

Brussels, 28th January 2009

Antitrust: Commission fines marine hose producers € 131 million for market sharing and price-fixing cartel

The European Commission has imposed a total of € 131 510 000 fines on five groups – Bridgestone, Dunlop Oil & Marine/Continental, Trelleborg, Parker ITR and Manuli – for participating in a cartel for marine hoses between 1986 and 2007 in violation of the ban on cartels and restrictive business practices in the EC Treaty (Article 81) and the EEA Agreement (Article 53). Yokohama also participated in the cartel but was not fined because it revealed the existence of the cartel to the Commission. Marine hoses are used to transport crude oil to and from ships for transportation from production sites. The cartel members fixed prices for marine hoses, allocated bids and markets and exchanged commercially sensitive information. The fines for Bridgestone and Parker ITR were increased by 30% because of their leadership of the cartel. Manuli was granted a 30% reduction of its fine for its cooperation with the investigation under the Commission's leniency programme.

Competition Commissioner Neelie Kroes said "For 20 years, this cartel added to the prices consumers paid for their oil deliveries. I will not tolerate illegal cartels and will continue to impose heavy fines on those companies found guilty of this kind of serious malpractice."

The Commission's investigation was prompted by an application for immunity lodged by Yokohama under the 2006 Leniency Notice (see [IP/06/1705](#) and [MEMO/06/469](#)). It conducted surprise inspections coordinated with several other jurisdictions in May 2007 (see [MEMO/07/163](#)). For the first time, the Commission also inspected a private home under Article 21 of Council Regulation No 1/2003.

From 1986 to 2007, the producers of marine hoses operated a worldwide cartel. The European market for this product was worth on average €32 million per annum between 2004 and 2006. Bridgestone, Yokohama, Dunlop Oil & Marine, Trelleborg, Parker ITR and Manuli regularly met to fix prices and exchange sensitive market information. These meetings took place in several locations in Europe, East Asia and the US. Cartel members referred to some markets as their "*private markets*" and agreed upon a dozen or so pages of detailed "*cartel rules*" to limit their conduct on the market.

Fines

The cartel constitutes a very serious infringement of EC Treaty antitrust rules. In setting the fines, the Commission took into account the respective affected sales of the companies involved as well as the combined market share and the geographical scope of the cartel agreements. Bridgestone's and Parker ITR's fines were increased by 30% because of their leadership of the cartel. Yokohama was the first company to come forward with information about the cartel under the Commission's 2006 Leniency Notice and therefore received full immunity from fines. The cooperation of Manuli with the investigation under the Commission's leniency programme was also rewarded. Manuli was granted a 30% reduction of its fine.

The fines in this case are based on the 2006 Guidelines on Fines (see [IP/06/857](#) and [MEMO/06/256](#)), in force at the time the Statement of Objections was notified in May 2008 (see [MEMO/08/284](#)).

The fines imposed and the leniency reductions granted by the Commission in this case are as follows:

Name and location of company	Fine * €	Reduction (%)	Reduction €
Bridgestone (Japan)	58 500 000		
Yokohama (Japan)	0	100%	14 400 000
Dunlop Oil & Marine/Continental (UK/Germany)	18 000 000		
Trelleborg (France/Sweden)	24 500 000		
Parker ITR (Italy/US)	25 610 000		
Manuli (Italy)	4 900 000	30%	2 100 000

(*) = fine imposed on the undertaking, some legal entities concerned are held jointly and severally liable for the whole or part of the fine imposed

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 is binding proof that the behaviour took place and was illegal. Even though the Commission has fined the companies concerned, damages may be awarded without these being reduced on account of the Commission fine. A White Paper on antitrust damages actions has been published (see [IP/08/515](#) and [MEMO/08/216](#)). More information, including a citizens' summary of the White Paper, is available at:

<http://ec.europa.eu/comm/competition/antitrust/actionsdamages/documents.html>

For more information on the Commission's action against cartels, see [MEMO/09/32](#).