

Statement by Commissioner Vestager on Commission decision to fine seven companies for participating in four cartels

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The Commission has today fined seven companies a total of 546 million euros for taking part in four different cartels relating to cars. Three other companies involved in these cartels escaped a fine, because they came to us to reveal the cartels. All companies acknowledged their participation in these cartels and agreed to settle the cases.

Maritime car carriers cartel

The first of those cartels was about the transport of new cars, trucks and other large vehicles by sea.

In 2016, almost ten million vehicles were transported between Europe and other continents on specialised large ships – known as roll-on/roll-off ships. That includes nearly three and a half million imported cars, and nearly six and a half million exported cars.

Five of the companies involved in this transport business participated in the cartel – CSAV, “K” Line, MOL, NYK and WWL-EUKOR. Between them, they transported almost half of those ten million vehicles.

For almost six years, between October 2006 and September 2012, sales managers from these companies met at each other’s offices, in bars, restaurants and other social gatherings. They were also in contact over the phone on a regular basis.

In those discussions, the five companies coordinated prices, divided up customers between them and exchanged commercially sensitive information that could help them align their prices. Instead of competing, they gave each other a free hand on certain routes or with certain customers, by deliberately quoting high prices or not quoting at all in tenders by carmakers.

MOL avoided a fine because it revealed the existence of the cartel to the Commission. The other four companies have been fined a total of 395 million euros – all four benefited from a reduction because they cooperated with the Commission.

Spark plugs cartel

The other three cartels that we have dealt with today are the latest in a series of cartels involving a whole range of different car parts. These

latest cartels relate to spark plugs and brakes.

Spark plugs are used to ignite the petrol in a car engine. For more than eleven years, three suppliers of spark plugs – Bosch, Denso and NGK – formed a cartel that involved each company avoiding the others' traditional customers, and keeping the status quo in the spark plug industry.

This cartel was based on two-way contacts between NGK and each of the other two companies involved, where commercially sensitive information was discussed.

But at times, the companies also specifically agreed not to compete for each other's customers. That meant agreeing on the prices that each of them would quote, so they could be sure the existing supplier would offer the best price to a specific customer. It also involved agreeing on the share of supplies to certain customers, and on sticking to the shares that they had in the past.

We have fined Bosch and NGK a total of 76 million euros for taking part in this cartel. Both fines were reduced to reflect the fact that the companies cooperated with the investigation.

Denso, meanwhile, avoided a fine altogether by revealing the cartel to the Commission.

Braking systems cartel

The last of today's decisions is about hydraulic and electronic braking systems. It involves two cartels, one between Bosch, Continental and TRW, and one involving only Bosch and Continental.

The first cartel relates to discussions of general sales conditions from 2007 to 2011. The second is about a specific tender during 2010 and 2011.

In both cases, the suppliers coordinated their behaviour in the market via exchanges of confidential information. Those exchanges, including on pricing elements, happened through bilateral meetings, as well as phone conversations and email exchanges.

Our decision fines Bosch and Continental a total of 75 million euros. Both companies had their fines reduced for their cooperation with the Commission. TRW avoided a fine altogether for disclosing the cartel that it was involved in, and Continental also avoided a fine for disclosing the other cartel.

Conclusion

These decisions are just part of the work we've been doing recently to defend fair competition in the markets for cars and trucks. We've already imposed fines of over six billion euros in ten cases involving the car and truck markets. And we will be active in this area as long as we keep finding companies that hope to make higher profits by colluding instead of competing.

Today's decisions are unrelated to our investigation regarding concerns that several German carmakers might have broken EU competition rules. That

investigation is still ongoing.

Today's cases are about collusion at the expense of car makers. But in the end, any extra costs these car makers may have incurred could potentially be passed on to final consumers when they buy a car. So our work today will help to make sure that those markets work fairly for consumers.

Car manufacturing is also a major European industry, one that supports a large number of jobs across Europe.

In 2016 alone, the EU exported more than 190 billion euros worth of cars. So a cartel like the one between the maritime car carriers, which raised the cost of exporting European cars, is a threat to European industry and jobs.

What today's cases have in common is their relation to a key sector for European industry and consumers – cars and trucks. And if we do find that companies have broken the competition rules in this sector, we will take firm action – as we have done today.