

8th United Nations Review Conference on Competition and Consumer Protection

19-23 October 2020

Room XIX, Palais des Nations, Geneva

Thursday, 22 October 2020

Combatting Cross Border Cartels: Key Successes from Korea's Experience

Presentation by Mr. Su-hyun Yoon, Korea Fair Trade Commission

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

**2020 UN Review Conference
on Competition and Consumer Protection**

Combating Cross-border Cartels: Key successes from Korea's Experience

22 October, 2020

Su-hyun Yoon, Commissioner, Korea Fair Trade Commission

Contents

I . KFTC's history of combating cross-border cartels

**II. Ways of addressing enforcement challenges
based on KFTC's experience**

III. Conclusion

I . KFTC's history of combating cross-border cartels

- **Graphite electrode international cartel (2002)**
 - KFTC's 1st international cartel enforcement against six graphite electrode manufacturers
- **“Monopoly Regulation & Fair Trade Act” was amended to allow for extraterritorial application (2004)**
- **KFTC established International Cartel Division (2008)**
- **Air cargo carriers' international cartel (2010)**
 - KFTC simultaneously conducted dawn-raids and shared information with foreign competition authorities to investigate an international cartel involving 21 Air Cargo Carriers

I . KFTC's history of combating cross-border cartels

- **KFTC imposed strict sanctions in order to deal with cross-border cartels**
 - Administrative sanctions (corrective measures, administrative fines, etc.)
 - Criminal sanctions (referral to the prosecution)
- Through these efforts, KFTC has become one of **the world's major competition authorities** in **enforcing cross-border cartels.**

II. Ways of addressing enforcement challenges based on KFTC's experience

- **Challenges of applying domestic competition law to international cartels involving overseas companies**
- **Contributions of competition authorities**
 - 1) **International cooperation**
 - **Efficient international cartel enforcement entails:** information sharing, coordinated investigations, discussion to avoid double sanctions, etc.
 - 2) **Capacity-building for cross-border cartel detection**
 - Effective operation of the **leniency program**
 - **Regular monitoring** of potential cartels

III. Conclusion

- o **International cooperation** is the key to successful enforcement against cross-border cartels
- o KFTC is willing to share our **valuable experience and know-how** with emerging competition authorities

Thank you for your attention!

(shyoon07@korea.kr)

KFTC's Enforcement against Cross-border Cartels (2002-2019)

| Case | Year | Number of Participants | Administrative Fine |
|---|------|------------------------|---------------------|
| Graphite Electrode | 2002 | 6 companies | 5.0 million USD |
| Vitamin | 2003 | 6 companies | 3.0 million USD |
| Copying Paper | 2008 | 4 companies | 3.3 million USD |
| Marine Hose | 2009 | 6 companies | 1.2 million USD |
| Air Cargo | 2010 | 21 companies | 108.5 million USD |
| Color Display Tubes (CDT) | 2011 | 5 companies | 22.9 million USD |
| Thin Film Transistor-Liquid Crystal Display (TFT-LCD) | 2011 | 10 companies | 172.1 million USD |
| Cathode Ray Tubes (CRT) | 2012 | 4 companies | 47.6 million USD |
| Commercial Freight Vehicle | 2013 | 7 companies | 101.2 million USD |
| Auto Parts (Meter, Wiper) | 2013 | 4 companies | 101.1 million USD |
| Bearing for Commercial Sales & Steel Facilities | 2014 | 9 companies | 67.5 million USD |
| Chemical Additives | 2014 | 5 companies | 10.0 million USD |
| Auto Parts (Double-row Tapered Roller Bearing) | 2015 | 2 companies | 6.5 million USD |
| Auto Parts (Compressor) | 2016 | 2 companies | 10.7 million USD |
| Car Shipping | 2017 | 9 companies | 36.2 million USD |
| Auto Parts (Fuel Pump) | 2017 | 3 companies | 26.1 million USD |
| Auto Parts (Variable Valve Timing) | 2017 | 3 companies | 6.4 million USD |
| Aluminum & Tantalum Condenser | 2018 | 9 companies | 31.2 million USD |
| Auto Parts (Alternator) | 2019 | 3 companies | 7.2 million USD |