

## **Taiwan Fair Trade Commission Heavily Penalizes LPG Suppliers**

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On 13 March 2008 the Fair Trade Commission (FTC) determined that seven suppliers of bottled liquid petroleum gas (LPG) had used improper methods to cause LPG retailers in various districts of the greater Taipei area to raise the retail price of LPG, and not to engage in price competition or win customers away from each other, in violation of Article 19 Subparagraph 4 of the Fair Trade Act, which prohibits "causing, by coercion, inducement, or other improper means, another enterprise to refrain from price competition, participate in a merger, or engage in concerted action." The FTC imposed fines totaling NT\$84.6 million on these seven enterprises (including the Taipei County LPG Association) and nine individuals.

The LPG suppliers' "improper methods" included "intensively mobilizing the Association's district organizations to promote a wave of price rises"; "inducing LPG retailers to cooperate in raising prices by putting forth seemingly lawful price adjustment topics, such as proposing that LPG retailers' should uniformly reduce levels of discount and reduce the price difference between LPG for business and domestic use"; "arranging for upstream LPG bottlers to persuade downstream LPG retailers to cooperate in raising prices"; "exerting pressure on those LPG retailers that did not cooperate in raising prices by creating peer pressure"; and "bringing in persons from outside the industry to intimidate LPG retailers into cooperating in raising prices".

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