

Script for the speech by Chairman Sugimoto
at the 10th East Asia Top level Official's Meeting, 22 Oct. 2014, Tokyo

“Future Challenges and Direction for Effective Competition Law and
Policy in East Asia”

Good afternoon. It's my pleasure to be here and deliver my speech
for the 10th Anniversary of the EATOP meeting.

10 years. How can we describe the economy of East Asia of 10
years ago? In 2005, the East Asia region was just one of the
important regions as an economic center. And now, in 2014, look
around you. We are experiencing the rising East Asia that is
becoming the very center leading the world economy and trade. And
also, during this decade, the presence of competition policy has been
growing and firmly supporting the economic growth of each member
economy, I believe. On top of that, the EATOP meeting has played a
significant role in making competition law and policy established in
this region. It is my great honor to be part of such a splendid role of
the EATOP meeting.

Today, first of all, I would like to look back over the past 10 year
development of competition law and policy in this region and the role
of the EATOP meeting from a broad perspective. Next, I will mention
several issues to be tackled by each member competition authority of

this region in the next 10 years.

1. Status of Competition Law in East Asia

Obviously, one of the most important agenda in East Asia region is to establish comprehensive competition law and competition authorities working independently from other government bodies. While over the 60 years before the establishment of EATOP meeting, just 6 economies had enacted comprehensive competition laws, during just the recent 10 years, other 6 economies have enacted such laws. So, the pace of the establishment of comprehensive competition law is rapidly increasing. Every year, in every EATOP meeting, each member economy has talked about its experience in developing competition law and policy.

And, officials from member economy tell their own hardships in making people understand how important competition policy is or how effectively the law enforcement would work for robust economic growth. Such sharing of each experience is certainly very helpful for all member authorities. Still, there remain some economies which are trying hard to enact comprehensive competition laws. I hope their efforts will be rewarded within a year.

2. Action against International Cartels by Multiple Jurisdictions

The next topic is law enforcement which might be sometime a high hurdle to overcome for the authority that has just enacted the competition law.

While, some newly launched competition authorities are still making efforts to conduct actual enforcement, more and more authorities have established themselves as strong enforcers. In addition, these days, it is not so rare to see multiple authorities in East Asia investigate the same international cartel cases. This move would be quite welcomed by the economies of this region since economy of East Asia has become closely linked and given rise to various rooms for cross border anticompetitive conducts.

3. Cooperation Frameworks in East Asia

In order to respond to the increased number of violations that cross over multiple jurisdictions, competition authorities are exactly required to build tighter and more coordinated international corporation network to tackle cartelists and bid-riggers violating laws all over the East Asian region. At the same time, I am amazed when I found that competition authorities' network has become highly interwoven something like a spider's web. We can be safely proud of our EATOP meeting as something which has had some impact on building such an international cooperation network which

will nurture our future cooperation in actual enforcement.

In sum, if I describe our EATOP meeting on its 10th anniversary, it is fair to say that it was the successful 10 years.

So, what's next?

I hope that the next 10 years will be the very era for us to be ranked as the same level of competition policy and law enforcement as those of Europe and North America based on our experiences and our network. Nonetheless, in order to make this mission come true, there are some challenges to be tackled.

The first challenge is how to support every member economy that intends to establish comprehensive competition law and independently-working authority. Seeking to reach this goal, in every EATOP meeting, it has been discussed how to make technical assistance effectively work for that purpose. Reflecting such discussions, the JFTC puts its very efforts into ensuring implementation of more and more effective technical assistance for member economies who are making efforts to implement and develop competition policy and law. And the next session of today's meeting is an appropriate occasion to discuss this topic.

The second challenge is how to make sure that our cooperation network will really work to crack down international cartel conducts or to facilitate effective and efficient review of international merger transactions.

Whereas our short-term goal is to conclude just treaty or agreement for international cooperation, our long-term goal is to realize international cooperation in actual enforcement to tackle international cartels or review international mergers successfully and effectively. It would ultimately realize free and fair competition in this region's market so that more and more businesses around the world would start or increase their operations or put their money in this region's market.

The third challenge is how to actively address illegal conducts in the Digital Economy based on exchange of information or sharing views among us. The nature of IT business heavily relying on particular platform that is a de fact standard and so-called network effect, substantially allows a certain first mover easily commit market abusive conducts, which might spread quickly over national borders. In fact, the JFTC, together with the KFTC or the other authorities have recognized similar type of abusive conducts.

It is desirable that we can arrange an opportunity to discuss this topic in the near future in another EATOP meeting. Because the Digital Economy has been spreading very rapidly all over the East Asia region and most of the major electronics companies have their headquarters and manufacturing facilities in this region, our discussions and our enforcement activities would contribute to the world competition community for a more fruitful approach to enhance competition and innovation in the digital economy.

Anyway, certainly, the EATOP meeting has played a very meaningful role and I am confident that it will make a significant contribution to stronger competition policy implementation in this region.

Thank you for your kind attention.