross losses including loss selling.
c- Discrimination between customers in similar contracts with regard to price of products or services or conditions of sale or purchase.
d- Forcing any of its customers to refrain from dealing with a competing Enterprise.
e- Attempting to monopolize certain resources necessary for a competing
Enterprise to carry out its activities or to purchase a particular product or service to an extent that leads to increasing the price thereof on the market or preventing its decrease.
f- Refusing, without objective grounds, to deal with a particular customer under the usual commercial conditions.
g- Tying the sale of a product or the provision of a service to the purchase of another or others or the purchase of a limited amount or a request for the provision of another service.

Article 7

a. Practices arising out of the application of a Law and practices falling within the ambit of temporary measures instituted by the Council of Ministers to deal with exceptional circumstances, emergency situations or natural disasters shall not be considered anti-competitive in the sense intended in Articles 5 and 6 of this Law, provided that such measures be reviewed within a period not exceeding six months after the beginning of the application thereof.

b. Practices and arrangements exempted by the Minister from the application of Articles 5 and 6 of this Law by a reasoned decision on the basis of a recommendation of the Director shall not be considered anti-competitive if they lead to positive results, with a common benefit that cannot be achieved without this exemption, including the improvement of the competitive ability of Enterprises, or production or distribution systems, or providing certain benefits to the consumer;
c. The Minister may apply the exemptions referred to in paragraph (B) above to a class of practices or conditions of contract or to practices or arrangements or conditions of contract of particular Enterprises, provided that such Enterprises shall request to be granted this exemption in accordance with a form adopted by the Minister for that purpose;
d. The applicant for the exemption referred to in paragraph (C) of this Article shall be provided with a notice evidencing the completion of the application, and the Minister shall review and dispose of the application within a period not exceeding ninety days after the date of the notice. The exemption decision or a summary thereof shall be published in the Official Gazette is appealable before the Supreme Court of Justice.
e. The Minister may limit the authorization of such practices to a fixed period of time or subject them to a periodic review. He may also withdraw such authorization if the Enterprise contravenes the conditions for its granting.

Practices Detrimental to the Fairness of Commercial Transactions

Article 8:

A- A producer, importer, wholesaler or service provider may not:
1- Set a minimum resale price for a product or service whether directly or indirectly.
2- Subject another party to or receive there from preferential and unjustified prices or conditions of sale or purchase in such a manner as to impart upon such party a benefit as regards competition or cause harm thereto.
B-
1- The resale of a product as is at a price below its actual purchase price plus the taxes and charges and transport costs applicable thereto, if any, is prohibited if the purpose of such a sale is to limit competition.
2- For the purpose of this paragraph, the actual purchase price shall mean the price set in the invoice after deduction of the discounts specified in the same invoice. The aforementioned restriction shall not apply to perishable goods and allowed reductions on sales for the purpose of liquidation of a business, or to restock at lower prices.

Economic Concentration

Article 9:

A- For purposes of this Law, any activity resulting in the full or partial transfer of ownership of or interest in property or rights or shares or obligations of an Enterprise to another, and which may enable an Enterprise or a group of Enterprises to control, directly or indirectly, another Enterprise or group of Enterprises is considered an economic concentration operation.
B- The accomplishment of economic concentration operations impacting the level of competition in the market by causing or enforcing a Dominant Position shall depend upon receiving the approval of the Minister in writing, if the total share of the Enterprise or Enterprises concerned in the economic concentration operation exceeds 40% of the total transactions in the market.

C- Notwithstanding anything contained in any other legislation, authorities responsible for licensing economic concentration operations in any sector shall, prior to issuing their final decision, seek the opinion of the Minister in writing regarding the extent of the effect of such operations on the level of competition.
D- A party or authority shall inform the Ministry of any information it obtains regarding economic concentration operations that are subject to the provisions of paragraph (B) of this Article.

Article 10:

A- Enterprises wishing to carry out economic concentration operations which fall within the ambit of paragraph (B) of Article 9 of this Law shall submit a petition in this regard to the Directorate, on the form adopted by the Ministry, within thirty days after having reached a draft agreement or an agreement on the economic concentration activity. Attached to the petition shall be:
1- A copy of the articles and memoranda of the Enterprises concerned;
2- A copy of the draft contract or agreement on the concentration;
3- A list of the most important products and services in which the concerned Enterprises are involved and their shares thereof;
4- A report on the consequences of the operation, especially its positive effects on the market;
5- Financial statements for the two most recent fiscal years of the Enterprises concerned with economic concentration operation and their branches;
6- A list of the shareholders or partners of the concerned Enterprises and the share of each therein;
7- A list of their officers, members of their management boards, or members of their boards of directors
8- A list of the branches of each Enterprise.
B- The Enterprises may also include with the petition any matters they deem necessary relating to obligations or suggestions aiming to minimize the possible negative impact of the economic concentration operation on the market.
C-
1- Subject to the provisions of paragraph (C) of Article 11 of this Law, the Directorate may request, in writing and for one time, additional information or documents relating to the economic concentration agreement and the parties thereto, and upon receiving the requested additional information and documents it shall issue a notice evidencing the completion of the information and documents, provided that the issuance of such a notice shall not affect the right of the Directorate to request further information or exercise regulatory powers
2- The time frames, procedures, and all relevant matters for issuing the notice mentioned in clause (1) of this paragraph shall be set by instructions issued by the Minister for this purpose and shall be published in the Official Gazette.
D- The Directorate shall publish, in two daily newspapers at the expense of the applicant, an announcement regarding the petition for economic concentration submitted in accordance with paragraph (A) hereof. The announcement shall include a summary of the subject of the petition and an invitation to any interested party to present its opinion in regard of the petition within fifteen days after the date of the announcement.
E- The Minister may, after consultation with the parties concerned, take any provisional procedures until such time as the request submitted in accordance with paragraph (A) above is disposed of.

Article 11:

A- The Minister may, upon recommendation of the Director, issue a reasoned decision regarding petitions submitted by virtue of the provisions of Article 10 hereof as follows:

1- Approve the economic concentration operation if it does not negatively impact competition, or has positive economic benefits that outweigh any negative impact on competition, such as leading to a lowering of the price of services or products, or providing employment opportunities, or encouraging exports or attracting investment, or supporting the ability of national Enterprises to compete internationally.
2- Approve the economic concentration operation provided that the Enterprises concerned undertake to meet conditions specified by the Minister for that purpose.
3- Deny the economic concentration operation and order the cancellation thereof and the return to the status quo ante.
B- In all cases appearing in paragraph (A) of this Article, the decision of the Minister shall include a summary of the economic concentration operation and its effect on competition in the market, including its economic impact, and the conditions and obligations required from the Enterprises, if any. The decision or a summary thereof shall be published in at least two local daily newspapers.
C- The Minister shall issue his reasoned decision regarding the economic concentration operation within a period not exceeding one hundred days starting on the date of issuing the notice evidencing the completion of the application. Enterprises involved in the economic concentration operation shall not commit any actions or practices that may lead to rendering the economic concentration operation irreversible, or may alter the market structure; otherwise these actions and practices shall be annulled through a court decision.
D- The Minister may withdraw his previous approval in any of the following cases:
1- If the concerned Enterprises violate any of the obligations or conditions upon which the approval was granted.
2- If it becomes apparent that the basic information upon which the approval was based was false.
E- The Minister may take any action deemed reasonable to counter any economic concentration case which no application with its regards has been submitted, or if it was in violation of this Law.
F- Decisions issued by the Minister by virtue of the provisions of this Article shall be notified to the concerned parties and they may appeal such a decision to the Supreme Court of Justice.

Article 12:

A- The Directorate shall, in coordination with the concerned authorities, have the following duties and powers:
1- Contributing to setting the general of competition plan and legislation and studies relating thereto.
2- Working to promote, protect and encourage the culture of competition.
3- Gathering information to uncover practices that violate the rules of competition, in cooperation with the concerned authorities within the provisions of the enacted Laws.
4- Conducting investigations into those practices it uncovers or on the basis of complaints and claims that it receives, or those assigned to it by the competent courts, and preparing reports on its findings and presenting recommendations or reports to the Minister or the Court, as the case may be.
5- Receiving and following up petitions relating to economic concentration operations referred to in Articles 10 of this Law and preparing reports, recommendations and draft decisions therefore.
6- Issuing clarifying opinions on matters relating to its activities, either unilaterally or upon the request of the Enterprises.
7- Utilizing experts or consultants from outside the Ministry to accomplish any activities within its authority.
8- Cooperating with similar bodies outside the Kingdom for the purpose of exchanging general information and data and matters that relate to the execution of competition rules to the extent allowed by international treaties and on the basis of reciprocity.
B- The Minister shall present to the Council of Ministers an annual report on the state of competition.

C- For the purpose of guaranteeing the freedom of competition by virtue of the provisions of this Law, government authorities and sectoral regulatory bodies vested with monitoring any economic concentration operations by virtue of legislation specific thereto shall obtain the opinion of the Ministry in writing within the limits of its jurisdiction stipulated in this Law.

Article 13:

A- An officer of the Directorate delegated in writing by the Minister shall be considered, when carrying out his duties, an officer of the court within the limit of his jurisdiction.
B- Officers of the Directorate and any person looking into its activities shall be required to maintain professional secrecy.
Article 14:
A- A committee named the Committee for Competition Matters shall be formed, chaired by the Minister and with the membership of:
1- The Undersecretary of the Ministry as vice-chairman.
2- The Director General of the Insurance Commission.
3- The Chief Executive Officer of the Telecommunications Regulatory Commission.
4- The Director General of the Transportation Regulatory Board.
5- The President of the Union of Chambers of Commerce.
6- The President of one of the Chambers of Industry named by the Minister.
7- The President of any of the association that concerned with protecting the consumer named by the Minister.
8- Three persons with expertise and specialization named by the Minister.
B- The tenure of those members named by the Minister in accordance with items
(6), (7) and (8) of paragraph (A) hereof shall be two years renewable once, and any member may be changed by appointing a replacement thereto for the remaining period of his tenure.
C- The Committee shall have the following responsibilities:

- a- Sanctioning the general competition policy.
- b- Review matters related to the provisions of this Law and drafting laws and regulations relating to competition or those that grant new privileges or exceptional rights.

Article 15:

A- The Committee shall meet by invitation of its chairman or vice-chairman, in the absence of the former, at least once every six months. Quorum shall be met in the presence of not less than two-thirds of its members provided that the chairman or the vice-chairman is in attendance. Its decisions shall pass by at least a majority vote.
B- The Minister may invite any person he shall deem appropriate to attend the meetings of the Committee without that person having the right to vote on its decisions.
C- The Director shall be the rapporteur of the Committee and shall prepare its agenda and keep the minutes of its meetings and summarize its recommendations in the annual report.

Article 16:

A- The court shall have jurisdiction to hear cases related to the following:
1- Any violation of the provisions of Articles (5), (6), (8), (9), and (10) of this Law.
2- The non-compliance with decisions issued by the Minister by virtue of Article 11 of this Law.

B- The Amman Court of First Instance shall have jurisdiction to hear those cases referred to in paragraph (A) of this Article for two years starting from the date of the coming into effect of this Law. After the end of this period, any competent court of first instance shall have jurisdiction to hear such cases.
C- The Court's jurisdiction under this Article shall include claims for damages arising out of these violations. Other violations of the provisions of this Law shall be subject to the general rules of court jurisdiction.
D- For the purpose of hearing cases related to practices that are inconsistent with competition within the competent court of first instance, one or more specialized judges who have received special training shall be appointed, and their appointment shall be by decision of the Judicial Board.
E- The office of the Attorney General shall be represented, in competition cases which fall within the jurisdiction of the competent court of first instance, by a specialized Prosecutor General.

Article 17:

A- Cases relating to violations of provisions of articles (5), (6), (8), (9), and (10) of this Law shall be instituted according to a complaint presented to the public prosecutors by the following parties, provided that the statements be appended to preliminary articles of proof:
1- The Minister upon recommendation of the Director or upon the request of any other official party.
2- Any Enterprises from the private sector
2- View documents, records, and files, including computer files, and seize all that is necessary thereof or copies of them in return for a notice of receipt, provided that all such seized materials be referred to in the transcript, and be returned after the end of the review thereof.
3- Conduct the necessary investigations and listen to the testimony of any person suspected of violating the provisions of this Law.
B- The officers must identify themselves and show the concerned party a copy of their written authorization.
C- The Director may, by virtue of the powers granted to him by this Law, request any person who has or may have knowledge of information relating to a violation of the provisions of this Law either to offer testimony or present whatever information, documents or records in his possession that are demanded from him.
D- The results of investigations into any violation of the provisions of this Law shall be recorded in detailed reports, and appended to inspection transcripts and information and probative tools. Such report shall include a detailed analysis of the state of competition therein and its effect on market balance.
E- In the event that it has become evident to the Minister upon the recommendation of the Director that a violation to the provisions of this Law has been committed, he shall refer the violation to the public prosecutor, otherwise he shall decide to withhold the investigation temporarily or permanently, and inform the parties concerned.

Article 20:

A violator of the provisions of Articles 5 and 6 of this Law shall be punishable:
A. By a fine of not less than 1% and not exceeding 5% of the total annual value of sales or revenue from services of the violator calculated as follows:
1- On the basis of total annual sales or total revenue from services in the market as appearing in the financial statements of the fiscal year prior to the occurrence of violation.
2- On the basis of the violator's total annual sales relating to the products subject of the violation if the activities of the violator include various products and the violation was limited to some of them.

3- On a basis established by the Court if the activities of the violator include various products and the violation was limited to some of them, and it was not possible to establish the total value of sales related to those products subject of the violation.
B. By a fine of not less than one thousand (1000) Dinars and not exceeding fifty thousand (50000) Dinars if the value of sales or revenues is not specified.

Article 21:

A violator of the provisions of Articles 9 and 10 of this Law, or a person who does not comply with those decisions taken by virtue of Article 11 of this Law shall be fined in an amount not less than one thousand (1000) Dinars and not exceeding fifty thousand (50000) Dinars.

Article 22:

A violator of the provisions of Article 8 of this Law shall be punishable by a fine of not less than two hundred (200) Dinars and not exceeding twenty thousand (20000) Dinars.

Article 23:

Any person who discloses any confidential information that he received from any source except if that was according to a court order shall be punishable by a fine of not less than one thousand (1000) Dinars and not exceeding ten thousand (10000) Dinars.

Article 24

Any person who prohibits an officer from carrying out the duties delegated to him by virtue of Article 19 of this Law, or who conceals or destroys documents, instruments, records or files presumed to be helpful in an investigation shall be punishable by a fine of not less than five hundred (500) Dinars and not exceeding five thousand (5000) Dinars.

Article 25

A- When setting the amounts of the fines under this Law, the amount of the benefit that the violator received and the value of the harm suffered by others shall be considered.
B- The Court may mitigate the punishment of a violator of the provisions of Articles (5), (6), (8), (9) and (10) of this Law if such a violator provides to the Directorate information leading to the uncovering of such practices.

Article 26:

The issuance of a verdict setting a fine under this Law shall not preclude an order of imprisonment in accordance with the Penal Code or any other law.

Closing Provisions

Article 27

Every Enterprise shall, within a period not exceeding four months after the coming into force of this Law, realign itself with the provisions of this Law, including the removal of every practice or agreement or arrangement in existence prior to the date of the coming into force of this Law, or

request the exemption referred to in Article 7 of this Law.

Article 28

The Council of Ministers shall issue the regulations necessary for the execution of the provisions of this Law.

Article 29

The Prime Minister and Ministers shall execute the provisions of this Law.
27 July 2004

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Annex No.: (9)

Instructions of setting out the market share limit for the purposes of defining the weak-effect agreements No. (1) of 2004

ACCOMPLISHMENTS OF THE

COMPETITION LAW

Instructions of setting out the market share limit for the purposes of defining the weak-effect agreements No. (1) of 2004, issued pursuant to the provisions of Article (5), paragraph (b) of the Competition Law no(49) of 2002

Article (1): Definitions:

Pursuant to the provisions of Article (5) of the Competition Law no () of 2002, It was decided to issue the following instructions to set out the limit of market share to define the weak-effect agreements. The instructions shall enter into effect as of the date of publishing them.

The following terms and phrases appearing herein shall have the meanings assigned thereto hereunder unless the context denotes otherwise:

The Law: The Competition Law in effect and its amendments
The Ministry: The Ministry of Industry and Trade
The Minister: The Minister of Industry and Trade
The Directorate: The Competition Directorate
The Director: The director of the Competition Directorate

Article (2): Definitions:

The limit of the market share, under which the weak-effect agreements are determined, shall be set out as follows:
A- Three percent (3%) of the total transactions in the market as concerning the agreements concluded between competitive companies.

B- Seven percent (7%) of the total transactions in the market as concerning the agreements concluded between non-competitive companies.

C- If the increase in the total market share during the last two consecutive financial years of companies, which are part in the agreement specified in
Article (5\b) of the Law, did not exceed one percent of the rates specified in the paragraphs (A) and (B) of this Article, these agreements remain to be considered weak-effect agreements.

Article (3):

For the purposes of applying these instructions:
A- The market share shall be calculated based on the sales of the last financial year of the concerned company, and if this was not possible, certain reliable data will be used.
B- To define the Market, the definition stated in Article (2) of the Competition Law, or any other Instructions or explanatory notes, which will be issued in this regard, shall be adopted.

Article (4):

In case the agreements included competitive enterprises and non-competitive enterprises, the three percent (3%) limit of the competitive enterprises agreements will be adopted.

Article (5):

In case the weak-effect agreements had a negative effect on the general balance of the market and the competition in it, the Minister will be entitled to lower the limit level of a certain sector according to Article (2) of these Instructions or can determine certain rates to a certain market or sector.

Article (6):

A- The Directorate shall undertake to implement the provisions of these Instructions
B- The Director can delegate any of his authorities, provided that this delegation of powers or authorities should be made in writing and specific.

Article (7):

The provisions of these Instructions shall take effect upon its publication in the Official Gazette and in two daily local newspapers.

Deputy of the Prime Minister
Minister of Industry & Trade
Dr. Mohammed Al-Halayqa

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Annex No.: (10)

Instructions of setting out the terms and procedures of the issuance of a notice on the completion of information and documents relative to an approval request on the economic concentration operation no (2) of 2006

Instructions of setting out the terms and procedures of the issuance of a notice on the completion of information and documents relative to an approval request on the economic concentration operation no (2) of 2006

Published on page 396 of the Official Gazette no (4746) on 16 February 2006, issued pursuant to paragraph (G) of Article 10 of the Competition Law no (33) of 2004

Article (1):

These instructions shall be called (Instructions of setting out the terms and procedures of the issuance of a notice on the completion of information and documents relative to an approval request on the economic concentration operation no (2) of 2006). These Instructions shall take effect upon its publication in the Official Gazette.

Article (2):

The following terms and phrases appearing herein shall have the meanings assigned thereto hereunder unless the context denotes otherwise:
The Directorate: The Competition Directorate
The Enterprise: Any person, natural or juristic, carries out economic activities, or any grouping of such persons.

Article (3):

The Directorate requests for once and in writing the Company wishing to curry our economic concentration operations to submit any information or additional documents within (60) days of the date of submitting the request.

Article (4):

The enterprise submitting the request must furnish the Directorate with the information and documents referred to in Article (3) of these Instructions as of the date of the request (petition). Afterwards, the Directorate must issue a notice on the completion of information and documents, provided that this move will not affect the Directorate's right to ask for any additional information.

Article (5):

Taking into consideration of the provisions of Article (4) of these Instructions, and in case such submitted information and documents are completed, the Directorate will issue a notice on the completion of such information and documents within sixty days commencing from the date of submitting the petition to the Directorate.

Minister of Industry & Trade
Sharif Ali Al-Zu'bi



Competition Directorate

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