MRC 024

Media Release

ICCC wary of competition issues in LNG acquisition of Antelope

The Independent Consumer and Competition Commission (ICCC) believes that there may be some serious competition issues if Exxon Mobil goes ahead with its proposed acquisition of InterOil’s Antelope LNG site as reported in the media recently.

The Commissioner and CEO of the Independent Consumer and Competition Commission Dr Billy Manoka said yesterday: “I understand that there is a proposal by the PNG LNG syndicate or an entity associated with it, which may be Exxon Mobil or Esso Highlands, to acquire the LNG operations of InterOil or some of its assets. My description of the proposal is general because I cannot be more specific as I do not have the full details of the proposal, whether it has been consummated; or its terms.

“The Commission requires a proper opportunity to analyse the proposal. That can concur if an application is made to the Commission either for a clearance or authorization of the proposed acquisition.

“The Commission reserves its right to institute legal action in Court to challenge the acquisition if it ultimately forms a concluded view that it would, or would be likely, to substantially lessen competition in the domestic market,” Dr Manoka added.
Backgrounder

The ICCC is tasked under the ICCC Act to regulate and monitor business practices and certain industries in PNG to ensure that their practices do not substantially lessen competition in a market.

Businesses that are thinking of entering into anti-competitive practices as outlined in Part 6 of the ICCC Act, must submit an application to the Commission stating their reasons for exemption. The Commission carries out its own independent investigations into the matter through wide consultation with the stakeholders.

If the Commission is satisfied that the benefits of the agreement or understanding entered into outweighs the net detriments then it allows exemption.

This is followed by the issue of a draft determination and, under the provisions of the Act, if requested by an interested party, or if the Commission decides to call one, a conference is held prior to a determination being made.