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Competition Policy Information and Research Center

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◆ Special Topics

◎ FTC Held Taiwan 2006 International Conference On Competition Laws/Policies

With increased economic globalization and liberalization, the competition environment has been changing constantly while the types of competition have gradually become more complicated. It is thus a daunting challenge for worldwide competent competition law authorities to formulate competition policies and control the development of competition laws. In order to keep in line with international socio-economic trends, the Taiwan Fair Trade Commission (“FTC”) held the “Taiwan 2006 International Conference on Competition Laws/Policies” at the Howard International House in Taipei. “The Role of Competition Law/Policy in Socio-Economic Development” was the subject of the Conference. Officials of the competent competition law authorities from fifteen countries, representatives from the WTO, OECD and APEC, and thirty domestic and foreign scholars and experts were invited to participate in this conference.

At the beginning of the conference, a keynote speech was given by Prof. Dr. Dr. h.c. Jürgen Basedow, the Director of the Max-Planck-Institute for Foreign Private Law and Private International Law, Germany, who talked about the Law and Politics of Market Regulation. Ms. Paula Rebstock, the Chair of the Commerce Commission, New Zealand, Mr. Gerald Masoudi, the Deputy Assistant Attorney General (DAAG) of International Enforcement, Antitrust Division of the U.S. Department of Justice, and Dr. Chao-Chuan Yu, Vice Chairman of the FTC, reported on the latest developments in competition laws in their respective countries. The Conference later on focused on four panel discussions as follows:

■ Panel I: International Trend of Competition Policies

At present, people are paying close attention to issues regarding how to form international regulations on competition policies, establish a competition culture, set up a complete legal system, promote international cooperation, and provide and build up technical assistance and capacity. To effectively coordinate both international and interregional competition policies, the trend of international competition policy development needs to be fully and accurately controlled. Therefore, the FTC placed the aforementioned issue at the top of its Conference agenda. The moderator for this panel was Dr. Peter Klocker, Vice President of the German Federal Cartel Office. The presenters were Mr. R. Hewitt Pate, Partner of Hunton & Williams, U.S.A., Mr. John Martin, the Commissioner of the Australian Competition and Consumer Commission, Dr. Christos N. Pitelis, the Director of the Centre for International Business and Management (CIBAM), Judge Business School, University of

Cambridge, U.K., and Dr. Chang-Fa Lo, Dean of the College of Law, NTU, Taiwan.

■ **Panel II: Competition and the Development of Regional Economies**

Due to the severe competition brought about by market globalization, the relations between nations have become more intense each day and the integration of regional economies is now a part of the mainstream of economic development. Issues regarding how to improve the imbalanced development of a nation's domestic economy, shorten the gap in the development of regional economies and promote the concept of the integration of regional economies into the integration of regional competition laws and policies have become crucial, not only at the present time but also with regard to the future. The moderator of this panel was Ms. Yasmin Carrim, Member of the Competition Tribunal, South Africa. The presenters were Dr. Pierre Arhel, Counselor of the Intellectual Property Division, World Trade Organization, Dr. Peter Klocker, the Vice President of the German Federal Cartel Office, Mr. Alden Abbott, Associate Director for Policy and Coordination, U.S. Federal Trade Commission, and Dr. Kuo-Yuan Liang, President of the Polaris Research Institute, Taiwan.

■ **Panel III: Technical Assistance and Capacity Building in Competition Laws**

In 2001, WTO's Doha 4th Ministerial Declaration expressly adopted a resolution that developed countries shall make a positive effort to provide resources to and assist developing or less-developed countries in drafting policies and regulations during the process of liberalization to ensure that the whole world benefits from economic development. In this panel, presenters from technical assistance-providing countries and assisted countries respectively delivered speeches. The moderator of this panel was Ms. Paula Rebstock, Chair of the Commerce Commission, New Zealand. The presenters were Mr. Toshiyuki Nanbu, Director of International Affairs Division, Japan Fair Trade Commission (also the convener of APEC/CPDG), Mr. Byungju Lee, Commissioner of the Fair Trade Commission, Republic of Korea, Mr. Bernard J. Phillips, Head of the Competition Division, Competition Law and Policy, OECD, and Dr. Wen-Yu Wang, Commissioner of the FTC.

■ **Panel IV: International Integration of Competition Laws**

The enforcement of competition laws is closely related to economic development. Therefore, countries worldwide have made great efforts to establish competition policies that are appropriate for their countries and the international competition environment and to stipulate proper competition laws. This conference agenda was especially designed to coordinate the legal system of competition laws within each country. Every country is expected to be able to understand the trend of international developments in competition laws and policies and various possible problems to come. The moderator of this panel was Dr. Wen-Yu Wang, Commissioner of the FTC. The presenters were Mr. Alberto Heimler, Director of the Directorate for Research and Institutional Relations, Competition Authority of Italy, Professor Allan Fels, AO, Dean of the Australia and New Zealand School of Government (ANZSOG), Mr. Soy M. Pardede, Commissioner of the Commission for the Supervision of Business Competition (KPPU), Indonesia, and Dr. Andy C. M. Chen, Associate Professor of the Department of Public Administration, Tamkang University, Taiwan.

The last part of the conference was a Roundtable Discussion hosted by Dr. Frédéric Jenny, Chairman of the Competition Committee, OECD. This discussion was focused on finding the best orientation of the role played by competition laws and competition policies in socio-economic development through discussions between international and local parties.

Since its formation in 1992, the FTC has actively participated in various international

affairs and has had an outstanding performance. FTC has successfully held three international conferences separately in 1994, 2001 and 2003. This conference was the fourth one. In order to further exchange enforcement experiences with each advanced country and promote international cooperation, this international conference was once again held with two days of intense discussion. This Conference was expected to bring about a better understanding of current international trends and the integrated development of regional economies and competition to the people in Taiwan. This Conference was also designed to show the results of the efforts made by each country with regard to the coordination of competition laws and the final expectations regarding the international integration of competition laws.



Yun-Chin Su, Chairman of the National Communications Commission (left), Professor Dr. Dr. h.c. Jürgen Basedow, the Director of the Max-Planck-Institute for Foreign Private Law and Private International Law, Germany (middle) and Dr. Tzong-Leh Hwang, Chairman of FTC at the welcome party of the “Taiwan 2006 International Conference on Competition Laws/Policies” held on June 19, 2006.



Dr. Tzong-Leh Hwang giving the opening remarks at the “Taiwan 2006 International Conference on Competition Laws/Policies” on June 20, 2006.



Professor Dr. Dr. h.c. Jürgen Basedow, the Director of the Max-Planck-Institute for Foreign Private Law and Private International Law, Germany, talking on the Law and Politics of Market Regulation at the “Taiwan 2006 International Conference on Competition Laws/Policies” on June 20, 2006.



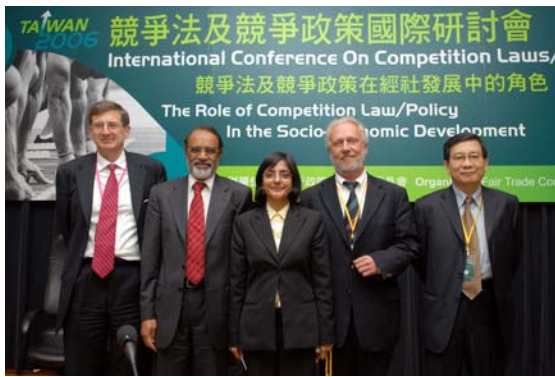
Chairpersons/representatives of Competition Authorities giving speeches at the “Taiwan 2006 International Conference on Competition Laws/Policies” on June 20, 2006.

Left to right: Ms. Paula Rebstock, the Chair of the Commerce Commission, New Zealand, Mr. Gerald Masoudi, the Deputy Assistant Attorney General (DAAG) of International Enforcement, Antitrust Division, U.S. Department of Justice, and Dr. Chao-Chuan Yu, Vice Chairman of FTC.



Moderator and presenters of the first panel held on June 20, 2006.

Left to right: Dr. Christos N. Pitelis, Director of Centre for International Business and Management (CIBAM), Judge Business School, University of Cambridge, U.K., Mr. R. Hewitt Pate, Partner of Hunton & Williams, U.S.A., Dr. Peter Klocker, Vice President of the German Federal Cartel Office, Mr. John Martin, the Commissioner of the Australian Competition and Consumer Commission, and Dr. Chang-Fa Lo, Dean of the College of Law, NTU, Taiwan.



Moderator and presenters of the second panel held on June 20, 2006.

Left to right: Mr. Alden Abbott, Associate Director for Policy and Coordination, U.S. Federal Trade Commission, Dr. Pierre Arhel, Counselor of Intellectual Property Division, World Trade Organization, Ms. Yasmin Carrim, Member of Competition Tribunal, South Africa, Dr. Peter Klocker, Vice President of German Federal Cartel Office, and Dr. Kuo-Yuan Liang, President of the Polaris Research Institute, Taiwan.



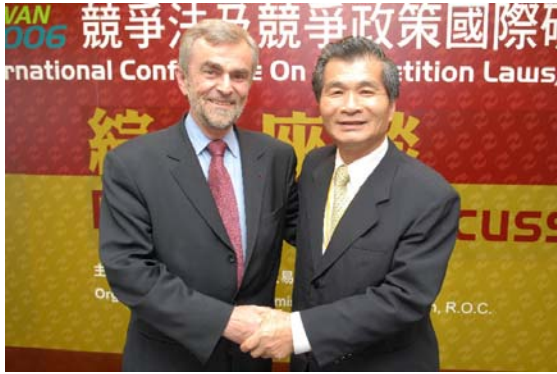
Moderator and presenters of the third panel held on June 21, 2006.

Left to right: Mr. Bernard J. Phillips, Head of Competition Divisions, Competition Law and Policy, OECD, Mr. Toshiyuki Nanbu, Director of International Affairs Division, Japan Fair Trade Commission (also the convener of APEC/CPDG), Ms. Paula Rebstock, Chair of the Commerce Commission, New Zealand, Mr. Byungju Lee, Commissioner of the Fair Trade Commission, Republic of Korea, and Dr. Wen-Yu Wang, Commissioner of the FTC.



Moderator and presenters of the fourth panel held on June 21, 2006.

Left to right: Mr. Soy M. Pardede, Commissioner of the Commission for the Supervision of Business Competition (KPPU), Indonesia, Mr. Alberto Heimler, Director of the Directorate for Research and Institutional Relations, Competition Authority of Italy, Dr. Wen-Yu Wang, Commissioner of FTC, Prof. Allan Fels, AO, Dean of the Australia and New Zealand School of Government (ANZSOG), and Dr. Andy C. M. Chen, Associate Professor of Department of Public Administration, Tamkang University, Taiwan.



Moderator of roundtable discussion, Dr. Frédéric Jenny, Chairman of Competition Committee, OECD (left) and Dr. Tzong-Leh Hwang, Chairman of FTC (right) at the “Taiwan 2006 International Conference on Competition Laws/Policies” on June 21, 2006.



Dr. Tzong-Leh Hwang (fifth from the left, first row) and Dr. Chao-Chuan Yu (fourth from the left, second row) with all guests after the closing of the “Taiwan 2006 International Conference on Competition Laws/Policies” on June 21, 2006.

© **FTC Held a Symposium on the OECD Peer Review of Taiwan’s Competition Law and Policy**

FTC held a “Symposium on the OECD Peer Review of Taiwan’s Competition Law and Policy” at the NTUH International Convention Center starting at 9:30 a.m. on June 22, 2006. This symposium was jointly hosted by Dr. Tzong-Leh Hwang, Chairman of the FTC and Dr. Frédéric Jenny, Chairman of the Competition Committee, OECD. Discussants included Mr. Bernard J. Phillips, Head of the Competition Division, Competition Law and Policy, OECD, Dr. Wen-Yu Wang, Commissioner of the FTC, Professor Gee San of the Institute of Industrial Economics, NCU, Dr. Lawrence S. Liu, Senior Vice General Manager and Strategist of China Development Financial Holding Corporation, and Dr. Chang-Fa Lo, Dean of the College of Law, NTU, Taiwan.

Taiwan officially became one of the general observers in the Competition Committee, OECD on January 1, 2002. This was the first time that Taiwan had ever participated as an observer in any professional commission of the OECD. In order to promote the transparency of each member’s policies and laws, OECD regularly holds peer reviews to discuss each member’s policies. Taiwan was invited to the OECD Global Forum on Competition for a peer review of its competition law and policy to be conducted by OECD and the competent competition authorities of more than seventy countries on February 9, 2006. The result of the peer review, which was provided by OECD’s Secretariat and other countries, was positive. Since this was the first time Taiwan had ever accepted a peer review given by OECD and Taiwan had also become an observer in other OECD committees in order to share its experiences and enhance the results and benefits of peer reviews, TFTC decided to hold this

Symposium on the OECD's Peer Review of Taiwan's Competition Law and Policy. TFTC also invited various domestic units to participate in this symposium and regard this symposium as a reference for participation in other OECD activities.

During the symposium, Dr. Tzong-Leh Hwang, Chairman of the FTC, first gave a speech, pointing that it was a challenge for the FTC to accept the OECD's invitation to be the subject of this peer review on Taiwan's competition law and policy, since the preparation for a peer review involves a great deal of manpower and resources. For this purpose, FTC especially set up a taskforce, convened by Dr. Wen-Yu Wang, to actively promote and plan relevant preparatory tasks to ensure that the review would proceed smoothly. The colleagues making up this taskforce convened a total of twenty-two taskforce meetings during the seven months of preparation.

Secondly, Dr. Hwang praised the results of the peer review regarding Taiwan's competition law and policy given by Dr. Jenny and commended the taskforce for its positive performance and contribution. Additionally, Dr. Hwang expressed the need for manpower for FTC to deal with increased violations regarding competition restraints and unfair competition. Dr. Jenny also pointed that more and more countries adopted competition laws due to market globalization. It is for this reason that cooperation among the competition authorities of each country and the coordination of competition laws has become particularly important.

Following Dr. Jenny's speech, Mr. Bernard J. Phillips explained the importance of competition in the economic environment and how they are related. He also took the United States, the U.K., New Zealand and Australia as examples to explain how the enforcement of competition laws and policies has made a positive contribution to the economic growth of these developed countries. The Head of Country Studies of OECD's Competition Division, Mr. Michael Wise, confirmed the enforcement of Taiwan's competition law and policy and he reckoned that the Fair Trade Law played a crucial role in Taiwan's economic revolution. He also provided specific suggestions regarding the possible challenges that the FTC might encounter as follows:

- (1) Strengthen the independence of the FTC through the reformation of the administrative organization of Taiwan's Central Government;
- (2) Introduce complete leniency policies to effectively detect any cartel activity;
- (3) Raise the amount of administrative fines to deter egregious cartel activity;
- (4) Stop employing market shares as the threshold for merger filings; and
- (5) Further enhance the litigation function of civil remedy.

Dr. Wen-Yu Wang also shared his experiences of participating in the peer review with everyone. Finally, Professor Gee San, Dr. Lawrence S. Liu, and Dr. Chang-Fa Lo respectively provided their suggestions regarding the competition law and policies enforced by the FTC over the last fourteen years and their thoughts regarding the suggestions submitted in OECD's peer review report as references for the FTC.

OECD expressed a high degree of appreciation with regard to Taiwan's competition law and policy and the enforcement of the Fair Trade Law. OECD also provided specific suggestions for the possible challenge that FTC might encounter in the future. FTC will put these valuable suggestions into practice by amending its Competition Law to perfect Taiwan's fair trade legal system, strengthen free competition, enhance a fair competition environment and increase Taiwan's international competitiveness.



Dr. Tzong-Leh Hwang and guests participating in the Symposium on the OECD Peer Review of Taiwan's Competition Law and Policy.

Left to right: Dr. Chang-Fa Lo, Dean of the College of Law, NTU, Taiwan, Dr. Lawrence S. Liu, Senior Vice General Manager and Strategist of China Development Financial Holding Corporation, Professor Gee San of the Institute of Industrial Economics, NCU, Dr. Wen-Yu Wang, Commissioner of the FTC, Dr. Tzong-Leh Hwang, Chairman of the FTC, Dr. Frédéric Jenny, Chairman of the Competition Committee, OECD, Mr. Bernard J. Phillips, Head of the Competition Division, Competition Law and Policy, OECD, and Mr. Michael Wise, Head of Country Studies within OECD's Competition Division.

© **Dr. Tzong-Leh Hwang, Chairman of the FTC, Gave an Address at the Third East Asia Conference on Competition Law and Policy and the Second East Asia Top Level Officials Meeting on Competition Policy and also Visited Vietnam**



Dr. Tzong-Leh Hwang, Chairman of the FTC, (fourth from the left, front row) and Mr. Kazuhiko Takeshima, Chairman of the Japan Fair Trade Commission (fourth from the right, front row) and representatives from competent authorities of South-East Asian countries (front row) at "The Second East Asia Top Level Officials Meeting on Competition Policy."

Upon the invitation issued by the Japan Fair Trade Commission, the Department of Internal Trade, Ministry of Commerce, Thailand and the Asian Development Bank, Dr. Tzong-Leh Hwang led a delegation to participate in "The Third East Asia Conference on Competition Law and Policy" and "The Second East Asia Top Level Officials Meeting on Competition Policy" held in Bangkok, Thailand on June 29-30, 2006. The delegation also visited Vietnam and returned to Taiwan on July 5, 2006.

This year's Conference on East Asian Competition Law and Policy was attended by the competition authorities or representatives from more than ten countries in East Asia including Taiwan, Japan and Korea. Dr. Hwang submitted reports and suggestions in regard to the monopoly involving twenty-one cement enterprises, OECD's peer review of Taiwan's competition law and policy and the technical assistance of competition laws provided externally by the FTC:

1. Cartel of Twenty-one Cement Enterprises:

The FTC imposed large fines on twenty-one domestic cement enterprises at the end of 2005 for their cartel activity. These cases not only involved domestic enterprises but also enterprises from Thailand, Indonesia, Japan and the Philippines. Therefore, Dr. Hwang particularly appealed at the Conference to those countries in East Asia to cooperate further to deter transnational cartel activity and seek the economic stabilization and prosperity of East Asia.

2. OECD Peer Review Report for Taiwan's Competition Law and Policy:

Taiwan accepted the peer review, conducted by OECD and competition authorities and representatives from more than seventy countries, regarding Taiwan's competition law and policy in the OECD Global Forum on Competition in February 2006. In order to enhance the enforcement efficiency of competition laws in East Asia and strengthen each country's competition culture, Dr. Hwang also suggested that peer reviews be introduced at the conferences on competition law and policy held in East Asia.

3. Technical Assistance of Competition Laws Provided Externally by FTC:

Besides mentioning the technical assistance of competition laws provided by the FTC to Thailand, Vietnam, Indonesia and Mongolia, Dr. Hwang also requested that each country pay attention to the learning gap that might occur due to the various degrees of development of each country's economy during the period that technical assistance with regard to competition laws is provided. It was not feasible to request that less developed countries keep up with the law enforcement standards of advanced countries.

Participants showed great enthusiasm for Dr's Hwang's reports and suggestions. They hoped that the FTC would further provide relevant information regarding the transnational cartel activity of cement enterprises and would continue providing technical assistance regarding enforcement to relevant countries in East Asia. They especially showed great interest in introducing the peer review mechanism and had intense discussions on this topic at the conference. The Chairman of the Japan Fair Trade Commission, Mr. Kazuhiko Takeshima, expressed his endorsement of this in his address saying that the introduction of this mechanism would certainly elevate the efficiency and transparency of each country's enforcement despite the challenges it might bring to some countries. Japan hoped that every country would give its support. Representatives from Vietnam, the Philippines, Indonesia and Malaysia also delivered speeches. Both supporters and conservatives hoped that TFTC would play a positive role in urging the introduction of this mechanism.

Additionally, Dr. Hwang had a bilateral meeting with Mr. Kazuhiko Takeshima to exchange opinions on technical assistance with regard to competition laws and the introduction of the peer review mechanism. Both parties agreed to avoid giving too much technical assistance in regard to the same matters to East Asian countries in order to save the assisting countries' resources. Both parties also agreed that the two Commissions should continue periodically exchanging opinions and information regarding external technical assistance in the future. As for the method adopted to introduce the peer review mechanism, it was decided that staff members of both Commissions would further deliberate upon the possible module and schedule.

Following the "The Third East Asia Conference on Competition Law and Policy" was "The Second East Asia Top Level Officials Meeting on Competition Policy." Taiwan, Japan and Korea, as the technical assisting countries, conversed with ten other beneficiary countries. In order to efficiently implement technical assistance, the assisting countries unilaterally

agreed that beneficial countries should submit specific assistance plans and information on related matters in advance for assisting countries to evaluate and arrange relevant support, while assisting countries in coordinating with one another. Dr. Hwang further pointed that the advantages brought about by the peer review mechanism to make the technical assistance for peer reviews more effective would assist the countries reviewed in overcoming the real difficulties and realizing the challenges they encountered. In addition, the assisting countries would be able to provide the corresponding technical assistance regarding such difficulties and challenges. Representatives from the Philippines, Vietnam and Malaysia all expressed their approval to Dr. Hwang for his speech.

After the meeting, Dr. Hwang visited Vietnam where he had a bilateral meeting with the Vietnam Competition Administration Department. He also visited the Chairman and Deputy Minister of the Ministry of Trade. Ever since the drafting of the competition laws, Vietnam has accepted the FTC's technical assistance. For the last two years, the FTC has not only dispatched experts to Vietnam to share Taiwan's experiences of competition law enforcement but has also provided opportunities for Vietnamese officials to engage in actual observation in Taiwan. With the offer of this help, Vietnam submitted to this bilateral meeting a specific plan suggesting that the FTC hold seminars regarding untrue advertisements and multi-level sales and observation programs in Taiwan to train Vietnamese officials, and that the FTC agree to allow Vietnamese officials to be stationed at the FTC for one to three months to learn the experience of law enforcement. Dr. Hwang agreed to satisfy Vietnam's needs provided that the budget and manpower were available.

Due to the liberalization and internationalization of the global economy, there has been increased interaction between nations. Only through mutual cooperation will the transnational anti-competition conduct that goes against regional and global economic development be prevented. FTC will also continuously develop and maintain benign relationships with each country and provide necessary assistance and support to East Asian countries at the same time.

◆ News Section

◎ FTC Enacts FTC Guidelines on Merger Filings

FTC passed a decision to enact the "FTC Guidelines on Merger Filings" based on the 762nd Commissioners' Meeting resolution passed on June 15, 2006. The enactment will clarify the review standards for merger filing cases for enterprises to follow.

In order to accommodate the adjustment of the industrial structure and Taiwan's current requirements for the economic environment and to protect the market competition mechanism, FTC amended the Fair Trade Law on February 6, 2002. This amendment was also passed in order to coordinate with the conclusion reached by the industrial group meeting of the Economic Development Consulting Commission, in which the government was requested to simplify the procedures, eliminate obstruction and provide proper incentives regarding business mergers. In the said amendment, the review of merger cases changed from "Prior Application Approval" to "Prior Filing Opposition." FTC also made plans to enact the "FTC Guidelines on Merger Filings" to exercise the main notion of administration, namely, to "Enhance Fair Trade and Realize the Competition Culture," and to further understand the opposition to the merger filing. We hope to decrease the uncertainty of the outcome of law enforcement and ease the merger filing enterprises' burden and, furthermore, create a more efficient competition environment and raise the nation's competitiveness through these guidelines.

The basic principles of the enactment of these guidelines are as follows:

- (1) The guidelines on merger filings shall be enacted based on the premise that Taiwan is a small open economy;
- (2) Due to the complexity of the law amendment procedure, the handling of merger filing cases shall be rationalized, specified and clarified in accordance with the current Fair Trade Law and its Enforcement Rules; and
- (3) A classified review system shall be designed according to the enforcement trend of international competition laws and Taiwan's economic traits to expedite the review of cases without competition restraints.

The key contents of these guidelines include the following items:

- (1) The expressive stipulation of merger case filing reviews shall be categorized into simplified procedures and general procedures and a list drawn up of merger filing types that qualify for simplified procedures;
- (2) The key points of the merger filing case review shall specify that in the event that a merger case has no conspicuously possible competition restraint, the overall economic benefit of this merger shall be deemed to outweigh the disadvantages resulting from the competition restraint. If a merger case has conspicuously possible competition restraint, the overall economic benefit shall be further assessed to evaluate whether the overall economic benefit of this merger may outweigh the disadvantages resulting from the competition restraint;
- (3) The principles of definition of specific markets and the calculation standards of market shares shall be specified;
- (4) The factors to do with the consideration of the competition restraint of horizontal mergers and of vertical mergers and the review methods concerning conglomerate mergers shall be specified; and
- (5) The factors concerned with the overall economic benefit shall be specified.

◎ **The FTC Enacts FTC Guidelines on Electric Appliance Advertisements**

To ensure fair competition for enterprises, protect consumers' rights and interests and prevent enterprises from providing false, untrue or misleading catalogs or information provided by suppliers as advertisement content when selling electric appliances from causing unfair competition, the FTC decided to enact the "FTC Guidelines on Electric Appliance Advertisements" based on the 764th Commissioners' Meeting resolution passed on June 29, 2006.

The enactment of these guidelines originated from the case where ELIFE MALL and GRAINEW were accused of publishing untrue advertisements regarding Toshiba's AW-G99505 washing machine, in possible violation of Article 21 of the Fair Trade Law. It was found that ELIFE MALL labeled the said washing machine's capacity as "9.5 KG" when selling it at Ta Wan retail market, possibly engaging in false, untrue and misleading advertising. Upon investigation, it was found that it was a common conduct for enterprises to employ written information, such as product catalogs provided by upstream suppliers or manufacturers, as product specifications for advertisements. ELIFE MALL's case is not an isolated case. TFTC decided to enact the said guidelines to prevent enterprises from using the said written information provided by suppliers or manufacturers for advertisements without investigating the authenticity of the representations in the advertisements and publishing untrue advertisements that have an improper impact on trading order thereby damaging consumers' rights and interests. The key points were as follows:

- (1) Regulated Objects: Electric appliance advertisements;
- (2) Regulated Targets: Enterprises selling electric appliances to end consumers;
- (3) Obligations: Enterprises shall authentically represent advertisements or relevant sales

information regarding electric appliances sold and shall be responsible for and attentive to investigation;

- (4) Correction Term: Enterprises shall positively examine and correct advertisements or relevant sales information regarding the electric appliances sold within three months after the promulgation of these guidelines. FTC may investigate individual cases in the event that enterprises fail to make corrections within the prescribed period of time;
- (5) Legal Effect: Advertisements or representations of electric appliances that fail to comply with these guidelines are in violation of Article 21 of the Fair Trade Law. An administrative fine ranging from NT\$ 50,000 to NT\$ 25,000,000 may be imposed on violators.

◎ Investigation Report on the 2005 Overall Status of Multi-Level Sales Enterprises

In order to stipulate counseling measures and management policies regarding multi-level sales enterprises, the FTC held a survey regarding multi-level sales enterprise operating conditions in 2005 from March to April, 2006. The survey results are as follows:

- (1) Allocation of Enterprises' Registered Locations: In 2005, northern Taiwan had the most enterprises, the number of which was 181. According to counties/cities, 71% of the enterprises were located in Taipei City, Taichung City and Kaohsiung City, the most populous metropolitan areas. It shows that multi-level sales enterprises mainly rely on interpersonal relationships to extend their enterprises.
- (2) Number of Participants: The number of participants at the end of 2005 was 5,058,000, which was 201,000 or 4.14% more than that in the end of 2004 when it was 4,857,000. After eliminating duplicate numbers, the number of participants at the end of 2005 was 4,037,000, which was 160,000 more than that at the end of 2004, when it was 3,877,000. In other words, 17.73 people out of 100 had participated in multi-level sales activities (the sales participation rate was 17.73%). There was an 0.64% increase since the end of 2004, at which the rate was 17.09%. The number of new participants in the year 2005 was 919,000 (18.17%), which was 11,000 (1.18%) fewer than the corresponding number in the year 2004, or 930,000.
- (3) Scale of Enterprise Participants: A total of 40.63% of enterprises had fewer than 1,000 participants, while 36.46% of enterprises, the second large category, had more than 1,000 participants and fewer than 10,000 participants. There were only 9 enterprises with more than 100,000 participants. Therefore, the scale of enterprise participants varied rather widely. The average number of participants in 2005 was 17,560, which was 40 (0.23%) fewer than that in 2004, or 17,600.
- (4) Number of Product Ordering Participants: There were 1,515,000 product ordering participants in 2005. Compared with the amount in 2004, namely, 1,341,000, this figure had increased by 174,000. The ratio of the amount of product ordering participants to the total amount of participants in 2005 was 29.95%. Compared with the ratio in 2004 of 27.61%, the ratio increased by 2.34%.
- (5) Commissions/Bonuses: The number of participants who had received commissions/bonuses in 2005 was 864,000. Compared with the amount in 2004, or 778,000, the amount increased by 86,000. The ratio of the said amount to the total amount of participants in 2005 was 17.08%. Compared with the ratio in 2004 of 16.02%, the ratio increased by 1.06%. The total amount of commissions/bonuses given by the enterprises in 2005 was NT\$28,471,000,000, which was 41.64% of the total business volume. Compared with the ratio in 2004 of 40.89%, the ratio increased by 0.75%. The average amount of commissions/bonuses received by each person was NT\$32,940 in 2005. Compared with the corresponding figure in 2004 of NT\$35,917, the amount decreased by NT\$2,977.

- (6) Business Volume: The total business volume in 2005 was NT\$68.373 billion. Compared with that in 2004 of NT\$68.304 billion, the amount increased by NT\$69 million. The average business volume of each enterprise in 2005 was NT\$237.41 million. Compared with the amount in 2004 of NT\$247.48 million, the amount decreased by NT\$10,070,000 or 4.07%. There were 14 enterprises with a business volume of more than one billion New Taiwan dollars. Compared with the number of enterprises in 2004, the number decreased by 2. The total business volume of these 14 enterprises was NT\$39.914 billion, which was 58% of the business volume of all enterprises. It shows that the business scales of enterprises changed significantly.
- (7) Product Sales Amount: In 2005, health food products still had the largest sales amount which was NT\$29.843 billion or (43.65%). The rest were cosmetic products with NT\$14.817 billion (21.67%), clothing and accessories with NT\$5.445 billion (7.96%), and cleaning products with NT\$3.857 billion (5.64%).
- (8) Replenishment/Manufacturing Costs: The amount of replenishment/manufacturing costs in 2005 was NT\$19.502 billion, which was 28.52% of the total business volume. Compared with the ratio in 2004 of 27.01%, the ratio increased by 1.51%.
- (9) Future Perspective of Operations: A total of 162 enterprises (56.25%) were worried about those non-multi-level sales enterprise destroyers. 144 enterprises (50%) thought that competition among similar products had increased and had an impact on business operations. 114 enterprises (39.58%) thought that the market was in a state of depression. In addition, 82 enterprises thought that the number of participants was gradually decreasing, 78 enterprises thought that the market was coming to saturation, and the remaining 39 enterprises (13.54%) had faith in future operations.

◎ **Selected FTC Decisions**

□ **Royal Philips Electronics engages in obviously unfair conduct that was able to affect trading order, which violated Article 24 of the Fair Trade Law.**

Royal Philips Electronics (hereafter Philips) in its CD-R technology patent license agreement requested that licensees provide an inventory of their manufacturing facilities and written sales report. During its 754th Commissioners' Meeting on April 20, the FTC determined that such action was obviously unfair conduct able to affect trading order, and violated Article 24 of the Fair Trade Law. In addition to ordering Philips to immediately cease the aforementioned unlawful action, the FTC also imposed a fine of NT\$6 million.

Philips and Sony had jointly defined the technical specifications for CD-R disc production. Local manufacturers that intended to manufacture CD-R discs with specifications compliant with the Orange Book needed to obtain a patent license from Philips. For this reason, Philips enjoyed a dominant position relative to the licensee in the CD-R patent licensing process. In its license agreement, Philips requested that licensees provide an inventory of their manufacturing facilities and written sales report, the contents of which included important information relevant to the licensee's operational cost and market competition, such as the production capacity utilization rate, production capacity, a list of clients, and the transaction volume with each client. Since the information was not closely related to the total royalty fees, it was difficult to determine whether Philips requested the aforementioned information to achieve a reasonable business objective, which was to ensure the collection of royalty fees. In addition to being the holder of the patents at issue, Philips also licensed other manufacturers to manufacture CD-R discs labeled with the Philips brand name for sale. Philips was thus competing in the market with its licensees. By using its dominant position in the CD-R patent licensing process, Philips obtained important

information about the licensees such as that on operational costs. The action was at risk of causing unfair competition in the CD-R product market.

After taking into account the motive, objective, expected improper benefits, degree of damage to trading order, duration of the action, benefits obtained, scale of business, business operations, revenue and market position, whether the competent authority had previously corrected or warned against such acts, type and number of previous violations, interval of violations, punishments incurred, conduct after the violation, cooperation during the investigation, and other factors, the FTC imposed the aforementioned punishment in accordance with Article 41 of the Fair Trade Law.

□ Li Shing Short-term Bushiban disseminates false statement that was able to damage the business reputation of another, which violated Article 22 of the Fair Trade Law.

With competition as its objective, Li Shing Short-term Bushiban (hereafter Li Shing) claimed in its advertisement that another enterprise failed to announce the roster of passing students in the Pingtung area and their scores. During its 756th Commissioners' Meeting on May 4, 2006, the FTC determined that such action was tantamount to disseminating a false statement that was able to damage the business reputation of another, which violated Article 22 of the Fair Trade Law. In addition to ordering Li Shing to immediately cease the aforementioned unlawful action, the FTC also imposed a fine of NT\$430,000.

The law does not have a clear stipulation on whether bushibans (cram schools) should announce the roster of their passing students and the students' scores, and how the announcements are to be made. Bushibans usually announce the roster of their passing students and their scores in newspapers and other promo materials, or post the information at the bushiban classroom for the students' or parents' perusal. The complainant had posted the roster at its bushiban office and used promo materials in July 2004 to announce the 2001-2003 roster of passing students. Therefore, the Li Shing advertisement that claimed that the complainant had not announced the student roster was inconsistent with fact.

Investigation showed that the complainant sent out promo materials at the end of July and in early August 2004 to announce the high score of 480.85 obtained by a student in the Pingtung area; the student was eligible to study medicine. The complainant also posted at its bushiban office the names of schools to which the students were admitted. Hence, the students' scores could be determined from the admission scores required by each school.

For students from the Pingtung area who had attended the complainant's bushiban in preparation for the 2004 exam, Li Shing indicated in its advertisement in bold "zeros" the number of students who obtained scores higher than 240 in the social science section and the number of students who obtained scores higher than 270 in the natural science section. Although a question mark was indicated in the lower right-hand corner of the zeros and the words: "Not yet published. We urge the other bushibans to announce their rosters immediately to check the performance of their bushibans." were also indicated below to suggest uncertainty, the font size of the aforementioned words and the zeros were apparently mismatched; they were able to cause the complainant's trading counterparts to have a false understanding that the complainant might not have announced the results of the students' examination or that none of the students' scores met the examination standard.

In addition, since trading counterparts use the number of passing students and the percentage of school admissions as the key factor in choosing a bushiban, investigation showed that Li Shing in its promo materials used obviously mismatched font sizes for the question marks and zeros in the comparison table. It was doubtful whether trading counterparts would understand the meaning of information being relayed by the question marks without paying special attention. In addition, of the six comparison tables indicated in

the promo material, three had headings indicating that “the other bushiban again got zero.” It was difficult to establish that the information was disseminated in goodwill. As explained above, Li Shing created or used false or misleading representations about its competitor’s service in the advertisement. The promo materials likewise stated that the complainant “claimed to be the No. 1 and the Only One but had refrained from announcing its roster every year.” The statement, which was inconsistent with the facts, was able to cause the relevant public or trading counterparts to lower their valuation of the complainant’s operation, and subsequently cause serious loss of confidence by the trading counterparts, which could lead to stoppage or refusal to trade with the complainant. FTC determined that Li Shing’s action fell under the conditions stipulated in Article 22 of the Fair Trade Law: “able to damage the business reputation of another,” and it therefore violated the said article.

After taking into account the motive, degree of damage to trading order, details of violation, scale of business, and conduct after the violation, and other factors, the FTC imposed the aforementioned punishment in accordance with Article 41 of the Fair Trade Law.

□ Six sand and gravel companies in southern Taiwan engage in obviously unfair conduct that was able to affect trading order, which violated Article 24 of the Fair Trade Law.

Because China had earlier announced in April 2006 that it would ban the export of natural sand, six sand and gravel companies in southern Taiwan maliciously hoarded sand and gravel to raise product prices faced with the adverse supply and demand situation in Taiwan. During its 21st Emergency Commissioners’ Meeting on May 29, 2006, the FTC determined that the action of the six sand and gravel companies was an obviously unfair conduct able to affect trading order, and violated Article 24 of the Fair Trade Law. In addition to ordering the companies to immediately cease the unlawful action, the FTC imposed fines ranging from NT\$1 million to NT\$6.92 million. The fines imposed on the six companies totaled NT\$17.85 million.

The local sand and gravel market was affected by China’s announcement in April 2006 stating that it would ban the export of natural sand starting May 1, 2006. The announcement led to a short-term supply instability in the local market and to price increases, which caused public concern. Since sand and gravel are daily commodities, the FTC task force set up to prevent the manipulation of the prices of daily commodities acted *ex officio* in accordance with Article 26 of the Fair Trade Law and immediately initiated investigations into whether there were violations that undermined public interest, such as malicious hoarding to increase prices. In addition to the punishment imposed on the 11 sand and gravel companies in the Jhuoshuei River and Dajia River basins of central Taiwan during its 757th Commissioners’ Meeting on May 11, 2006, the total fines imposed amounting to NT\$33.08 million, the FTC also imposed a punishment on the companies in the Kaohsiung and Pingtung River basins in southern Taiwan.

Investigations showed that the inventory of the six businesses was about 100,000 to 450,000 cubic-meters during this period, and that the six businesses did raise their retail prices. Although China had earlier announced a ban on natural sand exports starting May 1, 2006, the government implemented relevant emergency measures and there was no supply shortage in the local sand and gravel market. The six businesses were unable to explain why their April inventory increased drastically or why the inventory was significantly higher than that during the same period in 2005. In addition, the six businesses were unable to justify their increase in retail prices when they had not acquired highly-priced raw materials, which caused their costs to increase; yet, they used cost increases as an excuse for increasing their quoted and retail prices to their trading counterparts. At a time of adverse supply and demand in the local sand

and gravel market, the six businesses maliciously hoarded sand and gravel to raise product prices, which was obviously unfair conduct and detrimental to the market mechanism. Their conduct seriously affected trading order and was ethically reprehensible. It undermined public interest and violated Article 24 of the Fair Trade Law.

After taking into account the motive, objective, expected improper benefits, degree of damage to trading order, duration of the actions, benefits obtained, scale of business, business operations, previous violations, conduct after the violation, and cooperation during the investigation, the FTC subsequently imposed the aforementioned punishment in accordance with Article 41 of the Fair Trade Law.

□ Three boxed lunch business associations invite their members to a meeting and announced a price increase in school lunch boxes, which violated Article 14, paragraph 1 of the Fair Trade Law.

The Taiwan Boxed Lunch Business Joint Association, the Taichung County Boxed Lunch Business Association, and the Taichung City Boxed Lunch Business Association invited their members to a meeting and announced price increases in school lunches. During its 760th Commissioners' Meeting on June 1, 2006, the FTC determined that the action violated Article 14, paragraph 1 of the Fair Trade Law, which prohibits concerted action. In addition to ordering the associations to immediately cease their unlawful action, the FTC also imposed a fine of NT\$890,000 on the Taiwan Boxed Lunch Business Joint Association, of NT\$400,000 on the Taichung County Boxed Lunch Business Association, and of NT\$300,000 on the Taichung City Boxed Lunch Business Association.

Newspaper reports on April 21, 2006 said that the Taiwan Boxed Lunch Business Joint Association on April 20, 2006 invited its members to an orientation meeting at the Taichung City Health Bureau to discuss the dangers of school lunches provided by unscrupulous suppliers and the nutrition in student lunches. During the meeting, the association announced that prices of catering fees for school lunches would be increased, and that there would be an increase of NT\$5 for junior high schools and elementary schools, and NT\$10 for senior high schools. Because the action violated Article 14, paragraph 1 of the Fair Trade Law, which prohibits concerted action, the FTC assigned the case for *ex officio* investigation by the FTC task force to prevent the manipulation of the prices of daily commodities.

Investigation showed that the Taiwan Boxed Lunch Business Joint Association did in fact on April 20, 2006 convene a meeting at the Taichung City Health Bureau to discuss the dangers of school lunches provided by unscrupulous suppliers and the nutrition in student lunches. The meeting was organized by the Taiwan Boxed Lunch Business Joint Association, and co-organized by the Taichung County Boxed Lunch Business Association and the Taichung City Boxed Lunch Business Association. The presidents of the three associations were the main speakers, while the presidents of the boxed lunch business associations of Changhua County, Taoyuan County, and Tainan County were also in attendance. Furthermore, all members of the Taichung City Boxed Lunch Business Association attended the meeting, while 13 members of the Taichung County Boxed Lunch Business Association attended the meeting.

During the orientation meeting, the presidents of the Taiwan Boxed Lunch Business Joint Association, the Taichung City Boxed Lunch Business Association, and the Taichung County Boxed Lunch Business Association reported a study on the costs and standard of catering fees for school lunches in central Taiwan. They recommended an increase in catering fees for school lunches for the next school year, and the increase would be NT\$5 for junior high schools and elementary schools and NT\$10 for senior high schools.

In addition, printed information on the avoidance of school lunches from unscrupulous

caterers and keys to safety management and operation by lunch box caterers was distributed during the meeting. The printed information stated that “the president of the joint association and the presidents of the business associations in central Taiwan will, in the near future, adjust the catering fees for the different school levels, increasing prices from the original NT40 to NT\$50...”

Article 14, paragraph 1 of the Fair Trade Law stipulates: “No enterprise shall have any concerted action.” Article 7, paragraph 4 of the same act stipulates: “By means of its charter, a resolution of a general meeting of members or a board meeting of directors or supervisors, or any other means, to restrict activities of enterprises is also deemed as horizontal concerted action as used in Paragraph 2.” The Taiwan Boxed Lunch Business Joint Association, the Taichung City Boxed Lunch Business Association, and the Taichung County Boxed Lunch Business Association invited their members to the aforementioned orientation meeting on April 20, 2006, and, through verbal recommendations and the distribution of printed material, announced an adjustment in catering fees for school lunches in the next school year. Thus, this was enough evidence to determine that the associations actually gave their members recommendations or instructions on important business activities that were related to market competition, such as the adjustment of catering fees, as well as the time, scope, and method of the fee adjustment. The point of view regarding school catering fees was modified through the aforementioned exchanges and negotiations. Consequently, when the schools that had not experienced a fee increase would have invited tenders from caterers for the next school year, the chances of tender postponement would have increased because there would not have been enough participants in the tender. Subsequently, because of the reduced incentive to join the tender for the school catering, the members would have been obstructing competition for school lunches. Therefore, the aforementioned action of the three associations constituted concerted action as defined by Article 7 of the Fair Trade Law. They violated Article 14, paragraph 1 of the Fair Trade Law and the FTC imposed the above punishment in accordance with Article 41 of the same act.

Four passenger bus companies negotiate to charge uniform fares, jointly reduce the number of bus trips, and reduce fare discounts, which violated Article 14, paragraph 1 of the Fair Trade Law.

Kuo-Kuang Motor Transport Company (Kuo-kuang), Pingtung Bus Company (PBC), Kaohsiung Transportation Co., Ltd. (KTC), and Chungnan Bus (Chungnan) negotiated and agreed to charge uniform fares and reduce the number of trips and fare discounts. During its 761st Commissioners’ Meeting on June 8, 2006, the FTC determined that the companies engaged in concerted action that was able to affect the supply and demand of the public transport service market from Kaohsiung to Kenting, and violated Article 14, paragraph 1 of the Fair Trade Law. In addition to ordering the companies to immediately cease the aforementioned action, the FTC imposed a fine of NT\$1.14 million on Kuo-kuang, NT\$920,000 on PBC and KTC, and NT\$570,000 on Chungnan.

As early as 2002, high-level supervisors of Kuo-kuang, PBC, KTC, and Chungnan had already exchanged views on relevant cooperation issues during their joint meetings and island-wide meetings. In early 2005, the high-level supervisors met again to negotiate and agreed to cooperate. They established a united service center at the KTC Nanhua terminal, jointly drafted uniform bus schedules, and adopted uniform fare and ticketing measures. All these were implemented beginning June 1, 2005.

From the Kaohsiung terminal, the domestic rail transport system connects east to Pingtung City and south to Chaochou, Linpian, and Fangliao, and further to the South-bend Railroad. From there, the rail connects to the Eastern Line. Since the townships south of

Linyuan, Tongkang, and Fangliao are not serviced by rail transport, Kuo-kuang, KTC, PBC, and Chungnan are major providers of public transport services from Kaohsiung to Kenting. Through the drafting of a uniform bus schedule and implementation of a uniform fare and ticketing system, the bus companies formed a collaborative relationship and directly impeded each other's competition in fare price and the number of trips. After the four companies commenced their united action on June 1, 2005, the total number of bus trips went down from 428 daily to 314 daily, a drop of 26.6 percent. Nonetheless, the average daily bus trips of Kuo-kuang, PBC, and KTC almost did not change (increased by 1.9 percent), but the average revenue for June 2005 immediately increased by 18.7 percent as compared to May 2005. Revenue in January and February 2006 also increased by 29.7 percent as compared to the same period in 2005. In addition, Kuo-kuang originally offered 40 percent discount for its monthly pass while PBC and KTC offered 50 percent discount. After the companies acted in the aforementioned way, the uniform discount for the student monthly pass was reduced to 35 percent while the discount for the commuters' monthly pass was reduced to 25 percent. Therefore, the concerted action not only reduced the total number of bus trips but also lowered the fare discounts. The action was able to affect the supply and demand in the public transport service market from Kaohsiung to Kenting, and it violated Article 14, paragraph 1 of the Fair Trade Law.

After taking into account the motive, objective, expected improper benefits, degree of damage to trading order, duration of the action, benefits obtained, scale of business, business operations, revenue and market position, whether the competent authority had previously corrected or warned against such acts, type and number of previous violations, interval of violations, punishments incurred, conduct after the violation, cooperation during the investigation, and other factors of the four companies, the FTC imposed the aforementioned punishment in accordance with Article 41 of the Fair Trade Law.

□ Grainew makes false or misleading representations of its product on its website, which violated Article 21, paragraph 1 of the Fair Trade Law.

In its website, Grainew advertised its AW-G9950S washing machine as having a capacity of 9 to 9.9 kilograms, which was a false or misleading representation of the product. During its 763rd Commissioners' Meeting on June 22, 2006, the FTC determined that Grainew violated Article 21, paragraph 1 of the Fair Trade Law. In addition to ordering the company to immediately cease the unlawful action, the FTC also imposed a fine of NT\$600,000.

The washing machine is an item that the Ministry of Economic Affairs (MOEA) announced should be inspected. According to the Bureau of Standards, Metrology and Inspection (BSMI) under the MOEA, the AW-G9950S washing machine initially applied for inspection as an 8.2-kg capacity washing machine. BSMI carried out the capacity inspection according to the manufacturer's specification, and then issued a commodity inspection mark CI322062100060. Therefore, the capacity of the AWS-G9950S washing machine was inspected to be 8.2-kilograms. Capacity is an important reference on which the consumers base their decision in buying washing machines; it significantly affects the trading decision of the consumers.

Being the importer and distributor of the product, Grainew had a good knowledge of the product's capacity and should have truthfully provided the relevant information. Grainew, however, did not indicate that the product was inspected to have 8.2-kilograms of capacity. Instead, the company indicated on its web page the capacity of the AW-G9950S washing machine as "9-9.9-kilograms," which was inconsistent with fact and violated Article 21, paragraph 1, of the Fair Trade Law.

In addition, when E-Life Mall, a distributor of the AW-G9950S washing machine, retailed

the product in its outlets islandwide, the product was indicated as having a 9.5-kilogram capacity, which was a false or misleading representation. Investigation showed that a common practice in the industry is for the electrical appliance dealers to base their advertisements on printed product information provided by their upstream suppliers or manufacturers. Hence, E-Life Mall was not an isolated case.

To prevent electrical appliance dealers from using printed product information provided by suppliers or manufacturers for their advertisements, and failing to verify the accuracy of the information, thus leading to false advertisements that adversely affect trading order and undermine consumers' interests, the FTC has separately formulated relevant guidelines for electrical appliance advertisements for compliance by businesses.

◆ **FTC Activities**

- ◎ On May 5, the FTC organized an orientation seminar in Kaohsiung City to explain FTC regulations on agricultural products trading.
- ◎ On May 12, the FTC hosted a symposium to explain the key points of the FTC's supervisory plan for false advertisements by 3C dealers.
- ◎ On May 19, the FTC hosted a symposium to discuss the aviation transport market and competition policy.
- ◎ On May 22 and 26, the FTC conducted public hearings in Taipei and Kaohsiung on the draft amendments to the Fair Trade Law.
- ◎ On May 26, the FTC organized a symposium to discuss the development and competition of distribution enterprises.
- ◎ On May 29, the FTC hosted a symposium to discuss competition issues in the cargo freight service market.
- ◎ On May 30, the FTC convened the 10th coordination meeting among Fair Trade Law enforcement agencies.
- ◎ On June 9 at Yuan Ze University in Taoyuan County, the FTC conducted an orientation seminar on multi-level marketing.
- ◎ On June 12 and 13 at the Life Leisure Resort in Hsinchu, the FTC organized a seminar on real estate trading and related competition issues.
- ◎ On June 12 and 13 at the Prince Hotel in Yunlin County, the FTC convened the 26th coordination meeting between the FTC and local competent authorities.
- ◎ On June 13 at the FTC first conference room, the FTC hosted a forum to discuss the draft of the guidelines for the evaluation of multi-level marketing enterprises.
- ◎ On June 23 at the Taichung City Hall, the FTC organized a seminar to explain the application of the Fair Trade Law to LPG enterprises in central Taiwan.
- ◎ On June 26 and 27 at the Prince Hotel in Yunlin County, the FTC organized a workshop to explain the Fair Trade Law and agricultural product marketing management.
- ◎ On June 28, the FTC organized an orientation seminar to explain FTC regulations against false advertisements by 3C product dealers.

◆ **International Exchanges**

- ◎ From May 3 to 5, Commissioner Wang Wen-Yu and Inspector Chen Ying-Ju attended the Fifth Annual ICN Conference in Cape Town, South Africa.

- ◎ From May 19 to 20, Section Chief Chiang Kuo-Lun and Inspector Hwu Jishyan visited Sapa, Vietnam to lecture in the technical assistance program to the Vietnam Competition Administration Department.
- ◎ From May 22 to 26, representatives from the Commission for the Supervision of Business Competition of Indonesia and the Unfair Competition Regulatory Authority of Mongolia arrived in Taiwan to attend the technical assistance program on competition law.
- ◎ From June 6 to 9, Commissioner Huang Mei-Ying, Inspector Chen Ying-Ju, and Senior Specialist Chi Hsuen-Li attended the OECD Competition Committee meeting in Paris.
- ◎ From June 14 to 16, Officer Yang Chia-Hsien attended the “Regional Antitrust Workshop on Big Rigging and Buyer Power” organized by the OECD-Korea Regional Competition Center symposium in South Korea.
- ◎ From June 19 to 21, the FTC engaged in bilateral talks with competition authorities of the U.S. and New Zealand.
- ◎ From June 20 to 21, the FTC organized the “Taiwan 2006 International Conference on Competition Laws/Policies” at the Howard International House in Taipei.
- ◎ From June 20 to 22, Inspector Tu Hsing-Feng attended a WTO session in Geneva, Switzerland that reviewed Taiwan’s trade policy and mechanisms.
- ◎ On June 22, the FTC organized a “Symposium on the OECD Peer Review of Taiwan’s Competition Law and Policy” at the NTUH International Convention Center.
- ◎ From June 28 to July 5, Chairman Hwang Tzong-Leh led a delegation to attend “The Third East Asia Conference on Competition Law and Policy” and “The Second East Asia Top Level Officials Meeting on Competition Policy” in Bangkok, Thailand. The delegation also visited Vietnam.

◆ Statistics

From January to June 2006, the Fair Trade Commission received 702 cases involving fair trade issues. Of these, 632 were complaints, 9 were applications for concerted action, 38 were notifications of mergers, and 23 were requests for interpretation. As of the end of June 2006, the Commission had finished processing 28,095 of the 28,504 cases it had received, or 98.57% of the total.

Cases Received and Processed by the Commission

Unit: Cases					
Year	Total	Complaints	Applications for Concerted Action	Applications for Mergers	Requests for Interpretation
Total	28,504	19,782	143	6,227	2,352
1992	1,296	1,039	12	13	232
1993	1,567	1,243	9	112	203
1994	2,020	1,499	11	262	248
1995	2,486	1,768	2	435	281
1996	2,234	1,636	12	334	252
1997	2,277	1,480	23	561	213
1998	2,444	1,335	13	863	233
1999	2,757	1,522	7	1,064	164
2000	2,697	1,372	12	1,187	126
2001	2,556	1,381	4	1,089	82

2002	1,387	1,186	8	132	61
2003	1,100	999	12	50	39
2004	1,148	1,058	2	33	55
2005	1,833	1,632	7	54	140
2006 (January to June)	702	632	9	38	23

Note: The Fair Trade Law was amended on February 8, 2002, at which time the merger regulation was changed to the pre-merger notification system. Of the 132 merger cases between January and December 2002, 43 were pre-merger notifications.