

Commission fines 6 car air conditioning and engine cooling suppliers in cartel settlement

2017/03/09 11:48 στην κατηγορία INTERNATIONAL

The European Commission has fined Behr, Calsonic, Denso, Panasonic, Sanden and Valeo a total of € 155 million for taking part in one or more of four cartels concerning supplies of air conditioning and engine cooling components to car manufacturers in the European Economic Area (EEA).

All six suppliers acknowledged their involvement in the cartels and agreed to settle the case. Denso was not fined for three of the cartels as it revealed their existence to the Commission. Panasonic was not fined for one of the cartels as it revealed its existence to the Commission.

Commissioner Margrethe Vestager, in charge of competition policy said: *“Even though air conditioning and cooling components are not something you see as products, they are very much something you feel. In this case you might also have felt it in your wallet even though temperatures would still be regulated in your car. Today’s decision underlines that we do not accept cartels that affect the European market, wherever and however they may be organised.”*

The six car component suppliers addressed in this decision coordinated prices or markets, and exchanged sensitive information, for the supply of climate control components and engine cooling components to certain car manufacturers in the EEA. These suppliers are **Behr** (Germany), **Calsonic** (Japan), **Denso** (Japan), **Panasonic** (Japan), **Sanden** (Japan) and **Valeo** (France). The coordination took place at meetings, notably through trilateral meetings in Europe in one of the cartels, and through other collusive contacts in Europe and Japan through bilateral meetings, by email or phone.

The Commission’s investigation revealed the existence of four separate infringements. The following table details the participation and the duration of each company’s involvement in each of the four infringements:

Supplier (group)	Scope	Start	End
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1	<ul style="list-style-type: none"> • Behr • Denso • Valeo 	Sales of HVAC to VW-group, Daimler (Mercedes) and BMW	11/11/2005	02/12/2009
2	<ul style="list-style-type: none"> • Denso • Sanden • Valeo 	Sales of compressors to VW-group and PAG (Jaguar, Land Rover; Volvo)	29/11/2004	15/10/2009
3	<ul style="list-style-type: none"> • Denso • Panasonic 	Sales of e-compressors to Nissan/Renault	14/05/2009	21/10/2009
4	<ul style="list-style-type: none"> • Calsonic • Denso 	Sales of HVAC and radiators and fans to Suzuki (Swift, SX4)	17/10/2007	21/07/2009
	<ul style="list-style-type: none"> • Sanden 	Sales of HVAC to Suzuki (Swift, SX4)	17/10/2007	21/07/2009
	<ul style="list-style-type: none"> • Valeo 	Sales of HVAC to Suzuki (SX4)	23/09/2008	21/07/2009

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](#):

- Denso received full immunity for revealing three of the cartels (thereby avoiding an aggregate fine of ca. € 287 million).
- Panasonic received full immunity for revealing one of the cartels (thereby avoiding an aggregate fine of ca. € 200 000).
- Behr, Calsonic, Denso, Sanden and Valeo 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 cartels 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:

	Supplier (group)	Reduction under Leniency Notice	Reduction under Settlement Notice
1	• Behr	30%	10%
	• Denso	100%	10%
	• Valeo	40%	10%
2		100%	10%
	• Denso	25%	10%
	• Sanden	45%	10%
3	• Valeo	40%	10%
	• Denso	100%	10%
	• Panasonic		
4	• Calsonic	30%	10%
	• Denso	100%	10%
	• Sanden	15%	10%
	• Valeo	50%	10%

Background

Climate control systems serve to protect passengers from outside temperatures and allow them to regulate inside temperatures. Climate control components include heating-ventilation-air conditioning (HVAC) units, compressors, and e-compressors for electric and hybrid cars. Engine cooling modules (radiators and fans) serve to remove

waste heat from the engine compartment.

Today's decision concerning air conditioning and engine cooling components ([thermal systems](#)) is part of a series of major investigations into cartels in the automotive parts sector. The Commission has already fined suppliers of automotive [bearings](#) , [wire harnesses in cars](#) , flexible foam used (inter alia) in [car seats](#), [parking heaters](#) in cars and trucks and [alternators and starters](#). More investigations are ongoing, for instance concerning [occupant safety systems](#).

Procedural 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 an application under the Commission Leniency Notice. Unannounced inspections were carried out at the premises of several suppliers [in May 2012](#). Formal settlement proceedings in this case were opened in December 2015 and the Statement of Objections was adopted in January 2017.

During the investigation the Commission cooperated with antitrust authorities in Japan and the US.

More information on this case will be available under the case number AT.39960 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 23rd 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 transpose 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](#).

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