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Assessing the impact of competition authorities' activities – Contribution from Chinese Taipei

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Chinese Taipei

This paper explains how Chinese Taipei assesses the benefits of competition law enforcement by quantifying "consumer benefits" and, through selected case studies, examines the practical challenges encountered in conducting these assessments and the approaches adopted to address them.

1. Overview of Current Impact Assessment Practices

1.1. Main Objectives and Scope

1. Drawing on the OECD's Guide for Helping Competition Authorities Assess the Expected Impact of Their Activities (2014) (the "OECD Guide"), the Chinese Taipei Fair Trade Commission (the "CTFTC") adopted the Pilot Guidelines on Enforcement Impact Assessment (the "Pilot Guidelines") in June 2026 and undertook a pilot assessment of the benefits generated by its enforcement activities during 2023–2025. By quantifying consumer benefits, the CTFTC seeks to demonstrate the results of its enforcement activities, advance its broader objectives of promoting competition and safeguarding consumer interests, and assess the efficiency with which enforcement resources are allocated.

2. The CTFTC's assessment covers mergers, including prohibited mergers and merger clearances subject to remedies, as well as cartels and abuses of dominance[1] cases. The CTFTC is currently applying the Pilot Guidelines and, upon formal implementation of the assessment framework, will conduct annual assessments covering all relevant administrative decisions adopted during the preceding year, with priority given to quantifying consumer benefits.

1.2. Results of the Pilot Assessment

3. Between January 2023 and December 2025, the CTFTC's enforcement activities generated estimated consumer benefits totalling NT$31.0804 billion (approximately USD 955 million), equivalent to an annual average of NT$10.3601 billion (approximately USD 318 million). Over the three-year period, the average benefit-cost ratio was 24.3:1. In other words, the estimated economic benefits to consumers attributable to the CTFTC's competition law enforcement were 24.3 times the corresponding costs borne by taxpayers. The cases contributing most significantly to the overall benefits were the 2023 merger case between Uni-President and Carrefour, which was cleared subject to remedies; the 2023 cartel case involving ready-mixed concrete suppliers in northern Taiwan; and the 2024 prohibition of the Yieh United/Tang Eng merger. Collectively, these three cases generated estimated consumer benefits of NT$13.9469 billion (approximately USD 428 million), representing 44.87% of total consumer benefits.

4. The overall impact assessment was conducted by the CTFTC and has been reviewed by an external institution and experts to ensure its reasonableness and reliability.

[1] This category covers illegal monopolistic conduct, resale price maintenance, and other restrictive practices, including boycotts, unjustified discriminatory treatment, improper solicitation of trading counterparts, coercing or improperly inducing others to engage in restrictive practices, and improper restrictions on trading counterparts' business activities.

For reasons of confidentiality, the CTFTC does not publicly disclose the detailed assessment results for individual cases.

2. Assessment Methodology

2.1. Assumptions and Principles

5. The assessment assumes that enforcement interventions do not generate negative effects. It excludes administrative decisions not involving an enforcement intervention (e.g., merger clearances without remedies and exemptions granted for concerted actions), as well as effects that are difficult to quantify. The latter include dynamic effects, such as improvements in innovation and productivity, and deterrence effects, such as inducing enterprises to avoid future infringements. The assessment focuses primarily on the static effects of enforcement interventions, namely price effects. As a general rule, the CTFTC conducts *ex ante* assessments using case-specific data and applies default assumptions where such data are unavailable to derive a relatively conservative estimate.

2.2. Assessment Method

6. The CTFTC conducts *ex ante* impact assessments to quantify consumer benefits and thereby evaluate the performance of its competition law enforcement activities. The principal quantitative indicator is the estimated amount of consumer harm avoided as a result of enforcement interventions. To mitigate the effects of year-to-year fluctuations in the number of cases, the CTFTC expresses the assessment results as a three-year average. Total costs are calculated on the same basis to ensure that annual fluctuations in costs do not distort the assessment and that costs are presented consistently with expected benefits.

7. In estimating consumer benefits, the CTFTC applies the formula and default assumptions recommended in the OECD Guide. The calculation takes account of three factors: (i) the size of the affected turnover, (ii) the expected price effect, and (iii) the expected duration of the price effect. For each case, estimated consumer benefits are calculated as the product of these three factors, and the case-level estimates are aggregated by year:

1. Size of the affected turnover.
    a. Mergers: To ensure a conservative estimate, the CTFTC adopts a relatively narrow definition of the affected turnover. In horizontal mergers, the affected turnover is generally limited to the pre-merger turnover attributable to overlapping products of the merging enterprises. In vertical or conglomerate mergers, the pre-merger turnover attributable to all products of the merging enterprises is counted, with the domestic turnover generally serving as the basis for calculation.
    b. Cartels and abuses of dominance: The affected turnover is calculated based on the pre-intervention turnover of enterprises in the relevant product market that were found to have infringed and were subject to enforcement action, including cases in which a warning was issued. Turnover attributable to enterprises for which no infringement was established is excluded. Where monetary data are unavailable, the CTFTC estimates the affected turnover using appropriate metrics, such as product output, market share, or the number of members.
2. Expected price effect: The percentage increase in prices that the enforcement intervention is expected to prevent.

a. Expected duration of the price effect: The period, measured in years, for which the price increase would likely have persisted in the absence of the enforcement intervention.

8. The CTFTC gives priority to case-specific data in conducting impact assessments. Where such data are unavailable, it applies the following default assumptions: for mergers, an expected price effect of 3% over two years; for cartels, an expected price effect of 10% over three years; and for abuse-of-dominance cases, an expected price effect of 5% over three years.

3. Institutional Framework and Resources

9. The CTFTC intends to conduct enforcement impact assessments annually. Each case-handling teams will estimate the benefits generated by individual cases, after which a designated unit will consolidate the estimates. The consolidated results will then be reviewed by an external institution and experts.

10. One of the principal challenges in conducting these assessments is obtaining data on the affected turnover associated with the relevant goods or services. In many cartel cases, the entity found to have engaged in concerted action is a trade association, an occupational union, or a business association[2]. Because turnover data for such organizations may be unavailable, the CTFTC estimates the affected turnover on the basis of the information available.

11. Where case-specific data are unavailable, the default assumptions recommended in the OECD Guide may not accurately reflect the impact of individual cases. Moreover, because both the case-handling teams and the designated unit are undertaking these assessments for the first time, their expertise in assessing enforcement benefits remains under development. External institutions and experts will therefore need to provide guidance and support to strengthen the CTFTC's assessment capacity.

4. Use of Impact Assessment Results

12. The CTFTC intends to disseminate the findings of its impact assessments to other competent authorities, Legislative Yuan (the Congress), and relevant stakeholders, including businesses and consumers, through annual reports, press releases, and other channels. Such dissemination is expected to enhance government transparency and strengthen public confidence in the outcomes of competition law enforcement.

13. The CTFTC also plans to draw on these findings in future budget deliberations. For example, they may inform decisions on whether enforcement resources should be prioritized for categories of cases expected to generate the greatest overall consumer benefits, thereby improving the efficiency of resource allocation. The findings may also provide an evidential basis for requesting additional annual budget allocations from the Legislative Yuan, thereby enabling the CTFTC to implement further priority initiatives.

[2] Under the Chinese Taipei Fair Trade Act, a trade association, an occupational union, or a business association may itself be held liable for engaging in a concerted action. The CTFTC may therefore investigate and impose a fine on the organisation itself.

5. Key Challenges and Lessons from Practice

14. The CTFTC began conducting competition law enforcement impact assessments in 2026, initially undertaking a pilot assessment of cases from 2023 to 2025. In carrying out this retrospective assessment, it encountered difficulties in obtaining data on the affected turnover associated with the relevant goods or services of the enterprises under investigation for the year concerned. The principal challenges were as follows:

1. Determining the scope of the affected market: In some cartel cases, the infringing entity is a trade association, occupational union, or business association. The first issue in assessing such cases is whether the affected turnover should be calculated based on the turnover of the infringing entity or on the aggregate turnover of the members. Given that the CTFTC's intervention in such cases affects not only the entity (the association) under investigation, but also the market, namely all of its members, the CTFTC decided to use the aggregate turnover of the association's members as the basis for calculation.
2. Limitations on data availability: The second issue arising in association cases concerns limitations on data availability. In the course of investigations, only the turnover of the relevant association was obtained; turnover data for individual members were not available. As an association may have hundreds or even thousands of members, retrospective assessments found that, in some cases, the relevant data could not be obtained from publicly accessible platforms, and it was difficult to request such data from the relevant parties after the cases had been closed. After evaluation, the CTFTC decided to estimate the aggregate turnover of the association's members during the assessment period using the following approaches:
    a. The total turnover of the industry concerned and the association's market share in that industry: For example, in the 2024 cartel case concerning the Taipei City Motorcycle Business Association's unlawful cartel in setting a reference price list for motorcycle repair services, the CTFTC estimated the aggregate turnover of the association's members in motorcycle repair services by using the total turnover of the motorcycle repair industry in Taipei City and the association's market share in that industry. In future cases of a similar nature, the CTFTC will seek, wherever possible, to obtain more detailed information, including the number of members, wage rates, and prices for repair items, to facilitate the calculation of the affected turnover.
    b. Directly measurable units (e.g., the number of members and the industry's average annual salary, or the volume of shipments and the unit sales price during the investigation period): For example, in the case concerning the Taoyuan City Horticultural Trades Association's price increase for bedding plants, the CTFTC estimated the aggregate turnover of the association's members by using the members' production volume of bedding plants and their unit sales price.

15. Trade-off between simplicity and accuracy where case-specific data are unavailable: Under the methodology set out in the OECD Guide, default assumptions are used when case-specific data cannot be obtained. For example, in a 2023 cartel case concerning the recommended price list for hot-dip galvanizing services issued by the Galvanizing Association of Taiwan, the list covered multiple items with different price ranges, and the magnitude of the price increases varied across items. As data on association members' output for each item were unavailable, the CTFTC applied the OECD Guide's default price-effect assumption of 10%. Should similar cases arise in the future, the CTFTC

will seek to obtain case-specific data wherever practicable to facilitate a more accurate assessment of the price effect.

16. Determining which enterprises' pre-intervention turnover is counted: In keeping with the rationale underlying enforcement intervention, the CTFTC counts the pre-intervention turnover of every enterprise found to have infringed, regardless of whether a fine was imposed or a warning issued. Turnover attributable to enterprises for which no infringement was established is excluded.

17. For example, in the 2025 cartel case concerning New Taipei City Motorcycle Business Association's reference price list setting, although the association had voluntarily ceased its unlawful conduct before the CTFTC's decision and therefore received a warning rather than a fine, the case was included within the scope of the assessment because the CTFTC's intervention had already taken effect. Similarly, in the 2024 case involving book distributors' agreement, four of the eight infringing undertakings received a warning rather than a fine, taking into account their revenue scale, the total number of distributors, and their relative market position. Nevertheless, when calculating consumer benefits, the turnover of those four infringing undertakings was still included.

6. Conclusion

18. By quantifying consumer benefits, the CTFTC seeks to demonstrate the results of its competition law enforcement activities, advance its broader objectives of promoting competition and safeguarding consumer interests, and assess the efficiency with which enforcement resources are allocated. The CTFTC intends to continue conducting these assessments. However, its enforcement impact assessment framework remains at an early stage of implementation, and it seeks to draw on the experience of other jurisdictions to refine its approach in the following areas:

1. At this early stage of implementation, case-handling teams may not yet be familiar with how to identify appropriate data or establish a basis for estimating relevant figures. Clear standard operating procedures are therefore needed to establish consistent criteria for data selection, judgment, and calculation, thereby facilitating the continued implementation of the assessment framework.
2. Where case-specific data are unavailable for any of the three key factors used to calculate consumer benefits, the appropriateness and accuracy of the estimation methods will need to be assessed over time. The CTFTC will continue to gather information on the practices and case experience of competition authorities in other jurisdictions and refine its methodology accordingly.
3. As market conditions differ across jurisdictions, the suitability of the default assumptions recommended in the OECD Guide for the market in Chinese Taipei can be assessed only ex post, and adjusted where necessary, once a longer time series is available and sufficient data have been collected.

19. At present, the CTFTC's impact assessment covers only enforcement actions with interventions. Whether the scope should be extended to activities such as market studies or competition advocacy will depend on experience in jurisdictions that have successfully assessed such activities, as well as on the CTFTC's operational capacity and available resources.