

The JFTC Issued Cease and Desist Orders and Surcharge Payment Orders against Participants in Bidding for General Engineering Works, etc. ordered by the Ministry of Land, Infrastructure, Transport and Tourism, and Kochi Prefecture

October 17, 2012

Japan Fair Trade Commission

The Japan Fair Trade Commission (JFTC) today issued cease and desist orders and surcharge payment orders against the enterprises participating in bidding for general engineering works and harbor engineering works ordered by the Ministry of Land, Infrastructure, Transport and Tourism (MLIT) through Shikoku Regional Development Bureau, and engineering works ordered by Kochi Prefecture (hereinafter “the engineering works”), finding that they substantially restrained competition in the fields of the engineering works by, in concert with one another, designating successful bidders and managing to have the designated successful bidders win the biddings. The total amount of the surcharge payment is 1755.48 million yen.

Meanwhile, in relation to the above violations, the JFTC also found that employees of the MLIT Shikoku Regional Development Bureau were involved in the bid rigging. Hence, the JFTC today demanded that the Minister of Land, Infrastructure, Transport and Tourism implement improvement measures to ensure that said involvement in bid rigging etc. was eliminated in accordance with the Act on Elimination and Prevention of Involvement in Bid Rigging, etc. and Punishments for Acts by Employees that Harm Fairness of Bidding, etc.

Additionally considering the fact that, despite improvement measures which have been taken by the MLIT so far, involvements by its employees have still recurred, the JFTC today urged that the MLIT implement effective improvement measures to definitely prevent a recurrence of involvements throughout the organization.

Before issuing the cease and desist orders and the surcharge payment orders, the JFTC notified the said enterprises of the contents of the orders and provided them with the opportunities to present their opinions and to submit evidence. The JFTC issued the orders taking the opinions and the evidence submitted into consideration. The recipients dissatisfied with the orders may request, within sixty days of the date on which the transcript of the orders were served, the JFTC to initiate a hearing regarding the orders.