For discussion
on 21 June 2011

Bills Committee on Competition Bill

Responses to follow-up questions arising from previous meetings

Purpose

This paper responds to questions raised by Members at the meeting on 31 May and 7 June 2011 and provides supplementary information on a few outstanding issues arising from previous discussions.

Issue relating to Part 2

Formulation of the first conduct rule

2. The formulation of the first conduct rule in clause 6 of the Competition Bill (the Bill) is almost identical to the corresponding competition provisions in Singapore, the EU and the UK. When the test of "*object or effect of preventing, restricting or distorting competition*" is applied, case law and regulatory guidelines in these jurisdictions suggest that only conduct that has an appreciable adverse effect on competition would be caught under the competition law. It is therefore not necessary to change the formulation from "*object or effect*" to "*object and effect*" in order to bring out the effect-based approach. Moving away from the formulation commonly adopted abroad would entail the disadvantage of loss of application of a large pool of relevant case law and existing jurisprudence, thereby creating uncertainty for the business sector. Requiring the competition authorities to establish both the object and effect before finding an infringement would also set a much higher threshold of proof for the future Competition Commission (Commission), thus seriously hampering its ability to tackle "hard-core" anti-competitive conduct, such as those involving cartels.

3. The materiality threshold for the first conduct rule is whether a conduct has an appreciable adverse effect on competition. This is essentially the same as the test of "*preventing or substantially restricting competition*" in section 7K(1) of the Telecommunications Ordinance (Cap. 106) (TO) and section 13(1) of the Broadcasting Ordinance (Cap. 562) (BO).[Note (1)] In considering whether a conduct has infringed clause 6 of the Bill, section 7K(1) of the TO or section 13(1) of the BO, the competition authorities would conduct an economic assessment on whether the relevant conduct would have an appreciable (or not immaterial) effect on competition that could lead to injury to the competitive process. It is noted that in the guideline issued by the Office of the Telecommunications Authority,[Note (2)] the relevant principles for determining the adverse effect on competition are similar to those proposed in the draft guideline on the first conduct rule (CB(1)2336/10-11(01)) as well as those adopted by competition authorities in the UK and Singapore. The prohibitions as currently provided under the Bill reflect the latest international best practice, and the slight difference in the wording of the prohibitions under the Bill, the TO and the BO is of little practical significance when the economic principles on competition are actually applied.

Draft guidelines

4. It is the international best practice to leave the competition authorities the flexibility to issue guidelines to elaborate on the key elements of the general prohibitions adopted in the principal legislation. Guidelines have the advantage of providing practical and, in more details, up-to-date guidance on how the principle-based competition law would be interpreted and implemented, in order to facilitate compliance with the law amid changing market circumstances. Issuing guidelines as subsidiary legislation would limit the ability of the competition authority in responding swiftly to changing market

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Note (1) In an appeal case in August 2003 (PCCW-HKT Telephone Limited v the Telecommunications Authority, Appeal No. 4 of 2002), the Telecommunications (Competition Provisions) Appeal Board ruled that the word "substantially" in sections 7K, 7L(4) and 7N(4) of the TO means "*large enough to be worthy of consideration for the purpose of the particular section... the effect in question must be at least "significant" but need not be "big*". (paragraphs 19 and 20 of the judgment refers: www.cedb.gov.hk/ctb/eng/telecom/doc/judgement.pdf)

Note (2) The "Guidelines to Assist Licensees to Comply with the Competition Provisions under the Telecommunications Ordinance", last updated in December 2010, provide a general explanation of how the Telecommunications Authority (TA) is likely to interpret and apply the competition provisions under the TO. Paragraphs 2.6 to 2.11 of the Guidelines highlight some of the relevant factors for assessing whether the conduct of a licensee under the TO has the effect of preventing or substantially restricting competition. These include consideration of the foreclosure effect on the market (paragraph 2.7), and whether the constraint in terms of impact on existing competitors and entry by potential competitors is not immaterial (paragraph 2.8). Overall, the TA's approach is that the injury to competition needs to be of such a magnitude, character and of such importance that it is worthy of consideration under the TO and from the public interest angle (paragraph 2.9).

circumstances and, in turn, affect the effective enforcement of the competition law.

5. As requested, we have presented a paper on draft guidelines on the first conduct rule at the meeting of 31 May 2011 for Members' reference. The paper has been prepared having regard to guidelines issued by the competition authorities in the UK and Singapore, and sets out established principles based on overseas jurisprudence and relevant case law.[Note (3)] It is common for the Government to exchange views with different sectors of the community. In the area of competition law, academics are a particularly valuable source of expertise and in fact Members of the Bills Committee have also reminded the Administration to seek their advice. In preparing the paper on guidelines on the first conduct rule, we have sought comments from academics specializing in competition law and practices. It should be noted that the document is for Members' reference only and does not bind the future Commission.

Application of the first conduct rule

(i) Vertical agreements

6. Vertical agreements concern the relationship between undertakings at different levels of the market. While vertical agreements may often generate positive effects on the distribution chain and enhance efficiency, competition concerns may arise when the parties to the agreement possess a substantial degree of market power. Moreover, vertical agreements may sometimes disguise what are, in effect, agreements between direct competitors about how they compete with each other. Hence, the first conduct rule applies to all types of agreements and does not grant blanket exemption to vertical agreements. We consider the more appropriate approach, as adopted in the EU and the UK, is for the future Commission to consult the stakeholders and the public on how vertical agreements should be dealt with and, if appropriate, issue a block exemption order to exempt certain types of vertical agreements having regard to the circumstances of Hong Kong.

Note (3) In preparing the draft guidelines, we have made reference to overseas competition cases, such as *FENIN v Commission* [2003] ECR II-357, which elaborated on the concept of undertaking. The court affirmed that the concept of "undertaking" covers an entity engaged in an economic activity, regardless of its legal status and the way in which it is financed. Reference was also made to *Beguelin Import v GL Import Export* [1971] ECR 949 which clarified that an agreement between a parent and its subsidiary company, or between two companies which are under the control of a third, will not be agreement between undertakings if the subsidiary has no real freedom to determine its course of action on the market and, although having a separate legal personality, enjoys no economic independence.

(ii) Merger agreements

7. It is our policy intent that only merger activities in relation to carrier licences issued under the TO would be regulated by Schedule 7 to the Bill. We will consider the need for amendments to clarify the scope of application of clause 6(1) so as to give effect to our policy objective on mergers.

(iii) Price announcement

8. In general, price announcement made by a player in the market to the public does not usually harm competition, as buyers in the market would become more informed, resulting in more effective competition. A price announcement made by a group of competitors would probably be considered anti-competitive as it might result in coordinated pricing.

(iv) Advertising by association of undertakings

9. Whether or not restrictions imposed by an association of undertakings or a statutory body on advertising activities of their members are anti-competitive depends on whether the restrictions on competition are necessary to ensure the proper practice of the trade, and whether such restrictions go beyond what is necessary to achieve the objective.

(v) Tai Po Hui Market case

10. We have been asked to advise whether the conduct of the cooked food stall operators participating in the restricted auction of the Tai Po Hui Market held in July 2004[Note (4)] would have constituted a breach of the first conduct rule. According to the final judgment, 36 stall-holders of the old Tai Po Hui Market (i.e. the only persons allowed to bid at the auction in question) had met prior to the restricted auction and had drawn lots with regard to the stall he or she would bid for at the auction. It was also agreed that no one else would bid for the same stall; this turned out to be the outcome of the auction, whereby there was no competitive bidding and each of the 36 stalls were allocated to the sole bidder.

Note (4) The case *HKSAR v Chan Wai Yip and others* [FACC No. 4 of 2010] was considered by the Court of Final Appeal (CFA), which gave its decision on 25 November 2010 and handed down the reasons on 13 December 2010. 19 stall-holders were charged with conspiracy to defraud. The appeal by the Government against a decision of the Court of Appeal (which quashed the convictions by the Magistrate) was dismissed by the CFA.

11. Tendering procedures are designed to provide competition and an essential feature of the system is that tenderers prepare and submit bids independently to ensure efficacy of the competitive process. Bid rigging occurs when tenders are submitted by undertakings as a result of collusion or cooperation between tenderers; it will, by its very nature, be regarded as restricting competition appreciably and is commonly prohibited by competition laws in major overseas jurisdictions. Bid rigging might take different forms, including agreement not to tender. Based on the information available to us, there is a prima facie case that the conduct of the stall-holders in the Tai Po Hui Market case could have fallen within the prohibition imposed by the first conduct rule.

(vi) Application of the conduct rules to the medical sector

12. Our response to Dr Hon Leung Ka-lau's letter concerning possible application of the conduct rules to the medical sector (CB(1)2283/10-11(03)) is at **Appendix A** for Members' reference. It should be noted that the comments made are based on general principles. To determine if there is any breach of the competition law, each case needs to be investigated and the facts analyzed in detail.

Definition of competition

13. Competition is a generic term, referring to the process of rivalry.[Note (5)] In most overseas jurisdictions, the term "competition" is not defined in the competition law. It should be given its ordinary meaning and applied in the context of economic analysis as far as competition law is concerned.

Issues relating to Part 10

Casting/ second vote of the President/ presiding member

14. The proposal in clause 144(3) to give the President or the presiding member of the Competition Tribunal (CT) a casting or second vote in the case of an equality of votes at a hearing aims to ease any deadlock in a decision upon

Note (5) According to the Oxford English Dictionary, competition has the meaning of "the action of competing or contending with others for supremacy, a position, a prize, etc." and "striving for custom between rival traders in the same commodity".

an equality of votes and helps ensure the efficient operation of the CT. The proposal is legally in order. In fact, a similar arrangement is adopted in a number of tribunals in Hong Kong such as the Lands Tribunal,[Note (6)] the Unsolicited Electronic Messages (Enforcement Notice) Appeal Board,[Note (7)] the Appeal Tribunal (Buildings),[Note (8)] and the Buildings Energy Efficiency Appeal Board.[Note (9)] Compared to the proposal to introduce a requirement on the number of members of the CT hearing a case (e.g. an uneven number), the proposed casting vote ensures that there will always be a decision while providing operational flexibility for the CT to decide on the number of members sitting having regard to the nature of each case. We consider clause 144(3) as presently drafted appropriate for the purposes of the Bill.

Right of appeal

15. The leave to appeal requirement in clause 153 is proposed taking account of the nature of the CT and the need to weed out unmeritorious applications. As a special court within the Judiciary, decisions of the CT should be entitled to respect as such and an appeal from a decision of the CT should only be permitted with leave, which should only be granted if the appeal has a reasonable prospect of success or there is some other reason in the interests of justice why the appeal should be heard. The same tests apply in section 14AA of the High Court Ordinance (Cap. 4)[Note (10)] in respect of interlocutory appeals, and section 11AA of the Lands Tribunal Ordinance (Cap. 17)[Note (11)] in respect of appeal to the Court of Appeal from a decision of

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Note (6) Section 9(5) of the Lands Tribunal Ordinance (Cap. 17) provides that any difference between the members exercising the jurisdiction of the Tribunal shall be decided by the majority of votes, and in the event of an equality of votes the member presiding at the hearing shall be entitled to a second or casting vote.

Note (7) Section 50(1) of the Unsolicited Electronic Messages Ordinance (Cap. 593) provides that in the hearing of an appeal, every question before the Appeal Board shall be determined by the opinion of the majority of the members hearing the appeal except a question of law which shall be determined by the presiding officer, and in the case of an equality of votes, the presiding officer shall have a casting vote.

Note (8) Section 50(1)(b) of the Buildings Ordinance (Cap. 123) provides that in relation to the hearing and determination of an appeal, every question shall be determined by the opinion of the majority of the members of the Appeal Tribunal, and where there is an equality of votes, the Chairman shall have a casting vote.

Note (9) Section 36(2) and (3) of the Buildings Energy Efficiency Ordinance (Cap. 610) provide that any question before an appeal board must be determined by a majority of the members, and if there is an equality of votes in respect of any question to be determined in an appeal, the Chairman of an appeal board has a casting vote in addition to his or her original vote.

Note (10) Section 14AA of the High Court Ordinance (Cap. 4) provides that leave for interlocutory appeal shall not be granted unless the court hearing the application for leave is satisfied that (a) the appeal has a reasonable prospect of success; or (b) there is some other reason in the interests of justice why the appeal should be heard.

Note (11) Section 11AA(6) of the Lands Tribunal Ordinance (Cap. 17) provides that leave to appeal from a decision of the

the Lands Tribunal. The substantive tests for granting leave are also in line with the Civil Justice Reform, and do not deviate from the common law position with regard to the grant of leave under a threshold of "realistic prospect of success".

Independent review on the impact of competition law enforcement

16. At Members' further requests, we have looked into more reviews studying the impact of competition law enforcement by overseas non-governmental organizations, independent bodies or chambers of commerce. **Appendix B** summarizes findings of these reviews. In general, most of the literature we have been able to locate supports the view that enforcement of competition law has a positive or beneficial impact on the market.

Advice sought

17. Members are invited to note the contents of the paper.

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Lands Tribunal to the Court of Appeal shall not be granted unless the Lands Tribunal, the Court of Appeal or the registrar hearing the application for leave is satisfied that (a) the appeal has a reasonable prospect of success; or (b) there is some other reason in the interests of justice why the appeal should be heard.

Appendix A

Application of the conduct rules to certain cases in the medical and health sector as raised by Dr Hon Leung Ka-lau[1]

General comment:

Restrictive practices in the professions are subject to scrutiny by competition authorities in overseas jurisdictions, including the EU, Singapore and the UK. According to relevant case law and jurisprudence, a proportionality test will be applied in assessing whether any of the professional rules or decisions by professional bodies might infringe competition law requirements. Under the proportionality test, professional bodies should consider whether existing restrictions pursue a clearly articulated and legitimate public interest objective, whether they are necessary to achieve that objective and whether there are no less restrictive means to achieve this.

Issues	Comment
1. The Hong Kong Private Hospitals Association (HKPHA) requiring doctors to take out a particular type of "professional indemnity protection"	
1.1 According to paragraph 4.4.1(ii) of the Code of Practice for Private Hospitals, Nursing Homes and Maternity Homes issued by the Department of Health, all private hospitals shall check the indemnification/medico-legal protection (i.e. "professional indemnity protection") taken out by their doctors to ensure that reasonable compensation will be available to patients. However, there is no requirement on the minimum face amount. 1.2 At present, there are two types of "professional indemnity protection": (1) Higher premium with no limit of indemnity; (2) Lower premium with a limit of indemnity of not less than HK$7.5 million. According to the Hong Kong Doctors Union, since the introduction of MPP (Medical Protection Plan – an example of this type of "professional indemnity protection") in 1997, the highest amount awarded does not exceed HK$500,000. 1.3 The HKPHA has recently required all doctors to take out "professional indemnity protection" with no limit of indemnity before they can use the beds and facilities of private hospitals. For this reason, doctors have to pay a higher premium, and there is little demand for the "professional indemnity protection" with an indemnity ceiling.	

[1] Dr Hon Leung Ka-lau's enquiry in LC Paper CB(1)2283/10-11(03) (Chinese only) refers.

Issues	Comment
Issue: Will the above requirement constitute a breach of the Second Conduct Rule under the Competition Bill for preventing competition in the "professional indemnity protection" market? Does "an undertaking that has a substantial degree of market power in a market" under the "Second Conduct Rule" include a third party who apparently is not one of the competitors (e.g. the HKPHA)?	**Comment:** ● The HKPHA's requirement referred to in 1.3 is likely to be considered as a "decision by an association of undertakings" within the meaning of the first conduct rule in section 6(1) of the Competition Bill (the Bill). However, as HKPHA does not supply or acquire professional indemnity protection or hospital services in the market as such, it is unlikely to be considered as an undertaking for the purpose of the second conduct rule. ● Prima facie, a requirement imposed by an association of undertakings on its members to limit their freedom to decide with whom they do business might be considered as a collective boycott or collective refusal to supply having the object of preventing, restricting or distorting competition under the first conduct rule. ● Another relevant factor is whether the collective act of the association of undertakings would have an appreciable adverse effect on competition. The requirement is likely to have appreciable effect on competition if all or most of the members of the association give effect to the decision.
2. Private hospitals co-ordinating the quota for admitting mainland pregnant women In view of the influx of mainland pregnant women giving birth in Hong Kong, the Food and Health Bureau has asked the HKPHA to fix an admission quota. Private hospitals, and private hospitals and doctors, may have to reach a quota allocation agreement for such a market.	
Issue: Will this be in breach of the "First Conduct Rule"?	**Comment:** ● The Government reached a consensus with each private hospital on the delivery number of non-local pregnant women, with a view to ensuring, inter alia, local pregnant women are given priority for obstetric services, the professional standard and level of services for the mothers and babies. The delivery plan for each individual hospital is worked out having regard to a number of objective criteria, including the staffing, equipment and accommodation of the private hospitals and the level of service capacity of the obstetric and neonatal care services of both the private and public hospitals.

Issues	Comment
	● The delivery plan agreed upon between the Government and individual private hospitals has an overriding public policy objective to ensure local pregnant women are given priority for obstetric services, the quality of care and the sustainable development of the healthcare system. Public policy exemption may apply for the exclusion of the agreement from the first conduct rule.
3. Private hospitals imposing a quota for allocation of hospital beds and facilities to doctors Specialists in private practice have to hire hospital beds and facilities from private hospitals to provide surgical and hospitalization services to their patients.	
Issue: When a private hospital allocates such resources to certain affiliated specialists only or restricts the right of other equally qualified specialists to use these hospital resources, will it breach the "Second Conduct Rule"?	**Comment:** ● A private hospital is free to allocate its resources independently to certain affiliated specialists only or restricts the right of other equally qualified specialists to use its resources as it thinks fit. Such allocation may be based on objective functions such as service standard or quality. In general, allocation of resources in accordance with hospital's legitimate interests is unlikely to amount to an abuse of any market power under the second conduct rule.
4. Doctors setting service charges according to the reference prices Private hospitals and the Hong Kong Medical Association (HKMA), based on past information, publish the average price of various services for general reference.	
Issue: Supposing that a doctor fixes his charges with reference to that benchmark, will the hospital or doctor breach the "First Conduct Rule"?	**Comment:** ● The HKMA is a professional association comprising members who compete with each other. Publication of benchmark average prices by an association of undertakings for general reference by its members is likely to be considered as a "decision by an association of undertakings" within the meaning of the first conduct rule. ● Pricing matters by professional associations are prone to the risk of breaching

Issues	Comment
	competition rules in overseas jurisdictions (e.g. minimum or recommended fee scale). It is important to assess whether the decision to publish the benchmark average prices has the object or effect of preventing, restricting or distorting competition. ● If the benchmark reference prices are based on historical prices that have been collected, aggregated and averaged and do not amount to confidential information relating to individual undertakings, it is unlikely to have an appreciable adverse effect on competition. But if the benchmark is effectively used by competitors as a recommended price scale, it could be considered as anti-competitive. ● Independent decision of an undertaking or a member of an association of undertakings to set their price with reference to the benchmark published by the association, when there is no risk of being subject to any disciplinary action for departing from the reference prices, is not a breach of the first conduct rule.
5. Statutory requirement stipulating that a majority of the directors of a dental company shall be registered dentists Section 12 of the Dentists Registration Ordinance (Cap. 156) provides that a majority of the directors shall be registered dentists for a body corporate to carry on the business of dentistry.	
Issue: Will that provision violate the Bill as it imposes a restriction on people other than registered dentists to invest in or manage the business of dentistry?	**Comment:** ● The first or second conduct rule does not apply to an agreement or conduct to the extent that it is engaged in for the purposes of complying with a legal requirement imposed by or under any enactment in force in Hong Kong.

Appendix B

Summary of reports by overseas non-governmental organizations, independent bodies or chambers of commerce on the impact of competition law enforcement

Organization	Title of Report	Key findings/ observations
Organization for Economic Co-operation and Development (OECD)	*"How enforcement against private anticompetitive conduct has contributed to economic development", 3 February 2004*	● The Report was based upon written contributions submitted by a range of jurisdictions. ● The Report noted the observed and demonstrated positive effects of competition law enforcement across nine jurisdictions in both qualitative and quantitative terms (e.g. price, quality and technical development, availability and choice, entry and market structure and growth and economic development).
United Nations Conference on Trade and Development (UNCTAD)	*"Criteria for Evaluating the Effectiveness of Competition Authorities", 26 April 2007*	● UNCTAD considered some of the initiatives undertaken by competition authorities in a number of jurisdictions (UK, US, Korea and Turkey) in terms of the criteria for the evaluation of competition law enforcement and competition advocacy. It made general observation that competition policy improves productivity, and is a fundamental tool for increasing economic growth. The removal of entry barriers can promote efficiency and the development of new enterprises. Competition policy can encourage the efficient allocation of resources within an economy, lowering the prices of important products and inputs and improving quality and hence choice.

		● Amongst the national reviews quoted by UNCTAD was the study by the UK Department of Trade and Industry in 2004, which examined the impact of the implementation of competition policy in six illustrative cases. The report concluded that the investigation of the UK Office of Fair Trading in implementing competition policy have brought savings to consumers and helped lower prices, increase quantities sold and promote wider variety of choice.
Mark A. Dutz (The World Bank and EBRD) and Aydin Hayri (Deloitte & Touche LLP)	*"Does More Intense Competition Lead to Higher Growth?", October 1999*	● The research studied the strength of association between intensity of economy-wide competition and growth. The results of the study indicated a strong correlation between the effectiveness of competition policy and growth. It concluded that the effect of competition policy on growth is robust and goes beyond that of trade liberalization, institutional quality and general favourable policy environment. It did note, however, that the link appears to be more tenuous for Far Eastern countries.
Julian L. Clark (World Trade Institute) and Simon J. Evenett (World Trade Institute)	*"The Deterrent Effects of National Anti-Cartel Law: Evidence from the International Vitamins Cartel", 2 September 2002*	● It studied the international prices in the vitamins market, which suffered from significant price-fixing activity in the 1990s. The study found that prices were lower in countries with an active competition regime, particularly after the illegal price-fixing was uncovered and companies involved were prosecuted. The research showed that consumers suffer more in countries where there is little or no enforcement of competition law.

Tay-cheng Ma (Professor, Department of Economics, Chinese Culture University)	*"The Effect of Competition Law Enforcement on Economic Growth", Journal of Competition Law & Economics (2011)*	● The article conducted a cross-country study using a sample of 101 countries that enforce competition law to identify the effect of competition law on productivity growth. The results revealed that there is a positive relationship between the effective enforcement of competition law and productivity growth. The enforcement of competition law provides only the preconditions for intense competition but not the intense competition itself. The success or failure of the law depends on the competition culture that is shaped by the country's socioeconomic ideology and institutional framework. The evidence shows that the effect exhibits an asymmetrical pattern depending on the stage of development of each country. It is noted that the effect of competition law on growth still depends on the law enforcement efficiency of the government.
Chadwick Teo (Ministry of Trade and Industry, Singapore Government)	*"Competition Policy and Economic Growth", 2003*	● The paper examined the concerns of developing countries and discussed the impact of competition on efficiency and productivity and the importance of legal institutions for economic growth. In its concluding remarks, the author noted that competition laws take time to implement. ● Reference was also drawn to a study conducted in 2002 by Bee San and Changfa Lo in 2002 in relation to the social and economic implementation of Fair Trade Law (FTL) on Taiwan's economy. Their results revealed that the implementation of the FTL in Taiwan would significantly enhance Taiwan's international

		competitiveness and its exports. Furthermore, the study found that implementation would create more job opportunities and stimulate more innovation efforts.
The US General Chamber of Commerce	*"Opportunity to Compete: competition policy in support of open and competitive markets", 2009*	● The Chamber noted in this publication that the widespread development of competition laws around the world is a step toward the development of functioning competitive markets and is something that the US business community supports. In this paper, the Chamber critically reviewed the implementation of competition policy and law, particularly in the US context. It noted that sound economic analysis should be the basis of all competition investigations and enforcement decisions.
The American Chamber of Commerce in Singapore	*In its submission on the Singapore Competition Bill during public consultation, 2004*	● The Chamber stated in the submission that *"enacting a competition law in Singapore is important… because Singapore is a small but open economy, it is an attractive destination for international companies…by developing a competition law, Singapore's already positive reputation globally will be enhanced even further. Enactment of this legislation will help to define more clearly where restrictive and anti-competitive practices are taking place, and to inform corporations about behaviours which could be viewed as unlawful. It will also help to ensure that all companies competing have a level playing field from which to start, thereby increasing the likelihood that more firms from the US and other countries will choose to setup operations and/or conduct business here."*

The Singapore International Chamber of Commerce	*In its submission on the Singapore Competition Bill during public consultation, 2004*	● The Chamber stated in the submission that "*it strongly supports the development of the Competition Bill. As Singapore's economy becomes deeply integrated with the economies of developed nations throughout the world, it is critical that the laws of Singapore include a positive and progressive statement about the rule of law to be applied to competition. Similar laws in other countries provide guidance and direction to individual companies and to entire industry segments in both domestic and international business activities. This new law is an essential step to Singapore's full participation with these world economies.*"