



Organisation for Economic Co-operation and Development

DAF/COMP/AR(2019)18

Unclassified

English - Or. English

11 October 2019

Directorate for Financial and Enterprise Affairs
COMPETITION COMMITTEE

Annual Report on Competition Policy Developments in Japan

-- 2018 --

3-4 December 2019

This report is submitted by Japan to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 3-4 December 2019.

JT03452599

Table of Contents

1. Introduction	3
2. Amendment of the Antimonopoly Act (“AMA”).....	3
2.1. AMA Amendment to Improve Surcharge System and Leniency Program.....	3
2.2. AMA Amendment to Introduce Commitment Procedures Following the Conclusion of the Trans-Pacific Partnership Agreement	3
3. Vigorous and Effective Law Enforcement	4
3.1. Active Prevention of AMA Violations	4
3.2. Promotion of Fair Trade Practices	6
3.2.1. Efforts against Abuse of Superior Bargaining Position	6
3.2.2. Efforts against Unjust Low Price Sales (Predatory Pricing)	7
3.3. Improvement in Merger Review	7
4. Improvement of Competitive Environment	8
4.1. Improvement of Trading Environment Surrounding Digital Platforms.....	8
4.2. Revision of the “Guidelines Concerning the Activities of Agricultural Cooperatives under the Antimonopoly Act”	9
4.3. Publication of the “Booklet on the Competition Policy and the Antimonopoly Act for the Officials of the Local Governments”	9
4.4. Revision of the “Guidelines for Proper Electric Power Trade”	9
4.5. Issues Concerning Competition Policy in the Mobile Phone Market	10
4.6. Survey on Transactions in B2C E-Commerce	10
4.7. Survey on Credit Card Market.....	10
4.8. Issues Concerning Human Resources and Competition Policy	10
4.9. Implementation of Competition Assessment	11
4.10. Efforts to Prevent Bid Riggings	11
5. Reinforcement of Foundations for Operation of Competition Policy.....	11
5.1. Development of Theoretical and Empirical Foundations for Competition Policy.....	11
5.1.1. “Study Group on Business Alliances”.....	12
5.2. Response to Globalising Economy	12
5.2.1. Reinforcement of Cooperation with Other Competition Authorities	13
5.2.2. Bilateral Meetings between Competition Authorities	13
5.2.3. Economic Partnership Agreements	13
5.2.4. Participation to the Multi-National Conferences.....	13
5.2.5. Technical Assistance	14
5.3. Raising Public Awareness on Competition Policy	14
6. Resources.....	14
6.1. Budget (FY2018 (2018.4~2019.3))	14
6.2. Number of Officials (FY2018 (2018.4~2019.3)).....	15

Japan

1. Introduction

1. This report states the JFTC's major efforts in FY2018 (From April 2018 to March 2019) such as amendment of the Antimonopoly Act, vigorous and effective law enforcement, improvement of competitive environment and reinforcement of foundations for operation of competition policy.

2. Amendment of the Antimonopoly Act (“AMA”)

2.1. AMA Amendment to Improve Surcharge System and Leniency Program

2. The bill to amend the AMA was submitted to the 198th regular Diet session on March 12th, 2019. The purpose of the amendment was to deter “unreasonable restraint of trade”, such as cartels and bid riggings, etc. more effectively through increasing incentives for enterprises to cooperate in the JFTC's investigation and imposing an appropriate amount of surcharges according to the nature and the extent of the violation. For example, the amendment of the leniency program allows the JFTC to reduce the amount of surcharges when enterprises submit information which contributes to the fact finding of the cases, and it also abolished the current limit on the number of leniency applicants. In addition, the amendment includes the revision of calculation methods for surcharges which expands the scope of surcharges.

3. The bill was enacted on June 19th and promulgated on June 26th, 2019. The amendment shall come into effect on the date specified by the Cabinet order within one year and six months from the date of the promulgation of the bill.

2.2. AMA Amendment to Introduce Commitment Procedures Following the Conclusion of the Trans-Pacific Partnership Agreement

4. The Trans-Pacific Partnership agreement (“TPP”) which was signed on February 4th, 2016 by 12 countries including Japan, required the JFTC to introduce a commitment procedure, a system to “resolve alleged violations voluntarily by consent”, in the AMA. Consequently, the Act on the Development of Related Legislation Following the Conclusion of the Trans-Pacific Partnership Agreement (“TPP Related Act”) which included the introduction of a commitment procedure in the AMA was enacted on December 9th at the 192nd extraordinary Diet session.

5. The TPP Related Act was amended accordingly based on the US withdrawal from the TPP and the amended TPP Related Act came into effect on December 30th, 2018.

6. Responding to the introduction of the commitment procedures by the TPP Related Act, the JFTC established related rules such as “Rules on Commitment Procedures by the Fair Trade Commission” in 2017.

7. Furthermore, the JFTC established the “Policies Concerning Commitment Procedures”, describing the scope of the Commitment Procedures and the relationships with the conventional procedures with a view to ensuring transparency and predictability

of the enforcement of the law related to Commitment Procedures. The policies were published on September 26th, 2018 and became effective on December 30th.

3. Vigorous and Effective Law Enforcement

3.1. Active Prevention of AMA Violations

8. Under the fundamental policy of prompt and effective law enforcement, the JFTC takes a strict and effective action against price-fixing cartels and bid riggings that have significant impact on the public, as well as unfair trade practices such as abuse of superior bargaining position and unjust low price sales that put unjust disadvantages on SMEs.

9. In FY2018, the JFTC opened an investigation against 143 suspected AMA violations and completed 120 investigations.

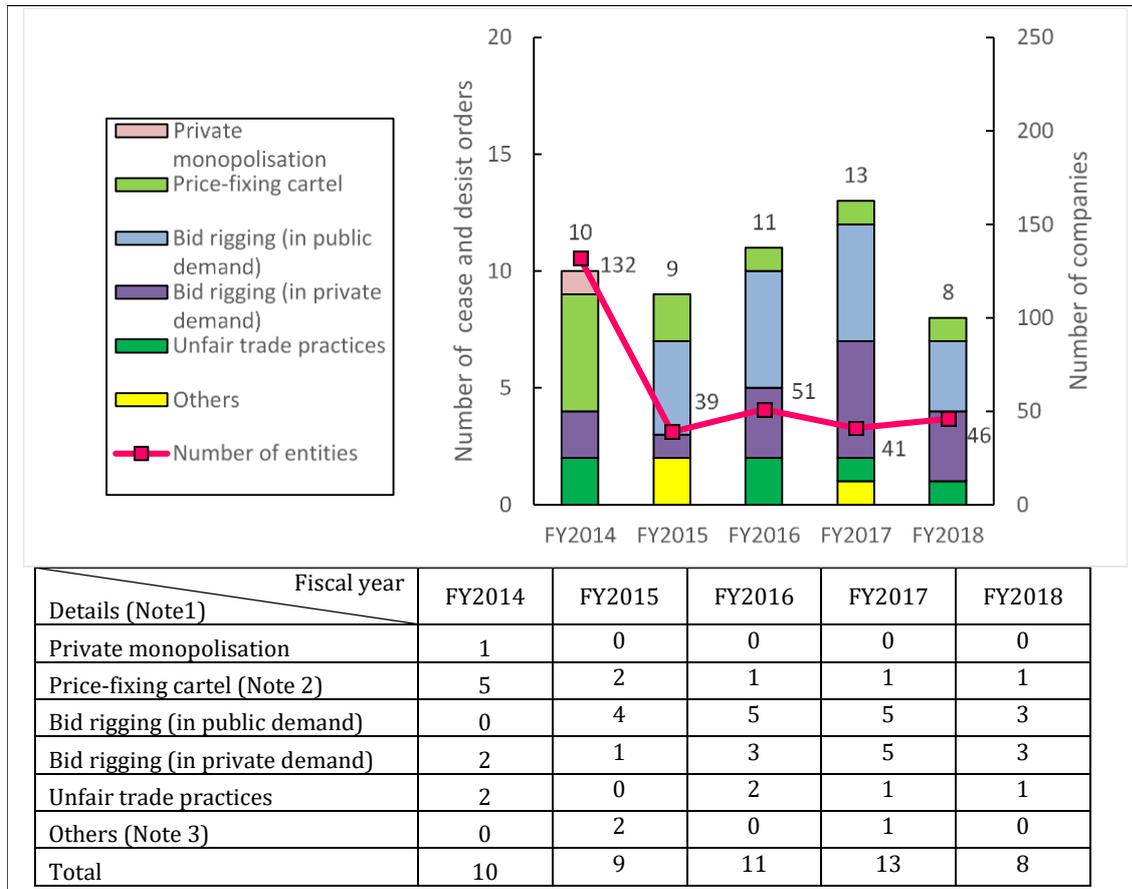
10. During the same period of time, the JFTC issued eight cease and desist orders: one price-fixing cartel case, six bid rigging cases and one unfair trade practice case (See Figure 1). Concerning the price-fixing cartel and the bid riggings, the JFTC also issued a total of JPY 261.1 million surcharge payment orders to a total of 18 companies.

11. Under the leniency program to motivate companies to self-report their violations, the JFTC received a total of 72 applications in FY2018.

Table 1. Major Cases in FY2018

Price-fixing cartel	<ul style="list-style-type: none"> • Price-fixing cartels by the department stores which own retail stores in the Kinki Region The department stores agreed to raise the delivery fees of seasonal gifts which the department stores sell at their retail stores in Kinki Region. [Cease and desist order, Surcharge payment order (JPY 193.97 million (approximately USD 1.76 million))]
Bid rigging	<ul style="list-style-type: none"> • Bid riggings by the participants in biddings for specific construction works ordered by City of Osaka and Miyagi Prefecture The participants in biddings designated successful bidders in advance through executive meetings, and enabled those bidders to win the biddings. In addition, Miyagi Prefecture, one of the procurer for specific construction works, had received the information of the bid riggings before the JFTC's investigation but they did not evaluate it as the bid riggings. Therefore, the JFTC requested Miyagi Prefecture to take necessary measures such as revising the current manual for dealing with information of bid riggings in order to handle such information appropriately. [Cease and desist order, Surcharge payment order (JPY 25.03 million (approximately USD 226.72 thousand))] • Bid riggings by the distributors of uniforms ordered by All Nippon Airways Co., Ltd The distributors of uniforms ordered by All Nippon Airways Co., Ltd designated successful bidders and enabled those bidders to win the bidding by letting them provide the lowest bidding price. [Cease and desist order, Surcharge payment order (JPY 31.86 million (approximately USD 288.59 thousand))] • Bid riggings by the companies who participated in biddings for manufacturing of uniforms and providing rental service of such uniforms to the retail stores of NTT DOCOMO ordered by NTT DOCOMO The participants in the biddings for manufacturing of uniforms designated successful bidders and enabled those bidders to win the biddings. The participants in the biddings for providing rental service of uniforms to the retail stores designated successful bidders and enabled those bidders to win the biddings. [Cease and desist order, Surcharge payment order (JPY 10.25 million (approximately USD 92.84 thousand))]
Interference with a competitors' transaction (Unfair trade practice)	<ul style="list-style-type: none"> • Interferences with a competitors' transaction by Fujita Fujita interfered with other participants in biddings for the engineering works ordered by the Ministry of Agriculture, Forestry and Fisheries ("MAFF"), by means of bidding with the technical proposal corrected based on advice from MAFF officials and of utilizing information on other bidders gained from MAFF officials before bidding. The JFTC requested the MAFF to take measures preventing recurrence finding that the MAFF officials possibly facilitated the violation by giving the confidential information regarding the bids to the employees of the participants. [Cease and desist order]

Figure 1. Number of Cases Involving Legal Measures



Notes:

- 1) Cases which constitute multiple types of violation are categorised accordingly to their major elements.
- 2) Cases which fall into both a price-fixing cartel and other types of cartels are categorised as “Price-fixing cartel”.
- 3) “Others” refer to cases of unjustly restricting the functions or activities of a constituent companies by a trade association.

12. In addition, the JFTC’s efforts for prompt and effective law enforcements include 3 warnings on practices likely to violate the AMA, 322 cautions on practices likely to lead to the AMA violations.

3.2. Promotion of Fair Trade Practices

3.2.1. Efforts against Abuse of Superior Bargaining Position

13. The JFTC has long conducted surveillance to prevent abuse of superior bargaining position that constitutes unfair trade practices under the AMA and has tackled these violations.

14. For the purpose of investigating abuse of superior bargaining position cases and taking necessary measures effectively and efficiently, the “Abuse of Superior Bargaining Position Task Force” was established within the JFTC in 2009.

15. In FY2018, the JFTC issued 2 warnings and 56 cautions against suspected abuses of superior bargaining position.

16. Besides investigations, the JFTC conducts fact-finding surveys in the markets where there is a need to promote fair trade practices for SMEs, and makes efforts to further raise their awareness of abuse of superior bargaining position.

17. Furthermore, the JFTC organises training sessions to further promote compliance awareness for businesses in specific industries explaining specific examples of the AMA violations in an easy-to-understand manner. The training sessions target markets where antitrust violations, particularly abuse of superior bargaining position, have been found or various fact-finding surveys have discovered other concerns.

18. In FY2018, the JFTC held 10 training sessions for shippers and logistics companies and 7 for large scale retailers.

19. In addition, the JFTC holds regional outreach constitution sessions intended for SMEs, including subcontractors. In these sessions, the JFTC officials clearly explain the key points of the Subcontract Act which is a special act of the AMA concerning abuse of superior bargaining position and provide consultation.

20. In FY2018, the JFTC held such consultation sessions at 27 locations throughout Japan, and also dispatched its officials as a resource person, to 14 training sessions concerning abuse of superior bargaining position organised by business associations.

3.2.2. Efforts against Unjust Low Price Sales (Predatory Pricing)

21. The JFTC takes a prompt action against unjust low price sales in the retail industry. When repeated unjust low price sales or unjust low price sales by large-scale retailers are considered to significantly affect other retailers operating in neighbouring areas, the JFTC investigates the impacts on their respective business activities. If the JFTC finds them anticompetitive, it implements legal measures vigorously.

22. In FY2018, the JFTC issued cautions in 227 cases in the retail sector, including the liquor and petroleum products, on the grounds of practices likely to lead to unjust low price sales (22 cases for liquor, 194 for petroleum products, and 11 for products in other categories).

3.3. Improvement in Merger Review

23. The AMA prohibits acquisition of shares, shareholdings, mergers, and other transactions (hereinafter collectively referred to as “merger”) that would substantially restrain competition in a particular field of trade. The JFTC operates merger regulations in an effective way in order to ensure competitive market structure in Japan. The JFTC also actively utilises economic analysis if necessary, depending on each cases.

24. In FY2018, based on Articles 9 to 16 of the AMA, the JFTC approved 12 cases of acquiring and holding of voting interests by banks or insurance companies, received 107 reports from holding companies on their business, and received 321 prior notifications in connection with mergers and conducted necessary reviews on those cases.

Table 2. Major merger cases in FY2018

- Acquisition of shares of The Eighteenth Bank, Ltd. by Fukuoka Financial Group, Ltd.
- Acquisition of shares of Mitsubishi Paper Mills, Ltd. by Oji Holdings Co.
- Acquisition of shares of Sanyo Special Steel Co., Ltd. by NIPPON STEEL & SUMITOMO METAL Co.

4. Improvement of Competitive Environment

4.1. Improvement of Trading Environment Surrounding Digital Platforms

25. Recently, digital platform operators, which utilise ICT and data to provide users a “field” for various services, have become innovation leaders that continue to create new businesses and have become important for Japan’s socio-economy as they improve companies’ access to the market and benefit consumers.

26. On the other hand, digital platform businesses operate multi-sided markets composed of multiple layers of users, and their characteristics, including network effects, small marginal costs and economies of scale tend to cause monopolisation or oligopolisation, so that it is required to prepare a sound trading environment surrounding digital platform operators.

27. Under the circumstances, Growth Strategy 2018 (approved by the Cabinet on June 15th, 2018), required that the fundamental principles and measures concerning the rules responding to the emergence of digital platform businesses should be established promptly. Based on the Growth Strategy 2018, the JFTC, Ministry of Economy, Trade and Industry (“METI”), and Ministry of Internal Affairs and Communication (“MIC”) formed the “Study Group on Improvement of the Trading Environment Surrounding Digital Platform Businesses” (“Study Group”) which consisted of various experts on competition policy, information policy and consumer policy on July 10th, 2018. Taking into account the opinions collected through interviews with businesses conducted by the Study Group, as well as opinions gathered through public comment procedure for the Study Group’s interim discussion paper, the JFTC, the METI and the MIC established the policy paper titled “Fundamental Principles for Rule Making to Address the Rise of Platform Businesses” (“Fundamental Principles”) on December 18th, 2018.

28. On March 2019, the JFTC, the METI and the MIC jointly formed the “Working Group for Securing Transparency and Fairness in Trading Environments” and the “Working Group for Ideal Approaches to Data Transfer and Disclosure” under the Study Group which were both composed of academic experts and practitioners. Based on the findings by the working groups, on April 24th, 2019, the Study Group held discussions and compiled its findings into two reports titled “Options for Ideal Approaches to Rulemaking for Securing Transparency and Fairness in Trading Environments” and “Options for Ideal Approaches to Data Transfer and Disclosure”, which were published on May 21st, in the same year.

29. Furthermore, based on the Fundamental Principles which states “[a]s a starting point to achieve transparency and fairness, understanding of trade practices will be advanced through comprehensive and thorough surveys”, the JFTC conducted a fact-finding survey regarding trade practices of digital platformers. As a part of the fact-finding survey, the JFTC established a contact point at the official website, and made efforts to collect information regarding the trade practices of digital platformers which may be problematic from the viewpoint of competition policy. Besides, the JFTC conducted three

surveys regarding 1) trade practices of online retail platform, 2) trade practices of app stores and 3) trade practices of users (consumers) of digital platforms, and published an interim report which includes the results of these surveys on April 17th, 2019.

4.2. Revision of the “Guidelines Concerning the Activities of Agricultural Cooperatives under the Antimonopoly Act”

30. On April 18th, 2007, the JFTC published “Guidelines Concerning the Activities of Agricultural Cooperatives under the Antimonopoly Act” which clarify what type of conduct of agricultural cooperatives may be problematic under the AMA, in order to deter the infringement of the AMA by agricultural cooperatives and to promote fair and free competition in the agricultural sector.

31. Taking into account the recent cases where the JFTC investigated agricultural cooperatives’ activities, the JFTC revised the guidelines, adding case examples which were not shown in the guidelines previously, and published it on December 27th, 2018.

4.3. Publication of the “Booklet on the Competition Policy and the Antimonopoly Act for the Officials of the Local Governments”

32. The JFTC established the “Guidelines Concerning Administrative Guidance under the Antimonopoly Act”, which provides policies on guidance by administrative bodies including local governments, on June 30th, 1994. The JFTC has also provided consultation services to the administrative bodies, providing advice whether a specific planned action would raise problems under the AMA or in terms of competition policy. Out of the cases the JFTC gave advice on, the JFTC selected some examples which would be helpful for the local governments and summarized them into “Cases of Consultation from Local Governments Related to the Antimonopoly Act” (“Consultation Cases”), and published it on June 20th, 2007.

33. Although ten years have passed since the Consultation Cases was published, local governments have continuously approached to the JFTC to obtain the advice on their activities because of increase of the compliance awareness in society.

34. Under the circumstances, based on the cases accumulated after publishing the Consultation Cases, the JFTC compiled the “Booklet on the Competition Policy and the Antimonopoly Act for the Officials of the Local Governments” in order to make it possible for the officials of the local governments to deepen their understanding of the AMA and competition policy, and published it on March 18th, 2019.

4.4. Revision of the “Guidelines for Proper Electric Power Trade”

35. The JFTC and the METI jointly published the “Guidelines for Proper Electric Power Trade” which clarify the problematic trade practices under the AMA or the Electricity Utilities Industry Law from the perspective of the fair and effective competition in the electricity market on December 1999.

36. In accordance with the establishment of the baseload power market in July 2019, where New Power Suppliers could procure electric power at annual fixed price from baseload electricity source owned by former General Electricity Utilities, the JFTC and the METI revised the “Guidelines for Proper Electric Power Trade” on May 30th, 2019..

4.5. Issues Concerning Competition Policy in the Mobile Phone Market

37. The JFTC published the result of the survey on trade practices in mobile phone market, “Issues Concerning Competition Policy in the Mobile Phone Market”, on August 2nd, 2016. However, considering that the ratio of mobile communication cost amongst consumer expenditure has been increasing, and that competition in the mobile phone market was not adequately working, the JFTC conducted a follow-up survey and published the report, “Issues Concerning Competition Policy in the Mobile Phone Market (FY2018)”, on June 28th, 2018.

4.6. Survey on Transactions in B2C E-Commerce

38. In recent years, the size of the B2C e-commerce market in Japan has seen rapid expansion and the market environment has undergone a major transformation such as with the emergence of new online shopping mall operators. The development of such e-commerce is thought to ramp up competition in the retail market and to benefit consumers. On the other hand, there are concerns that it will make companies to grasp the actions of their competitors and clients and conduct anticompetitive practices more easily.

39. Based on the recognition above, the JFTC conducted a survey on trade practices regarding B2C e-commerce in general, such as trade terms between manufactures and distributors, the manufacturers and distributors’ sales methods at their websites, and the state of transactions at online shopping malls, and a survey on consumers’ behavior pertaining to e-commerce. The JFTC published the report on the survey results on January 29th, 2019.

4.7. Survey on Credit Card Market

40. At present, the majority of the amounts of cashless payments in Japan is by credit cards, and the payments by credit cards are increasing. Growth Strategy 2017 (approved by the Cabinet on June 9th, 2017) and Growth Strategy 2018 (approved by the Cabinet on June 15th, 2018) stipulates the target of “doubling the cashless payments ratio, to about 40% of all payments within the next 10 years (by June 2027)”. Therefore, it is expected that the amounts of payments by credit cards will continue to increase in the future.

41. Under the circumstances, the JFTC conducted a survey on the credit card market in order to identify whether there are any trade practices that are likely to be problematic under the AMA or competition policy in the credit card market, and published the report on the survey results on March 13th, 2019.

4.8. Issues Concerning Human Resources and Competition Policy

42. The JFTC held the discussions in Competition Policy Research Center (“CPRC”) to organise the views on applications of the AMA to competition over human resources, to realise pleasant environment for individual workers. The CPRC published the “Report of Study Group on Human Resource and Competition Policy” on February 15th, 2018.

43. Since then, the JFTC has explained to related organisations that the AMA might be applicable to competition over human resources and made efforts for them to grasp whether there are any actions or practices that might be problematic under the AMA in the human resources market. In the course of these efforts, the JFTC found out that some of the sport governing bodies introduced transfer restriction rules for the athletes. Therefore, on

December 21st, 2018, the JFTC called for further information regarding practices of transfer restriction rules in the sports sector and made a series of interviews to grasp the actual situation. Based on the above mentioned information, the JFTC published “The Point of View about the AMA Concerning the Rule of the Restriction of Player’s Transfer in the Sport Business” on June 17th, 2019.

4.9. Implementation of Competition Assessment

44. Since October 2007, all of the government ministries and agencies are in principle mandated to conduct an Ex-ante Regulatory Impact Assessment (“RIA”), which includes an analysis of the impacts of the regulations on competition (competition assessment), when establishing, revising or abolishing regulations. The competition assessment system started in April 2010 on a trial basis, and was fully implemented on October 1st, 2017 with the amendment of the [“Implementation Guidelines for Policy Evaluation of Regulations”](#). The Ex-ante RIA requires the relevant ministries and agencies to fill out the “competition assessment checklist” and then submit the completed checklist together with an Ex-ante RIA report to the MIC. The MIC then forwards the checklists to the JFTC.

45. In FY2018, the JFTC received 96 competition assessment checklists from the MIC and conducted a full examination of each.

4.10. Efforts to Prevent Bid Riggings

46. Since procurer’s efforts are extremely important for the thorough elimination of bid riggings, the JFTC has been holding training seminars on the AMA and the Act for the Prevention of Collusive Bidding at the Initiative of Government Officials for procurement officers at local governments, providing them with practical knowledge about competition law and policy. The JFTC has also been cooperating with other government ministries and agencies, local governments and publicly owned companies by dispatching its officials as resource persons or providing materials to the related seminars organised by those ministries and agencies.

47. In FY2018, the JFTC held 34 training seminars and dispatched resource persons to 299 training seminars hosted by government ministries and agencies, local governments and publicly owned companies.

48. In addition, given that a number of bid rigging cases at the initiative of procurement officials are not decreasing, the JFTC conducted a survey aimed at 2,018 procurement agencies concerning their compliance activities to prevent bid riggings involving procurement officials, with the purpose of contributing to improve their compliance system. The outcome of the survey was published as the “Survey Report on Initiatives by Procuring Agencies toward Prevention of Collusive Bidding at the Initiative of Government Officials”, on June 13th, 2018.

5. Reinforcement of Foundations for Operation of Competition Policy

5.1. Development of Theoretical and Empirical Foundations for Competition Policy

49. Since its establishment in June 2003, CPRC has been strengthening theoretical and empirical foundations for the enforcement of the AMA and for planning, policymaking and

evaluation of competition policy. In FY2018, the CPRC held three international symposiums as well as the “Study Group on Business Alliances”.

5.1.1. “Study Group on Business Alliances”

50. Japan has been recently facing significant changes in the social and economic environment such as the progress of the digital economy and IoT (Internet of Things), rapid population aging, population and labour decline, and market shrink. To respond to these changes, each enterprise is addressing various issues for further business efficiency and innovation. Because of the advantages of promptness in business operation and cost saving, business alliances are widely used as one of business strategy methods to tackle these issues.

51. In these circumstances, the CPRC held discussions to sort out the existing views and the current practices regarding business alliances. Based on the knowledge gained from the experts, the study group discussed various issues concerning business alliances under the AMA, which are included new type of business alliances such as cross-industry data-collaboration reflected on the changes in the social and economic environment. Finally, the CPRC published the “Report of Study Group on Business Alliances” on July 10th, 2019.

5.2. Response to Globalising Economy

52. In recent years, a number of cases have increased involving violations of competition laws of multiple countries or jurisdictions, or requiring concurrent investigations by competition authorities of multiple countries or jurisdictions. As this trend becomes more pronounced, the reinforcement of cross-border cooperation and coordination among competition authorities become more necessary. In light of these circumstances, the JFTC cooperates closely with foreign competition authorities to conduct joint enforcement activities in accordance with the relevant international agreements including bilateral competition agreements and economic partnership agreements.

53. For instance, the JFTC is actively involved in multilateral frameworks such as the International Competition Network (“ICN”), the Organisation for Economic Co-operation and Development (“OECD”), the Asia-Pacific Economic Cooperation (“APEC”), the United Nations Conference on Trade and Development (“UNCTAD”) and the East Asia Top Level Officials’ Meeting on Competition Policy (“EATOP”).

54. In light of accelerated moves to strengthen existing competition laws or introduce new competition legislation in developing countries, the JFTC engages in technical assistance for competition authorities in those countries such as dispatching JFTC officials and offering personnel trainings.

55. In addition, the JFTC aims to strengthen its international presence by disseminating Japan’s competition policy worldwide. To this end, the JFTC endeavours to enhance its public relations by providing an English-language version of its press releases and other public announcements on its website and dispatches resource persons to seminars organised by overseas bar associations and other organisations.

56. In FY2018, the JFTC mainly worked on the following items:

5.2.1. Reinforcement of Cooperation with Other Competition Authorities

57. Based on bilateral and multilateral competition agreements, the JFTC closely cooperates with foreign competition authorities through the ways such as notifying competition authorities of the related jurisdictions of enforcement actions.

58. In FY2018, the JFTC held negotiations on the amendment of “the Agreement between the Government of Japan and the European Community concerning Cooperation on Anticompetitive Activities” and on signings of the memorandum of cooperation with foreign competition authorities.

5.2.2. Bilateral Meetings between Competition Authorities

59. The JFTC regularly holds bilateral meetings with competition authorities in countries or areas such as the US and EU where Japanese businesses are particularly active.

5.2.3. Economic Partnership Agreements

60. Japan is currently negotiating for a conclusion of an Economic Partnership Agreement (“EPA”) and other cooperation agreements with China, South Korea, Turkey and other countries respectively, and also working on a conclusion of Regional Comprehensive Economic Partnership (“RCEP”). The JFTC considers competition policy as an important element in EPAs and participates in negotiations with an intention to incorporate the competition chapter including articles related to a cooperation framework in EPAs.

5.2.4. Participation to the Multi-National Conferences

61. The JFTC's chairman has been a member of the ICN Steering Group since its establishment, and the JFTC co-chaired the Cartel Working Group from May 2011 to April 2014, and the Subgroup 1 (“SG1”) of the Cartel Working Group from April 2014 to May 2017. The JFTC has also been a co-chair of the Merger Working Group since May 2017. Furthermore, the JFTC hosted the Merger Workshop in Tokyo in November 2018 under the theme of “Merger review in the 2020s: Do Digitalization and Globalization Change the Analysis?” In addition, the JFTC manages the “Framework for the Promotion of the Sharing of Non-confidential Information” under the Cartel Working Group and the “Framework for Merger Review Cooperation” under the Merger Working Group, both of which were formed under the initiative of the JFTC.

62. With regard to the OECD, the JFTC participated in meetings of the Competition Committee and contributed to discussions by sharing the JFTC’s past experiences and efforts in accordance with the topics on round tables.

63. In addition, the JFTC co-hosted the 14th East Asia Top Level Officials’ Meeting and the 11th East Asia Conference on Competition Law and Policy in Sydney, Australia in August 2018.

64. Furthermore, France, which held the G7 presidency, suggested to select “Competition and Digital Economy” as one of the topics to be discussed at the G7 Summit, and the French Competition Authority requested the G7 competition authorities including the JFTC to establish a common understanding related to competition issues raised by the digital economy. After having continuous discussion, the G7 competition authorities reached an agreement on the common understanding of the G7 competition authorities on “Competition and the Digital Economy” in June 2019.

5.2.5. *Technical Assistance*

65. The JFTC has conducted technical assistance regarding competition policy such as dispatching its officials or providing training courses to officials from competition authorities in other jurisdictions. In FY2018, the JFTC carried out technical assistance projects in Indonesia, Mongolia and Kenya in cooperation with the Japan International Cooperation Agency, and also invited officials from younger jurisdictions newly introducing or strengthening their competition laws to Japan and provided training courses on competition law and policy.

66. In addition, by using the Japan-ASEAN Integration Fund, the JFTC invited 27 officials from ASEAN countries to Japan and provided them with training courses on competition law and policy, and dispatched its officials and academic experts to workshops held in Indonesia and Singapore.

5.3. Raising Public Awareness on Competition Policy

67. The JFTC solicits voluntary opinions, requests and suggestions from members of the “Antimonopoly Policy Cooperation Committee” for the purpose of utilising them in implementing competition policy and promoting better understanding of it. In FY2018, the JFTC gathered opinions from 150 members of the committee.

68. To ensure a timely response to socioeconomic changes and advance competition policy in an effective and appropriate manner, the JFTC organises the “Council on Antimonopoly Policy” with the aim of promoting broad opinion exchanges with experts and greater public understanding of competition policy. In FY2018, three council sessions were called.

69. In addition, the JFTC commissioners hold discussions with locally based experts and these discussions were held in nine cities in FY2018. The JFTC also arranges meetings between directors of regional offices and locally based experts, and 78 meetings were held in FY2018. Furthermore, the JFTC commissioners make presentations for members of bar associations and other organisations, and these presentations were made in four cities in FY2018.

70. In addition to the foregoing activities, the JFTC hosts events called “One Day JFTC” in cities with no regional office, in order to increase people’s awareness of the AMA and other related laws, and offer more enhanced consultation services. In FY2018, the events were held in eight cities in Japan. It also holds “Consumer Seminars” to illustrate an overview of the AMA and the JFTC’s activities, and 83 seminars were held in FY2018.

71. The JFTC’s efforts also include activities for raising awareness of competition policy in the context of school-based education. The JFTC dispatches its officials to junior high schools, high schools and universities (including junior colleges) and teaches classes on the roles of competition in economic activities (called “Antimonopoly Act Class” or “Delivery Lecture”). In FY2018, totally 236 classes were held.

6. Resources

6.1. Budget (FY2018 (2018.4~2019.3))

72. The budget of the JFTC is as follows:

Fiscal Year (From April to March)	2014	2015	2016	2017	2018
Budget amount (JPY billion) ¹	11.3	10.7	11.0	11.2	10.9
Change over previous year (%)	28.6	△5.1	2.4	2.1	△2.2

Note: ¹ Based on the USD-JPY exchange rate as of December 30th, 2018.

6.2. Number of Officials (FY2018 (2018.4~2019.3))

73. The number of officials in the General Secretariat of the JFTC is as follows (unit: persons):

Fiscal Year (from April to March)	2014	2015	2016	2017	2018
Number of officials	830	838	840	832	837
Enforcement against anti-competitive practices	445	447	443	438	437
Merger review enforcement	43	41	41	39	41
Advocacy efforts	33	33	33	33	33

