Cross-border merger control in Japan

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OECD Global Forum on Competition
17 February 2011
OUTLINE

1. Introduction

2. The JFTC’s experiences of investigating cross-border mergers
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1. Introduction

- Increase of mergers between two firms in a foreign country which affect competition in home country

- Competition agency faces difficult problems when it tries to control them
  - legal problems
  - practical problems
2. The JFTC’s experiences of investigating cross-border mergers

(1) Agilent-Varian case

- Two analytical instruments manufacturers based in the U.S. planned a merger and notified the JFTC
- Their products are both widely used in Japan
- The JFTC collaborated with the U.S. FTC
- Remedy
(2) BHP-RT case

- Two large Anglo-Australian mining companies planned a joint venture and notified the JFTC.
- Japanese steel manufacturers depend on them for supply of iron ore and coal.
- Other competition authorities in Korea, Germany, EC, and Australia examined the case.
- The two companies announced they abandoned the plan to create the JV.
3. Lessons and Implications

(1) Domestic law should be put in place to handle cross-border mergers

(2) Inter-agency collaboration is important

(3) Costs for merging parties to deal with many agencies should be contained