
Antitrust Law Exemptions

U.S. antitrust law provides for specific exemptions to the application of U.S. laws. Certain sectoral exemptions may constitute a violation of the principle of national treatment and give rise to investment distortion effects. The practical effect of these types of exemptions is that exporters to the United States may be subject to antitrust liability for anti-competitive practices while their U.S.-based competitors will not.

On the 10th of June 1993, the President signed into law the National Cooperative Research and Production Act (NCRPA) of 1993. This statute amends the 1984 National Cooperative Research Act (NCRA) by extending the more favourable antitrust treatment given to R&D joint ventures to manufacturing joint ventures as well. One important difference between the NCRPA and the NCRA is that the 1993 Act contains reciprocity conditions that the 1984 act does not. Moreover, in order to receive the 1993 law's antitrust benefits, the joint venture's principal facilities must be located in the United States.

To the extent that U.S. antitrust law plays a role in investment-location decisions, the availability of such exemptions for only U.S.-based enterprises may produce an investment distortion effect.
