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For Immediate Release

Competition Commission launches "Combat Market Sharing Cartels" Campaign

The Competition Commission (Commission) launches its "Combat Market Sharing Cartels" Campaign (Campaign) today to raise public awareness of market sharing and its harm as well as to strengthen detection of such conduct through a series of advocacy and educational initiatives on the topic.

Since the Competition Ordinance (Ordinance) came into full effect in December 2015, the Commission has received over 2,500 enquiries and complaints, of which 60% were on the First Conduct Rule with cartel conduct, including market sharing, being the major concern. Among the enquiries and complaints on market sharing, *Real Estate & Property Management*, *Machinery & Equipment* and *Telecommunications* are the top three sectors involved. In August 2017, the Commission brought a case to the Competition Tribunal (Tribunal) alleging that 10 construction and engineering companies have engaged in market sharing and price fixing practices in relation to the provision of renovation services at a public rental housing estate.

A market sharing cartel is an agreement between competitors to divide the market among themselves by agreeing not to compete for each other's customers, or not to enter or expand into a competitor's market or territory. Market sharing is a form of serious anti-competitive practice which leads to reduced consumer choices and uncompetitively high prices, hurting consumers, businesses and the economy as a whole. It is considered to have the object of harming competition and therefore the Commission is not required to show that the conduct has harmful effects in a market in order to establish a contravention of the Ordinance.

Mr. Rasul Butt, Senior Executive Director of the Commission, said, "Market sharing cartels can occur in any industry or sector. It may not be as commonly known in Hong Kong as some other forms of anticompetitive conduct such as bid-rigging but it does exist, inflicting harm on consumers and businesses. Our second case before the Tribunal is a classic example of market sharing and it drives home the message that the Commission takes such conduct very seriously.

We are launching the 'Combat Market Sharing Cartels' campaign today and with our advocacy efforts, we hope to raise public awareness of the different types of market sharing, give tips on how to detect it and encourage members of the public to report suspected cases to the Commission. Businesses should steer clear of market sharing practices, while those already involved in such practices should approach the Commission and apply for leniency."

The Commission today premiered a new set of TV and radio announcements and published a brochure with useful and practical information on how to identify market sharing and guidance on what to do should it be suspected. Two educational videos featuring actor Timothy Cheng Tse-sing in which hypothetical examples of market

sharing are dramatised explain the concept in a light-hearted and easy to understand manner. To further educate and reach out to a wider audience, the Commission will organise targeted seminars and mini roving exhibitions across the territory on the topic. The TV and radio announcement as well as the brochure are now available on the Commission's website (www.compcomm.hk) with the educational videos to be launched in stages.

Photo captions:

Photo 1



Mr Rasul Butt, Senior Executive Director of the Competition Commission



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Photo 2



"Combat Market Sharing Cartels" Campaign posters and brochures

Photo 3 & 4:



Photos of educational videos featuring actor Timothy Cheng Tse-sing