



Antitrust: Commission fines truck producers € 2.93 billion for participating in a cartel

Brussels, 19 July 2016

The European Commission has found that MAN, Volvo/Renault, Daimler, Iveco, and DAF broke EU antitrust rules. These truck makers colluded for 14 years on truck pricing and on passing on the costs of compliance with stricter emission rules. The Commission has imposed a record fine of € 2 926 499 000.

MAN was not fined as it revealed the existence of the cartel to the Commission. All companies acknowledged their involvement and agreed to settle the case.

Commissioner for competition, Margrethe Vestager, said: *"We have today put down a marker by imposing record fines for a serious infringement. In all, there are over 30 million trucks on European roads, which account for around three quarters of inland transport of goods in Europe and play a vital role for the European economy. It is not acceptable that MAN, Volvo/Renault, Daimler, Iveco and DAF, which together account for around 9 out of every 10 medium and heavy trucks produced in Europe, were part of a cartel instead of competing with each other. For 14 years they colluded on the pricing and on passing on the costs for meeting environmental standards to customers. This is also a clear message to companies that cartels are not accepted."*

Road haulage is an essential part of the European transport sector and its competitiveness is contingent on the prices of the vehicles used by transporters. Today's decision relates specifically to the market for the manufacturing of medium (weighing between 6 to 16 tons) and heavy trucks (weighing over 16 tons). The Commission's investigation revealed that MAN, Volvo/Renault, Daimler, Iveco and DAF had engaged in a cartel relating to:

- **coordinating prices at "gross list" level** for medium and heavy trucks in the European Economic Area (EEA). The "gross list" price level relates to the factory price of trucks, as set by each manufacturer. Generally, 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.
- **the timing for the introduction of emission technologies** for medium and heavy trucks to comply with the increasingly strict European emissions standards (from Euro III through to the currently applicable Euro VI)
- **the passing on to customers of the costs for the emissions technologies** required to comply with the increasingly strict European emissions standards (from Euro III through to the currently applicable Euro VI).

The infringement covered the entire EEA and lasted 14 years, from 1997 until 2011, when the Commission carried out unannounced inspections of the firms. Between 1997 and 2004, meetings were held at senior manager level, sometimes at the margins of trade fairs or other events. This was complemented by phone conversations. From 2004 onwards, the cartel was organised via the truck producers' German subsidiaries, with participants generally exchanging information electronically.

Over the 14 years the discussions between the companies covered the same topics, namely the respective "gross list" price increases, timing for the introduction of new emissions technologies and the passing on to customers of the costs for the emissions technologies.

Today's decision follows the sending of a Statement of Objections to the trucks producers [in November 2014](#). In the context of this investigation, proceedings were also opened with regard to Scania. Scania is not covered by this settlement decision and therefore the investigation will continue under the standard (non-settlement) cartel procedure for this company.

Emissions standards compliance

The collusion identified by the Commission concerned **the new emission technologies** required by the Euro III to Euro VI environmental standards, specifically coordination on timing and coordination on passing on of costs of emission technologies for trucks compliant with newly introduced emissions

standards. The collusion was not aimed at avoiding or manipulating compliance with the new emission standards.

The Commission's investigation did not reveal any links between this cartel and allegations or practices on circumventing the anti-pollution system of certain vehicles (commonly referred to as "defeat devices").

Today's decision underlines the importance of a functioning competitive market to foster the development and dissemination of cost-efficient low-emission technologies, which is one of the elements of the upcoming European Strategy for low-emission mobility.

Fines

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

In setting the level of fines, the Commission took into account the respective companies' sales of medium trucks and heavy trucks in the EEA, as well as the serious nature of the infringement, the high combined market share of the companies, the geographic scope and the duration of the cartel.

Under the Commission's [2006 Leniency Notice](#), MAN received full immunity for revealing the existence of the cartel, thereby avoiding a fine of around €1.2 billion. For their cooperation with the investigation, Volvo/Renault, Daimler and Iveco benefited from reductions of their fines under the 2006 Leniency Notice. 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.

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

The total fines imposed are as follows:

	Reduction under the Leniency Notice	Reduction under the Settlement Notice	Fine (€)
MAN	100%	10%	0
Volvo/Renault	40%	10%	670 448 000
Daimler	30%	10%	1 008 766 000
Iveco	10%	10%	494 606 000
DAF		10%	752 679 000
Total			2 926 499 000

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 started with an immunity application submitted by MAN. In January 2011 the Commission carried out unannounced inspections (see [MEMO/11/29](#)).

More information will be available on the Commission's [competition](#) website, in the public [case register](#) under case number [39824](#), once confidentiality issues have been resolved.

More information on the Commission's action against cartels is available on its [cartels](#) website, including a [list of the ten highest](#) cartel fines per case. New decisions on competition policy are listed in the electronic newsletter [Competition weekly e-News](#).

The settlement procedure

Today's decision is the 21st settlement since the introduction of this procedure for cartels in June 2008 (see [press release](#) and [MEMO](#)). In a settlement, companies 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 allows the Commission to take decisions quickly and frees up resources to tackle other suspected cartels. It also benefits the parties themselves in terms of faster decisions and a 10% reduction in fines.

Action for damages

Any person or firm 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 companies concerned, damages may be awarded without being reduced on account of

the Commission fine.

The [Antitrust Damages Directive](#), which Member States have to implement in 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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