



EUROPEAN COMMISSION - PRESS RELEASE

Antitrust: Commission fines producers of refrigeration compressors €161 million in fifth cartel settlement

Brussels, 07 December 2011 - The European Commission has settled a cartel with producers of household and commercial refrigeration compressors, used in fridges, freezers, vending machines and ice-cream coolers. ACC, Danfoss, Embraco and Panasonic were fined a total of € 161 198 000 for operating together with Tecumseh a cartel that covered the whole European Economic Area (EEA)¹ from April 2004 until October 2007 (15 November 2006 for Panasonic). The fine includes a reduction of 10% for the companies' acknowledgement of their participation in the cartel and their liability in respect of such participation. Tecumseh was not fined as it benefited from immunity under the [2006 Leniency Notice](#) for revealing the existence of the cartel to the Commission.

Commission Vice President in charge of competition policy, Joaquín Almunia, said: *"I want to send a message to everybody that the Commission's dedicated carteldusters continue to detect, hunt down and punish cartels. At a time of economic hardship it is all the more important to promote fair competition and step up the fight against cartels which inflict serious damage on productivity and economic growth".*

The cartel concerned small compressors that are used predominantly in household appliances, such as fridges and freezers, and to a lesser extent in commercial equipment such as vending machines, ice cream coolers, etc. ACC, Danfoss, Embraco, Panasonic and Tecumseh aimed at coordinating European pricing policies and keeping market shares stable in an attempt to recover cost increases. To this end, the cartel members held bilateral, trilateral and multilateral meetings at which they discussed among other things prices and engaged in an exchange of sensitive market information.

The fines take into account the companies' sales of refrigeration compressors in the EEA, the very serious nature of the infringement and the EEA-wide scope of the cartel activities. The calculation of the fines was done on the basis of the [EU 2006 Guidelines on fines](#). The individual fines are as follows:

¹ The EU plus Iceland, Liechtenstein and Norway.

	Reduction under the Leniency Notice	Reduction under the Settlement Notice	Fine (EUR)
Appliances Components Companies S.p.A. (Italy) and Elettromeccanica S.p.A. (Italy)	25%	10%	9 000 000
Danfoss A/S (Denmark) and Danfoss Flensburg GmbH (Germany)	15%	10%	90 000 000
Embraco Europe S.r.l. (Italy) and Whirlpool S.A. (Brazil)	20%	10%	54 530 000
Panasonic Corporation (Japan)	40%	10%	7 668 000
Tecumseh Products Company Inc. (USA), Tecumseh do Brasil Ltda. (Brazil) and Tecumseh Europe S.A. (France)	100%	-	0

Tecumseh received full immunity from fines. Reductions for cooperation under the Leniency Notice were granted to Panasonic, ACC, Embraco and Danfoss while Embraco received a further reduction for its cooperation outside the leniency notice.

The fact that Panasonic was not involved in all aspects of the cartel was also taken into account by the Commission when setting the fines.

Inability to pay

One of the undertakings has invoked its inability to pay the fine under point 35 of the 2006 Guidelines on fines. The Commission has thoroughly assessed the application on the basis of the company's financial statements for recent years, projections for the current and coming years, ratios measuring the financial strength, profitability, solvency, liquidity, and relations with outside financial partners and with shareholders. As a result of this assessment, the Commission granted a reduction of the fine.

The settlement procedure

The settlement procedure is based on Antitrust Regulation 1/2003 (see [IP/08/1056](#) and [MEMO/08/458](#)). It allows the Commission to apply a simplified procedure to suitable cases 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.

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.

The Commission considers that meritorious claims for damages should be aimed at compensating, in a fair way, the victims of an infringement for the harm done. More information on antitrust damages actions, including the public consultation and a citizens' summary, is available at:

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

A non-confidential version of today's decision will be published at the following web address as soon as it becomes available:

http://ec.europa.eu/competition/elojade/isef/case_details.cfm?proc_code=1_39600

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