



EUROPEAN COMMISSION

PRESS RELEASE

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Antitrust: Commission fines producers of car and truck bearings € 953 million in cartel settlement

The European Commission has found that two European companies (SKF and Schaeffler) and four Japanese companies (JTEKT, NSK, NFC and NTN with its French subsidiary NTN-SNR) operated a cartel in the market for automotive bearings. The Commission has imposed fines totalling € 953 306 000. Automotive bearings are used by car, truck and car part manufacturers to reduce friction between moving parts inside a vehicle.

Cars and trucks contain numerous bearings, for example wheel bearings, bearings for gearbox, transmission, alternator or air conditioning systems. The companies colluded to secretly coordinate their pricing strategy vis-à-vis automotive customers for more than seven years, from April 2004 until July 2011, in the whole European Economic Area (EEA).

Japanese company JTEKT was not fined as it benefited from immunity under the Commission's [2006 Leniency Notice](#) for revealing the existence of the cartel to the Commission. NSK, NFC, SKF and Schaeffler received reductions of their fines for their cooperation in the investigation under the Commission's leniency programme. Since all companies agreed to settle the case with the Commission, their fines were further reduced by 10%.

Commission Vice President in charge of competition policy, Joaquín Almunia, said: *"Today's decision is a further milestone in the Commission's ongoing effort to bust cartels in the markets for car parts, after the sanctions we imposed on producers of electric wires and of foam used in car seats. It is incredible to see that one more car component was cartelised. I hope the fines imposed will deter companies from engaging in such illegal behaviour and help restore competition in this industry. If left unchallenged, cartels for car parts might impair the competitiveness of the automotive sector and artificially raise the price paid by European consumers who buy cars."*

Automotive bearings are usually customer-specific products. To select their suppliers, customers (i.e. car, truck or car part manufacturers) generally issue Requests for Quotations. The whole selection process may last several months to one year. Customers often request yearly discounts from the bearings suppliers, usually referred to as Annual Price Reduction requests, to reflect yearly production efficiencies over the course of the contract.

The companies involved in this secret cartel coordinated the passing-on of steel price increases to their automotive customers, colluded on Requests for Quotations and for Annual Price Reductions from customers and exchanged commercially sensitive information. This occurred through multi-, tri- and bilateral contacts. The size of the EU market for automotive bearings is estimated to be at least € 2 billion a year.

The decision is part of a major investigative effort into suspected cartels in the sector of car parts. The Commission already found cartels for wire harnesses in cars ([IP/13/673](#)) and for flexible foam used in car seats ([IP/14/88](#)). The Commission is investigating more products, such as airbags, safety belts and steering wheels (see [MEMO/11/395](#)), air conditioning and engine cooling products (see [MEMO/12/563](#)) and lighting systems.

Fines

The total fines imposed are as follows:

	Reduction under the Leniency Notice	Reduction under the Settlement Notice	Fine (€)
JTEKT (Japan)	100%	10%	0
NSK (Japan)	40%	10%	62 406 000
NFC (Japan)	30%	10%	3 956 000
SKF (Sweden)	20%	10%	315 109 000
Schaeffler (Germany)	20%	10%	370 481 000
NTN (Japan)		10%	201 354 000
<i>Total</i>			953 306 000

The fines were set on the basis of the [Commission's 2006 Guidelines on fines](#) (see [IP/06/857](#) and [MEMO/06/256](#)).

In setting the level of fines, the Commission took into account the companies' sales of the products concerned, the serious nature of the infringement, its geographic scope and its duration.

JTEKT received full immunity for revealing the existence of the cartel and thereby avoided a fine of € 86 037 000 for its participation in the infringement.

NSK, NFC, SKF and Schaeffler benefited from reductions of fines under the 2006 Leniency Notice for their cooperation. 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.

Moreover, under the Commission's [2008 Settlement Notice](#), the Commission reduced the fines imposed on all the companies by 10% as they acknowledged their participation in the cartel and their liability in this respect.

Background

Automotive bearings are bearings supplied to automotive Original Equipment Manufacturers ("OEMs"), which are car, truck and automotive component manufacturers (together also referred to as "automotive customers"). Bearings are machine parts with rolling elements used in rotating parts to reduce friction and are used in several distinct car parts.

The Commission's investigation started with unannounced inspections in November 2011 (see [MEMO 11/766](#)).

More information on this case will be available under the case number [39922](#) 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 twelfth settlement decision since the introduction of the settlement procedure for cartels in June 2008 (see [IP/08/1056](#) and [MEMO/08/458](#)). Under a settlement, companies that have participated to a cartel acknowledge their participation in the infringement and their liability for it. The settlement procedure is based on the Antitrust Regulation 1/2003 and allows the Commission to apply a simplified procedure and thereby reduce the length of the investigation. This is good for consumers and for taxpayers as it reduces costs; good for antitrust enforcement as it frees up resources to tackle other suspected cases; and good for the companies themselves that benefit from quicker decisions and a 10% reduction in fines.

The Commission previously reached settlements with participants in cartels for DRAMs (see [IP/10/586](#)), animal feed phosphates (see [IP/10/985](#)), washing powder (see [IP/11/473](#)), glass for cathode ray tubes (see [IP/11/1214](#)), compressors for fridges (see [IP/11/1511](#)), water management products (see [IP/12/704](#)), wire harnesses (see [IP/13/673](#)), Euro interest rate derivatives and Yen interest rate derivatives (see [IP/13/1208](#)), PU Foam (see [IP/14/88](#)) and Power Exchanges (see [IP/14/215](#)).

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.

In June 2013, the Commission proposed a Directive that aims at making it easier for victims of anti-competitive practices to obtain such damages (see [IP/13/525](#) and [MEMO/13/531](#)). More information on antitrust damages actions, including a practical guide on how to quantify the harm typically caused by antitrust infringements, the public consultation and a citizens' summary, is available at:

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

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