



Decision of the Commissioners of the Competition Commission

Supply of Automatic Electronic Ignition Keys and related synchronizing services

Decision

3 January 2014

CCM/DS/0010

Decision of the Commissioners of the Competition Commission.

CCM/DS/010- Investigation into the supply of Automatic Electronic Ignition Keys and related synchronizing services

Commissioners – *Mr. Ariranga G. Pillay – Chairman*

Mr. Rajendra Tagore Servansingh – Vice Chairman

Mr. Rodney Rama – Commissioner

Mrs. Selvon Poonoosamy – Commissioner

Mr. Reshad Sadool – Commissioner

On the 17th December 2013, the Commissioners held a meeting where they took cognizance of the following:

Facts of the Case

1.1 On the 30th January 2012, the Executive Director of the Competition Commission started an investigation under Section 46 of the Competition Act 2007 (the 'Act') into the supply of Automatic Electronic Ignition Keys and related synchronizing services.

1.2 The purpose of the investigation was to determine whether the three main parties, namely ABC Motors Ltd, Leal Co. Ltd and Iframac Ltd (which are dealers of new cars in Mauritius) contravened the monopoly provisions of Section 46 of the Act, notably whether these dealers are charging excessive prices for replacement ignition keys and synchronizing services, and whether they are preventing, restricting or distorting competition through exclusionary behaviour in the aftermarkets for the supply of those replacement ignition keys.

1.3 As part of the information gathering process, the Executive Director conducted factual meetings with representatives of, and obtained, through the issuance of



notices of requests for information under Section 52(1) (b) of the Act, written submissions from, the main parties to this Investigation.

1.4 The Executive Director has conducted analysis of prices and cost information of each of the main parties in order to determine whether they have committed any exploitative abuse in the form of excessive pricing in breach of Section 46(2) (b) of the Act.

Findings of Report of Investigation

The findings in respect of the investigation are as follows:

- (a) All three main parties are individually in a monopoly situation as prescribed under Section 46(1)(a) of the Act in each of the brand-specific aftermarkets for the supply of Automatic Electronic Ignition Keys for the respective makes of car they distribute;
- (b) The analysis of prices and cost information of each of the main parties did not show that the main parties have committed any exploitative abuse in the form of excessive pricing and hence no breach of Section 46(2)(b) of the Act is found;
- (c) There is no evidence of an exclusionary behaviour by each of the main parties in the aftermarkets for the supply of replacement Automatic Electronic Ignition Keys and hence no breach of Section 46(2)(a) of the Act is found; and
- (d) No recommendation in terms of remedial actions is required since the Investigation did not find any breach under Section 46 of the Act.

Based on the above findings, the three main parties to the Investigation have committed no breach of section 46 of the Act.

The page contains several handwritten signatures in blue ink. On the left side, there is a circular stamp or signature. In the center and right, there are several distinct signatures, including one that appears to be 'Glu' and another that is more stylized and cursive.

Decision

Having taken cognizance of the Findings of the Report of Investigation,

We, the Commissioners, state as follows:

- (a) All three main parties, namely ABC Motors Co. Ltd, Leal and Co. Ltd and Ifracmac Ltd are individually in a monopoly situation as specified in Section 46(1)(a) of the Act in each of the brand-specific aftermarkets for the supply of Automatic Electronic Ignition Keys for the respective brands of car they market;
- (b) ABC Motors Co. Ltd, Leal and Co. Ltd and Ifracmac Ltd have not committed any exploitative abuse in the form of excessive pricing, in breach of Section 46 (2)(b) of the Act; and
- (c) ABC Motors Co. Ltd, Leal and Co. Ltd and Ifracmac Ltd have not committed any breach of Section 46 (2) (a) of the Act since there is no evidence of any exclusionary behaviour by any of them in the aftermarkets for the supply of Automatic Electronic Ignition Keys for the respective brands of car they market in that they have not been engaging in conduct which "has the object or effect of preventing, restricting or distorting competition".

We hereby decide that no remedial action is required since there has been no breach of Section 46 of the Act.

Dated this 3rd January 2014

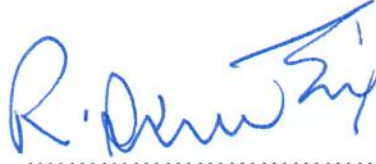
Handwritten signatures in blue ink, including a star symbol and several cursive signatures.

Mr. Ariranga G. PILLAY
(Chairman)



Date 3.1.14

Mr. Rajendra Tagore
SERVANSINGH
(Vice-Chairman)



Date 3.1.14

Mr. Reshad SADOOL
(Commissioner)



Date 03-01-2014

Mr. Rodney RAMA
(Commissioner)



Date 03/01/2014

Mrs. Selvon POONOOSAMY
(Commissioner)



Date 03/01/2014