



Toward the New Design of Competition Policy in Japan

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Japan's current competition policy

✦ The Antimonopoly Act (AMA)

- ✦ Established in 1947

✦ Competition authority: Japan Fair Trade Commission (JFTC)

- ✦ Chairman: Mr. Kazuhiko Takeshima
- ✦ 643 officials and US\$ 75 million (2003FY)

✦ Formal actions (per year) : some 30 cases over some 800 enterprises

The mission of JFTC

Three main pillars of JFTC mission are;

- ✦ Rigorous enforcement of the Antimonopoly Act
- ✦ Initiatives by the JFTC in the process of regulatory reform
- ✦ Involved in the consumer policies

Rigorous enforcement of the AMA

- ✦ Effective and prompt actions against cartel and bid-rigging cases required
- ✦ "Act concerning elimination and prevention of involvement in bid rigging etc." was enacted in 2003
- ✦ Establishment of the Competition Policy Research Center in 2003

Rigorous enforcement of the AMA

✦ International cooperation

- ✦ Technical Assistance
- ✦ Bilateral cooperation agreements
 - Japan – US (1999), Japan – EU(2003)
- ✦ Competition chapters in economic partnership agreements
 - Japan – Singapore (2002)
 - Negotiating with Mexico, Korea, the Philippines, Thailand, Malaysia..

Initiatives by the JFTC in the process of regulatory reform

- ✦ Initiated by the final report of the Second Council on Administrative Reform in 1990
- ✦ The JFTC's advocating efforts for decades
- ✦ The JFTC guidelines under the coordination with regulatory authorities
 - ◆ Electricity (2000)
 - ◆ Gas (1999)
 - ◆ Telecommunication (2001)

Involved in consumer policies

- ✦ Consumer choices play a key role in “fair and free competition”
- ✦ Prompt action was introduced to protect consumer rights
 - ✦ Amendment of “the Act against Unjustifiable Premiums and Misleading Representations” in 2003

Challenges (1)

✱ Insufficient deterrent power

- ◆ Surcharge rate of 6% may not be sufficient
- ◆ No additional measures for repeated violations

➡ Revision of surcharge rates

✱ International cartels become more complicated and shrewd+Japan as "weak link?" "safe haven?"

➡ Introduction of leniency program

Challenges (2)

✦ Coordination between regulatory authorities and competition authority

➔ Advocacy! Advocacy! Advocacy!

➔ The lesson from the Japan's experience can contribute to East Asia countries

Challenges (3)

✦ Cooperation and assistance in diffusing competition law and policy in East Asia



Possible cooperation

- Enforcement cooperation
- Information exchange
- Technical assistance etc.



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