

This is the third installment of an insightful four-part series on competition, prepared by the Competition Commission of Brunei Darussalam, which is a quasi-judicial body that is mandated to promote and sustain a fair competitive in the economic landscape of Brunei Darussalam, through the enforcement of the Competition Act. For more information, please visit www.ccbd.gov.bn or contact them through exec.secretariat@ccbd.gov.bn (E-mail) or +673 2383100 (Telephone)

Safeguarding Fair Competition: Detecting and Preventing Anti-Competitive Agreements

Fair competition is the cornerstone of vibrant markets, driving innovation, efficiency, and consumer choice. However, the integrity of competition can be compromised when businesses engage in anti-competitive agreements, practices that undermine the very essence of fair play. These agreements, often in the form of secret agreements between competitors, can manifest in various forms, such as price-fixing, supply control, market sharing, and bid-rigging

- **Price-Fixing:** Competitors agree to set prices at a certain level, eliminating competition and artificially inflating prices for consumers.
- **Supply Control:** Agreements among competitors to limit the production or supply of goods and services, creating an artificial scarcity and driving up prices.
- **Market Sharing:** Agreements that divide territories or customers among competitors, restricting competition and denying consumers the benefits of choice.
- **Bid-Rigging:** Collusion between competitors to manipulate the bidding process, ensuring predetermined outcomes and depriving consumers of the benefits of competitive pricing.



These agreements lead to inflated prices, reduced quality, and restricted market access, eroding the benefits of competition. Recognising the detrimental effects of anti-competitive agreements, the Competition Commission Brunei Darussalam remains vigilant in its efforts to detect and prevent such anti-competitive behaviour.



Examples from neighbouring countries like Singapore and Malaysia illustrate the importance of vigilance in combating anti-competitive agreements. One notable case in Singapore involved the Competition and Consumer Commission of Singapore (CCCS) investigating a cartel in the fresh chicken distribution sector. The investigation revealed that several suppliers had engaged in price-fixing arrangements, manipulating prices and allocating customers among themselves. As a result, consumers faced artificially inflated prices for chicken products. Through rigorous scrutiny and collaboration with industry stakeholders, the CCCS successfully dismantled the cartel, imposing financial penalties and deterrent measures to uphold fair competition in the market.

Similarly, Malaysia Competition Commission (MyCC) has been proactive in addressing anti-competitive agreements within various industries. In one instance, MyCC uncovered a cartel among bus operators, who conspired to fix prices and share routes, thereby limiting competition and exploiting consumers. Through thorough investigations and enforcement actions, MyCC imposed fines and implemented compliance programs to prevent recurrence, sending a clear message that anti-competitive behaviour would not be tolerated in the Malaysian market.



To effectively combat anti-competitive agreements, the CCBD employs various detection methods, such as leniency regimes. The Competition Act provides Leniency Regime provision that grants immunity of up to 100% to those involved in anti-competitive agreements in exchange for full disclosure and cooperation. Under the Competition Act, the Leniency Regime provides a reduction of up to a maximum of 100% of any penalties imposed to any undertaking that has either:

- a) Admitted its involvement in an infringement of any Section 11 prohibition;
- b) Provided information or other forms of co-operation to the CCBD which significantly assisted, or is likely to significantly assist, in the identification or investigation of any finding of an infringement of any prohibition by any other undertakings.

In conclusion, the battle against anti-competitive agreements is integral to preserving fair competition and safeguarding consumer welfare in Brunei Darussalam. Through robust enforcement and preventive measures, the CCBD is poised to uphold the principles of fair play in the marketplace. The next installment of this series will discuss about Section 21 (Abuse of Dominant Position) and Section 23 (Anti-Competitive Mergers), expected to be enforced in 2025.