



Competition Bureau
Canada

Bureau de la concurrence
Canada

Year at a glance 2018-19

Canada 

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Introduction

Competition drives innovation in the Canadian marketplace, encouraging economic growth and prosperity.

As Canada's Competition Bureau, our role is to support a fair and competitive marketplace for businesses and consumers alike. When businesses compete on a level playing field, consumers receive more choices, lower prices, and greater access to innovative products and services.

Our core work includes vigorously enforcing our legislation and promoting competition throughout the Canadian economy. We achieve this through our enforcement, outreach, and advocacy work.

But we cannot do this alone. We cooperate with key partners and stakeholders in Canada and abroad, allowing us to drive important conversations forward. Internationally, we are also active members at the International Competition Network, the International Consumer Protection and Enforcement Network, and the Organisation for Economic Co-operation and Development.

This Year-at-a-Glance highlights some of the Bureau's work over the past year, particularly in the digital economy. Our work addressed competition concerns in sectors that have a direct impact on Canadians, such as infrastructure, telecommunications, agriculture, and airlines.



April 2018

Maintaining drugstore competition

The Bureau reached an agreement with Metro Inc. (Metro), which operates and supplies grocery stores and pharmacies across Ontario and Quebec, to preserve competition in pharmacy distribution and franchising services after it acquired The Jean Coutu Group, which operates drugstores across eastern Canada. As part of the agreement, Metro agreed to sell certain properties or lease to alternative distributors in order to preserve competition in the identified regions. Drugstore competition is critical and leads to more affordable pharmaceuticals for Canadians.

May 2018

Examining broadband internet services in Canada

The Bureau launched a Market Study to gain an in-depth understanding of broadband internet in Canada. As part of this study, the Bureau completed interviews with more than 20 representatives from broadband service providers, government bodies, consumer groups, and academics. Consumers were also at the heart of the study. We surveyed homes across Canada and launched a public consultation survey that received over 42,000 responses from Canadians.

Protecting innovation in the agricultural sector

After an in-depth review, the Bureau concluded that the proposed merger of Bayer and Monsanto would likely hinder competition. The Bureau reached an agreement with Bayer whereby the company would sell assets to BASF SE, thus preserving competition within the agricultural sector relating to the supply of canola seeds and traits.



June 2018

Cracking down on bid-rigging

Criminal charges were laid against four individuals alleged to have rigged bids for City of Gatineau infrastructure contracts. The Bureau's investigation found that taxpayers footed the bill when engineering firms fixed prices and divided contracts.

Providing advice to influencers

The Bureau released the fourth edition of the Deceptive Marketing Practices Digest. In this most recent edition, we provided guidance and advice on influencer marketing as well as Made in Canada claims and savings claims.

July 2018

Bringing competition into focus

In the Bureau's publication, the Competition Advocate, the Bureau called on regulators and governments to use evidence-based regulations to ensure that Canadians enjoy the full benefit of competition in the eyewear industry. The Bureau examined certain regulations governing the dispensing of prescription eyewear, and explored the implications that they may pose for online eyewear retailers.



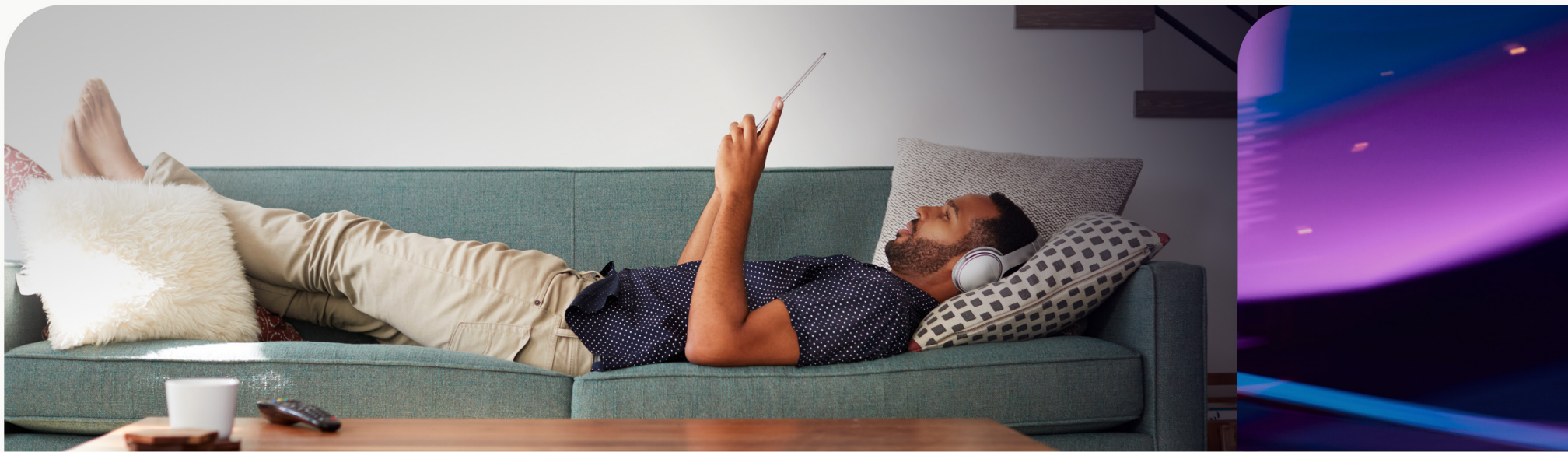
August 2018

Transparency in sales practices

The Bureau provided recommendations on misleading and aggressive sales practices in the telecommunications industry to the Canadian Radio-television and Telecommunications Commission (CRTC). Our recommendations included, among other things, that consumers should receive clear quotes for products and services, mandatory fees should be included in advertised prices, and services represented as “unlimited” should actually be unlimited.

Increasing access to innovative real estate services

The Bureau welcomed the Supreme Court of Canada’s dismissal of the Toronto Real Estate Board’s (TREB) application seeking leave to appeal. After seven years of litigation, this final court decision paved the way for greater competition and innovation in Canada’s largest real estate market. Removing anti-competitive restrictions gives home buyers and sellers a greater range of innovative service options. Opening up access to real estate data means Canadians can have greater insight into home sale prices and trends from a wider range of realtor business models.



September 2018

Bringing clarity to streaming services

As part of our efforts to build trust in the digital economy, the Bureau sent letters to operators of online streaming services in Canada, advising them to comply with the *Competition Act*. Terms and conditions must be transparent, and not be used to hide or bury important information and trick consumers.

Shining a light on progress in the FinTech sector

The Bureau released a report on the progress that has been made by regulators and policy makers to foster competition and innovation in the financial services marketplace. We also made several submissions to Canadian federal and provincial regulators, aiming to promote tech-led innovation in financial services.

Updating our programs

The Bureau's Immunity and Leniency programs encourage targets to cooperate with our investigations in return for possible immunity or leniency. We updated the program in collaboration with the Public Prosecution Service of Canada, to enhance our ability to detect, investigate, and prosecute unlawful conduct.



October 2018

Hitting the brakes on drip pricing

Following an investigation, the Bureau found that Discount Car & Truck Rentals Ltd. (Discount) advertised rental prices that were unattainable due to mandatory fees added later during the purchasing process. As part of the agreement reached to address the Bureau's concerns, Discount paid a \$700,000 penalty and agreed to review its business practices to ensure compliance with the *Competition Act*. This was the fourth agreement related to drip pricing practices by car rental companies. In total, these investigations have led to penalties of \$5.95 million.

Car parts manufacturer pays hefty fine for bid-rigging

A Bureau investigation determined that INOAC Corporation entered into illegal agreements with a competing Japanese parts manufacturer. The companies conspired to determine the winner of certain calls for bids for plastic interior car parts issued by Toyota in 2004. After pleading guilty before the Ontario Superior Court of Justice, INOAC was ordered to pay \$1.3 million for its role in the international conspiracy.

Protecting competition in the supply of industrial gases

The Bureau came to an agreement with Linde EG (Linde) and Praxair, Inc., worldwide suppliers of industrial gas, to preserve competition in the supply of certain industrial gases in Canada. In Canada, both Linde and Praxair operate production facilities and a network of filling stations and retail branches, through which they distribute industrial gases to customers across a wide range of industries. To resolve the Bureau's concerns, Linde was required to sell parts of its Canadian business to a third party.

Anti-competitive behaviour doesn't fly

The Bureau argued its case in front of the Competition Tribunal alleging that the Vancouver Airport Authority, which operates Vancouver International Airport, is restricting competition by denying new in-flight catering suppliers access to the airport.



November 2018

Preserving competition for agricultural products

The Bureau reached an agreement with La Coop fédérée (LCF) with respect to its acquisition of Cargill Limited. The Bureau concluded that the proposed merger would likely lessen competition in the retailing of fertilizers and crop protection products. To ensure adequate competition, LCF will divest certain retail stores in Ontario. This agreement will help maintain competitive prices and product choices for farmers.

Gender and competition

The Bureau worked with the Organisation for Economic Co-operation and Development (OECD) to advance research on the link between gender and competition. In cooperation with the OECD, we participated in a variety of panels at the 2018 OECD Global Forum on Competition.



December 2018

Transforming the electricity market

The Bureau signed a memorandum of understanding (MOU) with the Independent Electricity System Operator (IESO). This agency oversees the Ontario wholesale electricity market. This MOU will allow us to improve our working relationship and shared delivery goals, better protect consumers from anti-competitive practices, and foster an innovative and competitive market for electricity in Ontario.

Ensuring fair and transparent processes in the infrastructure sector

The Competition Bureau and Defence Construction Canada signed an MOU to establish a framework for collaboration and coordination between the two agencies as they work to ensure fair and competitive public procurement processes.

Monitoring the pharmaceutical industry

The Bureau concluded an extensive investigation into allegations that certain branded manufacturers of prescription drugs were engaging in tactics to keep low-cost generic alternatives off the market. Ultimately, our investigation did not uncover sufficient evidence to take a case forward; however, we will continue to be vigilant given that competition among pharmaceutical manufacturers is essential to ensuring that Canadians can benefit from accessible, low drug prices.



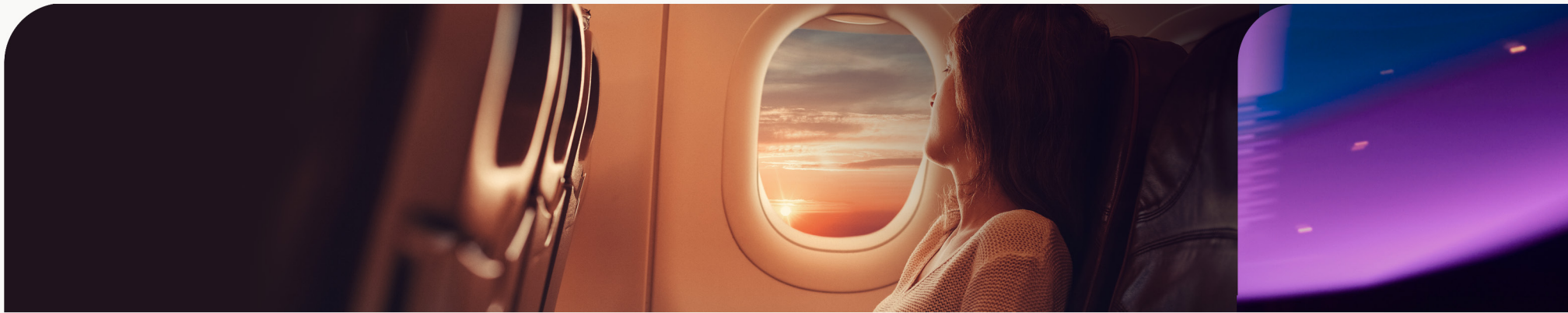
January 2019

Sentencing for engineering executive

A former executive for Quebec engineering firm Dessau received a 12-month sentence, including 6 months of house arrest and 6 months under curfew, after pleading guilty in the Court of Quebec to rigging bids for City of Gatineau infrastructure contracts. This was a result of the Bureau's extensive investigations into bid-rigging on 21 municipal contracts.

Encouraging pro-competitive regulation

The Bureau published an open letter to the British Columbia Attorney General, encouraging him to consider the principles of competition while reviewing provincial policies on liquor sales. Currently, British Columbia's liquor policy restricts hospitality retailers, which reduces competition, raises prices for consumers, and limits product selection.



February 2019

Bid-rigging just doesn't stand

Engineering firm Dessau paid \$1.9 million as part of a settlement filed with the Superior Court of Quebec. This concluded our investigation of Dessau's role in a bid-rigging conspiracy, which targeted contracts in the cities of Québec, Laval and Gatineau, as well as in certain municipalities in the Montreal region.

Providing input on the airline industry

The Bureau issued a report to the Minister of Transport that outlined significant competition concerns regarding a merger between two northern Canadian airline agencies – First Air and Canadian North. This was the first time that the Minister directed a public interest review of a proposed transaction involving a transportation undertaking. It also marked the first time that the Commissioner was required to provide such a report and subsequently an assessment of proposed undertakings to address his concerns.

Increasing trust in natural health products

The Bureau and Health Canada issued a warning to all sellers and marketers of natural health products in Canada, urging them to review their advertising and ensure that weight loss claims are not false or misleading. Businesses must comply with the Competition Act when marketing natural healthcare products, allowing consumers to trust products and services essential to their well-being.

Expanding intelligence gathering

The Bureau expanded the Merger Notification Unit to improve intelligence gathering. The new Merger Notification and Intelligence Unit aims to ensure quick identification of anti-competitive mergers that do not exceed the merger notification threshold. It also actions comprehensive reviews and vigorous enforcement of the merger provisions of the Competition Act. Effective, credible enforcement allows us to protect competition in a timely, transparent manner.



March 2019

15 years of fighting fraud in Canada

Alongside our partners, the Bureau led Fraud Prevention Month for the 15th year. This year, the campaign reached almost 50 million people, helping them to recognize, reject, and report fraud.

Providing advice on harmful conduct

The Bureau released updated Abuse of Dominance Guidelines, with the goal of providing a transparent overview of our approach to reviewing certain anti-competitive conduct.

Throughout the Year

Building confidence in ticket pricing

The Bureau's legal action against Ticketmaster and other related companies continued. We began a court action alleging that Ticketmaster made deceptive claims to consumers by advertising unattainable prices for sports and entertainment tickets and charged consumers additional mandatory fees later in the purchasing process. In June 2019, an agreement was reached with Ticketmaster that resolved the Bureau's concerns.

Keeping savings claims honest

Legal action against the Hudson's Bay Company (HBC) continued, where the Bureau alleged that HBC offered sleep sets at inflated regular prices and then advertised deep discounts on these prices, suggesting significant savings to consumers. The Bureau also alleged that HBC misled consumers into thinking that it was selling its remaining on-hand inventory during "clearance" and "end of line" promotions, when HBC was actually ordering new factory fresh sleep sets to fulfill each new purchase.

Providing advice on open and innovative internet services

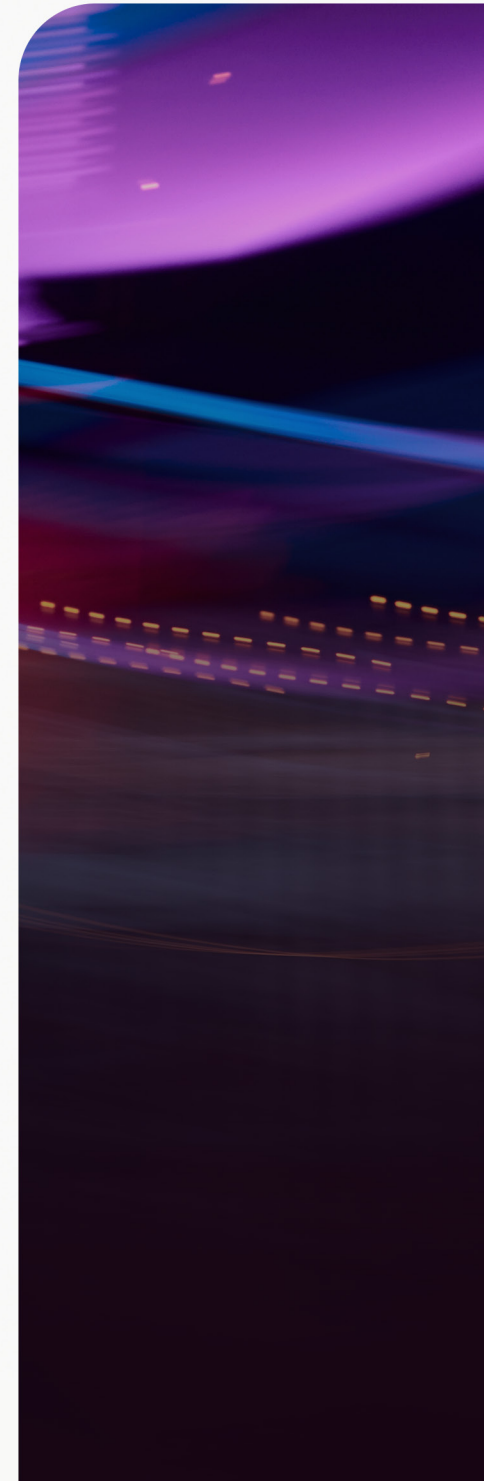
Broadcasting and telecommunications services play an essential role both in Canadians' social and cultural lives, as well as in their ability to participate in the digital economy domestically and abroad. In the past year, the Bureau provided recommendations to the Broadcasting and Telecommunications Legislative Review Panel that ensure Canadians continue to benefit from an open and innovative internet. One of our recommendations, for example, argued that communications providers should provide consumers with accurate and clear information regarding promotional offers and terms of services.

Collaborating on international competition matters

Modern markets stretch across borders, making it critical for us to work with our international counterparts to deliver on our mandate. In the past year, the Bureau has actively participated in a variety of international workshops to strengthen global partnerships. This included the International Consumer Protection and Enforcement Network, the Association of Southeast Asian Nations, Sub-Regional Workshop on Big Data and Competition Law, the Cartel Workshop and the International Mass Marketing Fraud Working Group.

Strengthening domestic partnerships

Working alongside our domestic partners allows us to raise awareness on competition issues and drive important conversations forward. This past year, the Bureau participated in 127 domestic meetings related to priorities in our work and signed 7 formal domestic partnerships.



Conclusion

The Bureau strives to be among the leading competition agencies in the world.

We will continue to vigorously enforce and promote competition in sectors that have the greatest impact on the everyday lives of consumers and businesses. The Bureau's work over the last year addressed concerns in sectors that are important to Canadians including the digital economy, infrastructure, telecommunications, agriculture, and airlines.

Hand-in-hand, competition and innovation are the keys to maintaining a dynamic and healthy economy that allows Canadians to enjoy increased choice, innovative products, and improved service standards.

