



COMPETITION COMMISSION OF INDIA

Case No. 01 of 2022

In Re:

Vaibhav Mishra

II Floor, O-46, O.D.S. Lajpat Nagar- IV
New Delhi - 110024

Informant

And

Sppin India Pvt. Ltd. (Shopee)

No. 403, 4th Floor, Suchita Business Park
YS Jadhav Marg, Pant Nagar, Mumbai - 400077

Opposite Party

CORAM

Mr. Ashok Kumar Gupta
Chairperson

Ms. Sangeeta Verma
Member

Mr. Bhagwant Singh Bishnoi
Member

Order under Section 26(2) of the Competition Act, 2002

1. The present information has been filed by Mr. Vaibhav Mishra (hereinafter, '**Informant**') under Section 19(1)(a) of the Competition Act, 2002 (hereinafter, '**Act**') alleging contravention of provisions of Sections 3 and 4 of the Act by Sppin India Pvt. Ltd. (hereinafter, '**Opposite Party/Shopee**').
2. The Informant is stated to be a consumer of e-commerce services provided by multiple entities in India.

Facts and allegations as stated in the Information

3. Shopee is stated to be an established player in Southeast Asia, facilitating third-party sellers to sell their goods on its online marketplace, which are available to consumers throughout India.



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4. The Informant has alleged that Shopee offers deep discounts on various products by selling them at an extremely low price on its online portal. This tactic of predatory pricing is being done with a view to affect traditional and small-scale businesses in India.
5. The *modus operandi* of Shopee is stated to be indulging in heavy and indiscriminate undercutting of prices to loss-making levels. This below-cost pricing by Shopee is driving small players out of the marketplace and thus, amounts to unfair trade practice. The Informant has provided certain screenshots and alleged that some of the products, such as *kurtis*, mugs, wallets *etc.*, are sold at Rs. 9/-.
6. Shopee is alleged to be in a dominant position, having deep pockets with an ability to burn cash in a sustained manner over a long period of time. Since its recent launch, it clocked over 1,00,000 orders. Its *modus operandi* is stated to be similar to Amazon and Flipkart, and therefore, has an adverse effect on competition as per Section 3 of the Act. The Informant has alleged that the Shopee marketplace is currently at a predation stage, and once it has the Indian marketplace to itself, the new-dominant Shopee would charge monopoly prices to recoup the losses. According to the Informant, Shopee poses threats to traditional and small scale businesses owing to its methods adopted in the Indian marketplace.
7. It is also alleged that Shopee is pricing the products in an unfair manner and exercises control over prices. Several discounts are allegedly offered by Shopee to private labels at the B2B level. Such deep discounting '*attracts huge base of customers, multitude of data on consumer preferences will be available to Shopee to use it to its advantage.*' Shopee, as per its privacy policy, may utilise the data to the disadvantage of the Indian economy. With the entry of Shopee, small players would be pushed out of the market permanently. Thus, the Informant has prayed to the Commission that the tactics adopted by Shopee amounts to abuse of dominant position under



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Section 4 of the Act and has an adverse effect on competition, which merits investigation.

8. The Commission considered the present Information in its meeting held on 27.01.2022 and decided to pass an appropriate order in due course.

Analysis of the Commission

9. The Commission has perused the Information and also noted the information available in the public domain. The gravamen of the allegations pertains to the 'deep discounts' offered by Shopee on its e-commerce platform on various products by selling them at extremely low prices, thus hampering competitors in the Indian market.
10. According to the Informant, this is being done with a view to kill traditional and small scale businesses in the country and amounts to the abuse of dominant position and has an adverse effect on competition. Thus, the Informant has alleged contravention of Section 4 of the Act.
11. The Commission notes from Shopee's website¹ that it is a leading online shopping platform in Southeast Asia, based in Singapore, with platforms across the region in countries like Malaysia, Thailand, Indonesia, Vietnam, the Philippines, and Taiwan.
12. The Commission also notes from the information available in the public domain that Shopee was launched in India sometime in November 2021. Thus, Shopee has had a very recent launch in the market of online platforms in India, which already has the presence of the e-commerce companies like Amazon, Flipkart, Myntra, Nykaa *etc.*, which have been operating for some time now. The Commission further notes that, though the allegation is that Shopee is following similar discounting practices as allegedly done by Amazon and Flipkart, it does not appear to the Commission that Shopee possesses significant market power, much less dominance, at this stage, more

¹ <https://shopee.in/>



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so because of the fact that it is a new entrant in a market with established players. Further, the Informant has not pointed out the existence of any agreement in the Information for an examination under the provisions of Section 3 of the Act. Therefore, the Commission is of the view that no case is made out either under Section 3 or 4 of the Act.

13. Thus, the Commission *prima facie* finds that the Information filed at this stage deserves to be closed.

14. In view of the above, the Commission is of the opinion that there exists no *prima facie* case of contravention of the provisions of Section 3 or 4 of the Act against Shopee, and therefore, the matter be closed forthwith under Section 26(2) of the Act.

15. The Secretary is directed to communicate to the Informant, accordingly.

Sd/-
(Ashok Kumar Gupta)
Chairperson

Sd/-
(Sangeeta Verma)
Member

Sd/-
(Bhagwant Singh Bishnoi)
Member

New Delhi
Date: 03/03/2022