**CONSULTING REPORT**

* A spokesman for the Economic Development and Labor Bureau (EDLB) announced today (April 13) the release of a consultancy report on competition in the auto-fuel market.
* The study was commissioned by the EDLB on behalf of the Competition Policy Advisory Group (COMPAG) in July last year to assess the competition situation in the auto-fuel retail market in Hong Kong and, examine whether the oil companies involved might have engaged in any anti-competitive conduct.
* Having looked into the structure, operating costs and retail pricing of the local auto-fuel market, the consultant has found no clear evidence of collusion by the oil companies. However, the consultant has recommended that the Government should consider preventive measures against cartel behavior, either through general or sector-specific competition laws.
* The consultant has also made a number of recommendations to enhance competition in the market, such as improving the transparency of the auction process for public filling station sites.
* “We note the consultant’s conclusion that there is no clear evidence of collusion by the oil companies in setting prices for auto-fuel’” said a spokesman for the EDLB.
* “However, we are also mindful that the consultant has found that there are risks of collusion in the market,” added the spokesman. “We shall therefore study carefully the consultant’s recommendations with regard to possible preventive action, including legislation and other measures, with a view to taking appropriate steps to ensure competition in the market in future