

- EX-ANTE COMPETITION ASSESSMENT IN
NATIONAL / LOCAL GOVERNMENTS

-EX-POST ASSESSMENT IN MOBILE
PHONE MARKET

ICN Advocacy Workshop

“From barriers to prosperity”

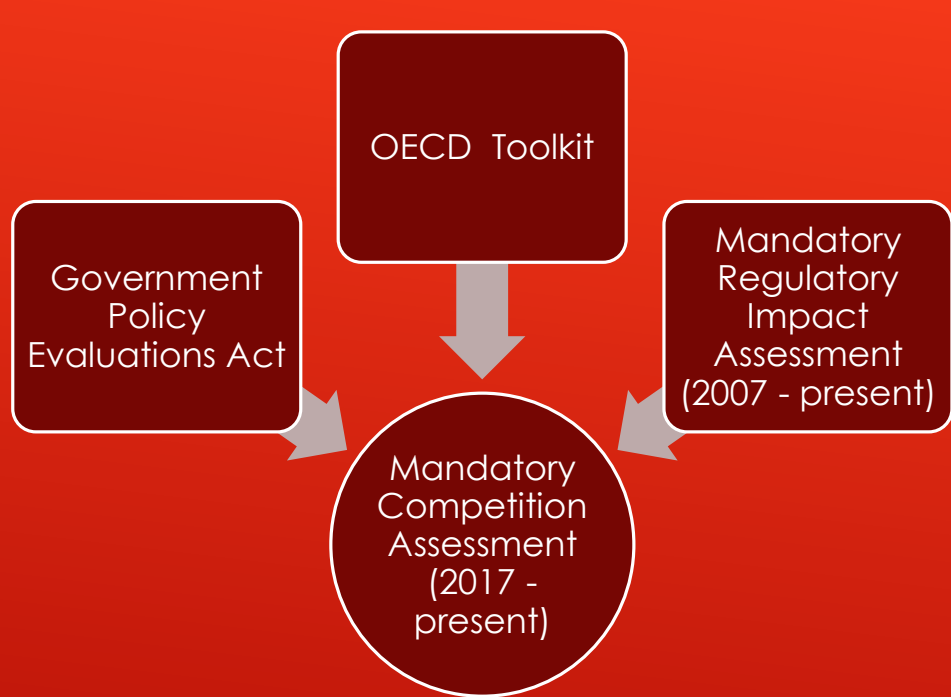
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Plenary: Competition assessment

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EX-ANTE COMPETITION ANALYSIS IN NATIONAL LEVEL



▶ Ex-ante assessment

- ▶ Competitive Impact Checklist
 - ▶ Limit the number of suppliers
 - ▶ Limit the ability of suppliers to compete
 - ▶ Induce the anticompetitive conducts
 - ▶ Limit the choices of consumers)
- ▶ Designated by Japan Fair Trade Commission (JFTC)
- ▶ Forwarded to JFTC

▶ If negative impact to competition is expected

- ▶ Ex-post assessment is a “MUST”

▶ Japan Fair Trade Commission

- ▶ Examine ALL results of C.A. conducted by regulatory bodies
 - ▶ Whether or not final appraisals are well-grounded
 - ▶ Whether or not proposed ex-post assessment appropriate
 - ▶ Ex-post assessment term, indexes used for the assessment



EX-ANTE IMPACT ANALYSIS IN LOCAL GOVERNMENTS



- ▶ JFTC assists local governments, based on its experience of competition assessment in national level
- ▶ “Handbook” is supplemented by
 - ▶ Guidance as to relationship b/w administrative activities and anti-competitive conducts
 - ▶ Various hypothetical case studies
- ▶ Once “Handbook” is published
 - ▶ JFTC distributes widely to local governments nationwide (more than 1750 number of bodies) with thousands of copies
 - ▶ Extensive efforts to consultation & further guidance

MOBILE PHONE MARKET(2018. 6. 28)

- SECTORIAL EX-POST ASSESSMENT -

► What motivated the choice of the sector



*Ministry of Internal Affairs and Communications

► Resource utilized

- Preceding market survey in 2016
- External opinions (business, consumers, academics)
- Web questionnaire
- Ministry of Internal Affairs and Communications

► Main results

- Long-term consumer contracts (generally 2 – 4 years)
- Insufficient supply of used phones (5% of total)
- SIM (Subscriber Identity Module) Card locked
- Bundling of communication fees and device prices

MOBILE PHONE MARKET EX-POST ASSESSMENT

- ▶ Outcome (1) : JFTC's initiatives for changes in mobile phone market regulation

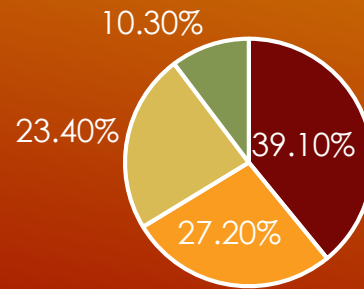


- ▶ JFTC Recommends to Ministry of Internal Affairs and Communications

- ▶ Design regulations
- ▶ Reduce interconnection charges for promote competition

NTT, KDDI, and Softbank: MNOs which provide wireless communications services, and own all the infrastructures necessary to sell and deliver services to an end user

Share of Mobile Market



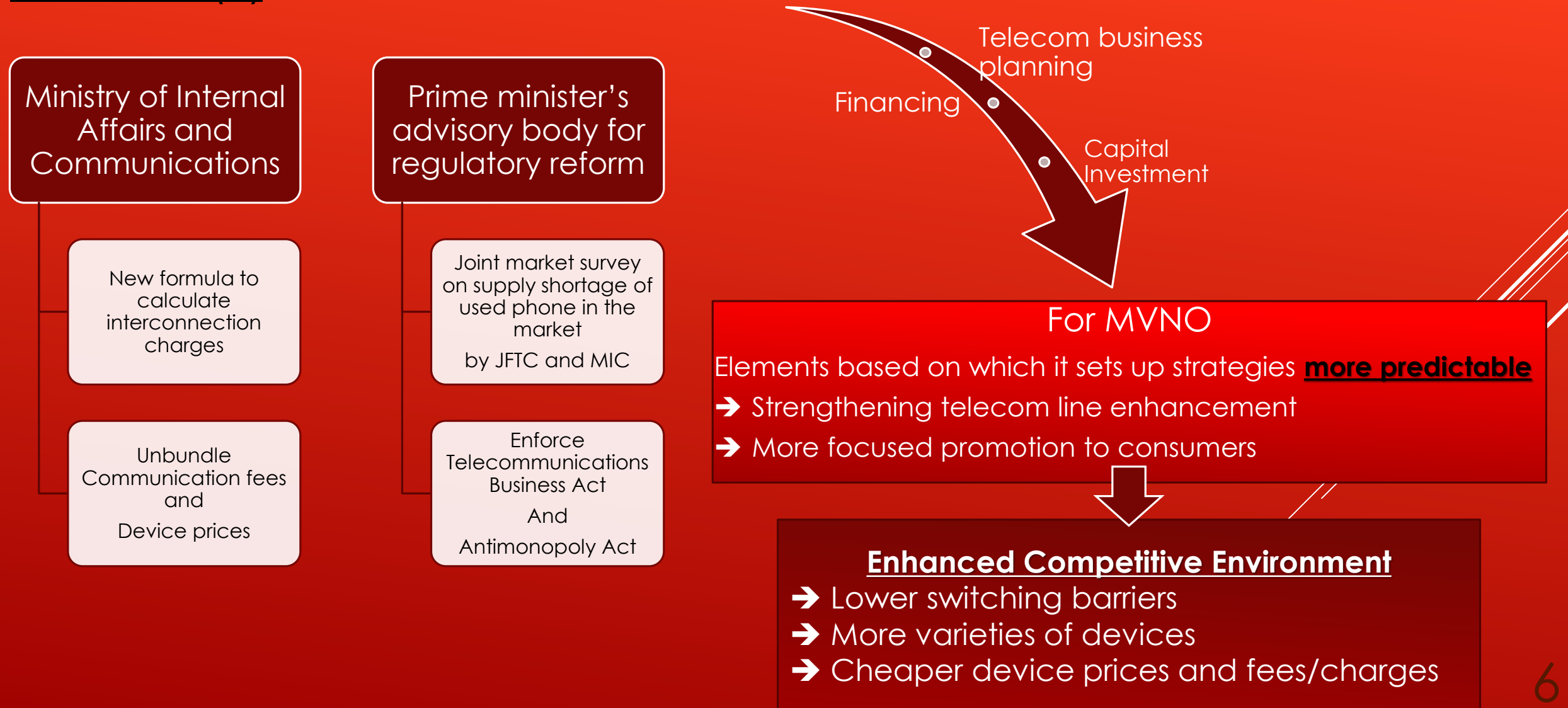
■ NTT Docomo ■ KDDI Group
■ Softbank ■ MVNO

MVNO: Providers of a wireless communications services, which do not own the wireless network infrastructure to provide services to its customers. MVNO enters into an **agreement with MNO** to obtain access to network services at wholesale rates
→ **Interconnection charges**

- Decision of wave frequency allocation should be made with the consideration of declining interconnection charges to competitors
- Secure transparency in evaluating interconnection charges to check if the management and the calculation are reasonable and efficient
- Secure predictability of trend in interconnection charges and set them in the shorter period of time

MOBILE PHONE MARKET EX-POST ASSESSMENT

► Outcome (2) : Chain reactions and collaborations



Thank you for you attentions!!

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