



Statement by Commissioner Vestager on fining Scania for participating in trucks cartel

Brussels, 27 September 2017

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The Commission has today decided to fine Scania more than €880 million for its participation in a trucks cartel.

Today's decision marks the end of our investigation into a cartel that had lasted 14 years. It involved six leading truck producers: besides Scania, also Daimler, DAF, Iveco, MAN and Volvo/Renault. Together, these companies produce more than 9 out of every 10 medium and heavy trucks sold in Europe. In other words, the large majority of trucks that European consumers and companies rely on for the transport of goods across the internal market.

One year ago, the other five companies (Daimler, DAF, Iveco, MAN and Volvo/Renault) involved in the trucks cartel acknowledged their liability for the cartel and reached a settlement with the Commission.

Scania, on the other hand, decided not to settle with the Commission. Since then our investigation regarding the company has continued under our standard cartel procedure.

So, with today's decision we have sanctioned all companies involved in this cartel. We have fined the 6 companies a total of €3.8 billion – a record fine for a cartel in the EU's 60 year history.

The cartel

What happened in this cartel?

Our investigation found that the first meeting between senior managers of all six truck producers took place right here in Brussels, in January 1997. This was the beginning of a collusion that continued for 14 years.

The cartel dealt with the sales of medium and heavy trucks throughout the European Economic Area. These are large vehicles weighing more than 6 tonnes each. Scania specialises in producing heavy trucks over 16 tonnes.

The truck producers met regularly to manage the cartel. For the first few years of the cartel, this involved senior managers from the companies' head offices meeting frequently. From 2004 onwards the cartel was organised at a lower level by the truck producers' subsidiaries in Germany.

Scania was an active member of the cartel and was responsible for organising some of the meetings. For example, one of the invitations for a meeting sent by Scania openly stated their purpose. It read: *"An exchange of information should always be the basis of our meeting and therefore I expect from every member of our group a proper preparation."*

"Our group" here really means "our cartel". A properly organised one.

The discussions between the companies in the cartel focused on two main topics:

First, the truck producers discussed the "gross price list" increases they were planning for medium and heavy trucks and coordinated these with each other. 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.

Second, the truck producers also discussed their response to 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 both on the pricing for the new technologies that were needed to meet the stricter standards and on when to actually introduce new technologies.

It is important that the truck producers compete on prices, but it is also very important that the truck producers compete on new environmentally friendly technologies and try to bring these to market as early as possible. This is not only necessary to give customers a choice to adopt these technologies but it is also of great value to our environment.

Fines

It was our leniency programme that helped us discover this cartel. This is our system for encouraging companies that participate in cartels to reveal their existence to the Commission, and to provide enough evidence for the Commission to investigate them. Companies receive immunity from fines in return for being the first to denounce other cartel members and reduced fines for cooperating with the Commission by providing important evidence.

In the case of the trucks cartel you may recall that MAN was the first to reveal the cartel, and so received immunity from fines. Volvo/Renault, Daimler and Iveco also cooperated by providing evidence and so had their fines reduced.

These five trucks producers who settled in July last year also had their fines further reduced by 10% under our settlement procedure. These five companies admitted that they were involved in the cartel, helping us take a decision quicker and free our resources for other investigations.

Scania chose not to cooperate with the Commission during the investigation and therefore does not benefit from any fine reduction.

Conclusion

Transport of goods is essential for our Single Market and plays a major role in the proper functioning of the European economy. Over the past 10 years, the Commission has remained committed to protecting competition in this crucial sector – we have uncovered 9 cartels in the automotive sector and fined companies a total of more than €6 billion for their illegal behaviour. And we still have a number of ongoing investigations into alleged cartels in the automotive sector, which we are pursuing as a matter of priority.

Our objective is to ensure fair competition and today's decision against the last member of the cartel is important for safeguarding effective competition in the trucks sector in Europe, as well as ensuring that customers will be offered new environmentally friendly technologies as soon as the technology is available.

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