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## SEMICONDUCTORS

# Intel receives warning from Japan's competition body

By Mariko Sanchanta in Tokyo  
and Tobias Buck in Brussels

Japan's competition monitor yesterday issued a warning to Intel. The Japan Fair Trade Commission alleged that the Japanese subsidiary of the world's leading chip-maker stifled competition by offering rebates and discounts to five Japanese PC makers on condition that they agreed either not to buy or to limit their purchases of chips made by rivals Advanced Micro Devices and Transmeta.

The probe in Japan mirrors a long-running investigation by the European Union's top anti-trust regulator into alleged abuses by Intel, which is also understood to focus on rebates.

A spokesman for the European Commission said it was co-operating with the Japanese authority, saying there were "similarities" between the two inquiries.

The European investigation was triggered by an AMD complaint in 2000, but for years failed to produce results. But Brussels revived the probe last May by requesting fresh information on Intel's practices from several companies in the computer industry.

It is studying their replies and officials were yesterday unable to say when the regulator might take the next formal step, for example issuing formal charges against the company.

Under EU law, Intel could be fined up to 10 per cent of

its global annual turnover, if it was found guilty of breaking competition rules.

Intel yesterday maintained that its practises in the Japanese market, which accounted for 10 per cent of its global revenues in 2004, were both "fair and lawful".

Bruce Sewell, general counsel for Intel, said there was "a broad consensus" that competition regulators should only intervene where there was evidence of harm to consumers.

"It is apparent the JFTC's recommendation did not sufficiently weigh these important principles," Mr Sewell said.

Intel said it would evaluate the JFTC's assertions and the recommendation before deciding on its next steps.