Tong Li Environmental Engineering Co., Ltd. and 3 Other Companies

1768th Commissioners' Meeting (2025)

Case: Tong Li Environmental Engineering Co., Ltd. and three other recycling companies violated the Fair Trade Act for engaging in concerted reduction of waste paper purchasing prices
Keyword(s): Waste paper; resource recycling; price communication
Reference: Fair Trade Commission Decision of September 15, 2025 (the 1768th Commissioners' Meeting); Disposition Kung Ch'u Tzu No. 114085
Industry: Wholesale of Recyclable Materials (4691)
Relevant Law(s): Article 15 of the Fair Trade Act

Summary

1. Tong Li Environmental Engineering Co., Ltd. (hereinafter referred to as "Tong Li"), a large-scale waste paper recycler, disseminated price adjustment information through a LINE group. Tong-Li also, jointly with Tong He Enterprise, Li Bao Resource Recycling Co., Ltd. (hereinafter referred to as "Li Bao"), and Guo Sheng Resource Recycling Co., Ltd. (hereinafter referred to as "Guo Sheng"), reduced waste paper purchasing prices by NT$0.5 per kilogram starting from August 1, 2023. It was thereby allegedly violating the prohibition of concerted actions under Article 15 of the Fair Trade Act.

2. Findings of the FTC after investigation:
   Tong Li and the other three enterprises are recycling plants equipped with baling facilities in the Taipei and New Taipei area and purchase waste paper from individual collectors or small-scale recycling stations. In late July 2023, after learning of a price adjustment notice from paper mills, Tong Li contacted Tong He Enterprise and Li Bao by telephone to inquire about competitors' waste paper purchasing prices, and both companies provided such information. After collecting price information, Tong Li suggested in the "Tong Li Elite Team LINE Group" that members could reduce the purchasing prices of mixed paper and

sorted paper by NT$0.5 per kilogram starting from July 31. In addition, on July 26, Tong Li informed members in the LINE group that paper mills would reduce waste paper purchasing prices by NT$0.5 per kilogram starting from August 1. Both Li Bao and Guo Sheng relayed Tong Li's notification to their customers. Accordingly, Tong Li, Tong He Enterprise, Li Bao, and Guo Sheng engaged in pre-adjustment price communication and dissemination of price adjustment information to customers, thereby constituting a concerted action.

3. Grounds for the disposition:

(1) After learning in late July 2023 that paper mills would reduce waste paper purchasing prices, Tong Li inquired and updated Tong He Enterprise, Li Bao, and Guo Sheng' waste paper purchasing prices and exchanged sensitive information regarding waste paper price information through a LINE group in order to avoid a decrease in profits. This led to an agreement to reduce waste paper purchasing prices by NT$0.5 per kilogram starting around August 1, 2023. They further informed customers of the price reduction magnitude and its effective date. Such conduct restricted the ability of individual collectors and small recycling stations in the Taipei and New Taipei area to choose trading counterparts, affected the supply and demand functions of the waste paper recycling market in that region, and violated the prohibition of concerted actions under Article 15 of the Fair Trade Act.

(2) After considering the motivation of the illegal conduct, the duration of the violation, the level of harm caused to market trading order, the benefits derived on account of the unlawful act, as well as factors such as the scale, operating condition, and market position of the enterprise, the FTC cited the first part of Article 40, Paragraph 1 of the Fair Trade Act, ordered the enterprises to immediately cease their unlawful conduct and imposed a joint administrative fine of NT$500,000.

Appendix:

Tong Li Environmental Engineering Co., Ltd.'s Uniform Invoice Number: 89513290

Tong He Enterprise's Uniform Invoice Number: 10518406

Li Bao Resource Recycling Co., Ltd.'s Uniform Invoice Number: 28589830

Guo Sheng Resource Recycling Co., Ltd.'s Uniform Invoice Number: 25017372

Summarized by: Wang, Yu－Chi; Supervised by: Yeh, Su-Yen □