Case Summary



The Commission's Case

Since the Competition Ordinance came into full effect on 14 Dec 2015 until at least 27 Sep 2017, Tien Chu^[1] continued to engage in **Resale Price Maintenance (RPM)** arrangements, which began in 2008, by imposing minimum resale prices for its Gourmet Powder^[2] to be charged by its two main local distributors.

Tien Chu

Complained to **Tien Chu** about **Distributor II's** discounting behaviour in 2016 and 2017.

Distributor l



Tien Chu issued communications and warnings during the period in an effort to ensure the distributors would not sell its Gourmet Powder for less than the minimum resale price.

Tien Chu acted upon **Distributor I's** complaints and took steps to secure compliance with the resale prices it set, including the use of threats and/ or penalties on **Distributor II**.





Distributors sold Gourmet Powder to sub-distributors, whose customers are mainly Chinese restaurants in Hong Kong.



The Commission has reasonable cause to believe that Tien Chu's conduct contravened the First Conduct Rule and constituted Serious-Anticompetitive Conduct under the Competition Ordinance.

- [1] Tien Chu refers to The Tien Chu (Hong Kong) Company Limited.
- [2] Gourmet Powder refers to Finger Citron Ve-Tsin Gourmet Powder sold in 4.54kg packages (in boxes of five), which is a monosodium glutamate (MSG) powder product Tien Chu manufactured.