



# **Enforcement of the Antimonopoly Act in FY2014 (Summary)**

**May 27, 2015**

**Japan Fair Trade Commission**

## ◆ Number of Cease and Desist Orders: 10

Violation Types	# of Cases	Relevant Products/Services
Private Monopolization (Note)	1	Country elevator works
Bid rigging (in private demand)	2	Low temperature air conditioning system works ordered by the agricultural cooperatives, etc., manufacturing and installation works of country elevator and the rice milling facility ordered by the agricultural cooperatives, etc.
Price fixing cartels	5	Sale of corrugated board sheets and corrugated board boxes, steel balls, concrete secondary products
Abuse of superior bargaining position	1	Transaction between the general discount store and its suppliers
Interference with a competitor's Transactions	1	Sale of ready-mixed concrete

(Note) Private Monopolization by Control. Cease and desist orders against Private Monopolization by Control were issued for the first time in about 17 years.

## ◆ Total Surcharges Imposed: Approx. 17.1 Billion Yen

Changes in Annual Surcharge Amounts over the Last Decade

FY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Amount (Bln.)	11.15	18.87	9.26	11.29	27.03	36.07	72.08	44.25	25.07	30.24

- Protect consumer interests by eliminating price fixing cartels, bid rigging, Private Monopolization etc.
  - Aggregated market size of these cases amounts to approx. 390 billion yen a year
  - JFTC focuses on sectors closely related to people's living

Sectors Closely Related to People's living (examples)	Nexuses with People's Living
Corrugated board sheets or corrugated board boxes	Used for packaging products
Steel balls	Used in bearings assembled in automotive components
Concrete secondary products	Used for road and agricultural drainage channel, etc.
Low temperature air conditioning system works and manufacturing and installation works of country elevator and the rice milling facility	Works of facilities for maintenance, processing and storage of agricultural products

- Along with strict enforcement, effective and efficient responses are needed to prevent abuse of superior bargaining position
  - Cease and desist order and surcharge payment order issued to the general discount store's abuse against its suppliers (June 2014; approx. 1.3 billion yen surcharge)
  - The unified management by “Task Force for Abuse of Superior Bargaining Position”

JFTC issued warnings to such enterprises as hotels, Japanese-style inns and large-scale retailers whose practices may lead to infringements

FY	2009	2010	2011	2012	2013
Number of Warnings	22	55	52	57	58

- ❑ Swift Responses to reporting concerning unjust low price sales
  - Regarding alleged cases in retail sectors such as liquors, petroleum products and home appliances, JFTC sets a goal to complete its investigations within two months in principle
  - From preventive perspective, warnings are issued to those which may lead to unjust low price sales

[Unit: cases]

Fiscal Year	2009	2010	2011	2012	2013
Liquors	700	1028	1138	1123	847
Petroleum Products	956	714	444	426	452
Home Appliances	1425	856	142	121	29
Others	144	102	48	66	38
Total	3225	2700	1772	1736	1366

## □ JFTC called on business association, etc. for necessary measures considered to be taken from competition policy viewpoint

Entities	Contents of Requests
Eastern corrugated case association	<p>(i) The agreements on selling prices and information exchange were conducted at meetings of the Association.</p> <p>(ii) The Association took no measure to stop information exchange.</p> <p>-- <u>JFTC requested the Association to take the recurrence preventive measures.</u></p>
The Central Union of JA Yamagata and Yamagata Prefectural Headquarters of the National Federation of Agricultural Cooperative Associations (ZEN-NOH)	<p>Suspected violations were committed at the request of the Central Union of JA Yamagata.</p> <p>-- <u>JFTC requested the Central Union to clarify the purpose and the content of its guidance, etc.</u></p> <p>Meetings regarding suspected violations were held at the office of Yamagata Prefectural Headquarters of ZEN-NOH and staffs of the office attended those meetings.</p> <p>-- <u>JFTC requested the Central Union to take measures for dissemination of Antimonopoly Act.</u></p>
The JA Fukuishi and the JA Fuku Prefectural Economic Federation of Agricultural Cooperatives (JA Fuku KEIZAIEN)	<p>The JA Fukuishi ordered part of works supported by Fukui prefecture, not by selective competitive bidding and pretended to have conducted appropriate bidding.</p> <p>-- <u>JFTC requested the JA Fukuishi not to repeat the same conduct.</u></p> <p>The JA in Fukui prefecture ordered taste analyzers to the JA Fuku KEIZAIEN not by selective competitive bidding and pretended to have conducted appropriate bidding. The JA Fuku KEIZAIEN was involved in these conducts.</p> <p>-- <u>JFTC requested the JA Fuku KEIZAIEN not to repeat the same conduct.</u></p>
The HOKUREN Federation of Agricultural Cooperative Associations (HOKUREN)	<p>Staffs of the HOKUREN indicated their preference of successful bidder to certain bidders.</p> <p>-- <u>JFTC requested the JA HOKUREN to take appropriate measures not to repeat the same conduct.</u></p>
The National Federation of Agricultural Cooperative Associations (ZEN-NOH)	<p>(i) Staffs of the prefectural headquarters of ZEN-NOH indicated their preference of successful bidder to certain bidders.</p> <p>(ii) Staffs of the prefectural headquarters of ZEN-NOH pretended to have conducted competitive bidding for subsidised works.</p> <p>-- <u>JFTC requested ZEN-NOH to take appropriate measures not to repeat the same conduct.</u></p>