

CARTELS

A PNG COMPETITION AND CONSUMER LAW PRESENTATION

What is a Cartel?

- ▶ Collusion between businesses to restrict competition in the market.
- ▶ Arrangements or agreements to fix prices, allocate markets, limit production or supply, and rig bids.



Independent Consumer and Competition Commission Act 2002

- ▶ Provisions under the ICCA Act that deal with Cartels:
 - Section 50: Contracts, arrangements, or understandings substantially lessening competition
 - Section 51: Covenants substantially lessening competition prohibited
 - Section 52: Contracts, arrangements, or understandings containing exclusionary provisions are prohibited
 - Section 53: Certain provision of contracts, etc., with respect to prices are deemed to substantially lessen competition
 - Section 63: Preventing the supply of goods or services

Penalties

- ▶ The types of penalties for Cartel conduct under the ICCA Act:
 - Pecuniary Penalties
 - Damages
 - General Penalties
 - Offences by Corporations



Cartels in PNG

- ▶ No cartel cases have been prosecuted in PNG
<https://www.thenational.com.pg/no-cases-of-cartel-conduct-yet-says-commissioner/>
- ▶ Supply arrangements between several fast food companies and beverage companies
- ▶ Private auctions for Foreign Currency
- ▶ Environment, Sustainability and Governance Initiatives

