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For Immediate Release

Competition Commission cautions participants in anti-epidemic subsidy programmes to comply with Competition Ordinance

The Competition Commission (Commission) has noticed recent media reports on businesses suspected of engaging in collusive practices when procuring and supplying goods and services while availing subsidy programmes under the Government’s Anti-Epidemic Fund. The Fund aims to assist businesses and individuals affected by the COVID-19 outbreak.

Anti-competitive conduct is the subject of enforcement under the Competition Ordinance (“Ordinance”), and the Commission will spare no effort in pursuing suspected contraventions with the full force of the law. This is all the more so where public money being channelled to alleviate the unusual hardship faced by the business sector is exploited by unscrupulous parties engaged in cartel conduct.

Following the Commission’s [guidance](#) issued in May, the Commission would like to reiterate that suppliers in all business sectors should never agree with their competitors to rig bids, fix prices, share markets or exchange competitively sensitive information. Suppliers coordinating who should win a bid, or supporting the designated winner by refraining from bidding or providing cover bids, are forms of bid-rigging that are strictly prohibited under the Ordinance.

Businesses applying for and receiving subsidies are reminded to be vigilant during the procurement process and guard against potential anti-competitive practices. At the same time, they must also refrain from being complicit in any anti-competitive conduct such as, by being a party to an anti-competitive agreement themselves; or by allowing an application for Government subsidies to be submitted in their names when they know that the application contains quotations that were obtained as a result of supplier collusion.

Public bodies which are tasked to administer these subsidy programmes are encouraged to take competition concerns into consideration and be vigilant against collusive conduct.

It is important for all stakeholders in the market to safeguard a competitive business environment for the benefit of everyone in Hong Kong and the economy as a whole.

The Commission calls on all parties to report suspected cases at 3462 2118, while those who have already engaged in such practices should approach the Commission for leniency or offer their cooperation.
