



Statement by Commissioner Vestager on decision to fine truck producers €2.93 billion for participating in a cartel

Brussels, 19 July 2016

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The Commission has today adopted a decision imposing fines of over **2.9 billion EUR** on leading truck producers. They participated in a cartel concerning medium and heavy trucks. For this they've received a record fine.

The producers concerned are MAN, Daimler, DAF, Iveco and Volvo/Renault. These five producers together account for around nine out of every ten medium and heavy trucks sold in Europe.

Trucks are a key means of inland transport in Europe. *In all*, there are some 30 million trucks on our roads. So this cartel concerned an important part of our economy. It touches on the transport of goods across the internal market for both companies and consumers.

And this cartel lasted for a long time. It began in 1997 and continued for fourteen years, until the Commission inspected the companies in 2011.

As I said, we are today imposing the highest fines ever for a single cartel. In fact, it is twice the previous highest amount, which was imposed in 2012. But there are good reasons for this. In particular, this cartel concerns a very large market and continued for a long period of time.

The cartel

Our investigation showed that a meeting in Brussels was the starting point of this long lasting trucks cartel. The first meeting between senior managers of the trucks producers fined today was organised right here in January 1997, in a cosy hotel. This was the beginning of a 14 year long collusion.

The cartel dealt with the sales of medium and heavy trucks in the European Economic Area. These are large vehicles, weighing more than 6 tonnes each.

The truck producers met regularly to manage the cartel. At first, this involved senior managers from the companies' head offices who met frequently, sometimes at the margins of trade fairs or other events. This lasted for the first seven years of the cartel.

But from 2004 onwards the cartel changed its approach: it was organized at a lower level by the truck producers' subsidiaries in Germany. During this second period, the contacts between the competitors became more formalised and the participants exchanged information by email. However, the concrete topics discussed in these exchanges remained the same as those that the senior managers had been discussing many years before.

The interesting thing is: what were they discussing?

First, the truck producers discussed their envisaged "gross list" price increases for medium and heavy trucks. Simply speaking, these gross list prices are the basis for pricing in the trucks industry. The final price paid by buyers is then based on further adjustments, done at national and local level, to these gross list prices. What the truck producers did was to coordinate with each other on increasing this gross list price of trucks.

Second, the truck producers also discussed among themselves on how to respond to the increasingly strict European emissions standards. These have been progressively tightened over the years, reducing the acceptable limits for exhaust emissions from trucks. The truck producers coordinated on the pricing for the new technologies that were needed to meet the stricter standards and thus on the transfer to customers of the costs of the emission technologies required to comply with the emissions standards. The truck producers also coordinated on when to actually introduce new technologies. Delaying the introduction of environmentally friendly technology in agreement with competitors is not my idea of competition!

We found out about this cartel from MAN, which received full immunity from fines as a result. MAN therefore avoided a fine of over 1.2 billion EUR. Volvo/Renault, Daimler and Iveco also cooperated with us under the leniency program and provided evidence which helped us to prove the existence of the cartel, and as a result also had their fines reduced. In other words, it pays off to denounce a cartel, to

put an end to your participation and to cooperate with the Commission if you find out that your company is involved in similar wrongdoing. Although of course, best of all is simply not to participate in a cartel!

The fines on all five companies were reduced by a further 10% under our settlement procedure, because the five truck producers have admitted that they were involved in the cartel. That has helped us to take this decision more quickly and to free up resources to deal with other important breaches of the competition rules.

The five truck producers now have 3 months to pay the fine. It will go into the EU budget and reduce the contributions due from EU countries for membership in the EU.

Until now, I have only mentioned the five truck producers that have settled with the Commission and who are the addressees of today's decision. However, one further European truck producer, Scania, was also an addressee of the Statement of Objections sent to the truck manufacturers when we opened proceedings in November 2014. Scania is not covered by this settlement decision and our investigation regarding this company will continue under the standard procedure. I would not want to prejudge our final conclusion regarding the company, which will have full rights to defend itself.

Conclusion

Our objective is to ensure that there is competition, innovation and better use of resources to the benefit of consumers. Today's decision is important for safeguarding real competition in the trucks sector in Europe. The fact that these truckmakers took part in a cartel rather than fully competing with each other is a clear infringement of EU competition rules.

The fight against cartels will remain one of our main priorities. We work to ensure that people and companies in Europe are not faced with prices illegally agreed between supposed competitors or even denied innovative products.

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