



Abuse of Dominance

“ Dominant companies have a special responsibility to ensure that the way they do business does not prevent competition ... and does not harm consumers and innovation. ”

Mario Monti, former European Commissioner for Competition

The prohibition of abuse of dominance is one of the three core areas of a competition law.

Detecting and determining an abuse of dominance can be both complex and controversial, due to varying standards (concerning market shares, terms used etc.) in different jurisdictions.

It is important to note that monopolistic power does not in itself constitute a violation of competition laws.

Unlike hard core cartels, which are *per se* illegal, investigating abuses of dominance requires a **rule of reason approach**.

EXAMPLES OF ABUSIVE PRACTICES

- ❑ Predatory pricing (or dumping)
- ❑ Typing and bundling
- ❑ Refusal to deal (or exclusive dealing)
- ❑ Loyalty or retroactive rebates
- ❑ Excessive pricing

A crucial prerequisite for assessing dominance is defining the relevant market, comprising:

- **Product market** in terms of demand or supply-side substitution, and potential competition.
- **Geographic market** where the conditions of competition applying to a product are the same for all traders.

CASE : Ticketing services in Singapore

In 2010, the Competition Commission of Singapore (CCS) issued a decision against the ticketing company SISTIC for a series of exclusive agreements that limited the choices of venue operators and event promoters. Moreover, booking fees also increased for ticket buyers.

Following the decision of CCS, the ticketing industry in Singapore has become more competitive, due to a new entrant in the market and more innovative services.

Consumers have benefited from more choices and greater convenience when purchasing tickets.

Source: ASEAN Handbook on CPL for Business (2013)



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one identity
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