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**CENTRE FOR CO-OPERATION WITH NON-MEMBERS
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OECD Global Forum on Competition

CONTRIBUTION FROM CHINA

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CONTRIBUTION FROM CHINA

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I. - COMPETITION LAW AND POLICY IN CHINA

1. Implementation of the Law for Countering Unfair Competition

The Law of the People's Republic of China for Countering Unfair Competition (hereinafter referred to as the Law for Countering Unfair Competition) was adopted at the Third Meeting of the Standing Committee of the Eighth National People's Congress on Aept.2,1993. The law consists of 33 articles in five chapters, which integrates substantial stipulations and procedural stipulations in one. It embodies a concentrated reflection of main contents of the existing competition legal system of China. The Law for Countering Unfair Competition prohibits the following eleven kinds of acts of unfair competition: (1) acts of engaging in market transactions by resorting to counterfeiting or confusing measures (Article 5); (2) acts of commercial bribery (Article 8); (3) acts of releasing false or misleading advertisements (Article 10); (4) acts of infringing trade secrets (Article 10); (5) acts of engaging in unfair lottery-attached sale activities (Article 13); (6) acts of injuring competitors' commercial credit or the reputation of his competitors' commodities (Article 14); (7) acts of public utility enterprises or any other businesses occupying monopoly status restricting competition (Article 7); (8) acts of abusing administrative powers to restrict market competition (Article 7); (9) acts of predatory pricing (Article 11); (10) acts of conducting tie-in sale of commodities (Article 11); (11) acts of collusive tendering (Article 15). In addition to the Law for Countering Unfair Competition, there are other laws or regulations that touch upon the matter of competition from different perspectives and different sides. For instance, the Law on the Protection of Consumer Rights and Interests (1993) prohibits unfair competitive acts of infringing the legitimate rights and interests of consumers; the Pricing Law (1997) prohibits unfair pricing acts such as fixed pricing; Law on Tender Invitation and Bidding (1999) prohibits acts of colluding with each other in bidding; the Stipulations of the State Council on Prohibiting Regional Blockade in Market Economies prohibits acts of regional blockade.

As the execution organ of the Law for Countering Unfair Competition, the administration authorities for industry and commerce at all levels have done the work as follows in recent years:

- (1) **Carrying out in a deep-going way the publication of the Law for Countering Unfair Competition, strengthening legal consciousness of business operators and consumers and creating a favorable social environment for maintenance of fair competition.** The State Administration for Industry and Commerce carried out a large-scale publication activity of "Countering Unfair Competition All Over China" together with relevant departments and more than fifty news media and made follow-up reports of typical unfair competition cases. The administration authorities for industry and commerce at all places also organized and developed various kinds of publication activities in recent years, enhanced the understanding of business operators and consumers with regard to the Law for Countering Unfair Competition, increased the legal consciousness of business operators to standardize their operating activities of their own free will and motivated the initiative of business operators, consumers and all circles of the society to supervise unfair competitive acts.

(2) **Gradually perfecting organizations and training law-enforcement officers so as to provide organizational protection to the implementation of the Law for Countering Unfair Competition.**

The administration authorities for industry and commerce are important functional departments in the supervision and administration of markets in China, which undertake important obligations of standardizing and maintaining the market order. There is the State Administration for Industry and Commerce directly subordinate to the State Council at the central level and the administration authorities for industry and commerce at the provincial, municipal and county levels. In order to do a better job in the enforcement of the Law for Countering Unfair Competition, in 1994, the State Administration for Industry and Commerce established the Fair Trade Bureau in charge in the implementation of the Law for Countering Unfair Competition. Later, local administration bureaus of industry and commerce at all levels also established correspondent law-enforcement organs in charge of the execution of Law against Unfair Competition in their own jurisdictions. As of the end of 2000, there were 68,000 people engaged in the law enforcement of fair trade in China. At the end of 2000, the State Council decided to carry out significant reform in the system of the administration authorities for industry and commerce and implemented vertical administration under the provincial level, that is, municipal and county administration authorities for industry and commerce would be administered under the unified leadership of provincial administration authorities for industry and commerce and would not be subordinate to local governments any longer. In March 2001, the State Council decided that the State Administration of Industry and Commerce would be renamed as the State General Administration of Industry and Commerce, which was promoted from the vice ministerial level to the principal ministerial level for the purpose of further strengthening the authority and position of market supervision enforcement departments. In April 2001, the State Council decided to carry out an important enforcement campaign of “strengthening and standardizing the order of market economy” within the whole country in a concentrated manner. Of the significant task is to break through sector monopoly and regional blockade, hold down various unfair competitive acts, in which the administration authorities for industry and commerce are required to play an important role.

(3) **Making great effort to prevent unfair competitive acts and actively investigating unfair competition cases.**

Ever since the Law for Countering Unfair Competition came into force in December 1993, the administration authorities for industry and commerce in the whole country have investigated and dealt with nearly 100 thousand unfair competition cases, of which, 4000 cases in 1994, 8600 cases in 1995, 11300 cases in 1996, 12600 cases in 1997, 14600 cases in 1998, 18100 cases in 1999 and 26053 cases in 2000. In order to lay stress on the key points and reinforce the strength of law enforcement, the State General Administration of Industry and Commerce defined the key points of law enforcement according to market situations. In 2000, the State Administration for Industry and Commerce also organized and carried out a special rectification campaign of “countering administrative barriers and acts of restricting competition by public utility enterprises”, through which remarkable results were achieved. In 2000, the administration authorities for industry and commerce in the whole country investigated and dealt with 56 cases of administrative barrier, more than 460% than 1999, and 785 cases of restricting competition by public utility enterprises, more than 81% than 1999.

2. Major Problems of China’s Competition Legal System

- (1) **No legal stipulations on the definition of monopoly.** Though Chinese laws and regulations about competition often stipulate “to prohibit monopoly”, there is no law that defines the connotation and denotation of the concept of “monopoly”. And there is no law that makes stipulations on the following matters: in what scale will an enterprise constitute “monopoly”? What acts conducted by an enterprise having a monopoly position constitute “abusing its monopoly position”? How will legal measures be taken to prevent an enterprise expand its scale without any limitation? As there are no stipulations on

the problems mentioned above, it is difficult to evaluate legally some phenomena in the actual economic activities.

- (2) **Incomplete stipulations on restrictive agreements.** With regard to the acts of collusion of business operators and their acts of restricting competition, there are only the Law for Countering Unfair Competition and the Pricing Law have some stipulations on “colluding with each other to force up or down the bidding prices” and “colluding with each other in pricing”. But as to restrictive agreements in the aspects of “sales regions”, “sales customers”, “boycott” and “maintaining resale prices”, there are no legal stipulations yet. However, such cases are often reported. For instance, at the beginning of 1993, ten brickyards in a city reached an agreement after consultation to reduce 30% of their production and mutually determine a minimum selling price (see Legal Daily, May 31, 1993). In April 1999, under the pressure of more than ten trade competitors of Shandong Jinan Guangming Machinery Co., Ltd., the organizing committee of “99’s China Exhibition of Tube and Panel Products and Machinery for Construction Doors and Windows” was forced to refuse to provide Shandong Jinan Guangming Co., Ltd. the exhibition stand originally arranged for it (see China Industrial and Commercial Paper, April 3, 1999). On May 23, 1999, eight color picture tube manufacturers whose output exceeded 90% of the total amount of color picture tubes in China jointly made a decision that “beginning from June 28, 1999, they will stop production for a month and reduce the output by three million tubes” (see Beijing Youth Daily, May 28, 1999).
- (3) **Weak control over administrative monopoly.** With regard to “administrative monopoly”, though there are some stipulations in the Law for Countering Unfair Competition and other laws and regulations, for lack of strict regulatory mechanism and effective legal restriction, it got very little effect. After the implementation of the Law for Countering Unfair Competition, a certain places in a certain provinces adopted local protectionism for selling of beer and restricted the selling of beer of other places in the local markets. After many times of coordination by the administration authorities for industry and commerce of the province, it was rectified. Up to now, there are still some local governments that adopt regional blockade under the cover of protecting local interests. For example, some places and departments in Jiangsu Province rejected beer of other places on the false pretenses of quality supervision (see Legal Daily, April 23, 1999); Dianjiang County in Chongqing imposed additional taxes, fees and high-level fines on sellers of beer of other places under the cover of drinking “Love County Beer” (see Legal Daily, May 20, 1999).
- (4) **Sector monopoly is still prominent.** Through the implementation of the Law for Countering Unfair Competition and reform of some sectors, sector monopoly has turned better but there is a certain gap compared with the requirements of market economy system. Some sector monopoly enterprises are still abusing their positions of natural monopoly or sector monopoly and implementing acts of restricting competition and unfair trade acts. According to an investigation made by China Consumers Newspaper in six cities (including Nanjing, Xi’an, Lanzhou, Zhengzhou, Wuhan and Guangzhou) in February, 1999, there still existed such situation that sector monopoly implemented compulsory sales. Such sectors included gas, telecommunication, taxi, health care, fire control and so on. Commodities sold by these sectors generally had inferior quality at higher prices (China Consumers Newspaper, February 24, 1999).
- (5) **Light punishment of unfair competition acts.** It is stipulated in the Law for Countering Unfair Competition that the maximum amount of penalty is only RMB200,000.00, which can not frighten business operators and is not suitable to the situation of economic development any longer. There are no provision of administrative penalty on some unfair competition acts (such as tie-in sales and dumping) in the for Countering Unfair Competition. Penalties imposed on some unfair competition acts are calculated on the basis of illegal gains but such illegal gains are usually difficult to calculate.

- (6) **Relatively weak law-enforcement measures taken by competition authorities in charge of competition.** If compared with foreign authorities in charge of competition, the law-enforcement measures taken by China's competition authorities in charge of competition are not weak. For example, China's competition authorities in charge of competition can directly exercise power of administrative penalties while foreign competent authorities in charge of competition can only do it upon decisions of the court. But with respect of China's social and economic environment, those measures taken seem to be weak. It shall face a great number of market entities (by the end of 2000, there were 5.35 million enterprises with domestic investment, 200,000 enterprises with foreign investment, 1.76 million private enterprises and 25.71 million small industrial or commercial businesses), while these market subjects often have low legal accomplishments and sometimes do not cooperate with the law enforcement. On the other hand, under the circumstances that courts can not enforce their own cases, it is difficult for them to assist administrative authorities to enforce relevant cases.
- (7) **Overlaps between laws.** They are mainly overlaps between duties of execution organs and overlaps between liabilities of illegal acts. In respect of overlaps between duties, it is stipulated in the Law for Countering Unfair Competition that "supervision and inspection departments at or above the county level may carry out supervision over and inspection of unfair competition acts. Where it is stipulated by laws that supervision and inspection shall be carried out by other departments in laws and regulations, such stipulations shall be followed". However, it is stipulated in Telecommunication Rules that "where an enterprise conducts unfair competition in operating activities of telecommunication businesses, it shall be ordered to make corrections by competent authorities of the information industry under the State Council or telecommunication administration organs of provinces, autonomous regions and municipalities and a fine of not less than RMB100,000 but not more than 1 million may be imposed on the enterprise. Where the circumstances are serious, the enterprise shall be ordered to stop doing business and made rectification".

With respect to overlap of liabilities of illegal acts, it is stipulated in Article 27 of the Law for Countering Unfair Competition that "when bidders act in collusion with each other to force up or down the bidding price, or a bidder colludes with a tender-inviter for the purpose of pushing out their competitors, the successful bid shall be invalid, and the supervision and inspection department may impose a fine of not less than RMB10,000 but not more than RMB200,000 in light of the circumstances". For the same act, different stipulations are made in Article 53 of the Law on Tender Invitation and Bidding, "where bidders act in collusion with each other or the tender-inviter, the successful bid shall be invalid and a fine of not less than five percent and not more than ten percent of the amount of the successful bid; where there are illegal gains, the illegal gains shall be confiscated; if the circumstances are serious, the bidder's qualification of bidding for tender-invitation projects may be revoked for one or two years and announcements shall be made accordingly until its business license is revoked; where the case constitutes a crime, criminal responsibilities shall be investigated according to law".

3. Disputed Problems in the Formulation of Anti-Monopoly Law

After the Law against Unfair Competition was promulgated in 1993, China prepared to formulate the Anti-Monopoly Law of China. At the beginning of 1994, it was determined in the Legislation Plan of the Standing Committee of the Eighth National People's Congress that the Anti-Monopoly Law shall be formulated and the State Trade and Economic Commission and the State Administration for Industry and Commerce were authorized to jointly draft the law. In May 1994, the leadership group and the drafting group of the Anti-Monopoly Law were formally set up. After the setup of the drafting group, it concentrated its energy on collection of materials, research and investigation. On such basis, the Anti-Monopoly Law (the first version of the outline of the draft) was formulated. Ever since 1998, the making of anti-monopoly law attracted more and more attention. In November 1998 and December 1999, the

drafting group and OECD jointly held international workshops on making of anti-monopoly law twice. On the two workshops, domestic and foreign experts, scholars and government officials concerned with the making of anti-monopoly law had lively discussions on the making of China's anti-monopoly law. According to opinions and suggestions of people concerned, the Anti-Monopoly Law (outline of the draft) was revised for many times. In October 1999, OECD also invited main members of the drafting group to go to the head office of OECD in Paris to make discussions with experts of OECD Competition Committee. In June 2000, the drafting group revised the Anti-Monopoly Law (outline of the draft) and formulated the Anti-Monopoly Law (draft for soliciting opinions) and sent it to relevant departments. From June to September, the drafting group successively held a series of seminars to listen to opinions of relevant departments, enterprises and regions on the Anti-Monopoly Law (draft for soliciting opinions).

According to the feedback from all sides, the disputed problems are mainly in the following aspects:

- (1) **On key points and scope of the anti-monopoly law.** There are different reasoning when it is considered from different starting points:
 - i) From the starting point of entering WTO and adapting to the globalization, protecting domestic consumers and enterprises from being harmed by multinational monopolistic enterprises, the emphasis shall be laid on standardizing acts of large enterprises especially multinational enterprises, but not applicable to natural monopoly trades formed in the process of reform.
 - ii) From the starting point of promoting reform and realizing social economic welfare, natural monopoly sectors shall be included in the anti-monopoly law so as to promote the process of reform.
 - iii) From the starting point of eliminating corruption and creating a market environment of fair competition, emphasis shall be laid on standardizing administrative monopoly.
 - iv) From the starting point of establishing and perfecting market economic system, a comprehensive competition law shall be formulated.
- (2) **On principles and particularities.** One opinion is that China is still in the process of transformation from planned economic system to market economic system, it is not the time to establish an exhaustive anti-monopoly law. The law shall first make some general stipulations on some principles so as to maintain the stability of the legal norms of anti-monopoly. At the same time, it shall authorize anti-monopoly authorities to work out detailed operating standards according to the actual circumstances in the execution of the law. Another opinion is that China has determined to carry out a market economy, it shall fully make use of experiences of countries with developed market economies and formulate an exhaustive anti-monopoly law so as to promote the establishment and perfection of the market economic system as well as avoid the arbitrariness of anti-monopoly authorities in the enforcement of the law.
- (3) **On the definition of "monopoly".** One opinion is that as one of the direct purposes of the anti-monopoly law is to prohibit monopoly, it shall give a definition to "monopoly" so as to conform to people's habit of reasoning and the definition shall be highly abstract and generalized which can cover all kinds of monopolistic phenomena. Another opinion is that as there is already a definition of "monopoly" in economics, if the law circle gives a derogatory definition to it, it will arouse different interpretations. Besides, the phenomena of monopoly in China are so complicated that it is difficult to cover all types of monopolistic phenomena with one definition. So it is better to make a list of all types of monopolistic phenomena and attach basic stipulations to them.

- (4) **On administrative monopoly.** One opinion is that administrative monopoly is the specific phenomenon in the process of transformation of China's economy and administrative monopoly will naturally decrease with the gradual deepening of the reform of economic system and political system. Besides, it is actually a process of transforming functions of governments and deregulation to break through administrative monopoly. If it is compulsorily included in the anti-monopoly law to rectify the phenomenon, it is difficult to design technical measures. Another opinion is that what affects the fair competition on China's market is mainly various types of administrative monopolies, the anti-monopoly law will not conform to China's reality if it does not solve the problem of administrative monopoly.
- (5) **On control of natural monopoly.** One opinion is that the anti-monopoly law shall stipulate exceptive clauses about sectors (such as power network, pipeline network, wire network and airlines) with a nature of natural monopoly in natural monopoly, whose supervision shall be strengthened by relevant regulatory authorities. For sectors without a nature of natural monopoly (such as power plants, water supply plants, network service providers, transportation companies and so on), a competition mechanism shall be introduced and such sectors shall be included in the scope of adjustment. Another opinion is that the anti-monopoly may apply excepted clauses to natural monopoly or give an extension period to natural monopoly industries after which the anti-monopoly law shall apply.
- (6) **On intellectual property.** Opinion is that the anti-monopoly law shall give exemption to acts of exercising intellectual property. Another opinion is that the exercise of intellectual property shall be treated differently. For acts of granting permits vertically, they may be exempted; but for cartel-like restrictive and exclusive acts and acts or mergers that have negative effects on technological renovation, they shall be investigated and evaluated by applying the rule of reason.
- (7) **On competition authorities.** One opinion is that the anti-monopoly law shall create a national anti-monopoly committee that will implement unified competition rules on the market all over China. Another opinion is that as China has a vast territory and the levels of economic development in different regions are not balanced and there are a number of regional markets, on the basis of such a reality, the anti-monopoly law shall design two sets of competition authorities at the central level and the local level and define the scope of their powers and their relations.
- (8) **On coordination of the anti-monopoly law and other laws.** One opinion is that as an "economic constitution", the anti-monopoly law shall have high authority and comprehensiveness and shall possibly define all sides of market competition rules. Other legal norms concerned with competition (such as the Law for Countering Unfair Competition, Pricing Law, Law on Tender Invitation and Bidding and other trade regulatory laws) shall not contravene the anti-monopoly law. Another opinion is that legal norms concerned with competition passed before the promulgation of the anti-monopoly law shall be duly respected and maintained a continuity. And the anti-monopoly law shall not contravene these legal norms.

Finally, I want to point out that in the process of drafting China's anti-monopoly law, the OECD, the World Bank, the UNCTAD and some countries including the United Nations, Germany, Japan, France, South Korea, Australia and Russia provided fund or technical assistance to the making of China's anti-monopoly law. I would like to extend our sincere thanks to all countries and international organizations that are concerned with and have provided support to the making of China's anti-monopoly law on behalf of the drafting group.

At present, the drafting group is carefully studying the feedback opinions and proposals of all sections. The drafting group will also make further investigations and studies on the difficult and key

problems by several special subjects in the process of making the anti-monopoly law. We hope we will get more supports and help from countries and international organizations concerned.

II. – DESCRIPTION OF CASES

1. Case One : Bid-rigging (Lichuan Company – Desheng Company)

On October 9, 1998, Jiangxi Lichuan County Construction Company (a third grade construction enterprise, hereinafter referred to as “Lichuan Company”) and Jiangxi Desheng Construction Company (a fourth grade construction enterprise, hereinafter referred to as “Desheng Company”) signed an agreement. It was stipulated in the agreement that Lichuan Company would act as the authorized agent of Desheng Company to exercise the operating right of construction engineering businesses and project management within the region of Lichuan County and pay Desheng Company management fees of RMB40,000 per year. Desheng Company would deliver its business license, qualification certificates, safety certificates and official seals to Lichuan Company to carry out business activities. The valid period of the agreement was from October 10, 1998 to October 10, 2001. After the signing of the agreement, Lichuan Company bid for construction projects in the name of “Lichuan Company” and “Desheng Company” at the same time for many times. As Lichuan Company could control two lower limits on bids, it won bids with a high rate. After the successful bidding, Lichuan Company will carry out the actual construction and settlement. In March 1999 and April 2000, Lichuan Company, Desheng Company and Lichuan County No. 2 Construction Company were chosen as candidates for the bidding of teaching building project of Houcun Township Middle School in Lichuan County and the comprehensive building project of the grain depot directly subordinate to Lichuan Grain Bureau Storage Company. As a result, Desheng Company won both of the bids. Huang Jianguo, the general manager assistant of Lichuan Company, signed contracts for undertaking construction projects with bidders in the name of the entrusted agent of Desheng Company. The actual construction and prepayment and settlement of project money were all operated by Lichuan Company. Since the signing of the agreement until April 2001 when the case was investigated, Lichuan Company paid Desheng Company joint management fee of RMB68,000.00.

The municipal administration for industry and commerce in Jiangxi Province considered that the joint management agreement signed between Lichuan Company and Desheng Company was essentially acts of buying out the operating right and squeezing out other competitors for the purpose of monopolizing the construction market in Lichuan County. Lichuan Company participated in bidding in the name of two companies, irrespective of any one who won the bids, the projects would be undertaken by Lichuan Company, which would also be confirmed by Desheng Company. Both companies formed a kind of collusion and constituted acts of collusive tendering. It should be dealt with the Law for Countering Unfair Competition. This case is being handled at present.

2. Case Two : Bid-rigging (Brickyard plant)

In July 1999, a township government in Zhejiang Province submitted public bid invitation for undertaking the operation of a brickyard plant of the town. According to the operating status, equipment and production facilities of the plant, it was determined that the operating period was three years and the minimum amount of the bid was RMB180,000.00. Bidders would compete against each other for the bid

on the basis of the minimum amount of RMB180,000.00. The bidder who quoted the highest price would win the bid and bid with an amount of lower than RMB180,000.00 would be invalid.

After the announcement was made, with Li Zaida, Zhuo Linji, Li Shouqian, Li Zelong and Wang Jinbiao as representatives, five groups would participate in the bidding. In order to force down the price, members of the five groups proposed to determine who would win the bid by drawing lots and they mutually decided that the bid winner would pay the other four groups RMB200,000.00 as a kind of compensation.

The evening before bidding, representatives of five groups gathered in the home of Zhuo Linji and held a ceremony of drawing lots. On one paper ball it was written "yes" and on the other four paper balls it was written "no". Li Zaida drew the paper ball with the word "yes". Representatives of the five groups agreed that Li Zaida group would win the bid and prepared a written agreement. It was stipulated that Li Zaida would pay RMB200,000.00 to the other four groups, RMB50,000.00 for each group. When the five groups formally bid for the brickyard plant, the bidding price of other four groups should not be higher than that of Li Zaida. Otherwise, the group whose bidding price was higher than that of Li Zaida should pay Li Zaida RMB200,000. On the next day, representatives of the five groups participated in the bidding and Li Zaida won the bid with RMB180,088.00.

It was considered by a municipal administration for industry and commerce in Zhejiang Province that the applicants colluded with each other to force down the bidding price, which had violated the stipulations of the Law for Countering Unfair Competition. Their acts were unfair competition acts. According to the Law for Countering Unfair Competition, the bureau announced that the successful bid was invalid and imposed a penalty of RMB50,000.00 on each of them.

3. Case 3 : Bid-rigging (Changding County School, Fujian Province)

The originally designed building area of a teaching building of a primary school in Changding County of Fujian Province was 645 square meters. In August 1998, the Preparatory Committee of the school signed a contract with Changding County No. 2 Construction Company. The total price of the contract was RMB190,600.00 and the price per square was RMB296.00. After the signing of this contract, No.2 Construction Company started the construction. As the undertaking for the construction of the project did not conform to the stipulations on the administration of construction projects, the Construction Engineering Leadership Group of Changding County Education Department and the Preparatory Committee of the school jointed announced that they would invite public bidding for the project. The original design plan was revised and the investment was increased. The construction area of the project was 813 square meters. The method for evaluating bids was as follows: the highest bidding price and the lowest bidding price would be rejected, the arithmetic average of all bidding prices would be the minimum amount for evaluating bids. Among bidder whose price fell within the range of more or less than 3% of the minimum amount, the bidder who quoted the lowest price would be the successful one. No. 2 Construction Company and other eleven construction units applied for bidding. After examination of qualifications, ten of them were chosen as candidates. In the morning of October 5, 1998, when the candidate units surveyed the spot, No. 2 Construction Company colluded with other 9 bidders that the bid winner would still be No. 2 Construction Company. No. 3 Construction Company would be responsible for calculating the bidding prices of all candidate units and No. 2 Construction Company would make economic compensation to the other units. Finally, all bidders quoted their prices according to the price calculated by No. 3 Construction Company and No. 2 Construction Company won the bidding with a price of RMB324.00 per square. The total costs were RMB263,574.00 and the unit price was RMB28.00 more than the original price of undertaking for the project.

The administration for industry and commerce that was responsible for investigating the case considered that the ten units including No. 2 Construction Company had colluded with each other in the bidding and

made the following decisions according to the Law for Countering Unfair Competition and Measures of Fujian Province on the Administration of Construction Market: the successful bid was invalid and the construction of the project would be decided otherwise by the Education Bureau of the county and the Preparatory Committee of the school; the illegal gains of RMB9,000.00 of No. 2 Construction Company were confiscated.