



**Asia-Pacific  
Economic Cooperation**

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**2010/SOM1/CPLG/017**

Agenda Item: 8

## **Updates and Developments of Competition Policy**

Purpose: Information  
Submitted by: Chinese Taipei



**JAPAN 2010**

**Competition Policy and Law Group Meeting  
Hiroshima, Japan  
28 February-1 March 2010**



# Updates and Developments of Competition Policy

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Chinese Taipei  
March 1, 2010

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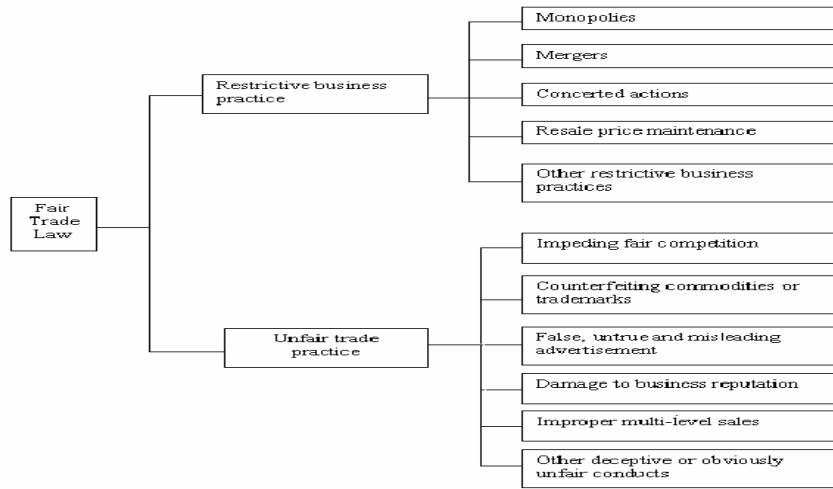
## Agenda

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- ◆ Introduction
- ◆ Case Handling
- ◆ Future Outlook

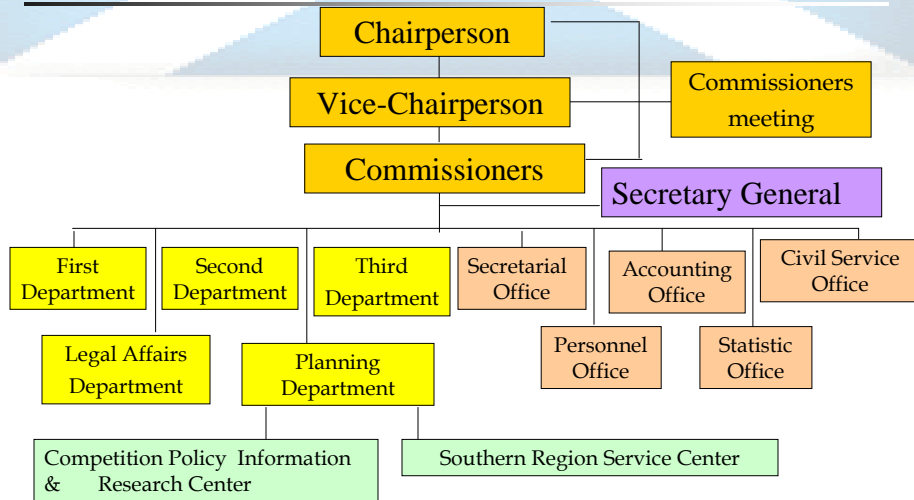
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# Introduction



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# Organization Chart



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## Cases Handling 1992 ~ 2009

- ◆ Cases received: 33,593 cases
- ◆ Cases closed: 33,391 cases
- ◆ Case conclusion ratio: 99.39 %
- ◆ Decision ruling : 3,184 cases
- ◆ The fine amounts to: NT\$2.66 billion  
( around US\$80.61 million)

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## Cases Handling in 2009

- ◆ Cases received: 1,504 cases
  - ▶ Complaints: 1,405 cases
  - ▶ Cartel applications : 6 cases
  - ▶ Merger notification: 58 cases
  - ▶ Request for explanation: 35 cases
- ◆ Cases closed: 1,433 cases (including cases left over in 2007)
- ◆ Decision ruling : 163 cases
- ◆ Fine: NT\$201.98 million (around US\$6.12 million)

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## Recent Enforcement Work

### ◆ Cartel-Taichung City and 3 other Chinese Medical Associations

- ▶ Chinese Medical Associations in Taichung City, Taichung County, Nantou County, and Changhua County stipulated the “2007 Plan Controlling the Amount of Medicals in the Central Region” together to control the number of practice Chinese medicals by building a market entry barrier.
- ▶ The associations resolved that in addition to basic member fees, Chinese medicals now also have to pay a NT\$ 300,000 “exit funds.”
- ▶ On one hand, it builds an entry barrier by increasing the equity fund and impeding the number of new doctors; on the other hand, if there are too many Chinese medicals, the fund incentivizes hospitals in the Central Region to terminate contracted health insurance or move to other areas through subsidies in order to lower the number of medicals.
- ▶ Each Association was imposed an administrative fine of NT \$50,000.

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## Merger Enforcement

### ◆ Stainless steel industry

- ▶ Yieh United Steel & Tang Eng Iron Works, the 2 largest enterprises in the market, are the main competitors to each other, the total market share reached over 50%.
- ▶ Yieh United Steel plans to acquire over one-third of the shares of Tang Eng Iron Works. The planned merger will reduce the existing competition pressure to the parties.
- ▶ if imports by downstream enterprises are impeded, market concentration in the domestic market and the market share of the combined firm will increase, which will affect the mid- and downstream domestic stainless steel enterprises and hinder competition in domestic markets.

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## Investigation into Prices of Necessities after Typhoon Morakot

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- ◆ On August 8, 2009, Typhoon Morakot hit southern Taiwan seriously damaged its agriculture. The CTFTC adopted the following measures and investigations before and after Typhoon Morakot :
  - ▶ To continue the operations of the “taskforce against price manipulation”.
  - ▶ To initiate investigations on relevant enterprises and associations.
  - ▶ To announce the availability of complaint hotline for the general public.
  - ▶ To warn relevant enterprises and show the CTFTC’s determination in law enforcement.
  - ▶ To request that relevant authorities report legal violations.
  - ▶ To coordinate with agricultural authorities in the regulation of monopolies and concerted actions.
  - ▶ To timely issue newsletters and reduce public expectations.

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## Future Outlook

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- ◆ Effectively enforce the Fair Trade Act to create free and fair competition
- ◆ Advocate fair trade principles and create a quality culture of competition
- ◆ Updating competition related regulations
- ◆ Strengthen international cooperation and eliminate cross-border anti-competitions

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# Future Outlook

## -Taking Effective Actions in Enforcement

### ◆ Overseeing select industries

- ▶ Conducting supervision on selected industries with vigor competition and frequent violation to prevent disputes and violations in advance. (i.e. Misleading Ad Supervision Program on household and electrical appliances industry)

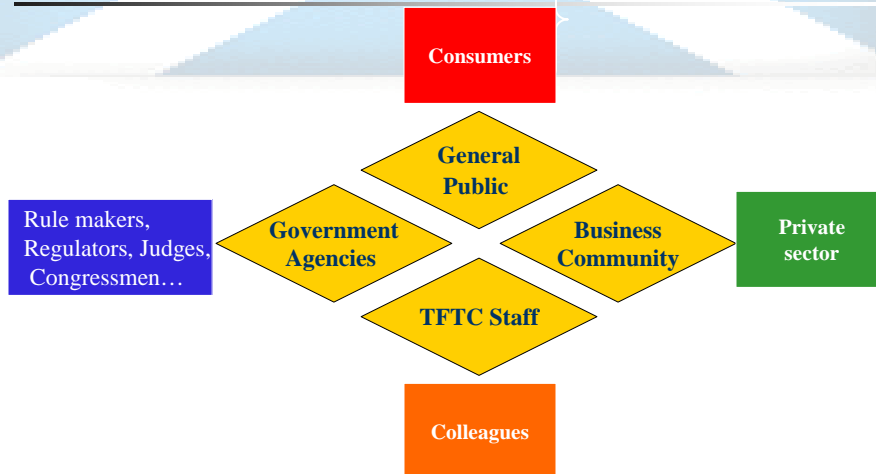
### ◆ Coordination and Cooperation with other regulatory agencies

### ◆ Monitoring False or Misleading conduct provisions

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# Future Outlook

## -Competition Advocacy



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## Competition Advocacy(cont.)

-focuses of the Commission in 2010

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### ◆ Strategies

- ▶ Improving Regulatory Environment
- ▶ Strengthening Public Awareness
  - ▶ Educational Programs
  - ▶ Seminar and Conference
  - ▶ Publications and Issuing Guidelines
  - ▶ Publicity of Enforcement Results
- ▶ Promoting Research on Competition Issues

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## Future Outlook

- Updating competition related regulations

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- ◆ Continuously promoting the proposed amendments of the Fair Trade Act
  - ▶ Introducing a leniency program
  - ▶ Employing search power
  - ▶ Reviewing the threshold of merger notifications
  - ▶ Differentiating administrative penalties for various violations
- ◆ Drafting and issuing new guidelines regarding market competition

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# Future Outlook

## - International Cooperation

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- ◆ Actively participating in international competition forums.
- ◆ Strengthening bilateral cooperation in terms of information and experience sharing.
- ◆ Continuously assisting young agencies in capacity building.

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# Thank you for your attention

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