

COMPETING HOTELS FINED \$1.5M FOR EXCHANGE OF COMMERCIAL SENSITIVE INFORMATION



WHO ARE INVOLVED?

Capri by Fraser Changi City Singapore ("Capri")

TOTAL FINES[^]
S\$793,925

Owner: Ascendas Frasers Pte. Ltd. (until 30 March 2015)

Operator*: Frasers Hospitality Pte. Ltd.

TOTAL FINES[^]
S\$216,526

Owner: Frasers Hospitality Trustee Pte. Ltd. (from 31 March 2015)

Operator*: Frasers Hospitality Pte. Ltd.

Village Hotel Changi and Village Hotel Katong ("Village Hotels")

TOTAL FINES[^]
S\$286,610

Owner of Village Hotel Changi: Far East Organisation Centre Pte. Ltd.

Owner of Village Hotel Katong: Orchard Mall Pte. Ltd.

Operator*: Far East Hospitality Management (S) Pte. Ltd.

Crowne Plaza Changi Hotel Airport Hotel ("Crowne Plaza")

TOTAL FINES[^]
S\$225,293

Owner/master lessee: OUE Airport Hotel Pte. Ltd.

Operator*: Inter-Continental Hotels (Singapore) Pte. Ltd.

* Operator refers to the appointed agent for the management/operation of the hotel(s)
^ Fines are imposed on both owner and operator of the hotel

HOW DID THEY INFRINGE THE COMPETITION ACT?



Sales representatives of the following hotels exchanged commercially sensitive information relating to their corporate customers:

- Capri and Village Hotels: From at least 3 July 2014 to 30 June 2015
- Capri and Crowne Plaza: From at least 14 January 2014 to 30 June 2015

These information is likely to have:

- Influenced the hotels' subsequent conduct in the market or
- Placed them in a position of advantage over their corporate customers in contract negotiations.



Corporate room rates that had been negotiated on a confidential basis and agreed upon with specific customers

Future price-related strategies, such as proposed price increases and bid prices

Intention to agree to a particular customer's price reduction request during corporate rate negotiations

WHY IS IT HARMFUL TO COMPETITION AND CUSTOMERS?

Reduces competitive pressures faced by competing hotels in determining their commercial decisions, including the prices they will offer to customers.

Results in customers facing less competitive prices and options after such exchanges.

WHAT SHOULD BUSINESSES DO?



If a business receives such information from its competitor, it should immediately and clearly distance itself from such conduct and report it to CCCS.



CCCS's Leniency Programme

Businesses that are part of an anti-competitive/ cartel agreement can come forward to CCCS with information on their activities. Where eligible for lenient treatment, they can be granted total immunity or a reduction of up to either 100% or 50% in fines, subject to certain conditions.