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For Immediate Release

Competition Commission consults on proposed commitments by online travel agents

The Competition Commission (Commission) today commenced a consultation on the commitments offered under section 60 of the Competition Ordinance (Ordinance) by three major online travel agents (OTAs), namely Booking.com, Expedia.com and Trip.com. The proposed commitments aim to address the Commission's concerns over certain clauses in the OTAs' agreements with accommodation providers¹ in Hong Kong that may harm competition, potentially in contravention of the First Conduct Rule of the Ordinance.

The existing clauses require accommodation providers in Hong Kong to always give the OTA the same or better terms as those they offer in all other sales channels, as regards room prices (wide price parity), room conditions (wide conditions parity) and / or room availability (room availability parity). The Commission considers that these clauses may have the potential effect of softening competition among OTAs, as well as hindering entry and expansion by new or smaller OTAs, depriving consumers of the benefits of effective competition.

In response to the Commission's investigation, relevant legal entities within the three OTAs have offered commitments to remove the clause(s) of concern in their existing and future contracts with accommodation providers. The Commission considers that the proposed commitments are appropriate to address its concerns, and it therefore proposes to accept them.

Together with the proposed commitments from each of the three OTAs, the Commission has published a notice of the consultation and a set of frequently asked questions to provide further information on the matter. These documents are available on the Commission's website at www.compcomm.hk.

Interested parties are now invited to submit representations on the proposed commitments, including the Commission's proposed acceptance of these commitments, no later than 18:00 on 14 April 2020.

The Commission will consider all representations received by the deadline, which will be posted on its website, before making its decision on whether to accept the proposed commitments. If a representation contains confidential information, a non-confidential version of the representation should also be submitted.

¹ "Accommodation providers" include hotels, guest-houses, bed and breakfasts, or any other type of accommodation service provider that supplies rooms in Hong Kong and enters into a contract with an OTA.