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Japan and the European Union

Japan and the European Union have just announced agreement on the basic principles of cooperation in the competition field. On 19 July 2000 the authorities concluded negotiations which had been carried out in Tokyo during the previous two months. The planned agreement will make it easier for the competition authorities in the two jurisdictions to exchange information on international competition cases and coordinate their investigations to the fullest extent possible under domestic rules. The existing framework of bilateral agreements between the Community and the US and Canada will be completed by a very similar agreement with Japan; and Japan has recently (October 1999) signed a bilateral agreement with the US in this area. As the Commissioner responsible for competition matters has pointed out, co-operation in competition matters between the world's major economies is beneficial not only from the authorities' point of view but also in the interests of companies and ultimately consumers.

Negotiations to this end between the Commission and the Japan Fair Trade Commission (JFTC) reflect the authorities' recognition of the increasingly global character of the economy. Commercial practices in other countries can have repercussions within the Community, and it may be difficult to deal with them on the basis of Community rules. Competition concerns about firms operating in the global market often exceed the limits of a single; and the agreements which those firms conclude may have to be examined by different competition authorities.

Basic co-operation between competition authorities is mainly promoted by notifying each other on relevant competition cases dealt with by the competition authorities in the EC and Japan and by establishing arrangements for the exchange, use and protection of enforcement related information. Rules on mutual assistance and co-ordination of enforcement activities, co-operation regarding anti-competitive activities in the territory of one party that adversely affect the interests of the other party (positive comity) and provisions regarding the avoidance of conflicts over enforcement activities (traditional comity) are also included.

On present form, it looks as though bilateral action by the principal economic powers in the world may achieve more than multilateral action within the World Trade Organisation or at least may achieve concrete results much sooner. The WTO is committed to studying the prospects for establishing world-wide rules in the competition field; but it suffered a setback to its program and prestige at the abortive meeting in Seattle. It is therefore salutary, while the WTO is recovering, for the advanced economies to set the pace in practical cooperation. (Source: Commission Statement IP/00/739, dated 19 July 2000.) ■