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Canada

Executive Summary

1. The Competition Bureau (Bureau) employs a balanced approach through active enforcement, advocacy and outreach to ensure a competitive and innovative marketplace that benefits consumers, businesses and the Canadian economy. The Bureau recognises that competition and innovation are key elements of a healthy, sustainable economy. Businesses are driven to innovate in competitive markets, leading to increased productivity, efficiency and economic growth.
2. In the rapidly changing global economy, technological advances are enabling a wave of innovative new products, services and business models. These innovations are bringing about significant benefits for consumers and growth opportunities for businesses. In order to maximise the potential benefits for Canadians, the Bureau took action in 2017–18 to foster open and competitive markets in which innovation can thrive.

1. Changes to competition laws and policies, proposed or adopted

1.1. Summary of new legal provisions of competition law and related legislation

3. No new legal provisions of competition law or related legislation were introduced in fiscal year 2017-2018.

1.2. Other relevant measures, including new guidelines

1.2.1. Guidelines

4. In March 2018, the Bureau published a Practical Guide to Efficiencies Analysis in Merger Reviews (the Guide) for public consultation to provide additional guidance and transparency to stakeholders and the practitioner community following a recent decision from the Supreme Court of Canada. The Guide focuses on the Bureau's internal assessment of efficiencies prior to making an enforcement decision, and provides practical guidance on how best to engage with the Bureau when conducting this highly complex analysis.

5. In March 2018, the Bureau once again led Fraud Prevention Month, a campaign aimed at helping Canadians recognize, reject and report fraud. In addition to participating in awareness campaigns like the Top 10 Scams, and the #fraudchat and #2G2BT Twitter chats, this year the Bureau also launched the second edition of its Little Black Book of Scams, a guide that exposes 12 of the most prevalent scams in Canada.

1.2.2. Strategic Planning

6. Innovation remained a key theme for the Competition Bureau in 2017-2018. With countries around the world seeking to attract talent, develop new technologies and grow successful companies, Canada is in the midst of a global innovation race. The Bureau

knows that open and competitive markets spur innovation by stimulating creative thinking, driving efficiency and energizing productivity.

7. The Bureau's 2017-2018 Annual Plan set out the ways it intended to help create the conditions for innovation over the year, whether by promoting fair competition and confidence in the digital economy, advocating for pro-competition regulations in the financial services sector, examining the growing use of big data or tackling online deceptive marketing practices.

8. The Bureau's 2015-2018 Strategic Vision describes the mission and values at the core of the organization, and sets out five strategic objectives that will guide the Bureau's work on behalf of consumers and businesses. Headed into the third and final year of the Strategic Vision, these objectives continued to drive the Bureau's activities in 2017-2018:

- Increase compliance: Use all available tools to increase compliance with Canada's competition laws and prevent and deter anti-competitive or deceptive conduct that could threaten the health, growth and confidence in the Canadian economy.
- Empower Canadians: Create an environment of competitive prices, greater product choice and informed decision-making for the benefit of all Canadians.
- Promote competition: Promote and advocate for a more competitive marketplace, emphasizing smart regulation focused on achieving legitimate regulatory objectives.
- Collaborate with partners: Collaborate with domestic and international partners to promote strong competition principles and expand opportunities for Canadian participation in world markets.
- Champion excellence: Promote a culture of excellence throughout the Bureau founded on openness, collaboration and engagement, and securing tangible results.

1.2.3. Champion excellence

9. Investing in its people allows the Bureau to perform at its peak – and deliver the best possible outcomes for Canadians and the economy. In the Bureau's view, organisational excellence begins with a respectful, diverse, healthy and inclusive work environment.

Maintaining a high-performing workforce

10. When the Bureau developed its talent management strategy (Strategy), its aim was to change the way the Bureau plans, acquires, develops and retains its workforce. Over the past year, the Bureau has remained fully committed to implementing the Strategy – and to maintaining a high-performing, respectful, diverse, healthy and inclusive work environment.

11. Since the Strategy was launched, the Bureau has expanded its training, career development, performance, employee recognition and talent management programmes. It introduced its first in-house e-learning course, developed and started to implement a core training program for Bureau investigators and paralegals, coordinated and delivered more than 70 training and information sessions to staff, and facilitated the participation of Bureau employees in approximately 150 external training courses.

Shining a spotlight on workplace wellness

12. Given that, every year, one in five people will personally experience a mental health problem or illness¹, mental health awareness is key to maintaining a high-performing and healthy workplace. In 2017–18, the Bureau established a Workplace Wellbeing Network, appointed Workplace Wellbeing co-champions, implemented the ‘Not Myself Today’ campaign and held Mental Health Week to raise awareness about mental health, break down stigma and provide resources to employees.

13. Based on the results of its previous survey on wellbeing and mental health issues, the Bureau developed an action plan with recommendations for how to tackle some of the more pressing issues faced by its employees. Overall, the Bureau undertook 18 initiatives to build and sustain a safe, healthy, respectful and supportive work environment. These included sharing a monthly newsletter and posters to raise awareness of mental health topics, facilitating and hosting a series of group discussions and presentations, encouraging employees to participate in wellbeing and mental health-related activities and challenges, and conducting mental health first aid training sessions.

Creating a more transparent and accountable Bureau

14. To help the Bureau make better decisions and ensure it focuses on the issues that matter most, it needs tools and practices to measure and report on the Bureau’s activities and their impact for Canadians.

15. In 2017-2018, the Bureau refined its logic model and performance measurement framework, holding workshops to identify needs and results across its different activities – and determine how they connect to the Bureau’s higher-level goals. The Bureau was then able to accurately identify and refine the performance indicators and targets for its specific lines of business.

16. The Bureau’s Quarterly Statistics Report – now the Performance Measurement & Statistics Report – features an enhanced performance measurement dashboard to provide a more comprehensive view of the Bureau’s performance. A narrative section added to the report speaks to variances in statistics, highlights key activities from the past quarter, and provides additional context on newsworthy and public-facing activities.

17. The Bureau also continued its efforts to identify meaningful outcome-based measures, working closely with partners such as Statistics Canada and the Bank of Canada to identify available data. As the Bureau moves to implement a case management system that will help it better organise, assess and approach its case work, it will incorporate performance measurement considerations into its business needs to leverage the important insights derived from its data.

1.3. Government proposals for new legislation

18. There were no government proposals for new legislation in fiscal year 2017-2018.

¹ Canadian Mental Health Association. (2016). Fast Facts about Mental Illness. www.cmha.ca/media/fast-facts-about-mental-illness/.

2. Enforcement of competition laws and policies

2.1. Action against anticompetitive practices, including agreements and abuses of dominant positions

2.1.1. Cartels and Bid-Rigging

19. Conspiracies among competitors to fix prices, allocate markets, restrict output or rig bids harm consumers and businesses by driving up prices and limiting choice in the marketplace. The Bureau continued to crack down on cartels in 2017–18. It focused on high-impact cases, resulting in significant fines being imposed by courts against companies that participated in bid-rigging and conspiracy in the auto parts and infrastructure sectors, among others.

Making a difference through high-impact cases

20. Price-fixing strikes a nerve with Canadians because it undermines the sense of fair play expected from a free market economy. As part of the Bureau's ongoing investigation into alleged price-fixing among Canada's two largest bread makers (Canada Bread and Weston Bakeries) and several major grocery retailers, it executed searches to gather more information about the alleged offences. In the coming year the Bureau will continue this important work to combat price-fixing in the Canadian grocery sector.

21. In November 2017, Irving Oil Ltd. pleaded guilty to one count of retail price maintenance in Quebec and was fined \$287,583. It follows a wider Bureau investigation that resulted in charges being laid against 39 individuals and 15 companies in 2008, 2010 and 2012 for their role in a gasoline price-fixing conspiracy in the province of Quebec.

22. In the auto-parts sector, the Bureau's sustained efforts to address international bid-rigging conspiracies once again led to substantial fines being brought against the companies involved. In April 2017, Mitsubishi Electric Corporation pleaded guilty to three counts of bid-rigging and was fined \$13.4 million by the Ontario Superior Court of Justice — one of the largest bid-rigging fines ever ordered by a court in Canada. In December 2017, Japanese manufacturer NGK Spark Plug Co., Ltd. also pleaded guilty to one count of bid-rigging and was fined \$550,000.

23. In October 2017, Cardinal Ventilation Inc. was fined \$375,000 after pleading guilty to bid-rigging related to three condominium development projects in Montréal. The company admitted it had won a ventilation contract by conspiring with competing firms to ensure its bid was the lowest — and then reciprocating that arrangement to ensure the competing firms would get the contracts for other projects. This sixth guilty plea concluded the Bureau's Quebec ventilation case, with more than \$1 million in total fines handed down by the courts.

24. In 2017-2018 the Bureau also focused its efforts on public procurement, where bid-rigging can increase contract costs that are ultimately borne by taxpayers. In November 2017, the Bureau wrapped up its bid-rigging investigation into sewer service cartels in Quebec with a seventh and final guilty plea.

Giving Canadians a voice against cartels

25. Information and complaints from the public are essential to identifying and understanding potential cartel behaviour. That's why it is important for the Bureau to

continually improve the tools and programs that allow Canadians to share what they know. The Bureau's best weapon against cartels are its Immunity and Leniency Programs. Under the Immunity Program, the first party to disclose to the Bureau an offence not yet detected or to provide evidence leading to the filing of charges, may be entitled to full immunity from prosecution. Any individual or organization that does not qualify for immunity can apply for leniency. Under the Leniency Program, qualifying applicants can be eligible for leniency in sentencing for reporting cartel offences to the Bureau and cooperating with an investigation. Consultations began in 2017-2018 on how to update these programs to increase their transparency and predictability.

26. The Bureau also launched a dedicated tip line that allows the public to report suspected instances of fraud, collusion or corruption affecting federal government contracts, helping build trust in government procurement. In its first year of operation, the Bureau received 140 tips through the telephone tip line and online form. This joint initiative with Public Services and Procurement Canada and the Royal Canadian Mounted Police complements the measures already in place to ensure that federal contracts are lawful, ethical, and fair.

2.1.2. Deceptive Marketing Practices

27. While advertising aims to entice consumers to buy, it must do so in a truthful way. The Bureau promotes truth in advertising by taking action to prevent or stop deceptive marketing practices and by empowering consumers to make informed choices.

Fighting for Truth in Advertising

28. The Bureau stood up to deceptive marketing and advertising in a big way in 2017–18. In September 2017, a Montreal businessman was sentenced to 18 months in jail for making false product claims and deceiving consumers about delivery times. In March 2018, the last accused in a Bureau deceptive telemarketing case was sentenced to two years less a day in jail and three years of probation for defrauding businesses in Canada and the United States. And the Bureau's investigation into Thompson Hill Publishing resulted in an \$180,000 fine for making false or misleading representations and engaging in deceptive telemarketing.

29. In January 2018, as part of a class-action settlement related to false environmental marketing claims made by Volkswagen, Audi and Porsche, buyers and lessees of certain 3.0 litre diesel vehicles were awarded up to \$290.5 million in compensation. The Bureau also reached a consent agreement with the three Canadian automobile distributors under which Volkswagen Canada and Audi Canada committed to paying a total administrative monetary penalty of \$2.5 million.

30. In addition, the Bureau worked in close cooperation with Leon's and The Brick to resolve concerns over false or misleading advertising of financing plans, bringing an end to legal proceedings the Bureau had launched in 2013. As part of this consent agreement, Leon's and The Brick agreed to each donate \$750,000 worth of home furnishings over two years to charities in Canada.

31. The Bureau also reached a consent agreement with Thane Canada Inc. after it found its weight loss claims for its electronic muscle stimulation devices were not based on adequate and proper testing — and were therefore false or misleading to consumers. The company agreed to pay a \$350,000 administrative monetary penalty.

Promoting truthful advertising and labelling

32. In 2017-18, the Bureau stepped-up its industry outreach to prevent misleading advertising and labelling. In September 2017, the Bureau held meetings with industry stakeholders from the Canadian Jewelry Association and Jewellers Vigilance Canada to find a joint solution to precious metal articles sold to consumers which were not compliant with the Precious Metals Marking Act. The Bureau also continued its work on Made in Canada representations, meeting with the President of the Canadian Shoe Manufacturer's Association in September 2017 regarding false or misleading "Made in Canada" claims and representations on footwear imported into Canada. In 2018, the Bureau delivered several presentations to the Canadian Apparel Federation on labelling requirements for textiles and apparel.

Putting the squeeze on drip pricing

33. Canadians need to have trust that the prices they see advertised online are the ones they will actually pay. That trust is easily broken when online retailers add hidden fees and charges to their products and services.

34. Drip pricing, for example, is a practice where extra fees are incrementally added at different stages of the online buying process, causing the final price to be much higher than advertised. In 2017-2018, the Bureau took on key players in the car rental industry over hidden fees, resulting in a total of \$2.25 million in administrative monetary penalties for Hertz/Dollar Thrifty and Enterprise Rent-A-Car. The Bureau also took legal action against Ticketmaster over alleged misleading ticket price advertising — sending a strong message to online retailers that false or misleading claims will not be tolerated.

2.1.3. Monopolistic Practices

Enabling digital innovation through competition

35. In a big win for competition and consumers, the case against the Toronto Real Estate Board (TREB) was upheld by the Federal Court of Appeal. It was found that TREB had blocked its members from offering certain innovative online brokerage services, preventing home buyers and sellers from taking advantage of a wide range of options when making one of the most significant financial transactions of their lives. By lifting restrictions on access and use of real estate data, agents will be able to offer consumers new services that provide insights into home sales prices and trends online. Following the Federal Court of Appeal decision, TREB sought leave to appeal to the Supreme Court of Canada. The Bureau opposed this application, and will continue to fight for increased competition and innovation in this important sector.

36. In January 2018, the Bureau reached a consent agreement with Softvoyage Inc., a Canadian developer of travel-related software, regarding restrictive terms in its contracts with tour operators and travel agencies which excluded rival companies. This resolution is expected to open the door to greater competition and innovation in the travel industry, resulting in more choices for Canadian travellers.

A new chapter for ebook competition in Canada

37. The Bureau continued to work to restore price competition for ebooks, having found that certain publishers had entered into an arrangement preventing Canadian retailers from offering discounts on their ebooks. This meant that Canadians saw identical

prices for the vast majority of those publishers' ebooks no matter where they shopped. In the wake of consent agreements reached in early 2017 with Apple and three ebook publishers – Hachette, Macmillan and Simon & Schuster – the Bureau reached a similar consent agreement in early 2018 with a fourth ebook publisher, HarperCollins. The agreements with ebook publishers enable Canadian retailers to offer discounts on ebooks to consumers.

38. In February 2018, the Federal Court rejected an application by Kobo, Canada's largest ebook retailer, which challenged certain of the consent agreements between the Bureau and ebook publishers. The Federal Court decision upheld the Hachette, Macmillan and Simon & Schuster consent agreements and cleared the way for the HarperCollins agreement to come into force. The decision paves the way for Canadian retailers to offer consumers the benefit of retail price competition in the ebook marketplace.

2.1.4. Summary of activities of competition authority

Competition and innovation in the digital economy

2017-2018 key achievements	
Digital economy cases commenced	30
Digital economy cases ongoing	42
Digital economy cases resolved	31

Cartels and bid-rigging

2017-2018 key achievements	
Fines imposed in cartel cases	C\$14.8 million
Promotional activities in support of the tip line	42
Investigations commenced	15
Investigations ongoing	43
Investigations closed	18
Immunity markers granted to applicants	7

Canada-wide competition promotion

2017-2018 key achievements	
Bid-rigging presentations	22
Compliance outreach events	38
Compliance publications	7

Deceptive Marketing Practices

2017-2018 key achievements	
Estimated consumer savings ²	C\$2.8 billion
Administrative monetary penalties	C\$5.1 million
Jail sentences	2

² Estimated consumer savings measures the total consumer savings arising from an enforcement matter in a given fiscal year.

Empower Canadians

2017-2018 key achievements	
Consumer and business alerts issued	13
Twitter hits	14,304
Media hits	12,017
Web visits	661,558
Complaints and information requests received by the Bureau	10,339

Promote Competition

2017-2018 key achievements	
Representations before regulatory bodies	3
Other advocacy interventions ³	21
Issue of The Competition Advocate published	1
Market study published	1

Collaborate with Partners

2017-2018 key achievements	
Formal international agreements signed ⁴	2
Formal domestic agreement signed	1
Meetings with foreign law enforcement agencies or competition authorities	31
International meetings and workshops	23
Capacity building initiatives with international partners	8

Champion excellence

2017-2018 key achievements	
Training courses and information sessions offered to staff	72
Public and stakeholder consultations on documents	7

2.1.5. Summary of activities of courts

39. Bureau investigations led to \$14.8 million in fines imposed in cartel cases and 2 jail sentences imposed in deceptive marketing practices cases.

2.1.6. Description of significant cases with international implications

40. Today's complex and fast-moving markets stretch across borders, making it critical for the Bureau to work with its international counterparts to deliver on its mandate. Strong, mutually beneficial partnerships at all levels ensure healthy competition, build global awareness of key issues and enable action against unlawful practices — all of which help protect Canadian businesses and consumers.

³ Other interventions (outside formal interventions, submissions and appearances before regulatory bodies), including written submissions, letters, calls and meetings with regulatory groups and other stakeholders.

⁴ Formal international and domestic agreements include Memoranda of Understanding and other agreements.

41. In 2017-2018, the Bureau hosted the 14th annual International Competition Network (ICN) Cartel Workshop, sharing knowledge and best practices in cartel and bid-rigging detection, investigation and deterrence with representatives from more than 50 antitrust agencies. This three-day event created an open dialogue that will help improve the competitiveness of public procurement processes in Canada and around the world.

Promoting competition excellence at home and abroad

42. Collaborating with international and domestic partners allows the Bureau to engage in open dialogue to address cross-border competition concerns, build consensus, and share knowledge and best practices. Ultimately, it helps strengthen competition promotion and enforcement across Canada and around the world.

43. One of the steps the Bureau took in 2017-2018 to increase collaboration with international partners was to sign a new cooperation agreement with the Japan Fair Trade Commission — promoting further cooperation, coordination and communication between the two authorities. This agreement, signed in May 2017, will increase the efficiency of investigations between the two countries and contribute to more effective enforcement outcomes. A month later, the Bureau signed a Memorandum of Understanding (MOU) with Colombia's Superintendence of Industry and Commerce to promote cooperation and strengthen cross-border competition law enforcement. The Bureau also met with U.S. and Mexican competition authorities to reinforce North American cooperation in competition law enforcement.

44. Working with Global Affairs Canada, Innovation, Science and Economic Development Canada as well as other departments, the Bureau continued to provide its expertise in support of key Canadian trade initiatives. This included concluding the competition policy provisions for the renegotiation and modernization of the North American Free Trade Agreement and advancing negotiations toward a possible Pacific Alliance Free Trade Agreement.

45. Domestically, the Bureau signed an MOU with Consumer Protection BC in January 2018. This arrangement provides a framework for cooperation on enforcement matters, marketplace trends, policies and other issues of mutual interest — helping to foster a more competitive marketplace for the benefit of consumers and the economy, not only in the province of British Columbia, but throughout Canada.

Providing leadership on the international stage

46. Competition agencies around the world face similar challenges — and they are much more effective when they work together. By taking an active role in organizations such as the ICN, the Organisation for Economic Co-operation and Development (OECD) and the International Consumer Protection and Enforcement Network (ICPEN), the Bureau is able to share its knowledge and best practices with the international community.

47. The Bureau took part in several OECD meetings in 2017-2018, including roundtables of the OECD Competition Committee and the Committee on Consumer Policy (CCP). Its active participation in these meetings included a presentation on the Canada-European Union Comprehensive Economic and Trade Agreement and responding to questions regarding the Bureau's formal submission to the OECD Competition Committee on Methodologies for Conducting Market Studies.

48. The Bureau continued its leadership roles in the ICN, acting as the ICN Secretariat, a member of the ICN Steering Group and co-chair of the Agency Effectiveness Working Group (AEWG). Through the AEWG, the Bureau played an instrumental role in bringing together academics and economists from competition agencies around the world to share their knowledge in important areas of competition law enforcement. In October 2017, the Bureau hosted the 14th annual ICN Cartel Workshop. Attended by 250 representatives from 50 antitrust agencies, this three-day session promoted collaboration on — and best practices for — cartel detection, investigation and deterrence related to public procurement. The Bureau also acted as the liaison between the ICN and the OECD to ensure alignment in the work of these two important bodies.

49. The Bureau continued to enhance and strengthen its network of partners to address anti-competitive activities and deceptive marketing practices, and promote best practices through its participation in *ICPEN*. The Bureau played an active role in both annual ICPEN conferences, and served once again as the coordinator for ICPEN's Annual Internet Sweep.

Getting better together

50. Each year, the Bureau takes part in numerous capacity-building programs and events to help improve its own capabilities as well as those of the international competition agencies with whom it works. For example, the Bureau shared its experience and best practices at the ICN's capacity-building workshop on due process in Singapore by facilitating a training session on integrating procedural fairness into agency decision-making and moderating a panel offering practical solutions. Again in Singapore, the Bureau participated in the Antitrust Regional Seminar on Economic Analysis in Competition Enforcement, which supported the development of competition policy and enforcement in the Asia-Pacific region. The Bureau led a "how-to" session on merger control analysis and delivered a presentation on its approach to abuse of dominance cases. It also shared various aspects of competition law and policy, including merger review and exclusionary conduct, to senior officers of the Competition Commission of India (CCI) using a number of presentations and case studies.

51. In February 2018, the Bureau delivered a presentation on compliance as part of a seminar for the staff of regional antitrust authorities at the Eurasian Antitrust Forum in Kazakhstan. In addition, the Bureau organized an ICN outreach program on due process and transparency for the Association of Southeast Asian Nations (ASEAN) Heads of Agencies.

52. To further strengthen cross-agency collaboration, the Bureau continued to participate in staff exchanges with its international counterparts. In 2017-18, it sent staff to the Australian Competition and Consumer Commission (ACCC), the Korea Fair Trade Commission (KFTC) and the Hong Kong Competition Commission. The Bureau also welcomed staff from the ACCC, the KFTC, the CCI and the Austrian Federal Competition Authority.

2.2. Mergers and acquisitions

53. The Bureau review mergers of all sizes and in all sectors of the economy to ensure they will not substantially lessen or prevent competition. This ensures that consumers and businesses continue to benefit from a dynamic marketplace that offers innovative products and services, increased choice and competitive prices.

2.2.1. Statistics on number, size, and type of mergers notified and/or controlled under competition laws

54. In 2017–18, the Bureau completed 231 merger reviews, including 70 complex reviews, in industries that have a significant impact on the day-to-day lives of Canadians. The Bureau reached six consent agreements that required merging companies to sell assets or take other measures to address competition concerns.

55. In 2017-18, the Bureau reviewed 231 mergers, including 161 non-complex mergers and 70 complex mergers. The Bureau registered 4 merger-related consent agreements with the Competition Tribunal.

2.2.2. Summary of significant cases

Making sure mergers do not harm competition and innovation

56. When competitors merge, the loss of a rival can reduce the incentive of market participants to innovate and bring new and better products to market. In 2017-2018, the Bureau concluded that the proposed merger between E.I. du Pont de Nemours and Company (DuPont) and The Dow Chemical Company (Dow) would likely decrease competition and innovation in the development and supply of crop protection products and certain packaging plastics typically used in specialized packaging applications for diverse products like food, beverages and pharmaceuticals. To address the Bureau's concerns and maintain competition and innovation, DuPont agreed to sell a significant part of its global herbicides business and research and development (R&D) branch to FMC Corporation, a United States based chemical technologies company. Additionally, Dow agreed to sell its global business of certain specialised plastics products to SK Global Chemical Co. LTD (SK Global), a new entrant in these markets.

57. As part of the Bureau's continued efforts to preserve competition in the retail gas industry, in 2017-2018 it reached separate consent agreements with Alimentation Couche-Tard Inc. (Couche-Tard) and Parkland Industries Ltd. (Parkland). These agreements related to Couche-Tard's proposed merger with CST Brands Inc. (Ultramar) and its decision to sell a number of retail gasoline sites and dealer contracts to Parkland. As these mergers and acquisitions would have resulted in decreased competition in local markets in Ontario, Quebec, Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland and Labrador, the Bureau stepped in to address the competition concerns in this important sector.

58. To address the Bureau's concerns, Couche-Tard agreed to sell 366 gas stations and gasoline supply contracts to Parkland and one gas station to Philippe Gosselin & Associés Limitée (Filgo). In the subsequent sale of assets to Parkland, the Bureau concluded that a substantial lessening of competition in several markets in Ontario was likely. In those markets, Parkland agreed to sell nine gasoline supply contracts to MacEwen Petroleum Inc. (MacEwen) or McDougall Energy Inc. In addition, there were two other markets where the Bureau found that Parkland was not a suitable purchaser. In the latter, Parkland also divested certain of its own assets to MacEwen, prior to the Bureau entering into either of the consent agreements.

59. Consent agreements were also reached with companies across a variety of sectors affecting Canadian consumers and businesses, including with:

- The Sherwin-Williams Company for its proposed acquisition of The Valspar Corporation, resolving concerns that the merger would have reduced competition

for customers that require a long-term supply of large batch shipments of industrial wood coatings; and,

- Superior Plus LP for its proposed acquisition of Canwest Propane, resolving concerns that the merger would have led to a substantial price increase in the retail sale of bulk propane for many consumers, particularly those living in rural areas.

3. The role of competition authorities in the formation and implementation of other policies, e.g. regulatory reform, trade and industrial policies

60. Unnecessary and overly-restrictive regulations can stifle competition and innovation. When providing advice to governments and other decision makers, the Bureau advocates for a pro-competitive, innovation-friendly approach to regulation.

61. The financial services sector plays a significant role in Canadians' day-to-day lives, whether they're receiving or making payments, borrowing, spending, saving or investing. The market study report the Bureau published in 2017-2018 will help shape the future of financial services, providing regulators and policymakers with 30 recommendations to encourage greater competition and innovation in payments, lending and investment dealing and advice.

3.1. Exploring the future of financial services

62. From grocery shopping to business investments, virtually every aspect of Canada's economy relies on the financial services sector. New technologies stand to bring greater speed and convenience to Canadians as they spend, borrow and invest — but to fulfil that potential, the marketplace needs to encourage more competition and innovation in this sector.

63. In December 2017, following 18 months of active engagement with Canadians, government partners, as well as national and international stakeholders, the Bureau published a market study of innovation in the financial services industry (FinTech). Focused on emerging FinTech services in retail payment systems, peer-to-peer lending and equity crowdfunding, and investment dealing and advice, the study provides policymakers and regulators with 30 recommendations on how to promote greater competition and innovation in financial services.

64. The Bureau's research included more than 130 interviews, 50 written submissions, and a one-day workshop that brought together more than 230 participants from Canada and abroad. Since the report's release, many financial services stakeholders have published responses indicating their readiness to continue the dialogue on this important issue. The Bureau plans to carry this work forward, nurturing a competitive environment that allows Canadian FinTech companies to innovate and grow globally.

3.2. Getting a grip on big data

65. With the expansion of digital technologies, the amount of data available has increased exponentially. While that data can be used to drive innovation and quality improvements across many industries, it may also introduce challenges for competition law enforcement. In support of the Bureau's ongoing commitment to remain at the forefront of emerging competition issues in Canada, it published a discussion paper on big data to spark dialogue on how to address these challenges in ways that support

innovation and competition. As part of this work the Bureau consulted with a number of partners and stakeholders, including the Office of the Privacy Commissioner of Canada; the Canadian, American and International Bar associations; industry associations; major technology firms and leading antitrust scholars. This work was recognized by the International Antitrust Writing Awards as one of the top "Soft Law" publications of 2017.

3.3. Supporting Canada's Innovation Superclusters Initiative

66. The federal government is investing nearly \$1 billion in business-led "innovation superclusters" —large-scale collaborations that will bring together Canadian innovators, energize the economy and help Canada be a world leader in innovation.⁵ To encourage participation in the Innovation Superclusters Initiative, the Bureau issued a guidance document advising interested firms that in the vast majority of cases, collaborative projects promoted by the initiative will not raise competition concerns. The collaboration and partnerships encouraged by this initiative can accelerate the pace of innovation and bring new products, services and processes to market, faster and cheaper. They can also enable organizations to combine technologies and resources, leading to the development of new and better products and services for the benefit of Canadians and the economy.

3.4. Rethinking food truck regulations

67. A pro-competitive approach to regulation is essential to fostering competition and innovation in any industry. Promoting Fair Competition in the Restaurant and Mobile Food Industry — part of the Bureau's ongoing Competition Advocate series — highlights how competition, innovation and consumer choice can be improved by removing regulatory barriers that keep food trucks and other mobile food services from competing with brick-and-mortar restaurants. Studies have shown that food trucks can bring vitality to community streets, contribute to safety, encourage pedestrian-friendly environments, and give Canadians more affordable and convenient food options along with increased employment opportunities.

3.5. Leading the way in the fight against fraud

68. The Bureau is dedicated to ensuring that consumers are well-informed and confident in their buying decisions. Through the Bureau's work, it is equipping Canadians with the knowledge they need to protect themselves against false or misleading representations and deceptive marketing practices.

3.5.1. Helping Canadians recognize fraud

69. Consumers and businesses play a crucial role in the fight against fraud. When people know how to recognize and report scams, they not only protect themselves, but also help the Bureau and its partners stop fraud.

70. In addition to the Bureau's ongoing role as Chair of Canada's Fraud Prevention Forum, it once again led Fraud Prevention Month, an annual education and awareness campaign held every March to help Canadians recognize, reject and report fraud. Over

⁵ Innovation, Science and Economic Development. (February 2018). Innovation Superclusters Initiative, www.canada.ca/en/innovation-science-economic-development/programs/small-business-financing-growth/innovation-superclusters.html.

the course of the month, the Bureau and its partners from over 90 private sector firms, consumer and volunteer groups, government agencies and law enforcement, participated in a number of events and activities to raise awareness about new and ongoing scams. As part of #FPM2018, the Bureau launched the second edition of its Little Black Book of Scams, profiling the 12 most prevalent scams in Canada. It also participated in awareness campaigns like the Top 10 Scams, and the #fraudchat and #2G2BT (2 Good 2 Be True) Twitter chats to keep the conversation going about fraud.

3.5.2. Raising awareness of deceptive marketing practices

71. A key focus of the Bureau's public outreach is ensuring Canadian consumers have the tools and guidance needed to protect themselves against false or misleading representations and deceptive marketing practices. From monthly subscription traps to scams involving weight loss products, technical support and requests from fake CEOs, deceptive marketing practices have an impact on all Canadians.

72. The Bureau increased its outreach efforts to reach more Canadians with information about these issues, meeting its goal by issuing 12 consumer alerts and one business alert over the year. The Bureau also boosted its presence on social media to share information in an easily accessible way, achieving a 112% increase in social media engagement from levels achieved in 2016–17.

73. In May 2017, the Bureau published the third volume of the Deceptive Marketing Practices Digest. In addition to giving consumers and businesses timely information about false or misleading representations and deceptive marketing practices, it explored how the Bureau and its international partners are working together to promote clarity and confidence in a borderless marketplace.

3.6. Compliance

74. When all players in the marketplace follow the rules, everybody wins. By increasing compliance with Canada's competition laws, the Bureau's work helps to prevent and deter anti-competitive conduct like price-fixing and bid-rigging, mergers that stand to substantially lessen or prevent competition as well as deceptive marketing practices that threaten the growth of the Canadian economy, and the confidence consumers have in it.

75. For example, Canadians expect to pay fair prices for everyday staples like bread. When it turns out they may not have, it becomes major news. In 2017-2018, the Bureau uncovered an alleged scheme between the country's largest bread makers and grocery retailers to fix the price of fresh commercial bread. The investigation is ongoing, and the Bureau will continue to focus on determining the facts.

4. Resources of competition authorities

4.1. Resources overall (current numbers and change over previous year):

76. The Bureau's budget for 2017-2018 was \$49.6 million, including approximately \$10 million from user fees, compared to a budget of \$49.1 million, including approximately \$10.9 million from user fees in 2016-2017. Expenditures were \$48.6 million, consisting of \$36.6 million in salaries for 361 full-time equivalents (FTEs) and

\$14 million in non-salary expenses. In comparison, expenditures for 2016-2017 were \$47.9 million, consisting of \$33.5 million in salaries for 369 FTEs and \$14.4 million in non-salary expenses.

4.1.1. Annual budget (in your currency and USD):

77. The Bureau's budget for 2017–18 was \$49.6 million (\$37.2 million USD).⁶

4.1.2. Number of employees (person-years):

78. In 2017-2018, approximately 361 employees worked at the Bureau. In addition, approximately 30 employees from the Department of Justice and Public Prosecution Services Canada are dedicated to providing legal services to the Bureau. Most Competition Bureau staff generally fill investigative and advocacy roles rather than economist and lawyer roles. The Bureau hires employees with a diversity of backgrounds, including individuals who have studied in economics and law. Specific information related to employees' university degrees is no longer tracked.

4.2. Human resources (person-years) applied to:

79. Approximately 228 employees are dedicated to competition enforcement. Approximately 48 employees work in the Mergers Directorate, 68 are in the Cartels Directorate, 32 in the Monopolistic Practices Directorate and the remaining competition enforcement employees fill other roles such as deceptive marketing, advocacy, international, electronic evidence gathering and analysis, etc.

4.3. Period covered by the above information:

80. The above information covers fiscal year 2017-2018.

4.4. Conclusion

81. As much as markets need competition and innovation, they also need the trust of consumers and businesses to thrive. Building that trust is a key aspect of the Bureau's work, and this will continue to be at the heart of its efforts in 2018–19. This includes not only the trust that Canadians have in the marketplace but also maintaining the trust between the Bureau and the legal community involved in competition matters. It also includes trust among the Bureau's partners throughout government that are involved in developing or amending regulations that will serve Canadians today and into the future.

⁶ Based on the CAD-USD exchange rate as of March 18, 2019.