

Media Release

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DECISIONS IN APPEALS AGAINST CCS' INFRINGEMENT DECISION AGAINST PRICE FIXING IN BUS SERVICES FROM SINGAPORE TO MALAYSIA AND SOUTHERN THAILAND

1. The Competition Appeal Board (CAB) has on 24 March 2011 issued its decisions in the appeals (Appeals No 1, 2 and 3 of 2009) brought by six coach operators against the Competition Commission of Singapore's (CCS) decision in a case involving price-fixing of coach tickets and the imposition of fuel and insurance surcharges between the Express Bus Agencies Association (EBAA) and 16 coach operators.
2. The CAB upheld the decisions by CCS to find that the six coach operators had infringed the Competition Act by entering into agreements to fix a minimum selling price for the sale of one-way express bus tickets and agreements to fix a fuel and insurance surcharge. The CAB agreed with CCS' decision to impose financial penalties but varied the financial penalties imposed.
3. The CAB decisions can be found <http://app.mti.gov.sg/default.asp?id=3825>.

Background

4. CCS' investigations revealed that between 2006 and 2008, 16 coach operators and EBAA had fixed prices by imposing:
 - a. a Minimum Selling Price (MSP) for one-way express coach tickets between Singapore and 6 destinations in Malaysia, which created a price floor on ticket prices; and
 - b. a Fuel and Insurance Charge (FIC) levied on all tickets sold and used to mark up ticket prices.
5. The total amount of financial penalties imposed on the infringing parties by CCS was \$1,699,133. Further information on CCS' Infringement Decision can be found at [http://app.casebank.ccs.gov.sg/CCS_Fines_16_Coach_Operators_and_Association_\\$1.69_Million_For_Price-Fixing.aspx](http://app.casebank.ccs.gov.sg/CCS_Fines_16_Coach_Operators_and_Association_$1.69_Million_For_Price-Fixing.aspx).

Appeals

6. Of the 16 coach operators and EBAA who had engaged in price-fixing, six parties filed appeals:
 - a. Five Stars Pte Ltd ("Five Stars"), GR Travel Pte Ltd ("GR Travel"), Gunung Raya Travel Pte Ltd ("Gunung Raya") and Konsortium Express and Tours Pte Ltd ("Konsortium") against both liability and the quantum of financial penalties ("Appeals No. 1 & 2/2009"); and
 - b. Regent Star Travel Pte Ltd ("Regent Star") and Transtar Travel Pte Ltd ("Transtar") against the quantum of financial penalties ("Appeal No. 3/2009").

7. The CAB upheld CCS' findings on liability on all counts. In addition, the CAB found that the Appellants had entered into the MSP and FIC agreements knowing or ought to have known that the agreements were restrictive of competition.
8. The CAB had varied the respective financial penalties imposed on the Appellants as follows:

Appeal Nos. 1 & 2/2009

Appellant	Penalty imposed by CCS	Penalty imposed by the CAB
Five Star	\$450,207	\$291,247
GR Travel	\$52,432	\$43,342
Gunung Raya	\$76,668	\$43,570
Konsortium	\$337,635	\$283,390
Total:	\$916,942	\$661,549

Appeal No. 3/2009

Appellant	Penalty imposed by CCS	Penalty imposed by the CAB
Transtar	\$518,167	\$303,472
Regent Star	\$103,875	\$7,920 (uplifted to \$10,000)
Total:	\$622,042	\$313,472

Authorised Agent

9. In particular, in Appeal No. 3 of 2009, involving Transtar and Regent Star, the appellants argued that Regent Star was an authorised agent for Transtar and not for any other coach operator, and that when a bus ticket or coach package tour was sold by Regent Star on behalf of Transtar, Regent Star retained part of the ticket price as the agent's commission and the remainder was paid to Transtar.
10. The CAB found on the specific facts of the case that a relationship of agency existed between Regent Star and Transtar. After account was taken of the agency relationship and the overlap in revenue between Regent Star and Transtar, the penalty for Regent Star was varied to \$10,000.

Final penalty

11. The total amount of financial penalties imposed on all 17 infringing parties stands at \$1,135,170.