

IN THE ACT

MAKING MARKETS WORK WELL

ISSUE 12 | FEBRUARY 2022 - MAY 2022

**SPOTLIGHT:
CCCS ISSUES GUIDE
FOR RENOVATION
CONTRACTORS AND
INTERIOR DESIGNERS**

UNFAIR GAME

Lenovo SG and Want Join stop misleading claims about gaming laptops



ECONOMICS LAH! PODCAST

Interview on Spotify
with CCCS

WAREHOUSE CARTEL

Proposed Infringement Decision against 4 companies for price-fixing



CE's NOTE

SIA AIK KOR
CHIEF EXECUTIVE
COMPETITION AND CONSUMER COMMISSION OF SINGAPORE

I am pleased to share some of the key enforcement and outreach initiatives that have taken place in the last quarter. On the competition front, CCCS issued a Proposed Infringement Decision in March 2022 against four warehouse operators for illegal anti-competitive conduct to fix the price of warehousing services at Keppel Distripark by imposing an identical "FTZ Surcharge". CCCS found that the operators had knowingly substituted price competition in favour of practical cooperation between them and did not determine their prices independently.

In the same quarter, CCCS also completed several competition cases in the aerospace and aviation sector. CCCS granted conditional approval of the proposed commercial cooperation between Singapore Airlines and Malaysia Airlines and cleared two mergers, namely the proposed acquisition by Parker-Hannifin Corporation of Meggitt PLC and the proposed acquisition of Asiana Airlines by Korean Air Lines. A third merger in the semiconductor sector between Entegris and CMC Materials was also cleared.

On the consumer protection front, CCCS closed an investigation into Lenovo Singapore and its former authorized reseller Want Join in April 2022, after accepting undertakings from the parties to cease the unfair practices. The Parties had made false or misleading claims about the screen refresh rate of certain models of the Lenovo Legion Y540 gaming laptop.

In May 2022, CCCS published a guide on fair trading practices for the renovation industry to help improve business practices in the industry and to help suppliers of interior design or renovation services ("Contractors") steer clear of unfair practices. Contractors who adopt transparent and fair trading practices build trust and maintain a good reputation in the industry, which in turn attract more consumers in the long run.

To encourage research on competition and consumer protection issues in Singapore relating to sustainability, CCCS granted its second research grant of \$50,000 to a team from the NUS Business School, Centre for Governance and Sustainability for their research project titled "Promoting Best Practices in Online Marketing: An Examination of Greenwashing in Singapore".

I am also pleased to share that CCCS's submission titled "Collaborations between Competition and Personal Data Protection Agencies" was selected winner under the theme "Spreading the benefits of the digital economy" at the ICN-World Bank Group 2022 Competition Advocacy Contest.

We look forward to sharing the latest happenings in competition and consumer protection on our website (www.cccs.gov.sg) and social media (www.facebook.com/cccs.sg). Enjoy the read.

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ABOUT 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 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.

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SPOTLIGHT



BUILDING A BETTER SECTOR

CCCS issues Guide for Renovation Contractors and Interior Designers

“Adopting transparent and fair trading practices will help Contractors build trust, maintain a good business reputation and attract more consumers in the long run.” - Ms Sia Aik Kor, Chief Executive, CCCS

CCCS has published a Guide on Fair Trading Practices for the Renovation Industry, which aims to improve business practices in the industry and help the suppliers of interior design or renovation services steer clear of unfair practices.

The renovation industry has seen one of the highest rates of complaints made to the Consumers Association of Singapore (“CASE”). CASE received 1,300 and 419 complaints against Contractors in 2021 and Q1 2022 respectively.

Most complaints involved unsatisfactory service and failure to honour contractual obligations on

the part of the Contractors, such as poor workmanship, poor quality of material used, slow progress or failure to complete renovation works on time.

The Guide, **available in English and Chinese languages**, is intended to raise Contractors’ awareness of good practices that they should adopt to enable consumers to make well-informed decisions as well as conduct which may constitute unfair practices under the Consumer Protection (Fair Trading) Act 2003 (“CPFTA”).

Scan or
click to
read more



<https://go.gov.sg/renoguidemr>


Go to the next page to see a summary of the five main areas covered by the Guide



A Quick Look: Fair Trading Practices for Renovations

Transparent Pricing with No Hidden Costs

Ensure that the prices quoted are transparent, accurate and clear.



The illustration shows a white document labeled 'INVOICE' with a magnifying glass focusing on several gold coins. In the background, there are paint cans and a paintbrush, symbolizing renovation work.

Mutually Agreed Renovation Timeline

Assess ability to undertake and complete the works in a timely manner before committing to the consumer.



The illustration features a wooden toolbox filled with various renovation tools like a saw, hammer, and drill. Next to it is a clock and a calendar with a 'LAST DAY' label and a green checkmark, indicating a deadline.

Accurate Description of Goods and Services

Ensure that claims made on goods and services and claims in relation to the Contractor's business are clear and accurate.



The illustration shows a document titled 'CONTRACT' with a section for 'Description of Goods'. It has a red paperclip at the top and two blue circular logos at the bottom.

Clear Exchange, Repair and Refund Policy

Inform consumers on their rights and remedies, such as exchanges, repairs and refunds, and have such rights and remedies (including any applicable conditions, caveats or exclusions) stated clearly and accurately in the contract.



The illustration depicts a woman in a purple top and blue pants talking to a worker in a yellow shirt and blue overalls. They are standing next to a white appliance with a 'DAMAGED' label and a clock icon.

Obtaining Consumer's Consent for the Supply of Goods or Services

Adhere to the renovation contract once it has been signed. Revise the contract or make work order variations only with the consumer's express agreement.



The illustration shows a man in a yellow shirt and blue pants holding a rolled-up document, shaking hands with a woman in a blue blazer. A floor plan is visible in the background.

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<https://go.gov.sg/renofairtrading>

CASE'S ADVICE FOR CONSUMERS

- **Research on the credibility and track record of the renovation contractor before signing the renovation contract. Insist on a written contract to protect your interests. The contract should state how work delays should be managed, and list an accurate description of goods and services to be delivered.**
- **Negotiate for the deposit to be as low as possible and for progressive payment according to the project milestones.**
- **Document outstanding renovation defects by taking photos. Ensure outstanding defects are fully rectified before making full payment. The photos can be used as supporting evidence in case of disputes.**
- **Patronise CaseTrust accredited renovation contractors:**
 - **They will adopt the CaseTrust Standard Renovation Contract to ensure cost transparency and accountability for listed deliverables in a renovation project.**
 - **They are required to protect a customer's deposit via the purchase of a deposit performance bond. The bond safeguards deposits against business closure, winding up and/or liquidation before the renovation is completed.**
 - **Visit the [CaseTrust website](#) to check if a business is accredited by CaseTrust. They can be identified by the CaseTrust mark displayed at shopfronts and communication materials.**
- **Consumers may also visit the [CASE website](#) for advice on engaging a renovation contractor.**

"To protect their interests, consumers are advised to avoid making large sums of prepayment upfront, and to make payments progressively as each stage of the renovation work is completed."

- Mr Melvin Yong, CASE President

SPOTLIGHT



UNFAIR GAME

Lenovo SG and Want Join stop misleading claims about gaming laptops

CCCS investigations revealed that Lenovo Singapore Pte. Ltd. (“Lenovo Singapore”) and its former authorised reseller Want Join Information Technology Pte. Ltd. (“Want Join”) had engaged in unfair practices under the CPFTA by making false or misleading claims about the screen refresh rate of certain models of the Lenovo Legion Y540 gaming laptop (the “Legion Laptop”).

Lianhe Wanbao first published a case study of a consumer who purchased a laptop after being misled by an online advertisement stating that it had a 144 Hz screen refresh rate, but received one with only a 60 Hz screen refresh rate. Following CASE’s engagement, Lenovo Singapore provided a full refund to the consumer.

CCCS found that Lenovo Singapore and Want Join had, for a period between 2019 and 2020, stated on their e-commerce sites that the Legion Laptops could achieve a screen refresh rate of “up to 144 Hz”, omitting to state that certain models sold could only achieve up to 60 Hz.

Lenovo Singapore and Want Join stopped selling the Legion Laptop since June and March 2020, respectively, and each provided CCCS with an undertaking to cease the abovementioned unfair practices, amongst others.

Scan or
click to
read more



<https://go.gov.sg/lenovowantjoinunde rtaking>

False or misleading claims on performance characteristics, components, uses or benefits of goods or services

Under the Consumer Protection (Fair Trading) Act 2003, it is an unfair practice for suppliers to represent that goods or services have performance characteristics, components, uses or benefits that they do not have. Doing so could:



MISLEAD A CONSUMER

into paying more for a product or service that does not, in fact, have the functions or attributes that the consumer thinks it has.



MAKE A CONSUMER BUY A PRODUCT OR SERVICE THAT THE CONSUMER MAY NOT OTHERWISE BUY

because the product or service may not meet the consumer's needs.



CREATE AN UNFAIR ADVANTAGE FOR ERRANT SUPPLIERS

over other ethical suppliers who offer competing products or services.

BUSINESSES SHOULD ADOPT THE FOLLOWING PRACTICES:

- 01** Ensure claims on the performance characteristics, components, uses or benefits of their goods or services are accurate to allow consumers to make informed choices.



- 02** Be accurate, clear and upfront about material information (e.g. characteristics, terms, limitations, etc) relating to their goods or services.



- 03** To exercise due diligence and avoid making claims on characteristics of goods or services which cannot be properly substantiated.



- 04** Review business practices regularly and ensure that existing claims made on their goods or services are not false or misleading, and to correct any false or misleading claims as soon as these comes to their attention.



SPOTLIGHT



WAREHOUSE CARTEL

Proposed Infringement Decision against 4 companies for price-fixing

On 16 March 2022, CCCS issued a Proposed Infringement Decision (“PID”) against four Parties for infringing section 34 of the Competition Act 2004 by engaging in anti-competitive coordination to fix the price of warehousing services at Keppel Distripark by imposing an “FTZ Surcharge”.

The Parties are CNL Logistic Solutions Pte. Ltd., Gilmon Transportation & Warehousing Pte Ltd, Penanshin (PSA KD) Pte. Ltd. and Mac-Nels (KD) Terminal Pte Ltd.

CCCS investigations found that the Parties’ representatives had communicated on their respective plans to implement an identically named and priced “FTZ Surcharge”, which was charged to their customers for import cargo warehousing services.

In doing so, the Parties knowingly substituted price competition in favour of practical cooperation between them and did not determine their prices independently.

Price-fixing is, by its very nature, harmful to competition. Businesses should independently determine their prices or pricing strategies, including whether to impose any surcharge and its quantum.

The Parties can make representations to CCCS on the PID. CCCS will carefully consider the representations, as well as all available information and evidence, before making its decision.

Scan or
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<https://go.gov.sg/warehousepricefixing>

SPOTLIGHT



TAKE FLIGHT

CCCS grants conditional approval of Singapore and Malaysia airline cooperation

Conditional approval has been granted by CCCS of the Proposed Commercial Cooperation (the "Cooperation") between Singapore Airlines Limited ("SIA") and Malaysia Airlines Berhad ("MAB") (collectively, the "Parties"), after accepting a set of Commitments from the Parties.

The Cooperation envisages a metal-neutral alliance which involves coordination between the Parties on network planning and scheduling, distribution, pricing and inventory management and distribution, joint sales and marketing, and revenue sharing, in respect of services between Singapore and Malaysia through a Joint Business Arrangement ("JBA"), and cooperation in other areas.

The COVID-19 pandemic and the introduction of border restrictions disrupted the aviation sector and limited CCCS's assessment as to the competition impact of the Cooperation post-COVID-19, and the Parties' ability to substantiate

its claims of net economic benefits from the same.

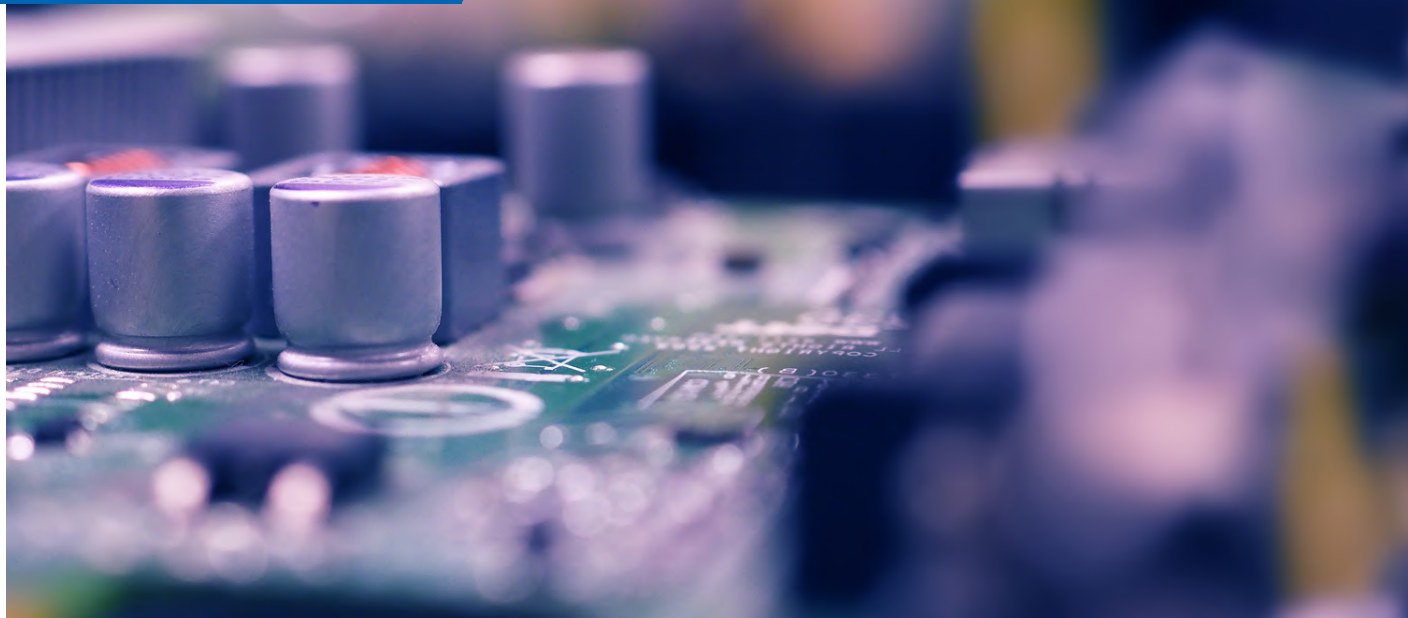
Against this backdrop, the Parties submitted Commitments, under which they will subject the JBA to further review when indicators signal a sustained recovery and subsequent sustained normalcy of aviation activity in the relevant markets.

Following a market testing of the Commitments and CCCS's own assessment, CCCS found that the JBA does not infringe section 34 of the Act and conditionally approved the Cooperation.

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<https://go.gov.sg/siamabconditionalapproval>



SUPPLIERS SYNTHESISE

CCCS clears merger of semiconductor material suppliers

CCCS has cleared the proposed acquisition by Entegris, Inc. (“Entegris”) of all shares of CMC Materials, Inc. (“CMC”).

Entegris is a global supplier of micro-contamination control products, specialty chemicals and materials handling solutions for manufacturing processes in the semiconductor and other industries and engages in the same business segments in Singapore as it does globally.

CMC is a global supplier of consumable materials to semiconductor manufacturers and pipeline companies and engages in the same business segments in Singapore as it does globally.

In its assessment, CCCS found that in the relevant markets for chemical mechanical planarization (“CMP”) Slurries and formulated cleaning solutions (“Cleans”), the incremental market shares of the merged entity are low and that CMC and Entegris are not each other’s closest competitors, among others. Additionally, in the relevant upstream market of drums and liquid filters or each downstream market of CMP Slurries, formulated as well as commodity Cleans, customer foreclosure is unlikely to arise as CMC is not a significant buyer of drums and liquid filters for the delivery or manufacture of CMP Slurries and Cleans, among others.

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<https://go.gov.sg/entegriscmc cleared>

SPOTLIGHT



DEAL SEALED

Merger of UK aerospace systems manufacturers cleared

CCCS has cleared the proposed acquisition by Parker-Hannifin Corporation (“Parker”) of 100 per cent of Meggitt PLC (“Meggitt”) (collectively, the “Parties”).

Parker manufactures technologies and supplies engineering solutions to aerospace markets, among others. In Singapore, it sells its aerospace products to original equipment manufacturers and does aftermarket sales of its aerospace products, including aftermarket maintenance, repair and overhaul (“MRO”) services.

Meggitt manufactures components and sub-systems for sectors including aerospace. In Singapore, it provides MRO services for its aerospace products in the region and some aftermarket services for aerospace products produced by third parties.

Respondents to the public consultation had no competition concerns with the merger. In its assessment, CCCS found that, amongst others, at the original equipment level, there is limited horizontal overlap between the Parties as the aerospace products are highly specific to their application and to the supplier, and Parties are not each other’s closest competitors. In addition, the Parties’ large customers possess countervailing buyer power and there are significant competitors with larger or similar market shares that remain post-merger.

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<https://go.gov.sg/parker-meggitt-cleared>

SPOTLIGHT



SET TO SOAR

Korean Air-Asiana merger gets CCCS's approval

CCCS has cleared the proposed acquisition by Korean Air Co., Ltd. ("Korean Air") of Asiana Airlines, Inc. ("Asiana").

Korean Air and Asiana are South Korea-based full-service carriers which fly internationally. In Singapore, both airlines provide only passenger air transport services and air cargo transport services.

In its assessment, CCCS found that, in the market for the provision of direct bidirectional passenger air transport services along Singapore-Incheon route and vice versa, it is likely that the merged entity will continue to face a high degree of competition from Singapore Airlines, among others. Further, in the markets for the provision of

direct and indirect unidirectional air cargo transport services along Singapore-Korea route and vice versa, the merged entity will also continue to face significant competition from Singapore Airlines, among others. Factors such as the low price transparency and the high level of excess capacity will likely be sufficient to disrupt any coordination between market players.

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<https://go.gov.sg/koreanairasianacleared>

TALKING POINT

ECONOMICS LAH!: SPOTIFY PODCAST INTERVIEW WITH DR TAN HI LIN, SENIOR DIRECTOR, CCCS



CCCS's Senior Director (Policy & Markets Division), Dr Tan Hi Lin, was invited for an interview on a podcast series "Economics Lah!". The podcast was founded and hosted by Rayner Chew, a JC 2 student at Raffles Institution, and talks about economic issues and topics in Singapore. Dr Tan spoke about the role of CCCS in making markets work well. He explained what competition and consumer protection laws are and how they benefit the economy. In addition, he discussed the importance of competition in creating opportunities and choices for businesses and consumers in Singapore and gave examples of past cases, such as the Grab-Uber merger and the cartel involving fresh chicken distributors.

Listen to the interview [here](#).

CCCS AWARDS RESEARCH GRANT TO NUS TEAM FOR STUDY ON GREENWASHING IN ONLINE MARKETING



CCCS has awarded a research grant worth of \$50,000 to the team from National University of Singapore ("NUS") for their research project titled "Promoting Best Practices in Online Marketing: An Examination of Greenwashing in Singapore". The team consists of Prof. Lawrence Loh, Director, and Ms. Yvonne Yock, Research Associate, of NUS Business School, Centre for Governance and Sustainability. The research project aims to identify the prevalence and types of greenwashing in Singapore, particularly on e-commerce websites, and to inform policies regarding online advertisement and consumer protection so that companies can avoid greenwashing and consumers will less likely fall prey to greenwashing.

GLOBAL ACT

CCCS PARTICIPATES IN 21ST ICN ANNUAL CONFERENCE IN BERLIN



The 21st International Competition Network (ICN) Annual Conference was held in Berlin, Germany from 4 to 6 May 2022.

Mr Loke Shiu Meng (Assistant Chief Executive; Legal, Enforcement and Consumer Protection; CCCS) spoke at the ICN's Agency Effectiveness Working Group (AEWG) plenary session titled "How the pandemic has changed agencies' investigative processes". He shared how CCCS overcame the challenges faced in carrying out its investigation processes remotely, while maintaining a cohesive and co-ordinated approach between the officers working on a particular case.

Other speakers on the panel include senior representatives from the Federal Economic Competition Commission, Mexico, the Swedish Competition Authority and the Malaysia Competition Commission.

The ICN is an important network of competition authorities worldwide. The Annual Conference is the focal point of the year where the global competition community gets together to share experiences and discuss competition policy and enforcement issues.

CCCS is currently an ICN Steering Group member and a co-chair of the AEWG.

CCCS WINS IN ICN-WBG 2022 COMPETITION ADVOCACY CONTEST



CCCS was selected as a winner for its submission titled "Collaborations between Competition and Personal Data Protection Agencies" at the ICN-World Bank Group (WBG) 2022 Competition Advocacy Contest, under the theme "Spreading the benefits of the digital economy". Organised by ICN and WBG, the contest aims to highlight the key role competition agencies, sector regulators and other governmental bodies or non-governmental organisations play in promoting competition by showcasing their advocacy success stories.

Scan or click to read more about CCCS's submission and other winners:



<https://go.gov.sg/cccsinannualconf2022>

ASEAN GUIDELINES ON CONSUMER IMPACT ASSESSMENT (CIA) VALIDATION WORKSHOP

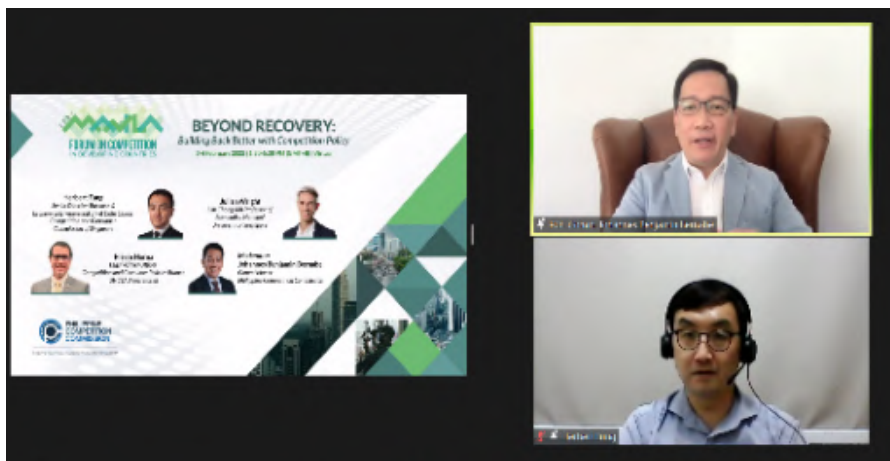
The CIA Guidelines aims to assist ASEAN Member States in reviewing new or revised consumer protection policies, laws and regulations and their impact on consumers. CCCS participated in the Workshop held on 17 March 2022, and presented on the background for the enactment of the Consumer Protection (Fair Trading) Act 2003 and its policy objectives.



28TH MEETING OF THE AEGC

Held virtually from 28 March to 1 April 2022, the 28th ASEAN Experts Group on Competition (“AEGC”) Meeting discussed the implementation of various projects. As lead for the project on developing the ASEAN Investigation Manual on Competition Law and Policy for the Digital Economy, CCCS briefed ASEAN Member States on its progress and sought inputs for developing the manual. At the meeting, the Organisation for Economic Co-operation and Development also proposed projects covering Digital Competition Policy for ASEAN and Fintech.

2022 MANILA FORUM ON COMPETITION IN DEVELOPING COUNTRIES



CCCS participated in the 2022 Manila Forum on Competition in Developing Countries, held from 3 to 4 February 2022. Mr Herbert Fung (Senior Director, Business and Economics, CCCS) spoke at a virtual plenary session on the topic “The Competition Landscape and Direction of Regulation in Digital Markets”. The Manila Forum is organized by the Philippine Competition Commission, and serves as a platform for competition authorities, policymakers, industry leaders, and academics to discuss competition policy developments, particularly in the context of developing countries.

BLUEPRINT

CCCS'S BUSINESS COLLABORATION GUIDANCE NOTE

Enables Businesses to Work Together with Greater Confidence

Now available in Chinese



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<https://go.gov.sg/bizcollabguidancenote>