

# IN THE ACT

*MAKING MARKETS WORK WELL*

ISSUE 14 | OCTOBER 2022 - JANUARY 2023

## CARTEL GAME ENDS IN PENALTIES

**FINES TOTALLING  
\$2.8M IMPOSED ON  
WAREHOUSE CARTEL**

**WE ARE ON  
INSTAGRAM!**



## **FILTERING UNFAIR PRACTICES**

**COURT ORDER SOUGHT TO STOP ERRANT WATER DISPENSER SUPPLIER TLM**



# CE's NOTE

SIA AIK KOR  
CHIEF EXECUTIVE  
COMPETITION AND CONSUMER COMMISSION OF SINGAPORE

A very Happy Year of the Rabbit to all readers of *In the Act*.

I am pleased to share some of CCCS's key developments in the last quarter. In November, CCCS issued an infringement decision against 4 warehouse operators for fixing the price of warehousing services at Keppel Distripark and imposed financial penalties of almost \$2.8 million. By coordinating price increases with one's competitors, the uncertainty of losing customers to one's competitors is removed, and customers end up getting less competitive prices.

The last quarter of 2022 saw a continued momentum of merger activities across different industries like aviation, consumer and retail measurement, manufacturing, marine and engineering, and logistics. CCCS received 3 merger notifications and cleared 4 mergers in this period.

On the consumer front, in December, CCCS commenced proceedings against Triple Lifestyle Marketing Pte Ltd, an entity selling alkaline water filtration systems, on the ground that it had made false claims in relation to its product and maintenance service packages.

On the international front, we participated in bilateral meetings and international engagements involving the Canadian Competition Bureau, the UK Competition and Markets Authority and ASEAN Member States.

I am pleased to share that with the invaluable support from the Australian Competition and Consumer Commission, CCCS led and completed

the development of a handbook to guide ASEAN Member States on investigating anti-competitive practices in the digital economy.

We continued to explore ways to engage our stakeholders. On 15 December, we launched our CCCS Instagram channel (@cccs\_sg), so as to complement our existing social media platforms (Facebook and Youtube) to educate the public about competition and consumer protection laws and to keep stakeholders updated on our work.

I also take this opportunity to welcome our new Commission Members - Mr Ang Cheng Hock, S.C., Deputy Attorney-General, Attorney-General's Chambers, Ms Jasmmine Wong, CEO Greater China & Singapore, Inchcape PLC and Mr Liu Feng-Yuan, Vice President of Business Development, Aicadium.

Finally, I would like to extend my appreciation to the Commission Members who have stepped down upon their completion of their term on 31 December 2022 for their invaluable contributions - Prof Euston Quah, Albert Winsemius Chair Professor of Economics, and Director, Economic Growth Centre, Nanyang Technological University, Mr Kan Yut Keong Benjamin, Managing Director, Cornerstone Advisors Pte. Ltd., Prof Wong Poh Kam, Emeritus Professor, Department of Strategy and Policy, School of Business, National University of Singapore and Mr Hri Kumar Nair, S.C., formerly Deputy Attorney - General, Attorney-General's Chambers.

I hope you will enjoy reading this issue of *In The Act*. Follow our Instagram account (@cccs\_sg) and stay tuned for more tips and updates.

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## ABOUT CCCS

The Competition and Consumer Commission of Singapore ("CCCS") is a statutory board of the Ministry of Trade and Industry. CCCS administers and enforces the Competition Act 2004 which empowers CCCS to investigate and adjudicate anti-competitive activities, issue directions to stop and/or prevent anti-competitive activities and impose financial penalties. CCCS is also the administering agency of the Consumer Protection (Fair Trading) Act 2003 or CPFTA which protects consumers against unfair trade practices in Singapore. Our mission is to make markets work well to create opportunities and choices for business and consumers in Singapore.

## CONTACT US:

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# SPOTLIGHT



## CARTEL GAME ENDS IN PENALTIES

**Fines totalling \$2.8m imposed on warehouse cartel**

CCCS has imposed a total financial penalty of \$2,799,138 on four businesses, namely CNL Logistic Solutions Pte. Ltd., Gilmon Transportation & Warehousing Pte. Ltd., Penanshin (PSA KD) Pte. Ltd. ("Penanshin") and Mac-Nels (KD) Terminal Pte. Ltd., for engaging in price fixing conduct by coordinating the imposition of an additional charge known as the "FTZ Surcharge" for warehousing services at Keppel Distripark.

Following a complaint received from a member of public, CCCS commenced investigations and subsequently conducted inspections simultaneously at the businesses' premises at Keppel Distripark in November 2019.

Penanshin applied for leniency under CCCS's leniency programme. As Penanshin provided useful evidence and had co-operated with CCCS

during its investigations, its financial penalty was significantly reduced when CCCS applied a leniency discount.

At the media conference held on 17 November 2022, Ms Sia Aik Kor, Chief Executive of CCCS, explained that while businesses can decide independently on their pricing strategies in response to market conditions, they cannot coordinate their pricing strategies with their competitors as doing so lowers the risk of losing their customers and gives coordinating parties greater assurance about increasing prices, harming fair competition.

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<https://go.gov.sg/ttg4wv>

# SPOTLIGHT



## FILTERING UNFAIR PRACTICES

### Court order sought to stop errant supplier

CCCS has filed court proceedings in the State Courts against Triple Lifestyle Marketing Pte. Ltd. ("TLM") and its sole director and shareholder, Tan Jia Huang, under the Consumer Protection (Fair Trading) Act 2003 (the "CPFTA") for engaging in unfair practices.

TLM supplied water dispensers, alkaline water filtration systems and maintenance service packages to consumers. Among others, TLM is alleged to have falsely claimed that their products were accredited, offered price benefits that did not exist, failed to fulfil promised maintenance service packages, and misled consumers that alkaline and/or filtered water could prevent or improve the condition of diseases such as osteoporosis, cancer, diabetes and other illnesses.

Under the CPFTA, it is an unfair practice for a retailer to make a false claim or mislead a consumer, or to accept payment for the supply of goods or services when the retailer knows or ought to know that the retailer will not be able to supply the goods or services within the period specified by the retailer or within a reasonable period, in relation to a consumer transaction.

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<https://go.gov.sg/jo4b2t>

# SPOTLIGHT



## CLEARANCE FOR STORAGE SPACE

### Self-storage facilities deal closed

CCCS has cleared the proposed acquisition by StorHub Venture Pte. Ltd (“StorHub”) of the Mandarin Self Storage Target Companies (“MSS Target Companies”).

StorHub, part of the Storhub Group, and the MSS Target Companies, which operate under the brand name “Mandarin Self Storage”, run self-storage facilities in Singapore. With the transaction, the Mandarin Self Storage corporate group will exit the self-storage industry entirely.

CCCS assessed the impact of the proposed acquisition on competition in the supply of self-storage services, both nationwide and within smaller catchment areas of certain self-storage facilities operated by the StorHub Group or MSS, and found that the merger is unlikely to

lead to a significant lessening of competition in Singapore as StorHub Group and Mandarin Self Storage are not each other’s closest competitor in the relevant markets. In addition, due to the homogeneous nature of self-storage services and the presence of other sizable competitors, there would likely be sufficient alternatives for the merged entity’s customers even after the proposed acquisition.



<https://go.gov.sg/bj4koh>



## MARINE DEAL SAILS AHEAD

### CCCS clears merger of Keppel Offshore & Marine Limited and Sembcorp Marine Limited

CCCS has cleared the proposed acquisition by Sembcorp Marine Limited (“SCM”) of 100 per cent of Keppel Offshore & Marine Limited (“KOM”) (collectively, the “Parties”). In its assessment, CCCS considered the following relevant markets, namely (i) the global supply of commercial vessels, and (ii) the regional supply of ship repair services based on trade routes.

CCCS found that there are many strong global competitors for commercial vessels, such as shipbuilders in China, South Korea and Japan, that customers can easily switch to. In the ship repair market, regional competitors in China, South Korea and Middle East would exert competitive restraint. Further, customers can switch between alternative shipyards located along the trading routes plied by the commercial vessels.

The Parties are unlikely to have the ability to exert their purchasing power to depress prices below the competitive level even after the proposed acquisition. Given their market shares, the Parties are also unlikely to enjoy significant bargaining power vis-à-vis specialised subcontractors.

The Parties are also unlikely to foreclose competition for the supply of adjacent or complementary services, as shipyards do not bundle or tie ship repair services with adjacent or complementary services.

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<https://go.gov.sg/moqwf1>

# SPOTLIGHT



## NO JAM FOR PRINT JOB

### ContiTech cleared to acquire Telleborg's printing solutions business

In Singapore, ContiTech Global Holdings Netherlands B.V. ("ContiTech") supplies flat-backed/fabric printing blankets, self-adhesive blankets, conveyor belt systems, elastomer sheeting, fluid handling, power transmission and surface materials. Printing Solutions Sweden Holding AB, a wholly-owned subsidiary of Trelleborg AB ("Trelleborg"), develops, manufactures and supplies printing blankets for offset and digital printing, carrier sleeves for flexo printing, as well as a supplementary local Italian coated fabrics business.

Through the proposed acquisition, ContiTech will acquire Trelleborg's printing solutions business.

In its assessment, CCCS found that although the merged entity would become the largest player in the global manufacturing and supply of flat-backed/fabric printing blankets, there are

suitable alternative suppliers that customers in Singapore can easily switch to. While barriers to new entry are likely to be moderately high, manufacturers within the offset printing blanket industry are generally able to easily switch to produce different types of offset printing blankets.

There is also sufficient spare capacity amongst existing competitors to absorb demand from customers switching away from the merged entity. Due to limited price transparency and ease of switching by customers, CCCS deemed it unlikely that the proposed acquisition will result in collusion between competing suppliers.

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<https://go.gov.sg/mwaf1g>





## POSITIVE REVIEW FOR THE CRUCIBLE

### CCCS clears Momentive's proposed acquisition of CoorsTek KK.'s crucibles business

MOMQ Holding Company ("Momentive") designs and manufactures ultra-high performance quartz and ceramic products and supplies quartz crucibles used in the production of 300mm silicon wafers which are shipped to Singapore. CoorsTek KK. ("CoorsTek") develops and manufactures a variety of products made of inorganic materials for use in the production of semiconductor devices. CoorsTek manufactures and supplies quartz crucibles used in the production of 300mm wafers which are also shipped to Singapore. Both Momentive and CoorsTek do not have any registered entities in Singapore.

CCCS considered that the relevant market for its assessment of the proposed transaction is the global supply of quartz crucibles used in the production of 300mm silicon wafers.

In its assessment, CCCS found that Momentive and CoorsTek offer differentiated products and are not close competitors in the relevant market in Singapore. Customers are also able to source from multiple suppliers. Because of limited transparency in the procurement process and varied procurement methods, collusion between competing suppliers is unlikely to arise as a result of the proposed transaction.

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<https://go.gov.sg/h8gpv4>

# TALKING POINT

## CCCS WELCOMES CMA'S DIRECTOR OF SCIENCE MR DAVID DORRELL



CCCS hosted a 3-day visit from Mr David Dorrell, the Director of Data Science from the UK's Competition and Markets Authority ("CMA") from 10 to 12 October 2022. During his visit, Mr Dorrell conducted in-house training for CCCS staff, a sharing session to the Community of Practice for Competition and Economic Regulations and network of government Chief Data Officers, as well as a sharing session to private sector practitioners.

During these sessions, Mr Dorrell shared the UK's experience in cross-cutting regulatory issues concerning digital markets, with a focus on competition, consumer protection and data, as well as his experience in building and leading data functions within the CMA.

cccs\_sg



## CCCS IS ON INSTAGRAM!

CCCS officially launched its Instagram account on 15 December 2022. Stay connected and be informed about the latest happenings, case decisions and events on competition and consumer protection related matters.

Follow us @cccs\_sg!



## OUTREACH TO SCHOOLS

In November 2022, CCCS officers conducted outreach sessions to over 370 students and teachers from Catholic Junior College and Dunman High School on topics that include the Competition Act, competition policies in the digital economy and enforcement.



DUNMAN HIGH SCHOOL (10 NOVEMBER 2022)



CATHOLIC JUNIOR COLLEGE (23 NOVEMBER 2022)

## NUS COMPETITION LAW ELECTIVE STUDENTS (1 NOVEMBER 2022)

CCCS senior management engaged students from the National University of Singapore Competition Law elective course in a Q&A session on 1 November 2022. The students also prepared video project presentations, which were judged by members of the CCCS senior management.



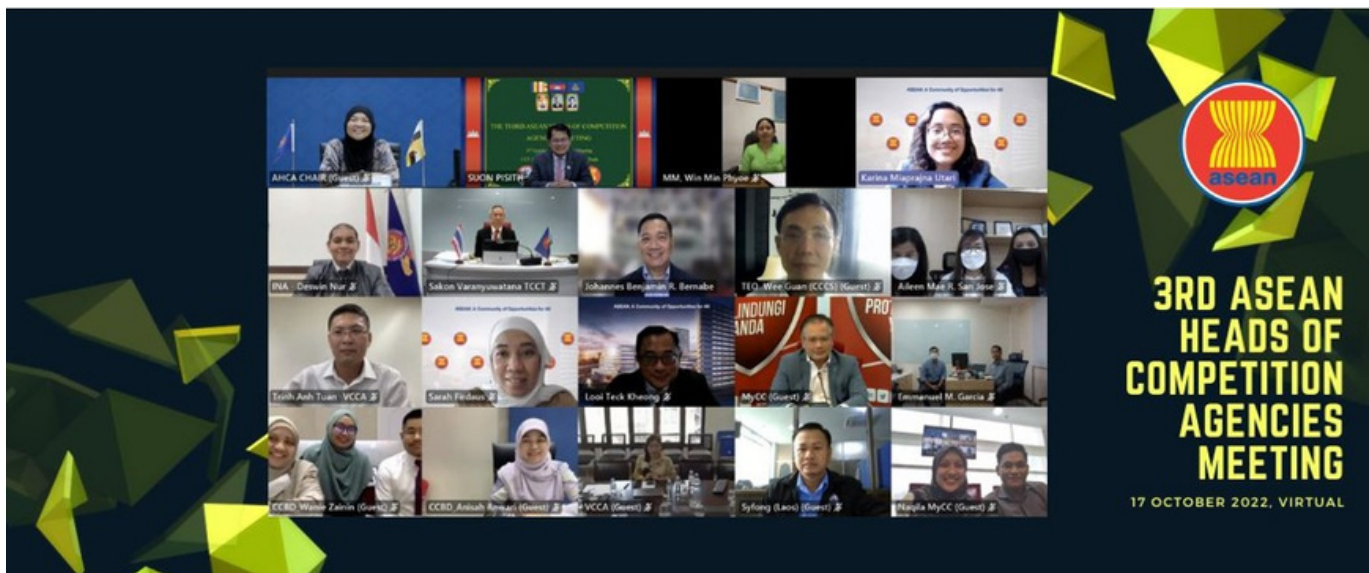
# GLOBAL ACT

## 29TH MEETING OF THE ASEAN EXPERTS GROUP ON COMPETITION (AEGC)



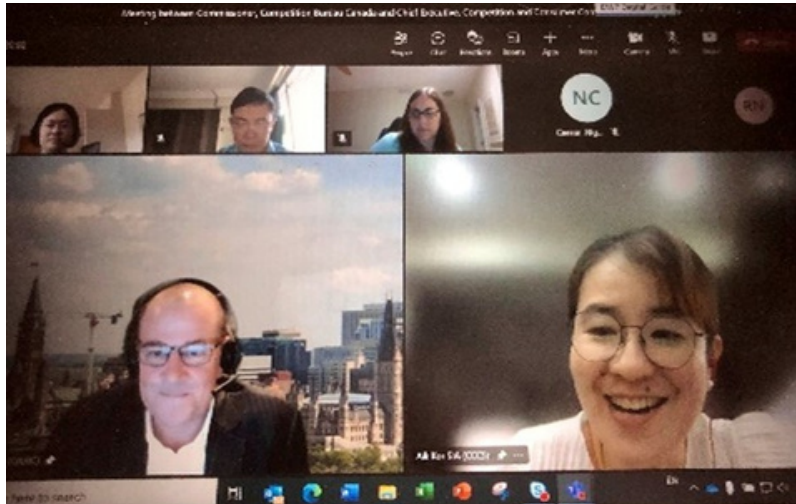
The AEGC met virtually from 17 to 21 October 2022 to discuss the progress of various projects, including initiatives on information sharing for mergers in ASEAN, the ASEAN Framework Agreement on Competition and the ASEAN Competition Business Perception Index. CCCS led the ASEAN Investigation Manual for Competition Policy and Law for the Digital Economy and presented the final version to the ASEAN member states. The manual was developed with the assistance of the Australian Competition and Consumer Commission.

Heads of the ASEAN competition agencies also met virtually on 17 October 2022.



## CCCS AND THE CANADIAN COMPETITION BUREAU DISCUSS WAYS TO DEEPEN COOPERATION

Ms Sia Aik Kor, CCCS Chief Executive and Mr Matthew Boswell, Commissioner of Competition of the Canadian Competition Bureau met virtually on 4 November 2022. They discussed areas to further enhance the relationship between the agencies, which include staff exchanges and project collaborations in international fora, as well as technical exchanges in emerging trends like sustainability and digital markets.



## CCCS PARTICIPATES IN ABA ANTITRUST LAW SECTION BIENNIAL ASIAN CONFERENCE



Ms Sia Aik Kor, CCCS Chief Executive delivered the keynote speech at the 5th Biennial Antitrust in Asia conference convened by the American Bar Association (“ABA”) Antitrust Law Section in Singapore from 8 to 9 December 2022. Ms Sia outlined the work of CCCS during the pandemic in supporting businesses to weather the pandemic and facilitate economy recover. Ms Sia highlighted notable enforcement actions taken and shared CCCS’s experience in responding to issues relating to digital markets, which have seen tremendous growth and rapid developments due to digitalisation

driven by the pandemic. Ms Sia also provided a progress update on the implementation of CCCS’s consumer protection function and CCCS’s focus in the coming years.

In a separate ASEAN Enforcers Roundtable panel, Ms Sia, together with senior officials from other ASEAN competition agencies, shared on their agency’s recent work and had a discussion on the development of competition law in ASEAN.



## PRICE FIXING HARMS COMPETITION

### WHAT IS PRICE FIXING?

Competitors agree to fix, control or maintain prices (or any component of prices) of goods and services.



### PRICE FIXING IS PROHIBITED UNDER THE COMPETITION ACT

- Price fixing is one of the most harmful types of anti-competitive conduct.
- It prevents customers from getting the best value for their purchases.

### APPLY FOR LENIENCY IF YOU ARE INVOLVED IN PRICE FIXING (OR ANY OTHER CARTEL ACTIVITY)

- Businesses that are part of a cartel / anti-competitive agreement should approach CCCS to seek immunity or leniency from financial penalties.
- The first business to provide evidence of the cartel (before CCCS commences formal investigations) will be given a full waiver of the financial penalty.



### DO YOU HAVE INFORMATION ON CARTEL ACTIVITY IN SINGAPORE?



- Under the CCCS Reward Scheme, in appropriate cases, a monetary reward of up to S\$120,000 can be paid to informants for information that leads to infringement decisions against cartel members.
- The informant's identity will be kept strictly confidential.



### CONTACT US

CCCS hotline: 1800 325 8282  
CCCS Online Complaint Form  
Website: [www.cccs.gov.sg](http://www.cccs.gov.sg)