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# European cartel fines in 2020

**Cento Veljanovski\***  
Managing Partner, Case Associates.

## SUMMARY

- Enforcement activity and fines were substantially lower than in previous years.
- The European Commission completed two investigations comprising three cartel infringements.
- Aggregate fines of €279 million were imposed.
- Without leniency and settlement discounts the fines would have been about €654 million i.e., 2.4 times larger than the fines paid.
- The Commission issued one Statement of Objections and re-adopted one decision which substantially reduced the fine due to its procedural failure to take account of the addressee's inability to pay.

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\* Email: [cento@casecon.com](mailto:cento@casecon.com). **Disclaimer:** The analysis in this paper is based published European Commission decisions and/or Press Releases at the time of writing which do not necessarily contain full and/or consistent information on the factors discussed.

This is Case Associate’s Annual Review of the European Commission’s administrative fines imposed on cartels in 2020.

### Commission’s fines during 2020

In 2020 the European Commission concluded two settlements – [Ethylene](#), and [Closure systems](#), the latter consisting of two separate infringements (cartels).

The two settlement decisions were announced through press releases.

Together 7 undertakings were fined €278 million, with the Commission commuting €375 million in fines under its leniency and settlement procedures before any appeals (Table 1 and Table A list the fines by infringement and addressees respectively).

In the absence of leniency and settlement discounts, the fines would have been around €654 million.

**Table 1: European Commission cartel decisions in 2020**

Cartel Decision	Fines (€m)	Firms*	Duration (years)	Av. Fine/firm (€m)	Fine/carte l year (€m)
<b>Settlements</b>					
<b>Ethylene</b>	<b>260.0</b>	4	5.3	65.0	12.3
<b>Closure systems</b>	<b>18.0</b>	3		6.0	
Infringement I - Latches + Strikers	3.2	2	0.5	1.6	3.2
Infringement II – Door mod. + window	15.0	2	2.9	7.5	2.3
<b>Total (average) 2020</b>	<b>278.0</b>	<b>7</b>	<b>(2.9)</b>	<b>(39.7)</b>	<b>(13.7)</b>
Total (average) 2019	1,468.8	11	(5.0)	(151.2)	(26.7)

Notes: \* Number of individual firms. \*\* Have calculated these in terms of undertaking/infringement units so in cases where the undertaking is fined twice for separate infringement this counts as two ‘firms’.

Source: Author based on European Commission Press Releases and Non-Confidential Decision.

The *Closure systems* decision is the tenth decision of the Commission involving the automobile parts sector since 2013 (Figure 1). These include [wire harnesses in cars](#), [car glass](#), [flexible foam used in car seats](#), [parking heaters](#) in cars and trucks, [automotive bearings](#), [alternators and starters](#), [thermal systems](#), [lighting systems](#), [spark plugs](#), [braking systems](#), [seat belts](#), [airbags and steering wheels](#)) imposing a total of €2.17 billion in fines.

If the trucks cartel is added ([Trucks](#) and [Scania](#)) another €3.8 billion in fines have been imposed bringing a total of nearly €6 billion in fines imposed on firms in the automotive sector.

Figure 1



Source: Press release 29 September 2020. Antitrust: Commission fines car parts suppliers of €18 million in cartel settlement.

To adjust the number of undertakings involved and the duration of their infringements the fine-per-cartel-year has been calculated. This is the fine divided by the total number of years the firms' participated in the cartel as shown in the last column of Table 1. The average fine per cartel year was nearly €14 million. This varied from €12 million to €2-€3 million for undertakings participating in the *Ethylene* and *Closure systems* cartels, respectively.

The duration of the cartels varied with *Ethylene* operating for five years, and the two infringements of *Closure systems* for half and nearly three years, respectively.

### Leniency and Settlements

Both infringements were detected by a full leniency applicant. These whistle-blowers avoided fines of €190 million (Westlake) and €6 million (Magna).

All other undertakings received leniency discounts of between 10% and 50% which reduced total fines by a further €133 million.

In total, the leniency programme 'saved' cartelists, or 'cost' the Commission, €329 million in commuted fines to expedite the Commission's investigations and to secure a successful prosecution.

These reductions in the nominal fines calculated under the [2006 Guidelines on fines](#)<sup>1</sup> were more than the fines imposed by the Commission.

All two settlements led to a further 10% or €46 million reductions in fines.

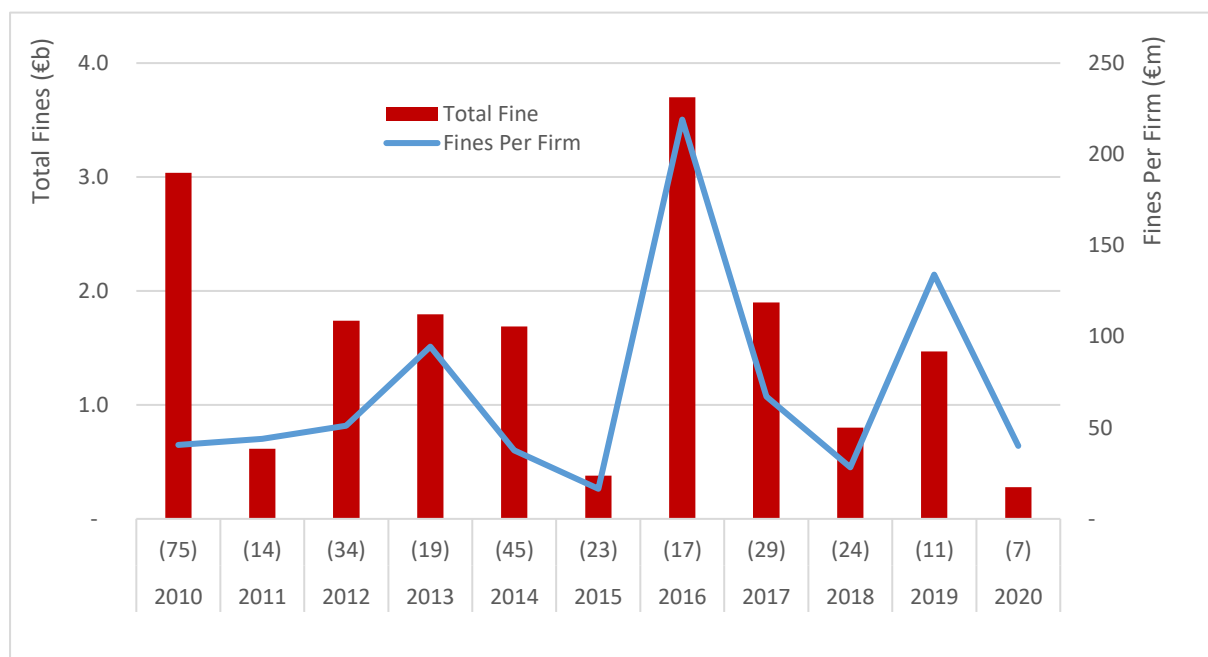
The two decisions bring to 34 the number of settlements concluded by the Commission since the procedure was first used in 2010.

### Comparisons with the previous year

A comparison of total annual fines, the average fine per undertaking, and the number of undertakings (in brackets) since 2010 are shown in Figure 2.

The total fines and the number of undertakings prosecuted were significantly lower than in previous years. Total fines were the lowest for the decade.

**Figure 2 European cartel fines and fines per firm, 2010 to 2020**



Note: Figures in brackets are the number of firms fined.

The average fine per undertaking was however the second highest for the decade at €40 million (Figure 2).

The average fine-per-cartel-year fell significantly from €27 million in 2019 to €14 million.

<sup>1</sup> Guidelines on the method of setting fines imposed pursuant to Article 23(2)(a) of Regulation No 1/2003 (2006/C 210/02).

## Readoptions

The Commission re-adopted its decision against the [CCPL Group](#) entities reducing their fines from €33.7 million to €9.44 million for their involvement in three separate cartels in [Retail Food Packaging](#). This followed the July 2019, decision of the General Court (Case T-522/15) which annulled the fines because the Commission failed to properly take account of the undertakings' inability to pay under point 35 of the [Guidelines on Fines](#).

## In the pipeline

The Commission issued one [Statement of Objections](#) to Conserve Italia for its participation in the *Canned vegetables* cartel under to standard cartel procedure. Conserve Italia refused to participate in the €31.6 million settlement decision adopted in September 2019 against Bonduelle, Coroos, and Groupe CECAB for their 13 years of participation in fixing the selling prices of canned vegetables to retailers and/or food service companies.

Table 2 lists the investigations in the pipeline together with the stages reached to date based on the public statements of the Commission.

**Table 2: Ongoing investigations as of 31 December 2020**

Investigation	Date	Stage
Canned Vegetables (Conserve Italia)	Oct 2020	Statement of Objections
Alliance Casino & Intermarche	Nov 2019	Inspection
Car emissions	April 2019	Statement of Objections
Farmed Atlantic salmon	Feb 2019	Inspection
European government bonds	Jan 2019	Statement of Objections
USD SSA bond trading	Dec 2018	Statement of Objections
Sports media rights	Oct 2018	Inspection
Styrene monomer purchasers	June 2018	Inspection
Metal packaging	May 2018	Inspection
Ethanol benchmarks	Dec 2015	Proceedings opened

No full or summary prohibition or settlement decisions for previous years' infringements were published.

**Table 3: Publication of full non-confidential and summary decisions in 2020**

Case No	Cartel	Decision date	Publication date	Delay - years
None				

## Annex:

**Table A: Breakdown of fines and duration by cartel and addressee 2020**

Case/Case No.	Firm	Fine (€ '000)	Start date	End date
Ethylene AT.40410	Westlake	0	Dec-11	Mar-17
	Orbia	22,367	Dec-11	Mar-17
	Clariant	155,769	Dec-11	Mar-17
	Celanese	82,307	Dec-11	Mar-17
Closure systems AT.40299	<i>Infringement I</i>			
	Magna	0	Aug-10	Feb-11
	Brose	3,255	Aug-10	Feb-11
	<i>Infringement I</i>			
	Magna	0	Jun-09	May-12
	Kiekert	14,971	Jun-09	May-12

### Commission data sources:

The European Commission's recent cartel activities are announced on DG COMP's news page available online at [http://ec.europa.eu/competition/cartels/what\\_is\\_new/news.html](http://ec.europa.eu/competition/cartels/what_is_new/news.html)

The European Commission regularly updates its 'Cartel Statistics' page which gives annual and historical statistics. Available online at <http://ec.europa.eu/competition/cartels/statistics/statistics.pdf>

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For further information or to discuss a specific assignment contact:

**Dr Cento Veljanovski** +44 (0) 20 7376 4418 or [cento@casecon.com](mailto:cento@casecon.com)