

# Antitrust: Commission fines Coroos and Groupe CECAB €31.6 million for participating in canned vegetables cartel

The European Commission has fined Coroos and Groupe CECAB a total of € 31 647 000 for breaching EU antitrust rules. Bonduelle was not fined as it revealed the existence of the cartel to the Commission.

The Commission has found that Bonduelle, Coroos and Groupe CECAB participated for more than 13 years in a cartel for the supply of certain types of canned vegetables to retailers and/or food service companies in the European Economic Area (EEA). The three companies admitted their involvement in the cartel and agreed to settle the case.

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“European consumers should have access to food at affordable prices. Competition enables that. But instead of competing with each other, Coroos and Groupe CECAB agreed to divide the market among themselves and to fix prices for canned vegetables across Europe. They did so for over a decade. These cartels ultimately hurt European consumers and with today’s decision we send a clear message to companies that cartels are not accepted.”*

The aim of the three companies involved in the cartel was to preserve or strengthen their position on the market, to maintain or increase selling prices, to reduce uncertainty regarding their future commercial conduct and to formulate and control marketing and trading conditions to their advantage. To achieve this aim, the companies set prices, agreed on market shares and volume quotas, allocated customers and markets, coordinated their replies to tenders, and exchanged commercially sensitive information.

The infringement covered the entire EEA and lasted from 19 January 2000 to 11 June 2013 for Bonduelle, and to 1 October 2013 for Coroos and Groupe CECAB.

The Commission’s investigation revealed the existence of a single infringement comprising three separate agreements:

- An agreement covering private label sales of canned vegetables such as green beans, peas, peas-and-carrots mix, vegetable macedoine to retailers in the EEA;
- An agreement covering private label sales of canned sweetcorn to retailers in the EEA; and
- An agreement covering both own brands and private label sales (sold under retailers’ brands) of canned vegetables to retailers and to the food service industry specifically in France.

Coroos participated only in the first agreement while Bonduelle and Groupe

CECAB participated in all three.

In the context of the same investigation, the Commission opened proceedings against a fourth company, Conserve Italia. Conserve Italia is not covered by this settlement decision and therefore the investigation will continue under the standard (non-settlement) cartel procedure for this company.

## **Fines**

The fines were set on the basis of the Commission's [2006 Guidelines on fines](#) (see also [MEMO](#)).

In setting the level of fines, the Commission took into account, in particular, the sales value in the EEA achieved by the cartel participants for the products in question, the serious nature of the infringement, its geographic scope and its duration.

Under the Commission's [2006 Leniency Notice](#):

- Bonduelle received full immunity for revealing the existence of the cartel, thereby avoiding a fine of ca. € 250 million.
- Coroos and Groupe CECAB benefited from reductions of their fines for their cooperation with the Commission investigation. The reductions reflect the timing of their cooperation and the extent to which the evidence they provided helped the Commission to prove the existence of the cartel in which they were involved.

In addition, under the Commission's [2008 Settlement Notice](#), the Commission applied a reduction of 10% to the fines imposed on the companies in view of their acknowledgment of the participation in the cartel and of the liability in this respect.

The breakdown of the fines imposed on each company is as follows:

<b>Company</b>	<b>Reduction under the Leniency Notice</b>	<b>Reduction under the Settlement Notice</b>	<b>Fine (€)</b>
Bonduelle	100%	10%	0
Coroos	15%	10%	13 647 000
Groupe CECAB	30%	10%	18 000 000
<i>Total</i>			31 647 000

## *Inability to pay*

One company invoked its inability to pay the fine under point 35 of the 2006 Guidelines on fines. The Commission thoroughly assessed the application on the basis of the company's financial statements for recent years, projections for the current and coming years, ratios measuring the financial strength, profitability, solvency, liquidity, and relations with outside financial partners and with shareholders. As a result of this assessment, the Commission granted a reduction of the fine.

## Background

[Article 101](#) of the Treaty on the Functioning of the European Union (TFEU) and [Article 53](#) of the EEA Agreement prohibit cartels and other restrictive business practices.

The Commission's investigation in this case started with unannounced inspections in October 2013, following Bonduelle's application under the Commission's [2006 Leniency Notice](#).

This is the second cartel case relating to canned foodstuffs. In the canned mushrooms cartel, in [June 2014](#), the Commission fined Bonduelle, Lutèce and Prochamp a total of around €32 million, and, in [April 2016](#), it fined Riberebro €5.2 million.

Fines imposed on companies found in breach of EU antitrust rules are paid into the general EU budget. This money is not earmarked for particular expenses, but Member States' contributions to the EU budget for the following year are reduced accordingly. The fines therefore help to finance the EU and reduce taxpayers' contributions.

More information on this case will be available under the case number AT.40127 in the [public case register](#) on the Commission's [competition](#) website, once confidentiality issues have been dealt with. For more information on the Commission's action against cartels, see its [cartels website](#).

## The settlement procedure

Today's decision is the 32nd settlement since the introduction of this procedure for cartels in June 2008 (see [press release](#) and [MEMO](#)). In a settlement, parties acknowledge their participation in a cartel and their liability for it. Settlements are based on the [Antitrust Regulation 1/2003](#) and allow the Commission to apply a simplified and shortened procedure. This benefits consumers and taxpayers as it reduces costs. It also benefits antitrust enforcement as it frees up resources to tackle other suspected cartels. Finally, the parties themselves benefit in terms of quicker decisions and a 10% reduction in fines.

## Action for damages

Any person or company affected by anti-competitive behaviour as described in this case may bring the matter before the courts of the Member States and seek damages. The case law of the Court and Council Regulation 1/2003 both confirm that in cases before national courts, a Commission decision constitutes binding proof that the behaviour took place and was illegal. Even though the Commission has fined the cartel participants concerned, damages may be awarded without being reduced on account of the Commission fine.

The [Antitrust Damages Directive](#), which Member States had to implement into their legal systems by 27 December 2016, makes it [easier for victims of anti-competitive practices to obtain damages](#). More information on antitrust damages actions, including a practical guide on how to quantify antitrust harm, is available [here](#).

## **Whistle-blower tool**

The Commission has set up a tool to make it easier for individuals to alert it about anti-competitive behaviour while maintaining their anonymity. The tool protects whistleblowers' anonymity through a specifically-designed encrypted messaging system that allows two-way communications. The tool is accessible via this [link](#).