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**Assessing and Communicating the Benefits of Competition Interventions – Note by
Singapore**

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This document reproduces a written contribution from Singapore submitted for Item 6 of the 75th meeting of Working Party 2 on 12 June 2023.

More documents related to this discussion can be found at
<https://www.oecd.org/competition/assessing-and-communicating-the-benefits-of-competition-interventions.htm>

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1. Introduction

1. Increasingly, competition authorities in many jurisdictions are assessing and quantifying the effects of the enforcement of competition laws and policies to: (i) estimate benefits arising from competition law enforcement against anticompetitive practices; and (ii) justify resources being spent on competition enforcement. It is no different for the Competition and Consumer Commission of Singapore (“CCCS”). The quantification of benefits accrued to consumers as a result of CCCS’s interventions is essential and it contributes to measuring progress towards achieving the desired outcomes of CCCS’s work, specifically: (1) efficient markets where suppliers compete on merit and consumers are able to make well-informed choices, and (2) a conducive regulatory ecosystem that facilitates open and contestable markets, and safeguards consumers’ interests. Through the quantification of benefits, CCCS is able to evaluate the impact of its interventions on the relevant affected markets, and advocate the value of its work to internal stakeholders.

2. Aside from the quantification of benefits, on the broader level, one of the key strategic thrusts of CCCS is to widen and deepen stakeholder engagements to foster a culture of competition and fair trading practices in Singapore. Hence, an important component of the work of CCCS is to broaden business and public outreach to raise awareness on the benefits of competition. CCCS regularly reaches out to its stakeholders to promote awareness and understanding of competition laws, and to solicit feedback on specific competition matters. Over the years, as part of its communication strategy, CCCS has also embarked on various outreach plans and has enhanced its stakeholder engagements to better complement its competition enforcement work.

3. The following sections provide more details on how CCCS (i) assesses the impact of its competition enforcement and advocacy, and (ii) communicates the benefits of competition enforcement to its stakeholders.

2. Quantifying the benefits of competition enforcement and advocacy in Singapore

2.1. Overview

4. The CCCS was established on 1 January 2005 to administer and enforce the Competition Act 2004 (“**Competition Act**”). Since the Competition Act came into force, CCCS has completed more than 700 cases covering competition enforcement work such as preliminary enquiries, investigations and merger notifications, as well as market studies and the issuance of competition advisories to government agencies in Singapore. In 2018, CCCS took on an additional function of administering the Consumer Protection (Fair Trading) Act 2003 (“**CPFTA**”) which allows actions to be taken against a supplier for engaging in unfair practices in Singapore.

5. The quantification of benefits is a yearly exercise carried out by CCCS to estimate the consumer benefits that have arisen as a result of various types of activities carried out by CCCS. While the exercise covers both competition and consumer protection interventions, the focus of this submission will be on the quantification of benefits for competition cases only. The quantification of benefit exercise covers CCCS’s intervention in its key competition enforcement areas - anti-competitive agreements, abuse of

dominance and mergers that substantially lessen competition which are prohibited under the Competition Act. It covers competition interventions such as the issuance of infringement decisions, acceptance of commitments for investigations or mergers etc. and withdrawal or modification of scope or content of any merger or conduct after competition concerns were raised by CCCS.

6. This exercise is also carried out for market studies on a case-by-case basis, where there is evidence that the advocacy efforts by CCCS through the market studies had corrected certain market behaviours or had led to the establishment or change in government policies which had contributed towards correcting certain market behaviours. Examples of market studies conducted by CCCS included in the quantification of benefits exercise previously were the *Market inquiry on car parts in Singapore*¹ as CCCS had directly intervened in the market by working with major car dealers to remove warranty restrictions, and the *Market inquiry into the supply of formula milk for infants and young children in Singapore*² as the recommendations by CCCS had led to regulatory changes in the market including facilitating the entry of more affordable brands of formula milk products.

7. CCCS plans to extend the quantification of benefits exercise to cover other forms of work undertaken that brings about benefits to its stakeholders but have not been included in past quantification exercises. An example is advisories provided to government agencies in Singapore on the likely competition impact of their policies and initiatives and possible alternatives that would mitigate potential competition concerns while achieving their policy objectives. The adoption of such alternatives ensures that policies implemented do not result in inadvertent anti-competitive effects. There are benefits to such upstream work and it is important to find a robust way of quantifying such benefits.

2.2. Methodology adopted by CCCS

8. For each case, the benefits accrued to consumers is taken to be the overcharge or price effect avoided on an annualised basis as a result of CCCS's intervention in the relevant market. There are two key assumptions that are relied upon:

1. The anti-competitive conduct would result in an overcharge or price increase in the relevant affected market; and
2. In the absence of CCCS's intervention, the anti-competitive conduct will continue to prevail.

9. The approach adopted by CCCS requires an estimation of: (i) the size of the affected relevant turnover, and (ii) the overcharge or price increase removed or avoided due to CCCS's intervention. As the relevant turnover figure would already contain the said price effect of the anti-competitive conduct, the value of the price effect in a year is derived from reversing the price effect from the affected relevant turnover.

10. CCCS typically relies on case-specific evidence obtained at the time of or shortly after the intervention to derive an informed estimate of the overcharge or price effect avoided. Assumptions which are specific to each case have to be made, where appropriate, based on the information that is available. However, in instances where case-specific evidence is not available to estimate the overcharge or price effect, CCCS relies on the

¹ Market Inquiry on Car Parts in Singapore, published on 11 December 2017.

² Market Inquiry into the Supply of Formula Milk for Infants and Young Children in Singapore, published on 10 May 2017.

default assumptions published by the OECD in its *Guide for helping competition authorities assess the expected impact of their activities*³ (“**OECD Guide**”) for the expected price effect⁴ for cartel, abuse of dominance and merger cases respectively.

11. The total benefits accrued to consumers from CCCS’s intervention for all cases are annualised to one year. As the number of competition cases handled by CCCS tend to be uneven across years and the assumptions used is specific to the case and may involve the use of confidential information, the total benefits accrued to consumers is aggregated across CCCS’s activities as a single overall figure and a 3-year moving average figure is produced. This 3-year moving average figure contributes to measuring progress towards achieving CCCS’s desired outcomes as mentioned earlier.

2.3. Post-enforcement studies

12. Aside from the quantification of benefits exercise described above in respect of case interventions and market studies, CCCS has also undertaken post-enforcement studies for selected competition enforcement cases. One example is the *post-merger study of the kidney dialysis market*⁵ which evaluated the development of the outpatient haemodialysis market for a period of 30 months from December 2012 to June 2015 after CCCS issued a clearance decision for the merger between the two major providers of dialysis services in Singapore in December 2012. A combination of qualitative and quantitative analysis such as a before-and-after analysis and difference-in-difference analysis were relied upon for the study. Another example is the post-enforcement evaluation of the *Acquisition by Samwoh Corporation Pte Ltd of Highway International Pte Ltd*⁶ (“**the Samwoh-Highway merger**”) which CCCS had cleared. Due to the lack of appropriate data to conduct a quantitative ex-post evaluation, the post-enforcement evaluation of the Samwoh-Highway merger was largely a qualitative assessment based on interviews with their competitors and customers.

13. By conducting these post-enforcement studies, CCCS is able to assess the actual impact of its enforcement efforts on the relevant affected markets a few years after its intervention, and whether the outcomes can be improved.

3. Communicating the benefits of competition enforcement in Singapore

14. An important component of CCCS’s work is increasing awareness and to garner public support for competition and consumer protection laws. One of the key strategic thrusts of CCCS is to widen and deepen stakeholder engagements to foster a culture of competition and fair trading practices in Singapore. CCCS adopts a multi-faceted approach to raise awareness and understanding of the benefits of competition and fair trading practices in general, and to encourage greater compliance amongst businesses. In recent

³ Guide for helping competition authorities assess the expected impact of their activities, published by OECD in April 2014.

⁴ Based on the OECD Guide, the expected price effect in cartel, abuse of dominance and merger cases are 10 per cent, 5 per cent and 3 per cent respectively.

⁵ Post-Action Evaluation of CCCS’s Merger Clearance in the Dialysis Market, published on 26 April 2016.

⁶ Post-Enforcement Evaluation Methodologies and Indicative Findings, published on 26 August 2013.

years, CCCS formed an Outreach and Advocacy Team to refresh CCCS's outreach strategies and to focus on stakeholder engagement.

15. In order for CCCS to successfully engage its stakeholders, it is important to first know and understand the needs of different stakeholders. CCCS carries out a biennial Stakeholder Perception Survey which provides insights into the knowledge level and perception of its main stakeholder groups i.e., businesses, consumers, competition and consumer protection practitioners and government agencies, towards the work of CCCS, the Competition Act, as well as the CPFTA which CCCS enforces. Through online surveys and focus group discussions, CCCS is able to gain insights on the level of awareness of CCCS, the Competition Act and CPFTA amongst business and consumers as well as how CCCS can step up on its publicity and education efforts. This allows CCCS to refine its advocacy efforts and develop a targeted approach to reach out and engage its various stakeholder groups to communicate the benefits of competition enforcement, as well as good trade practices. For accountability, CCCS has been publishing a summary of the key findings of the Stakeholder Perception Survey on its website since 2010.

3.1. Businesses and Trade Associations

16. CCCS recognises that trade associations and chambers serve as key enablers for CCCS to deepen and widen communication to businesses on competition regulations and policies, and to receive feedback on ground sentiments and concerns faced by them. Through organising networking sessions with senior representatives of various trade associations and chambers, CCCS forms an ongoing working relationship with them to communicate its position on competition issues that affect the business community and encourage business conduct which complies with competition and consumer protection laws. One example is the Business Collaboration Guidance Note ("**Guidance Note**") which includes information on how trade associations can support pro-competitive collaborations amongst its members. The Guidance Note was introduced at such forums to provide businesses with greater clarity on CCCS's position towards business collaboration so that they can collaborate more confidently without harming competition. To make the Guidance Note accessible to more businesses, it is available in both English and Chinese languages.

17. In recent years, CCCS has also engaged in post-enforcement advocacy efforts targeted at businesses and trade associations in the relevant industry in which enforcement action was taken. One example is the engagement with the Association of Strata Managers and Association of Property and Facility Managers in Singapore following CCCS's infringement decision against three contractors for bid-rigging in tenders for maintenance services for swimming pools and other water features in early 2021. Through electronic mailers which were sent by the respective associations to their members, CCCS alerted them of bid-rigging conduct and how they can report suspicious bid submissions to CCCS. The electronic mailers were also sent to over 180 engineering and maintenance services companies which were identified to be in the same or similar industries as the infringing parties. Through such targeted post-enforcement advocacy efforts, CCCS helped the customers of maintenance services to better appreciate the benefits of CCCS's intervention and better protect themselves against harmful bid-rigging conduct. The deterrent effect of the enforcement action is also enhanced.

3.2. Other Government Agencies

18. Through the Community of Practice for Competition and Economic Regulations ("**COPCOMER**"), CCCS engages government regulators through regular activities to learn about local and overseas market developments, share best practices and experiences

on competition, consumer protection and regulatory issues. CCCS also publishes regular newsletters to COPCOMER members to raise awareness on key competition and regulatory developments. Outside of the COPCOMER, CCCS organises brownbag sessions for other government agencies in Singapore to share more about competition impact assessment or other competition topics that concern them. The engagement with public procurement officers on topics such as possible indicators of bid-rigging have also reaped dividends in heightening the scrutiny of public tenders for such behaviour.

3.3. Practitioners and Academia

19. CCCS also works closely with stakeholders, including practitioners and academia through dialogues and collaborations, to discuss competition issues and develop best practices and guidelines for competition enforcement. For example, CCCS organises legal roundtables as part of stakeholder engagements to promote a better understanding of competition law, share updates on CCCS's enforcement activities and initiatives and discuss trends in competition law and policy. CCCS also organises economics roundtables which brings together experts from academia, industry and government to discuss various economic issues related to competition in Singapore. One recent example is the economics roundtable on the topic of competition and supplier network resilience which was jointly organised by CCCS and the Economic Society of Singapore ("ESS"), given the importance of exploring ways in which competition can serve as an effective tool to build resilience in the supply networks, including physical and digital networks as Singapore moves towards the post-pandemic era.

20. CCCS has also partnered stakeholders to raise greater awareness on the role of competition and consumer protection laws and policies. In 2022, CCCS co-organised the fifth biennial essay competition with ESS which invited participants to examine the role of competition and consumer protection laws and policies in supporting environmental sustainability in Singapore. Participants also discussed, among others, how businesses can collaborate yet compete fairly in achieving sustainability goals and how "externalities" to the society accruing from sustainability should be accounted. Over the years, the essay competition has brought about good debate and contributed to a body of literature on competition and consumer protection issues in Singapore.

3.4. Other Stakeholder Engagement Initiatives and Strategies

21. Aside from outreach initiatives, CCCS actively engages in communications work to inform, educate and engage its stakeholders to increase their awareness and correct understanding of, as well as support for CCCS's work. To do so, CCCS utilises a range of tools to communicate information and resources in general to its stakeholders and to promote transparency and accountability. Specifically, the CCCS corporate website⁷ serves as a repository of information related to competition and consumer protection matters in Singapore, which is important for providing useful resources and support to various stakeholders. A public register containing information on CCCS's competition enforcement activities, including past decisions, directions, mergers which CCCS has reviewed or acted upon, the financial penalties imposed or directions made, as well as the commitments provided to address competition concerns, is available for interested parties to access via the CCCS corporate website. Additionally, CCCS publishes an annual report which serves as an important tool for CCCS to communicate its vision, mission and values,

⁷ www.cccs.gov.sg

as well as to keep stakeholders updated on its activities and accomplishments in the year. A copy of the annual report is publicly available on the CCCS corporate website.

22. CCCS takes a proactive approach in engaging the media without interfering with or compromising its investigation and adjudication process. To ensure successful communications and messaging to stakeholders, CCCS ensures that its key messages are clear, consistent, impactful and easily understandable so that information is accessible. Media releases on competition enforcement are frequently accompanied by infographics which highlights the harm to competition and how the public can support the work of CCCS. In its media briefings, CCCS also takes the opportunity to educate the media so as to raise their understanding of competition issues, including the benefits of competition interventions.

23. CCCS also publishes collaterals to raise awareness, educate and provide guidance to stakeholders on competition law. For instance, CCCS issues a quarterly e-newsletter, In the Act which brings to its stakeholders all the latest news, insights and developments from CCCS. To encourage competition compliance amongst business, CCCS has published guidelines and handbooks to help businesses comply with the Competition Act. A manga comic book series comprising short stories on anti-competitive agreements prohibited under the Competition Act such as the exchange of commercially sensitive information, and tips on what businesses should not do, was also published over the years to supplement existing collaterals. To further supplement its outreach and marketing communication efforts to businesses and the general public, CCCS has adapted its latest manga comic book titled “Fudged!” into three short, animated videos.

24. As part of its communication strategy, CCCS has leveraged on digital and social media platforms to put out more bite-sized and engaging content to the public. To complement existing social media platforms on Facebook and YouTube, CCCS launched its Instagram channel in December 2022 which seeks to educate its stakeholders about competition and consumer protection laws, as well as to inform about the latest happenings, case decisions and events. As opposed to longer form videos in the past, CCCS is developing short videos that will be shown across the various platforms to promote awareness of and increase public understanding of CCCS’s work.

25. CCCS will continue to review, develop and implement various engagement platforms with various stakeholder groups to communicate the benefits of competition intervention and garner support for its work. Through the Stakeholder Perception Survey, CCCS can identify areas for improvement in terms of its outreach and advocacy work and gain an insight into the varying tiers of digital know-how among the public, and to continue using various channels to reach out to stakeholders. CCCS will also analyse and leverage on available data to better inform its outreach initiatives and to target its publicity and marketing efforts more effectively.