

Concern over Online Travel Agency Business in Thailand

On 14 December 2021, an interview given by Khun Krisda Piampongsant, the Deputy Chairman of the Trade Competition Commission (the “**TCC**”) on the topic of “Monitoring Competition Behavior in the Online Travel Agency Business” was posted on the Office of Trade Competition Commission (the “**OTCC**”)’s Facebook page.

During the interview, Khun Krisda revealed that many online travel agents (**OTAs**) and hotels institute most-favored-nation clauses, also known as price parity clauses (**PPCs**), in the hotel industry that ensure that hotels are unable to set rates for rooms below the rates offered on OTAs’ platforms. PPCs have become the industry standard and ostensibly require a hotel to offer the same or a better room price on a given OTA site than the price offered on competing sales channels, including other OTAs and the hotel’s own direct online channels. Khun Krisda voiced his concern, stating that potentially undesirable anticompetitive effects could result from the use of these clauses, as they unfairly restrict the ability of hotels to offer differentiated prices across other distribution channels, resulting in negative consequences for travelers. Khun Krisda said that the TCC is in the process of studying ways to regulate OTAs and is preparing an OTA code of conduct.

Update on Trade Competition Commission Ruling

The OTCC recently published a ruling concerning unfair discrimination in relation to the removal of hemp-infused products from an online platform. In this case, a seller accused a platform operator of unfairly removing the listing of his hemp-infused product from the platform while other sellers’ hemp-infused products had not been removed.

In the ruling, the TCC held that the platform operator’s conduct did not constitute an unfair trade practice under the Trade Competition Act. The TCC recognized that the platform operator’s policy on prohibited and restricted items contained a clause that permitted the platform operator to remove items claiming to have medical benefits without giving prior notice to the seller. The TCC found that the seller’s hemp-infused products violated this policy by being advertised as possessing the capability to cure disease. Accordingly, the platform operator had the right to unilaterally remove the listing of such a product. Moreover, the TCC mentioned that the platform operator did not discriminate between sellers, as it banned and manually removed all product listings containing relevant keywords. Although some items may have been removed before others, the same rules were applied to all sellers (and their products) without discrimination.



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