

WELCOMING REMARKS

BY

YANG BERTHORMAT DATO SERI SETIA AWANG HAJI SUHAIMI BIN HAJI

GAFAR

MINISTER OF DEVELOPMENT

**BRUNEI DARUSSALAM SPECIFIC SESSION ON  
“DETECTING CARTELS IN THE CONSTRUCTION SECTOR TO  
ENHANCE GROWTH & CONSUMER WELFARE IN BRUNEI  
DARUSSALAM”**

Organised by the

Department of Competition and Consumer Affairs, Department of

Economic Development and Planning (JPKE),

Ministry of Finance and Economy

in collaboration

with the Ministry of Development

Monday, 29 October 2018

09.00 AM - 12.30 PM

Bilik Sipugut, Level 6,

Ministry of Development



Bismillahir Rahmanir Rahim

Yang Mulia

Awang Haji Marzuke bin Haji Mohsin  
Deputy Minister, Ministry of Development

Yang Mulia

Dato Paduka Awg Eddie bin Dato Paduka Haji Sunny  
Chairman of the Competition Commission of Brunei Darussalam and  
members of the Competition Commission Brunei Darussalam

Yang Mulia

Dr Hjh May Fa'ezah binti Haji Ahmad Arffin  
Permanent Secretary (Economy)  
Ministry of Finance & Economy

Yang Mulia

Dayang Dr Nor Imtihan binti Hj Abd Razak  
Permanent Secretary (Planning, Landuse and Environment)  
Ministry of Development

Yang Mulia

Awang Haji Amer Hishamuddin bin Pehin Orang Kaya Amar Pahlawan  
Dato Seri Setia Haji Zakaria  
Permanent Secretary (Infrastructure, Housing & Professional)  
Ministry of Development



Deputy Permanent Secretaries, Ministry of Development

Mr John Harbour, Ms. Jane Lin and Mr Sam Strudwick-Day from the Australian Competition and Consumer Commission (ACCC)

Dr Hassan Qaqaya, Competition Expert from the Melbourne Law School

Directors, Senior Officers from the Ministry of Development, Ministry of Finance & Economy, Department of Economic Planning & Development and the Attorney General's Chambers.

**Assalamualaikum Warahmatullahi Wabarakatuh, Salam Sejahtera and a very good morning.**

1. It gives me great pleasure to be present here today. I would like to extend my welcome and appreciation to the competition experts who are here this morning to deliver and share their practical experience in **"Deterring Cartels in the Construction Industry to Enhance Growth and Consumer Welfare"**. I understand that you have been invited initially for tomorrow's ASEAN Workshop under the ASEAN Australia New Zealand Free Trade Area (AANZFTA) Competition Law Implementation Program (CLIP), but you have graciously agreed to arrive a day earlier for this Brunei specific session. Thank you for being generous in sharing your time and your expertise.



2. I would also like to express my sincere thanks to the Competition and Consumer Affairs Department, Department of Economic Planning & Development (JPKE) who have taken the initiative to organise this Brunei-specific discussion with Ministry of Development, in order to offer insights and training to our senior officials on competition issues related to the construction industry.

Distinguished guests and colleagues,

3. In Brunei, the construction sector accounts for approximately 2.5% of gross domestic product (GDP). This number may seem small, but it is a sector with great growth potential based on the rising number of businesses registered related to construction; the needs of public infrastructure projects and the growing number of commercial properties currently being built. Government spending is expected to reduce as the role of private sector increases. Government will outline various measures to spur private participation to enable the private sector to be the engine of growth. Tendering processes will be more competitive and PPP system will dominate procurements in the construction industry.
4. With the establishment of the Competition Commission of Brunei Darussalam (CCBD) and the Department of Competition in August last year to implement and enforce the Competition Order, 2015, the Government is committed to promote economic efficiency, economic development and consumer welfare, through prohibiting



anti-competitive conducts, such as cartels, price fixing, supply control and bid rigging. This is because anti-competitive conducts lead to inflated prices and limited choices affecting consumers' well-being, causing harm to sustainable business growth and the entire economy. In this context, the Government is also a big consumer.

5. I understand that the construction sector has received huge attention by the competition authorities, not just in the ASEAN region, but also in the OECD economies, with many case examples, ranging from price fixing in construction materials to bid rigging offences. This is mainly because of certain characteristics unique to this sector. Some of its features, including the market structure, homogeneous nature of the input (construction materials), bidding procedures and sub-contracting work involved, making cartel formation and other anti-competitive behaviours a high probability in this sector.
6. With the on-going preparatory work towards enforcing the prohibition of cartels and anti-competitive conducts, we are grateful to have this opportunity before us to learn from some of the best experts in this field. Being able to understand the 'hows' and the 'whys' and the 'ways' we can mitigate against the practice is important for the Ministry of Development and relevant competition officials here. This should be a priority for the Ministry and the Competition Commission and its implementing Department, as the practice leads to inefficiency and inflated



prices affecting the government budget, the public and the economy.

7. I urge officers and invited senior officials here to learn and take away key lessons shared by experts on the types of competition issues which may arise in the construction industry and ways to address harm and promote compliance in this very important sector. In view of the increased tendering activities that come with the long-term infrastructure plan, I also hope officers and procurement officials can learn ways to put in place more competitive tendering processes, and to encourage open and effective competition for more efficient use of government resources.
8. I am impressed to learn that the ACCC actually has a specific unit to deal with commercial construction. It would be very valuable information for us to hear your success story and your experience in conducting market studies in specialised sectors, such as specific construction materials (cement, bricks), including the methodology and data required to these conduct studies.
9. So, thank you once again to the Competition Law Implementation Program and JPKE for your collaboration in organising this discussion. We look forward to exploring ways we can work together with JPKE, and industry participants, through sector studies to tackle any potential market issues. I wish you all a fruitful and meaningful discussion this morning.



10. Finally, I understand our experts here will be having a hectic week ahead, but I do hope you have some time to experience our country and have a pleasant stay in Brunei Darussalam.

Thank you



**Brunei Darussalam Specific Session on  
"Deterring Cartels in the Construction Sector to Enhance Growth & Consumer Welfare in  
Brunei Darussalam"**

**Monday | 29<sup>th</sup> October 2018 | Bilik Sipugut, Ministry of Development**

**Proposed Agenda**

<b>TIME</b>	<b>SESSION</b>	<b>PRESENTER</b>	<b>DURATION</b>
8:30 – 9:00 AM	Arrival and registration		30 mins
9:00 – 9:10 AM	Welcome Remarks	Minister of Development, Brunei Darussalam	10 mins
9:10 – 9:15 AM	Photo session		5 mins
<b>Session 1: Construction Sector in Brunei Darussalam</b>			
9:15 – 9:30 AM	A brief introduction to the scenario of construction sector in Brunei Darussalam	Ministry of Development, Brunei Darussalam	15 mins
<b>Session 2: Moving towards a competitive landscape in the construction sector</b>			
9:30 – 10:30 AM	<ul style="list-style-type: none"> <li>- The role that competition agencies can play in regulating and liberalising sectors</li> <li>- How the ACCC goes about understanding prices in a market, and what the impacts can be when markets go wrong</li> <li>- How the ACCC addresses harm and promotes compliance in the construction sector</li> <li>- To be followed with a Q&amp;A session</li> </ul>	<ul style="list-style-type: none"> <li>- Australian Competition and Consumer Commission (ACCC)</li> <li>- Q&amp;A facilitated by Department of Competition and Consumer Affairs (DCCA)</li> </ul>	1 hour
<b>Session 3: Promoting competition in public procurement</b>			
10:30 – 11:30 AM	<ul style="list-style-type: none"> <li>- How the Competition Commission of Brunei Darussalam can work in collaboration with public procurement officials to put in place competitive tendering processes, and encourage open and effective competition</li> <li>- Looking at the ACCC's experiences</li> <li>- To be followed with a Q&amp;A session</li> </ul>	<ul style="list-style-type: none"> <li>- ACCC</li> <li>- Q&amp;A facilitated by DCCA</li> </ul>	1 hour
<b>Session 4: Regulating anti-competitive practices in the construction sector: where to begin and what to expect</b>			
11:30 AM – 12:30 PM	<ul style="list-style-type: none"> <li>- The challenges faced by the ACCC in establishing the Commercial Construction Unit, and how ACCC went about forming effective relationships with industry participants</li> <li>- ACCC's experiences in undertaking market studies in specialized sectors</li> <li>- To be followed with a Q&amp;A session</li> </ul>	<ul style="list-style-type: none"> <li>- ACCC</li> <li>- Q&amp;A facilitated by DCCA</li> </ul>	1 hour

**Note:**

Refreshment will be available and participants will be invited to have tea/coffee while the session is on-going