



Qasim

1- Distinguish between illicit competition and unfair competition practices in the tourism sector?

Competition is a fundamental principle of free-market economies. It is protected by competition laws worldwide, and applies to all sectors, including tourism and transport.

Why competition matters:

Competition matters because it ensures free access to markets for businesses. It prevents illegal restraints on offering goods and services. Competition benefits consumer through:

- ✓ Low prices
- ✓ Better quality
- ✓ Greater choice

Tourism and transport are not exempt from competition laws. These sectors may face specific anti-competitive risks. Same legal principles apply regardless of the market.

Two main branches of competition law:

Competition law is divided into:

- ❖ Illicit competition
- ❖ Unfair competition

Illicit competition:

Illicit competition refers to business practices that are illegal and it violates national laws or regulations. These actions mostly involve criminal and serious legal offence. Illicit competition rules prohibit collusive agreement between businesses and abuse of dominant market positions.

Collusive agreements that restrict competition such as;

- ✓ Sharing customers and market
- ✓ Trying contracts to unrelated obligation
- ✓ Price fixing airlines agreement on fares
- ✓ Limiting investment and production

Holding a ***dominant market position*** is not illegal but abusing that specific position is illegal just like imposing unfair prices or imposing unfair trading conditions and discriminating between business partners.

Legal consequences:

Illegal agreement and conduct are null and void due to which heavy administrative fines might be imposed.

Examples:

- o Tax evasion by tourism business
- o Offering services without safety or legal compliance
- o Operating hotels or travel agencies without proper government registration

Illegal competition can damage the reputation of a destinations and it can also reduce the government revenue and also cause a threaten to tourists safety measurements.

Unfair competition:

Unfair competition Focuses on unethical and dishonest market behavior which includes the aggressive or denigratory conduct. It also leads to imitation and confusion, unfair advertising and dumping. Unfair competition also include misleading practices.

It's legal **nature** is that it mainly governed by private law and enforced through courts and can lead to damages and compensations.

Unfair competition includes false claims misleading advertising false claims about their services and copying their competitors about products or quality or undercutting prices in an unfair manner.

Examples:

Examples of unfair competition practices include:

- ✓ Copying other brand's name or their logos
- ✓ Any type of hidden charges
- ✓ Misleading package pricing
- ✓ Posting fake online reviews to damage competitors

Due to these types of unfair competition it can damage or harm honest businesses, it can create consumer distrust and lowers services quality in the market place of tourism.