

## On the Competition Regulations for Distribution Businesses in the Age of the Digital Economy

Chi, Chen-Ching\*

Huang, Hui-Ling

### Abstract

The aim of this study is to explore the current competition among distribution businesses, such as warehouse retailers, supermarkets, chain convenience stores, and drugstores, and their changes in market shares under the development of the digital economy. In view of the trend toward various distribution businesses investing large amounts of resources to establish digital platforms, this study analyzes market power based on the HHI and supplements its findings with consumer surveys. Nonetheless, it is difficult to know directly whether there is anti-competition. As the digital economy is essentially a new economy and is currently being steadily developed, the resulting economic behaviors are diverse and complex. In general, countries around the world are open to competitive behaviors in the digital economy and are adapting to them through the flexible interpretation of original norms before the introduction of special laws (because it is observed that there is no objection to mergers and acquisitions among large distribution businesses, and relevant legal concerns are removed under free development). Therefore, given the legislative trends around the world, it is still important to pay continuous attention to the restrictions on the transactions of distribution businesses in the digital economy and to whether they relate to monopolistic competition under existing norms and laws. As the legislative discussions on how Japan treats this competition issue are rarely taken note of in Taiwan, this study mainly adopts Japan's competition policy on promoting transparency and fairness among specific digital platforms as an example. In the face of the globalized digital economy, this study argues that it is necessary to shift the attention from commodity prices, which in the past were the focus of the distribution industry, to

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\* Chi, Chen-Ching, Professor, Department of Law, and Chief, Research Center of Public Law, National Kaohsiung University; Huang, Hui-Ling (Corresponding author), Associate Professor, Department of Business Administration, Chang Jung Christian University.

competition order policies, which expand the focus to include digital platform market monitoring. By learning from Japan's legislative experiences of competition policy in terms of promoting transparency and fairness among specific digital platforms, the Taiwan government should formulate special laws as soon as possible to help the Fair Trade Commission adapt to the future digital economy era and network effect. Doing so can help enact integrated legal norms for violations of the Fair Trade Act on the digital platforms of distribution businesses.

**Keywords:** Digital Economy, Distribution Business, HHI, Competition Law, Act on Improving Transparency and Fairness of Digital Platforms (TFDPA, Japan).