Introduction of full-scale Competition Assessment in Japan

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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)

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.


> These efforts can contribute to the effective implementation of RIA, the quality control of regulation and the accountability of policies.
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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