

An interview with Toh Han Li

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The Competition Commission of Singapore (CCS) is broadly considered the most advanced antitrust enforcer within ASEAN. Its chief executive Toh Han Li updated **Sonya Lalli** about the commission's work over the past year, and its role going forward as the enforcer continues to mature.

What have been the CCS's greatest successes of 2015?

In 2015, the CCS handled some 25 competition cases across various sectors. We effectively blocked our first merger: the acquisition of Radlink-Asia by Parkway Holdings, the largest private health-care provider in Singapore. They abandoned the transaction after CCS issued a provisional decision blocking it. This year, we also concluded an investigation of abuse of dominance into Asia Pacific Breweries Singapore after the company committed to ending its exclusive practice of supplying draught beer to retail outlets in Singapore.

Besides enforcement, we are a strong competition advocate to our government agencies and actively reach out to businesses as well as the general public. In June 2015, one of our government competition advisories won the Competition Advocacy Contest, which was jointly organised by the ICN and the World Bank Group.

Do you feel Singapore's markets have become more competitive?

Singapore is a small, open economy, which means our tradable sectors are exposed to intense competition from overseas suppliers. This will increase with greater integration of regional and global markets. On the other hand, our non-tradable sectors, such as construction and food and beverage services, are typically less subject to competitive discipline from overseas suppliers.

Regardless of the nature of the markets, our enforcement efforts have made both tradable and non-tradable sectors more competitive. Concerning tradable sectors, we have worked with overseas competition authorities to target anticompetitive practices that affect cross-border trade, such as international cartels.

To date, we have issued two infringement decisions involving a price-fixing cartel comprising 11 foreign-registered freight forwarders and their Singapore subsidiaries, and a price-fixing cartel comprising of four Japanese ball bearings manufacturers and their Singapore subsidiaries. We are also carrying out several investigations into alleged domestic cartels, some of which we hope to conclude this year.

Are there any sectors that are particularly problematic or are a key focus for the CCS?

E-commerce is a key sector that the CCS has been studying, as online sales in Singapore and across the region are expected to grow exponentially in the coming years. This creates many opportunities and challenges for businesses operating in Singapore.

To help us better understand the development of e-commerce in Singapore and the specific competition issues that can arise, the CCS commissioned a study last year and hosted an e-commerce seminar with support from other government agencies. This year, we will be embarking on a new joint study with Singapore's information communications regulator to further understand the impact of e-commerce on the postal and logistics market in Singapore.

What are the CCS's priorities?

Besides e-commerce, robust and credible enforcement will always remain a cornerstone of our work. In this regard, we will continue to enforce against cartels that harm competition.

We will conduct bid-rigging workshops for government agencies to help them identify possible cartels relating to government procurement. The CCS will also look into how our interventions can help achieve more competitive pricing and help rein in costs for businesses and consumers.

The CCS has recently proposed a fast-track leniency procedure. What prompted this?

As the CCS develops from a young competition agency to one that handles more cross-border and complex investigations, we need more efficient investigative and enforcement processes, and to better utilise our limited resources.

Drawing on the experiences of the European Commission and the UK's Competition and Markets Authority, the CCS decided to introduce a fast-track procedure that will enable an undertaking under investigation to admit liability and, in return, receive a reduced financial penalty. Undertakings will also benefit from a shorter, expedited investigative time frame.

It is likely that the procedure, together with other amendments to the guidelines, will be put in place in the second half of 2016.

Tell me about the other forthcoming amendments to the CCS guidelines.

As the CCS tackles more complex and cross-border cases, it is imperative that we are able to obtain evidence from other jurisdictions. In this regard, our leniency programme and the close cooperation we enjoy with other competition agencies are vital. We have proposed revisions to the leniency guidelines that would bring it in line with the CCS's established leniency practices.

In 2016, the CCS also intends to provide the public with more information on its enforcement and investigation work. Where there is less risk of compromising investigations, we may issue press releases on investigations or dawn raids in certain sectors. This will allow us to engage with the public, and will serve as a warning to other businesses in these sectors that we are keeping a close tab on the industry.

We also hope it will encourage people working in those industries to come forward with useful information on cartel activities that could further the CCS's ongoing investigations.

Tell me about the authority's role within the context of ASEAN.

The CCS works closely with our counterparts in ASEAN to engender a level playing field for all companies. We are a part of ASEAN's expert group on competition, which is an official network of competition authorities that serves as a forum for discussing, coordinating and implementing regional competition policies and work programmes. The CCS has been active in the expert group in several ways. For instance, it took on the inaugural chairmanship of the expert group in 2008, chaired a work group on ASEAN regional guidelines, and has hosted various conferences and workshops.

Currently, the CCS is chairing the work group on developing a strategy on and tools for regional competition advocacy. We completed the first phase of the project in 2013, with the successful launch of first-ever regional web portal and a series of collaterals on ASEAN competition policy and law. The CCS is now working on the second

phase of the project, a handbook on strategies and tools for regional competition advocacy. This handbook is set to launch at the ICN Annual Conference in April 2016.

Has coordination increased among agencies in the past year?

There is more cooperation at the bilateral level in the area of enforcement compared to a few years back. For instance, the CCS and our ASEAN counterparts have communicated by phone or email on matters relating to policy and legislation, market studies, cross-border cartels and mergers. The industries included transportation, manufacturing, aviation, health care, e-commerce, building materials and food, among others.

Going forward, we can expect to see greater cooperation among agencies with the maturing of competition policy and law in the region. Specifically, factors that will drive greater regional cooperation include the establishment of a single economic community and a regional cooperation framework.

Do you see the CCS as a regional leader?

The chair of the expert group rotates among ASEAN member states. Singapore was the first chair back in 2008. Nonetheless, the CCS is committed to engaging and working with our counterparts to help realise a competitive, innovative and dynamic ASEAN.

What do you think is the most important decision you've taken since becoming head of the CCS?

We have had to take a number of decisions – some difficult ones – since I took over in October 2013. But I have been supported by a strong management team and staff and that makes it a lot less trying on one person alone. I am also grateful for the counsel and guidance of my chairman and fellow commissioners.

But I think one of the key roles of the chief executive is to set the strategic direction for the agency for the next five to ten years. That was what I set out to do when I took over and we have done this with the review of the CCS's mission and vision.