

Annual Report on Competition Policy Developments in Chinese Taipei

-- 2018 --

5-7 June 2019

This report is submitted by Chinese Taipei to the Competition Committee FOR INFORMATION at its forthcoming meeting to be held on 5-7 June 2019.

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1. Executive Summary

1. This report covers the activities of the Fair Trade Commission (FTC) of Chinese Taipei from January 1 to December 31, 2018.
2. The latest amendment to the Fair Trade Act (FTA) came into effect on June 14, 2017. There has been no change in the FTA since then.
3. Regarding competition enforcement, the FTC processed 2,272 cases, including 2,147 cases received in 2018 and 125 cases carried over from 2017. By the end of 2018, 2,127 cases had been closed and 145 cases were pending. The FTC handed down nine decisions related to anti-competitive practices: five on mergers, one on concerted actions, and three on resale price maintenance.
4. The FTC reviewed 77 merger cases in 2018, which included 8 carried over from 2017 and 69 received in 2018. By the end of 2018, the FTC had completed the reviewing of 67 cases, one of which was prohibited, and 10 were pending.
5. In 2018, the FTC participated in various consultation meetings with other government agencies related to competition issues and organized 71 seminars for the public sector, students, and local governments for advocacy. The FTC also held four seminars for the various business sectors in order to explain the competition law compliance program, the leniency program and the prohibition against concerted actions.

2. Introduction

6. This report describes key competition law and policy developments in Chinese Taipei during 2018.

2.1. Competition law of Chinese Taipei

7. The Fair Trade Act (FTA) is the competition law of Chinese Taipei. The purpose of the FTA is to maintain trading order, protect consumers' interests, ensure free and fair competition, and promote economic stability and prosperity¹. The FTA covers regulations not only on restrictive business practices, including monopolies, mergers, concerted actions, and vertical restraints (RPM, boycotting, tie-ins and other restrictive business practices), but also on unfair trade practices, including false, untrue or misleading advertisements, the counterfeiting of commodities or trademarks, the improper offering of gifts or prizes, as well as damage to business reputation and other deceptive or obviously unfair conduct capable of affecting trading order.²

¹ Article 1 of the Fair Trade Act: "This Act is enacted for the purposes of maintaining trading order, protecting consumers' interests, ensuring free and fair competition, and promoting economic stability and prosperity."

² In 2018, 62 cases of complaints and FTC self-initiated investigations fell into the category of unfair trade practices. The FTC also initiated investigations into 36 cases of unfair trade practices.

8. The FTA has been amended 8 times since it took effect in 1992. The sixth amendment enacted on February 4, 2015 was considered the widest in range, the largest in scale and the most influential in terms of legal reforms³.

2.2. Institutional design

9. The Fair Trade Commission (FTC)⁴ is Chinese Taipei's primary competition authority⁵. The FTC was established in 1992 and reformed in 2011 under the newly enacted "Organic Act of the Fair Trade Commission." The FTC is an independent government entity at the ministerial level and is responsible for the enforcement of the FTA and the Multi-Level Marketing Supervision Act.

10. The FTC consists of seven full-time commissioners who are appointed by nomination by the premier and approval by the Legislative Yuan (the Congress) for a 4-year term and may be reappointed. When making the appointment, the premier shall designate one of the commissioners as the chairperson and another as the vice chairperson. The commissioner appointees must have knowledge and experience with regard to law, economics, finance, taxation, accounting, or management. All commissioners must be politically impartial, are not allowed to participate in political party activities during their terms of service, and must also perform their duties independently according to related laws. In particular, the terms of the seven commissioners are staggered, and three of them took office in February 2019.

11. The Commissioners' Meeting is the highest policy making organ of the FTC and is charged with drafting fair trading policy, laws and regulations, and with investigating and handling various activities impeding competition, such as monopolies, mergers, concerted actions, and other restraints on competition or unfair trade practices by enterprises. Moreover, it is also responsible for developing policy, completing regulations as well as investigating cases concerned with multi-level marketing.

12. Provisions on exemption from following the petitioning procedure have been added to the FTA, which allows concerned parties to file with judicial agencies for remedies by adopting the administrative litigation procedures directly to respond to sanctions imposed by the FTC according to the FTA. Those provisions also highlight the status of the FTC as an independent agency.

3. Changes to competition laws and policies, proposed or adopted

3.1. Summary of new legal provisions of competition law and related legislation

13. The FTC amended two guidelines and rules to deal with possible issues faced in practice, and the significant amendments are as follows:

³ Please refer to "Annual Report (2015) on Competition Policy Developments in Chinese Taipei" DAF/COMP/AR(2016)50).

⁴ Please refer to the FTC's website at <http://www.ftc.gov.tw/internet/english/index.aspx>.

⁵ The FTC is also the competent authority of the Multi-Level Marketing Supervision Act. Please refer to <https://www.ftc.gov.tw/internet/english/doc/docDetail.aspx?uid=1297&docid=13426>.

- “Fair Trade Commission Disposal Directions (Guidelines) on the Business Practices of Franchisors”; and
- “Reviewing Rules for Approving Alliances among Civil Air Transportation Enterprises”.

4. Enforcement of competition laws and policies

4.1. Action against anti-competitive practices, including agreements and abuses of dominant market positions

4.1.1. Summary of Activities

14. The FTA permits the existence of monopolies as long as they do not abuse their market power. Concerted actions are strictly forbidden by the FTA. However, while some exceptions are allowed for, these do require the FTC’s prior approval and its decision is based on the public interest. The FTA bans resale price maintenance in principle, but allows exceptions with justifiable reasons. For other types of vertical restraints, the FTA requires the FTC to apply the rule-of-reason standard.

15. In 2018, the FTC processed 2,272 cases, including 2,147 cases received in 2018 and 125 cases carried over from the preceding year. By the end of 2018, 2,127 cases had been closed, and 145 cases were pending. A total of 116 complaint cases applicable to the FTA were concluded in 2018 and, of these, 33 concerned anti-competitive practices.

16. Decision rulings on complaints and FTC self-initiated investigations were undertaken in relation to 115 cases in 2018, and only nine of these fell into the category of anti-competitive practices. The FTC also initiated investigations into seven anti-competitive cases.

Table 1. Decision Rulings by the FTC in 2018

Unit: Number of cases

Year	Anti-competitive Practices	Abuse of Monopoly	Mergers	Concerted Actions	Resale Price Maintenance	Vertical Restraints
2018	9	-	5	1	3	-

Note: The number of illegal actions may exceed the number of cases involving decision rulings because a case may involve more than one illegal action.

4.1.2. Description of significant cases, including those with international implications

Case 1: THWSCO and TLWSCO Established a Mutual Understanding to Raise Bid Prices

17. The FTC decided at the 1,384th Commissioners’ Meeting on May 16, 2018 that Taichung Harbor Warehousing and Stevedoring Co., Ltd. (hereinafter referred to as THWSCO) and The Long Warehousing and Stevedoring Co., Ltd. (hereinafter referred to as TLWSCO) had violated Article 15 (1) of the Fair Trade Act by establishing a mutual understanding to raise bid prices for the “2016-2017 Tender for Procurement of Stevedoring Services to Unload Imported Salt at the Port of Taichung” put out by Taiyen Biotech Co., Ltd. The practice restricted the business activities of the two companies and

also affected the bidding mechanism of the tender in question. Therefore, the FTC imposed administrative fines of NT\$500,000 and NT\$100,000 on the two companies, respectively. The fines totalled NT\$600,000.

18. Only THWSCO, TLWSCO and Chien Shing Harbor Service Co., Ltd. were allowed to use all the public docks for bulk and general cargo stevedoring operations. Between Nov. 2015 and Feb. 2016, the general managers of THWSCO and TLWSCO had meetings to discuss the bid prices that the two companies would offer for the stevedoring service procurement project in question. Cross reference made to testimonies from THWSCO, TLWSCO and related personnel from the 2 companies, LINE conversation records and the bid price lists for the tender in question indicated that THWSCO had already known the bid price offered by TLWSCO before tender opening. Both companies completed their bidding on the same day. In addition, the bid prices offered by the two companies and the absence of TLWSCO at the bid opening were all proved to be consistent with the LINE conversation records. In other words, it was evident that both companies had discussed bid prices, had decided which company would be present at the bid opening, had exchanged business information and had executed the bid offers accordingly.

19. Being horizontal competitors, THWSCO and TLWSCO were supposed to fight for business opportunities by offering more advantageous prices, better quality, better services and other transaction terms. Nonetheless, the two companies met to discuss and establish the mutual understanding to raise bid prices and restrict each other's business activities. The practice sabotaged the bidding mechanism of the tender in question and free competition was restrained. It was in violation of the regulation "No enterprise shall engage in any concerted action" set forth in Article 15 (1) of the Fair Trade Act. Therefore, the FTC made the previously mentioned sanction decision according to Article 40 (1) of the same Act.

Case 2: Wacom Taiwan Restricted Retailers' Resale Prices

20. The FTC decided at the 1,382nd Commissioners' Meeting on May 2, 2018 that Wacom Taiwan Information Co., Ltd. (hereinafter referred to as Wacom Taiwan) had violated Article 19 (1) of the Fair Trade Act by restricting the resale prices of retailers for its drawing tablets and drawing pads. In addition to ordering the company to immediately cease the unlawful act, the FTC also imposed on it an administrative fine of NT\$300,000.

21. Wacom Taiwan is a wholly owned subsidiary of Japanese Wacom Co., Ltd. Through GrandTech C.G. Systems Inc. (hereinafter referred to as GrandTech) and Weblink International Inc. (hereinafter referred to as Weblink), the company sold Wacom drawing tablets, drawing pads and other digital drawing products to retailers who then resold the products to end users in the country. In January 2013 and August 2016, Wacom Taiwan instructed GrandTech to cut supply to a specific retailer and also request that the retailer stop selling Wacom products. Wacom Taiwan admitted that it was only on rare occasions that the company interfered with online retail prices and the company had done so because some retailers bidding for large procurement projects put out by schools had expressed their concerns.

22. As set forth in Article 19 (1), "An enterprise shall not impose restrictions on resale prices of the goods supplied to its trading counterpart for resale to a third party or to such third party for making further resale. However, those with justifiable reasons are not subject to this limitation." The FTC's investigation indicated that Wacom Taiwan did request that a specific retailer remove the company's products from its product list and also did instruct GrandTech to discontinue supply to force the retailer to stop selling the

products at lower prices or raise the prices. Besides, the market power of Wacom Taiwan, the importance of providing Wacom products to retailers, the request from Wacom that the retailer remove Wacom products from its product list and the discontinuation of supply could easily have forced the retailer to comply with the company's demands to sell the products at prices set by the company. For this reason, Wacom Taiwan did "impose restrictions on resale prices of the goods supplied to its trading counterpart for resale to a third party" and the practice could not be justified as intended to promote competition. Hence, the conduct was in violation of the regulation prohibiting restrictions on resale prices set forth in Article 19 (1) of the Fair Trade Act.

Case 3: RT Mart Falsely Announced Toilet Paper Price Increase in Violation of Fair Trade Act

23. The Fair Trade Commission (hereinafter referred to as the FTC) decided at the 1,375th Commissioners' meeting on Mar. 14, 2018 that RT Mart International Ltd. (hereinafter referred to as RT Mart) had violated Article 25 of the Fair Trade Act by falsely announcing an impending toilet paper price increase. The practice misled consumers and triggered an unexpected toilet paper supply-demand imbalance and was deceptive conduct able to affect trading order. Therefore, the FTC imposed an administrative fine of NT\$3.5 million on the company.

24. Earlier, the FTC had initiated an ex officio investigation to find out whether the intended price increase agreement among toilet paper manufacturers had been the result of a concerted action. During the investigation, the FTC discovered that RT Mart had sent out the message "Toilet paper prices to go up 30% and sales at major outlets are increasing by 400%" to cell phones and email boxes on the morning of Feb. 23 at the beginning of its toilet paper promotion sale from Feb. 23 to Feb. 27. The content was drawn up by RT Mart and the message was sent to all major media. Judging by the amount of its sales and number of outlets, RT Mart is definitely one of the biggest retail businesses in the country. The company first released on Feb. 23 the announcement "Toilet paper prices to go up 30%," with the time point of the price hike and margin of increase indicated, and then launched the toilet paper promotion sale from the same day to Feb. 27, but claimed that the company would continue to execute its low toilet paper price strategy. Apparently, the intention was to use the unproven message of an impending price increase by toilet paper manufacturers and then declare its promotional sale to attract consumers to purchase toilet paper at its outlets.

25. The message released by RT Mart carried the wording "The price increase of known toilet paper brands is not just 1% or 3%, but as high as 10% to 30%" and "The price increase can occur as early as mid-March, or before April at the latest." However, toilet paper manufacturers had never conducted price negotiations with RT Mart and the price increase time point and margin were groundless. Meanwhile, RT Mart was unable to provide evidence to support its claim of an impending 30% price increase. After comparing the statements from RT Mart and toilet paper manufacturers, the FTC concluded that the whole incident was the result of RT Mart's intention to use the false message to mislead consumers and expedite its toilet paper promotion sale.

26. Transaction records in the toilet paper industry showed that the post-Chinese New Year period was a slow season. Hence, the panic buying was unusual. RT Mart released the unproven message of an impending price increase by toilet paper manufacturers out of the intention to promote its toilet paper sales. The practice sabotaged the normal competition mechanism. Panic buying started after the company released the

announcement. Competitors stated that there was suddenly a several-fold increase in the demand for toilet paper and within a few days an unexpected supply-demand imbalance took place in the toilet paper market. Retailers had to adopt the emergency measure of taking orders. There were also many complaints from consumers, causing business management costs to rise. At the same time, as the demand suddenly escalated, toilet manufacturers did not have enough stock to meet the need and their production costs went up as a consequence. On top of that, consumers' normal shopping behaviour was affected and they had to spend extra time and money on transportation to purchase toilet paper. All the extra costs and disbenefits for manufacturers, competitors and consumers were the result of the practice of RT Mart that had a serious effect on trading order.

27. RT Mart falsely announced the impending toilet paper price increase message to mislead consumers and promote its toilet paper sales, causing an abnormal, unexpected supply-demand imbalance in the toilet paper market. It was deceptive conduct able to affect trading order in violation of Article 25 of the Fair Trade Act. Therefore, the FTC sanctioned the company. As to whether the intended price increase by toilet paper manufacturers was the result of an illegal concerted action, the FTC has continued to investigate.

4.2. Mergers and acquisitions

4.2.1. Statistics on the number, size and type of mergers notified and/or controlled under competition laws

28. Mergers involving parties reaching a certain sales volume or a particular level of market share require the giving of notification to and obtaining no objection from the FTC. The FTC makes its decision based on whether the benefits to the economy as a whole will exceed the anti-competitive effects of the proposal.

Table 2. Notifications for Mergers

Unit: Number of cases

Year	Cases under Processing			Results of Processing				Cases Pending at Year-end
	Carried Over from 2017	Received in 2018	Total	Mergers not Prohibited	Mergers Prohibited	Termination of Review	Combined into other Cases	
2018	8	69	77	26	1	40	-	10

Table 3. Statistics on Enterprise Mergers

(Unit: Number of cases)

Year	Cases not Prohibited	Type of Merger (Article 10, Paragraph 1 of the Fair Trade Act)				
		Subparagraph 1	Subparagraph 2	Subparagraph 3	Subparagraph 4	Subparagraph 5
2018	26	3	22	1	9	21

Note: More than one type of merger may be applicable in some cases. Therefore, the total number of cases under different types of mergers exceeds the total number of approved cases.

4.2.2. Summary of significant cases

Case 1: Merger between Google and CGC

29. The FTC decided at the 1,368th Commissioners' Meeting on Jan. 24, 2018 that it would not prohibit the merger between Google LLC (hereinafter referred to as Google) and Communications Global Certification Inc. (hereinafter referred to as CGC) by citing Article 13 (1) of the Fair Trade Act.

30. Google intended to acquire all issued shares of CGC and take control of its management and personnel appointment and dismissal. The condition met the merger patterns described in Subparagraphs 2 and 5 of Article 10 (1) of the Fair Trade Act. The principal business operations of Google included search engine service, mobile operating system licensing and online advertising. CGC was a wholly owned subsidiary of High Tech Computer Corporation (hereinafter referred to as HTC) mainly engaging in mobile device certification and testing. There was no horizontal overlap or vertical connection between the services provided by the two companies, and Google had never commissioned HTC to manufacture cell phones. Therefore, the merger belonged to the conglomerate type.

31. After reviewing the case, the FTC concluded that there was no important potential competition between Google and CGC. Hence, the merger would not lead to the elimination of potential competition. In addition, after merging, Google would have no incentive to extend its android or apps market power to the mobile device certification and testing market by imposing tie-in sales or refusing to license other businesses. In other words, the merger would not lead to any significant competition restraint. Therefore, the FTC cited Article 13 (1) of the Fair Trade Act and did not prohibit the merger.

Case 2: Merger between TIPC and Five Other Companies to Set Up a New Joint Venture TIWTC

32. The FTC decided at the 1,399th Commissioners' Meeting on Aug. 29, 2018 not to prohibit the merger of Taiwan International Ports Corporation, Ltd. (hereinafter referred to as TIPC), Taiwan Power Company (hereinafter referred to as TPC), CWind Taiwan, China Steel Corporation (hereinafter referred to as CSC), China Shipbuilding Corporation (hereinafter referred to as CSBC) and Swancor Renewable Energy Co., Ltd. (hereinafter referred to as Swancor) to set up Taiwan International Windpower Training Corporation (hereinafter referred to as TIWTC) together in accordance with Article 13(1) of the Fair Trade Act.

33. The shareholding percentages of the six previously mentioned companies in TIWTC ranged between 5% and 28%. The condition met the merger type described in Subparagraphs 4 and 5 of Article 10(1) of the Fair Trade Act. TIPC, TPC, CSC and CSBC all accounted for more than one quarter of the market and the sales of the four companies in the previous year were between NT\$15.7 billion and NT\$566.8 billion, reaching the thresholds specified in Subparagraphs 2 and 3 of Article 11(1) of the Fair Trade Act. TPC, CSC and Swancor had already been selected to be offshore wind farm developers. CSBC had submitted a bid, yet had not been selected. Thus, the four companies were considered horizontal competitors. Meanwhile, as CSC and its affiliates participated in the upstream operations of the wind power industry supply chain, TPC engaged in power transmission, distribution and sales, CWind Taiwan engaged in wind power operation and management, TIPC provided port services and TIWTC would be responsible for personnel training and certification. There would be vertical trading relations among these companies. Only Swancor was dedicated to offshore wind power

development, yet the other enterprises' main business operations had nothing to do with wind power. Therefore, the merger was also a conglomerate one. For this reason, the seven above-mentioned enterprises acted according to Article 11 of the Fair Trade Act and filed a pre-merger notification with the FTC.

34. Offshore wind power in the country was still in the early stage of development. Related technologies, software and hardware, marine engineering and the supply chain for the industry were yet to be established. The merger had been developed in line with the government's green energy policy to fill the gap in fundamental safety training for the industry as well as promote the industrial chain being localized and taking root. As a consequence, related personnel could be trained domestically and did not need to travel overseas, and neither would the merged entity need to recruit certified foreign technicians. In the future, the training centre would be able to train 800 to 1,000 offshore wind turbine operators and maintenance technicians. The merger would benefit the overall economy by promoting the development of wind power.

35. As stipulated in the Renewable Energy Development Act, feed-in tariffs and calculation formulas for offshore wind power are under the strict control of the government. The Ministry of Economic Affairs reviews the rates every year, and thus the businesses do not have the ability to raise prices unilaterally. Furthermore, the signing of feed-in tariff contracts has to be conducted according to the feed-in tariff rate approved by the Ministry of Economic Affairs and no adjustment is allowed according to the law. Therefore, it is quite clear that businesses cannot jointly decide the price or volume. Moreover, offshore wind power operations can only be carried out in accordance with the timeline specified by the government. Businesses cannot enter the market at whim. Companies that constitute the parts of the merger have neither privileges in selection nor advantages in competition, nor are they able to create market entry barriers. Although three of the merging enterprises in this case had already been selected to be offshore wind power developers, the installed capacity of the offshore wind power that they obtained together was only 22% of the total market share, way behind other foreign developers. They would therefore not have the ability to impede others from entering the market. Hence, the FTC decided that the merger would not lead to any concerns of competition being restricted in the domestic wind power market.

36. Finally, the FTC concluded that wind power safety training and certification was not a type of business requiring special permission. There would not be any technical barriers or large-scale capital investment in software and hardware. The industry was still in the early stage of development in the country, and therefore the market scale was small. With low threshold entry requirements, personnel attending the training courses would not be limited to the employees of the merging parties, but would be recruited publicly. At present, the international standard has been established by GWO, and is binding on its members. Around the world, there are already 225 GWO-certified training centres while there are also potential competitors in the country. Therefore, the FTC considered the merger was unlikely to lead to competition restrictions in the wind power personnel training and certification market. By combining the above-mentioned factors, the FTC decided that the overall benefit from the merger would outweigh the disadvantages from the competition restrictions thereof incurred and did not prohibit the merger.

5. The role of competition authorities in the formulation and implementation of other policies, e.g., regulatory reform, trade and industrial policies

37. In its first amendment in 1999, the new provision of the FTA required that the FTA not be applied to acts performed in accordance with other laws only if such other laws do not conflict with the legislative purpose of the FTA. This amendment thereby affirms that the spirit and content of the FTA is the core of economic policy.

38. The FTC has completed a comprehensive review of all relevant laws and regulations since 2001 to minimize potential conflicts among laws, advocate free and fair competition, and ensure the presence of a healthy operating environment in which all businesses are able to compete fairly. As a result, the FTC will continue to be aware of developments in various markets, perform reviews of other laws to determine whether they are in compliance with the FTA and consult with relevant industry competent authorities to prevent related laws and regulations from impeding competition.

39. In 2018, the FTC organized and participated in various consultation meetings with other government authorities related to competition issues, as summarized in the following:

- Participated in the “5th Review Meeting on Mandatory Provisions to be Included in and Prohibitory Provisions of Standard Form Contract for Weight Loss and Body Care Activities” held by the Department of Consumer Protection, Executive Yuan to express related legal advice based on “Regulations Governing the Amount of Gifts and Prizes Offered by Businesses” pursuant to Article 23 of the FTA.
- Participated in the meeting on the draft amendment on partial articles of “The Equalization of Land Rights Act,” the draft amendment on Article 26-1, Article 51-1 and Article 59 of the “Land Administration Agent Act,” as well as the draft amendment on partial articles of the “Real Estate Broking Management Act” held by the Ministry of the Interior to make related suggestions about the draft amendment to Article 19 of the “Real Estate Broking Management Act” (deleting the provision of the standard repayment out of the real fixing price or rental specified by the central administration office).
- Received written inquiries from the Water Resources Agency, Ministry of Economic Affairs concerning whether the agency could permit sand and gravel crushing plants located in aboriginal areas to acquire a prioritized position in purchasing a certain proportion of soil, sand and gravel dredged from its governmental rivers and reservoirs, and recommended that since this special purchasing mechanism may discriminate against other type I sand and gravel plants, the competent agency should avoid affecting supply and demand in the market and ensure free and fair competition when processing the said special mechanism.
- Participated in the discussion meetings on the draft of the “Notice Regulation of Western Medicine Patent Linkage Agreements” and the related hearing organized by the Food and Drug Administration of the Ministry of Health and Welfare to express related opinions on the framework and content of the draft. The stipulation of the Notice Regulation is pursuant to Article 48-19 of the Pharmaceutical Affairs Act, stating that related parties should notify the FTC of settlement agreements or other agreements if the reverse payment interest agreement is involved.
- Regarding the draft amendment of the “Self-Government Ordinance of Operations Management of Passenger Ships in the Sun Moon Lake Waters of

Nantou County” as well as the “Payment Standard for Passenger Ships in the Sun Moon Lake Waters of Nantou County” proposed by the Nantou County Government, the FTC recommended that the County Government pay attention to whether the said Ordinance and Standard affect market competition and take care to avoid conflict with the legislative purpose of Article 1 of the Fair Trade Act after they come into effect. In addition, the FTC also provided written comments on the feasibility of the Nantou County Government planning to set up a one-stop service to sell ship tickets for the Sun Moon Lake.

- The FTC provided to the National Communications Commission (NCC) the Disposition of the merger among Hung-Tse Venture Capital Co. (transliteration), China Network Systems Co., Ltd., Chuan-Chiu Digital Media Co., Ltd. (transliteration), and 12 cable television operators when the NCC reviewed the said merger. The NCC then referred to the FTC’s opinions about the market order and the overall economic benefits, including the impacts of the merger on market competition, customer rights, and other public interests, etc. Furthermore, the Disposition was also provided to the Overseas Chinese and Foreign Investment Commission, Ministry of Economic Affairs for reference.

6. Resources of competition authorities

6.1. Resources overall (current numbers and change over previous year)

6.1.1. Annual budget:

40. NT\$334.853 million in 2018 (approximately equivalent to US\$10.807 million in December 2018).

6.1.2. Number of employees (person-years):

41. There were 202 employees at the end of the year 2018, including all staff in the operations and administrative departments and seven full-time Commissioners. The operations departments include the Department of Service Industry Competition, Department of Manufacturing Industry Competition, Department of Fair Competition, Department of Planning and Department of Legal Affairs. Over 93% of employees have bachelor degrees with majors in different subjects at the university level.

42. In terms of the educational background percentages, 17%, 30%, 6%, and 47% of the employees majored in law and related fields, economics and related fields, both in law- and economics-related fields, and other related fields (including information management, statistics, and public administration), respectively.

43. As a result, the structure of the human resources of the FTC is as follows:

Table 4. Structure of FTC Human Resources

Category	No. of employees
Lawyers	34
Economists	61
Lawyers & Economists	12
Other professionals & support staff	95
All staff combined	202

6.2. Human Resources (person-year) applied to:

6.2.1. Enforcement against anti-competitive practices and merger review

44. Apart from the Department of Fair Competition, which has 27 staff and is responsible for unfair competition practices, such as false and misleading advertisements, counterfeiting and multi-level sales cases, the Departments of Service Industry Competition and Manufacturing Industry Competition of the FTC handle all kinds of anti-competitive cases, including the abuse of dominant market positions, merger reviews, cartels and various vertical restraints.

45. The Department of Service Industry Competition is responsible for cases related to the services and agricultural sectors, and the Department of Manufacturing Industry Competition is responsible for cases related to the manufacturing sector. There are 26 staff members in the Department of Service Industry Competition and 28 in the Department of Manufacturing Industry Competition.

6.2.2. Advocacy efforts

46. In 2018, 10 of the 27 staff members in the Department of Planning of the FTC were primarily in charge of public outreach programs. However, since most of the outreach programs for competition advocacy were case-oriented, almost every department staff member played an active role in outreach activities. The FTC organized 71 seminars in 2018 for the public, students, and local governments to introduce the regulations of the FTA.

47. Furthermore, in 2018, the FTC held four seminars for the various business sectors to introduce and explain the competition law compliance program, the leniency program and the prohibition against concerted actions.

6.3. Period covered by the above information:

48. January through December 2018.

7. Summaries of or references to new reports and studies on competition policy issues

49. The FTC studied and published reports on competition policy issues in 2018 with the following titles. All of them are only available in Chinese:

- Research on Payment Systems and Competition
- Research on Safe Harbor Clauses under the Fair Trade Act
- Research on Applications of Empirical Analysis in Market Definition
- Comparative Research on Pricing Strategies of Oil Products Applied in Leading Countries