



**Asia-Pacific  
Economic Cooperation**

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**2009/SOM1/CPLG/016**

Agenda Item: 7

## **Recent Development of Competition Policy and Law in Chinese Taipei**

Purpose: Information  
Submitted by: Chinese Taipei



**Competition Policy and Law Group Meeting  
Singapore  
21-22 February 2009**

# Recent Development of Competition Policy and Law in Chinese Taipei

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Chinese Taipei  
22 February 2009  
CPLG, Singapore

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## The Proposed Amendment of the Fair Trade Act

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### *Important reforms of the 4<sup>th</sup> revision of the FTA*

- ◆ Leniency Program
- ◆ Search and Seizure Powers
- ◆ Differentiate Administrative Liabilities from Diverse Violations of the FTA

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## **Enforcement: The Year of 2008**

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- ◆ **From Inflation to Deflation**
- ◆ **Pressures from the public:**
  - ◆ **abuse of monopolistic power**
  - ◆ **price fixing**
- ◆ **By the end of December 2008, CTFTC investigated more than 1,582 businesses.**
- ◆ **115.6 million total fines imposed for 13 violations.**

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## **Recent Enforcement Work**

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- ◆ ***Cartel*- Price fixing on over-the-counter (OTC) medicines in Kaohsiun and Pington Area.**
  - ◆ 53 Drugstores and 16 medicine suppliers (producers) were investigated.
  - ◆ The 53 drugstore owners were alleged to organize a “broadcasting advertising association” to promote the OTC medicines.
  - ◆ Through the sponsored radio programs, they assigned themselves as “designated stores” for those OTC medicines and fixed the price of those medicines.
  - ◆ During the investigation, CTFTC also found that upstream drug producers and suppliers also participated in the scheme. They also involved in resale price maintenance violations.
  - ◆ **The CTFTC imposed a total fine of NT\$101.95 million (around US\$ 3 million)**

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## Merger Enforcement

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In 2008, the CTFTC prohibited two mergers:

### 1. Karaoke Service

- two major companies, Cash Box and Holiday, that provide audiovisual & singing services, namely, karaoke with video lyrics display capabilities.
- the merging parties has reached over 50% of the whole domestic market and over 90% in the major regional markets of Taipei County and Taipei City, and hence the parties gain the dominant position after the merger.

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## Merger Enforcement

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### 2. Instant Noodles Manufacturers

- Uni-President Corporation & Weilih Food Company, the 2 largest enterprises in the market, are the main competitors to each other, the total market share reached over 70%.
- Uni-President Corporation plans to acquire over one-third of the shares of Weilih Food Company. The planned merger will reduce the existing competition pressure to the parties.
- The merger may create monopolistic or dominant position bearing obvious intent of ensuring the market share and make the biggest one bigger and direct influence on consumers by fewer choices

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## Competition Advocacy

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- ◆ Competition advocacy is undoubtedly an important function to reach the goals of a competition policy and effective enforcement of the Law, especially in this global financial crisis period.
- ◆ Our policy: Education is Preferable to Punishment
  - ◆ various symposia, seminars and workshops as well as training courses.
  - ◆ The CTFTC will publish first “Competition Policy White Paper” in this year.
  - ◆ A three-year plan to review government regulations as a whole that may be harmful to competition

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## International Cooperation

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- ◆ International organizations and conferences
- ◆ Bilateral meetings and consultations
- ◆ Technical assistance activities



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