



## MEDIA RELEASE

28 May 2019

### LIFT PART SUPPLIERS PROVIDE COMMITMENTS TO CCCS TO FACILITATE LIFT MAINTENANCE IN HDB ESTATES

1. The Competition and Consumer Commission of Singapore (“**CCCS**”) has concluded its investigations into the supply of lift spare parts for the maintenance of lifts, after accepting voluntary commitments provided by Chevalier Singapore Holdings Pte. Ltd. (“**Chevalier**”) and Fujitec Singapore Corporation Ltd. (“**Fujitec Singapore**”) which address the competition concerns raised by CCCS in relation to the supply of their respective brands of lift spare parts.<sup>1</sup> Including Chevalier and Fujitec Singapore, CCCS has, in total, accepted commitments provided by five companies<sup>2</sup> of similar nature.

#### Background

2. CCCS has investigated alleged refusals to supply lift spare parts for the maintenance of lifts in Housing & Development Board (“**HDB**”) estates. Typically, multiple brands of lifts are installed in each HDB estate. Town councils can choose to either appoint the original lift installers of the respective brands to undertake the maintenance services, or engage third-party lift maintenance contractors to provide lift maintenance services for multiple brands of lifts within the estate. There could potentially be cost savings in engaging a third-party lift maintenance contractor for multiple brands as compared to procuring lift maintenance services from each original lift installer.

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<sup>1</sup> CCCS may discontinue an investigation upon receiving commitments that address its competition concerns. In general, parties providing commitments may apply to CCCS for a release and/or review of their commitments if there is a material change in circumstances

<sup>2</sup> The other companies are E M Services Pte. Ltd., BNF Engineering (S) Pte. Ltd., and C&W Services Operations Pte. Ltd. It is estimated that these five companies installed more than 70% of the lifts in HDB estates in Singapore. Refer to CCCS’s media releases dated [28 March 2018](#) and [14 July 2016](#)

3. Lift contractors who wish to bid for lift maintenance projects that include multiple lift brands would require brand-specific lift spare parts. If a lift company or distributor does not provide proprietary but essential lift spare parts to third-party lift maintenance contractors, these third-party lift maintenance contractors may be prevented from effectively competing for contracts to maintain and service lifts of that particular brand.

### **Chevalier and Fujitec Singapore**

4. In January 2019, CCCS launched public consultations on the proposed commitments provided by Chevalier and Fujitec Singapore in relation to the supply of lift spare parts to third-party lift maintenance contractors.<sup>3</sup>

5. During the public consultations, queries were raised regarding the amount of time taken for a purchaser to obtain a spare part from these two companies. CCCS notes that the commitments already provide that Chevalier or Fujitec Singapore shall send an order for the spare parts to the manufacturer within seven working days of receiving the purchaser's request. It is reasonable for the purchasers, rather than Chevalier and Fujitec, to bear the costs of maintaining excess spare part inventory stock to meet their obligations in servicing the lifts. Contractors who have been engaged to maintain and service the lifts are also in a better position than Chevalier and Fujitec to plan for and hold spare part inventories. CCCS highlights that it would be prudent for lift owners to continue to ensure that their appointed lift maintenance contractors maintain sufficient inventories of spare parts to service and maintain the lifts.

6. There were also queries on whether purchasers are required to provide their confidential maintenance service contracts to Chevalier and Fujitec to prove that they have been appointed to maintain the relevant brand of lifts. CCCS confirms that there is no requirement to provide the maintenance service contracts as proof of appointment. Instead, any documentary proof that affirms the lift owner has appointed the purchaser to maintain the relevant brand of lift would suffice.

7. The voluntary commitments provide that Chevalier and Fujitec will undertake to sell lift spare parts (with software if applicable) of the relevant brands to a purchaser on a fair, reasonable and non-discriminatory basis, subject to certain terms and conditions. The full terms and conditions of Chevalier's and Fujitec Singapore's commitments can be found in **Annex A** and **Annex B** respectively. CCCS considers that the voluntary commitments fully address the competition concerns that third-party

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<sup>3</sup> Chevalier's commitment is in relation to the supply of spare parts for the Toshiba Elevator and Building Systems Corporation and IFE Elevators Co., Ltd brands of lifts, and Fujitec Singapore's commitment is in relation to the supply of spare parts for the Fujitec brand of lifts. Refer to CCCS's media release dated [11 January 2019](#)

lift maintenance contractors may be prevented from effectively competing for contracts to maintain lifts of a particular brand if lift companies refuse to supply essential spare parts of that brand. Following the acceptance of the voluntary commitments, CCCS concludes its investigations into the supply of lift spare parts for the maintenance of lifts.

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### **About the Competition and Consumer Commission of Singapore**

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 (Cap. 50B) 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 (Cap. 52A) 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.

For more information, please visit [www.cccs.gov.sg](http://www.cccs.gov.sg).

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