

A decision on surcharge to Miyamoto Kensetsu Inc. and Seto Sangyo Inc.

12 December 2003

Japan Fair Trade Commission

The JFTC today issued a decision that construction companies, Miyamoto Kensetsu Inc. and Seto Sangyo Inc. pay surcharge regarding the bid-riggings on civil engineering works called by City of Takamatsu (Kagawa Prefecture), based on Section 54-2(1) of the Antimonopoly Act.

1. Parties concerned

Miyamoto Kensetsu Inc. (in Takamatsu)

Seto Sangyo Inc. (in Takamatsu)

2. Total amount of surcharge

Violator	Surcharge (Thousand Yen)
Miyamoto Kensetsu Inc.	6,960
Seto Sangyo Inc.	2,800

3. Outline of the decision

(1) Outline of violation (recommendation: 27 December 2001)

Miyamoto Kensetsu Inc. and Seto Sangyo Inc., with other companies, conspired to rig bids for let by Civil Engineering Department of City of Takamatsu by predetermining a winning bidder. This conduct infringed Section 3(unreasonable restriction of trading) of the Antimonopoly Act.

(2) The basis for the computation of surcharge (surcharge payment order: 11 March 2003)

Miyamoto Kensetsu Inc.: The term of this conduct by Miyamoto Kensetsu Inc. is between 22 January 1998 and 16 January 2001. The sales under this term are 164,285,100 yen of 6 contracts before Small and Medium Enterprise Basic Law was amended, and 67,777,500 yen of 4 contracts after that.

Seto Sangyo Inc.: The term of this conduct by Miyamoto Kensetsu Inc. is between 22 January 1998 and 16 January 2001. The sales under this term are 54,338,550 yen of 7 contracts before the Small and Medium Enterprise Basic Law was amended, and 39,165,000 yen of 3 contracts after that.

(3) Main issue of the examination

Miyamoto Kensetsu Inc.: whether the orders for 3 construction works (for example: Rindo Kitadani-Sugezawa Line) of forest roads which Miyamoto received were objects of surcharge computation

Seto Sangyo Inc.: whether the orders for 3 construction works (for example: Rindo Haccho Line) of forest roads which Seto received were objects of surcharge computation

(4) Judgment on the issue

The JFTC judged that these construction works were of specific civil engineering works called by Civil Engineering Department of City of Takamatsu.

4 History

Seto

6 March 2003	Surcharge Payment Order
20 May 2003	Decision to initiate hearings
25 June 2003	The first hearing
10 September 2003	The second hearing (termination)
8 November 2003	Service of the Decision Draft
18 November 2003	Objection to the Decision Draft

Miyamoto

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