

MEDIA RELEASE

16 March 2022

CCCS issues Proposed Infringement Decision against four warehouse operators for price fixing at Keppel Distripark

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has today issued a Proposed Infringement Decision (“**PID**”)¹ against the following Parties for infringing section 34 of the Competition Act 2004 (the “**Act**”)²:
 - a. CNL Logistic Solutions Pte. Ltd. (“**CNL**”);
 - b. Gilmon Transportation & Warehousing Pte Ltd (“**Gilmon**”);
 - c. Penanshin (PSA KD) Pte. Ltd. (“**Penanshin**”); and
 - d. Mac-Nels (KD) Terminal Pte Ltd (“**Mac-Nels**”)

CCCS proposes to find that the Parties have engaged in anti-competitive coordination to fix the price of warehousing services at Keppel Distripark³ by imposing an “FTZ Surcharge”⁴ (the “**Price Fixing Conduct**”).

2. In August 2018, CCCS commenced an investigation following a complaint about possible price fixing at Keppel Distripark. CCCS found that between 15 and 16 June 2017, representatives of the Parties had communicated with one another on their respective plans to implement an identically named and priced “FTZ Surcharge”. This “FTZ Surcharge” was charged to their customers for the provision of warehousing services for import cargo. In doing so, the Parties knowingly substituted the risks of price competition in favour of practical cooperation between them and did not determine their prices independently.
3. CCCS’s investigations revealed that the Price Fixing Conduct occurred from 15 June 2017 to 19 November 2019. CCCS considers the Price Fixing Conduct to be, by its very nature, harmful to competition. Businesses should independently

¹ The PID is a written notice setting out the facts on which CCCS makes its assessment and its reasons for arriving at the proposed decision. It is issued to Parties to assist them to make representations and provide any other information in support of their representations for CCCS’s consideration.

² Section 34 of the Act prohibits any agreements between undertakings, decisions by associations of undertakings or concerted practices which have as their object or effect the prevention, restriction or distortion of competition within Singapore. An undertaking means any person, being an individual, a body corporate, an unincorporated body of persons or any other entity, capable of carrying on commercial or economic activities relating to goods or services.

³ Keppel Distripark is a cargo distribution complex located at Kampong Bahru Road comprising various warehousing and office facilities and is directly linked to the container terminals at Pulau Brani, Keppel, Tanjong Pagar and Pasir Panjang.

⁴ “FTZ Surcharge” being the name coined by the Parties for this surcharge.

determine their prices or pricing strategies, including whether to impose any surcharge and the quantum of such surcharge.

4. The Parties (including those who applied for lenient treatment under CCCS's Leniency Programme)⁵ have six weeks from the receipt of the PID to make representations to CCCS. CCCS will carefully consider the representations, as well as all available information and evidence, before making its decision.

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⁵ Please refer to the Appendix below for more information on CCCS's Leniency Programme.

About the Competition and Consumer Commission of Singapore (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 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.

For more information, please visit www.cccs.gov.sg.

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Appendix - CCCS's Leniency Programme

CCCS's Leniency Programme affords lenient treatment to businesses that are part of a cartel agreement or concerted practice (or trade associations that participate in or facilitate cartels), when they come forward to CCCS with information on their cartel activities.

Due to the secret nature of cartels, businesses participating or which have participated in them are given an incentive to come forward and inform CCCS of the cartel's activities. The policy of granting lenient treatment to these businesses which co-operate with CCCS outweighs the policy objectives of imposing financial penalties on such cartel participants.

Where eligible for lenient treatment, businesses can be granted total immunity or be granted a reduction of up to either 100% or 50% in the level of financial penalties, depending on whether CCCS has already begun an investigation and the timing of the leniency application. For more information, please refer to the *CCCS Guidelines on Lenient Treatment for Undertakings Coming Forward with Information on Cartel Activity 2016* which can be found on CCCS's website [here](#).