

Sistic fails in bid to get ruling overturned

Appeals board set to affirm ruling that ticketing giant abused dominant position

By JESSICA LIM

TICKETING giant Sistic has failed in its bid to get the Competition Commission of Singapore (CCS) ruling that it abused its dominant position in the market overturned.

This means that the exclusive agreements it made with two of the biggest venues here, the Esplanade and the Singapore Indoor Stadium, as well as 17 other event promoters, will have to go for good.

Sistic has been fined \$769,000, which breaks the record \$518,167 fine levied on coach operator Transtar Travel for price fixing in 2009.

Sistic's fine was originally \$989,000, but it is understood to have been reduced on account of its co-operation, and because it was not found to have intentionally stifled competition, its chief executive Kenneth Tan said.

The Straits Times understands that the results of the week-long appeal hearing last September was disclosed to the parties involved earlier this week.

The Competition Appeal Board (CAB) – an independent body comprising members appointed by the Ministry of Trade and Industry – which heard the appeal, is expected to announce this soon.

The CCS fined Sistic for abusing its dominant market position in 2010, in the light of its exclusive ticketing deals. The arrangements it had with performance venues and show promoters were deemed anti-competitive because they meant that those who bought tickets for shows held at these venues or brought in by these promoters would have had no choice but to go with Sistic.

The ticketing agent now corners the industry here, with a market share of about 90 per cent.

The CCS argued that this deprived customers of choice; it also meant they had to swallow higher ticket prices, such as when Sistic raised its booking fee by 50 per cent to \$3 a ticket in 2008.

The CCS enforces the eight-year-old Competition Act in support of Singapore's pro-enterprise and pro-competition policies.

Lawyer Salem Ibrahim from Salem Ibrahim & Partners called this "a significant landmark case" that would be a guide for lawyers and businessmen in future.

Mrs Anna Howard, a Singapore Management University adjunct lecturer who specialises in British and European Commission competition law, said the verdict would give concert promoters more bargaining power, and that Sistic would have to be more careful in the tie-ups it gets into.



Sistic's failure to get the ruling overturned means that exclusive agreements it made with venues like the Singapore Indoor Stadium will have to go for good. ST PHOTO: AZIZ HUSSIN

She pointed out, however, that the ruling is unlikely to have an immediate impact on the ground because the other ticketing agents have small market shares. Sistic has 38 outlets here; other players include Gatecrash and Ticketbooth.

Gatecrash's spokesman Leong Han Yang said the judgment would level the playing field. Several event promoters had wanted to use Gatecrash in the past, but could not do so because their venues were tied to Sistic, he said.

Noting that promoters also tend to go with just one agent for all the shows they bring in, for administrative ease and volume pricing, he said: "Sistic has a very good relationship with its clients, so we don't think promoters will swing over to us immediately. But now, at least, they can review their options and choose us."

He may be right.

Concert promoter LAMC Productions brought in 15 acts last year, and engaged Sistic to handle the ticketing for all of them because, its director Ross Knudson said, it was the most reliable.

It makes no sense to use more than one ticketing agent per show as "it can get complicated", he said. Double-booking could occur, for example.

"I don't think we will be the first one to rush out to use a new ticketing agent," he added. "Whoever is coming in to compete really has to have its act together."

When contacted, Sistic's Mr Tan, who received the judgment yesterday, said he was disappointed with the decision: "We've always believed that Singapore is well-served and competitive... We are the market leader based on our commitment to providing the best service, technology and value to our partners."

He added that although Sistic removed exclusivity clauses from its contracts 1½ years ago, neither industry players nor consumers have enjoyed lower costs: "We do not believe the costs to ticket buyers and industry players are, or will be, affected in the manner CCS seems to think," he said.

When contacted, the CCS declined comment.

The CAB's decisions are legally binding, and parties making appeals to it can also take their cases to the High Court and the Court of Appeal.

Sistic was represented by Senior Counsel Cavinder Bull of Drew & Napier. The CCS presented its case through Professor Tan Cheng Han, dean of the National University of Singapore's law faculty.

✉ limjess@sph.com.sg