



# Introduction of full-scale Competition Assessment in Japan

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# I. Contents

- ▶ **Competition Assessment Framework**
- ▶ **History of Competition Assessment**
- ▶ **Introduction of full-scale Competition Assessment**
- ▶ **Checklist for Competition Assessment**



## II. Competition Assessment Framework

- ▶ **Ex-ante Regulatory Impact Assessment (RIA)**
  - > *Conducted by each government ministry based on the “Government Policy Evaluation Act” from 2007*
- ▶ **Competition Assessment is a part of the RIA.**
  - > *Trial-basis to full-scale implementation in 2017*



### III. History of Competition Assessment

- ▶ **OECD Recommendation on Competition Assessment (October, 2009)**
- ▶ **Introduction of trial-basis Competition Assessment (April, 2010)**
- ▶ **Introduction of full-scale Competition Assessment (October, 2017)**



## IV. Introduction of full-scale Competition Assessment

- ▶ The revised "Guidelines on Implementing Regulatory Policy Evaluation" adopted by the Inter-ministerial Liaison Meeting on Policy Evaluation on July 2017, mandates full-scale Competition Assessment.
- ▶ JFTC published guidelines and checklist in order to clarify procedures and concept of identifying and analyzing impact on competition.



## V. Checklist for Competition Assessment

**All government ministries are required to check if the regulation;**

- ▶ **Limits the number or range of suppliers**
- ▶ **Limits the ability of suppliers to compete**
- ▶ **Reduces the incentive of suppliers to compete**
- ▶ **Limits the choices and information available to customers**



## V. Checklist for Competition Assessment

- ▶ **JFTC referred to the OECD's Competition Assessment Toolkit and published our checklist in order to promote active implementation by Japanese ministries.**
- ▶ **JFTC published “Guidelines on Identifying and Analyzing Impact on Competition in Regulatory Policy Evaluation” to improve understanding of the checklist by ministries.**
  - > *These efforts can contribute to the effective implementation of RIA, the quality control of regulation and the accountability of policies.*



## V. Checklist for Competition Assessment

### Example;

- ▶ **“Ministry of environment” and “Ministry of Economy, Trade and Industry” drafted Mercury Pollution Prevention Bill in 2015.**
- ▶ **They assessed the impact of the act on competition and stated that the regulation may limit the ability of suppliers which use mercury for their business activities to compete.**





## VI. Conclusion

- ▶ **Full-scale Competition Assessment is the fruits of long term discussion in the OECD and efforts by JFTC.**
  - > *All government ministries are required to assess the impact on competition due to new establishment or revision/abolishment of regulations and note the negative impact of regulation on competition in their report of RIA.*
- ▶ **JFTC strongly supports the government ministries to implement the Competition Assessment (self-check).**
- ▶ **In drafting the checklist, JFTC referred to the OECD's Competition Toolkit (Checklist).**



Thank you !

For more information



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