

Antitrust: Commission fines five car safety equipment suppliers € 34 million in cartel settlement

The companies took part in one or more of four cartels for the supply of car seatbelts, airbags and steering wheels to Japanese car manufacturers in the EEA.

All five suppliers acknowledged their involvement in the cartels and agreed to settle the case. Takata was not fined for three of the cartels as it revealed their existence to the Commission. Tokai Rika was not fined for one of the cartels as it revealed its existence to the Commission.

Commissioner Margrethe **Vestager**, in charge of competition policy said: *“Seatbelts and airbags protect lives every day and are essential in all cars in the EU. The five suppliers fined today colluded to maximise their profits from the sale of these components. This may have raised the costs of these car parts for a number of manufacturers selling cars in Europe, potentially affecting consumers. We do not accept cartels that affect the European consumers, even if the cartel is organised outside Europe. ”*

The five car component suppliers addressed in this decision coordinated prices or markets, and exchanged sensitive information for the supply of seatbelts, airbags and steering wheels to Japanese car manufacturers **Toyota**, **Suzuki** and **Honda** in the European Economic Area (EEA). The coordination to form and run the cartel took place outside the EEA, notably in Japan, mainly through meetings at the suppliers’ business premises but also in restaurants and hotels, as well as through e-mail exchanges. Collusion between the car safety equipment suppliers generally intensified when specific requests for quotations were launched by the car manufacturers concerned.

The cartel may have had a significant effect on European customers, since around one out of every eleven cars sold in Europe is produced by a Japanese company. Furthermore, all the Japanese car companies affected by the cartel have manufacturing plants in the EEA.

The Commission’s investigation revealed the existence of four separate infringements. The following table details the participation and the duration of each company’s involvement in each of the four infringements:

	Supplier (group)	Scope	Start	End
1	<ul style="list-style-type: none">• Tokai Rika• Takata• Autoliv• Marutaka	Sales of seatbelts to Toyota	6/07/2004 – Tokai Rika, Takata, Marutaka 18/12/2006 – Autoliv	15/04/2009- Marutaka 11/02/2010- Tokai Rika 25/03/2010- Takata, Autoliv

2	<ul style="list-style-type: none"> • Takata • Autoliv • Toyoda Gosei 	Sales of airbags to Toyota	14/06/2005- Takata, Toyoda Gosei 18/07/2006 – Autoliv	15/07/2009- Toyoda Gosei 26/07/2010- Takata, Autoliv
3		Sales of seatbelts to Suzuki	14/02/2008	18/03/2010
4		Sales of seatbelts, airbags and steering wheels to Honda	28/03/2006	22/05/2010

Fines

The fines were set on the basis of the Commission's [2006 Guidelines on fines](#) (see also [MEMO](#)).

In setting the level of fines, the Commission took into account, in particular, the sales value in the EEA achieved by the cartel participants for the products in question, the serious nature of the infringement, its geographic scope and its duration. With respect to Marutaka, the Commission took also into account its role as the facilitator of one of the cartels.

Under the Commission's [2006 Leniency Notice](#):

- Takata received full immunity for revealing three of the cartels (thereby avoiding an aggregate fine of ca. € 74 million).
- Tokai Rika received full immunity for revealing one of the cartels (thereby avoiding an aggregate fine of ca. € 15 million).
- Tokai Rika, Takata, Autoliv and Toyoda Gosei benefited from reductions of their fines for their cooperation with the Commission investigation. 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 cartels in which they were involved.

In addition, under the Commission's [2008 Settlement Notice](#), the Commission applied a reduction of 10% to the fines imposed on the companies in view of their acknowledgment of the participation in the cartel and of the liability in this respect.

The breakdown of the fines imposed on each company is as follows:

	Supplier (group)	Reduction under Leniency Notice	Reduction under Settlement Notice	Fine (€)
1	Tokai Rika Takata Autoliv Marutaka	100% 50% 30% 0%	10% 10% 10% 10%	0 12 724 000 265 000 156 000
2	Takata Autoliv Toyoda Gosei	100% 50% 28%	10% 10% 10%	0 4 957 000 11 262 000

3	Takata Tokai Rika	100% 46%	10% 10%	0 1 818 000
4	Takata Autoliv	100% 50%	10% 10%	0 2 829 000

Background

Automotive occupant safety systems cover products such as seatbelts, airbags and steering wheels that are supplied to car manufacturers. These systems provide protection against injury in the event of a crash for those inside and outside the vehicle.

Today's decision is part of a series of major investigations into cartels in the automotive parts sector. The Commission has already fined suppliers of automotive [bearings](#) ,[wire harnesses in cars](#) , flexible foam used (inter alia) in [car seats](#), [parking heaters](#) in cars and trucks, [alternators and starters](#), [air conditioning and engine cooling systems](#) and [lighting systems](#). Today's decision brings the total amount of Commission fines for cartels in this sector to €1.6 billion.

Procedural Background

Article 101 of the Treaty on the Functioning of the European Union (TFEU) and Article 53 of the EEA Agreement prohibit cartels and other restrictive business practices.

The Commission's investigation in this case started with an application under the Commission Leniency Notice.

More information on this case will be available under the case number AT.39881 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 25th settlement since the introduction of this procedure for cartels in June 2008 (see [press release](#) and [MEMO](#)). In a settlement, parties acknowledge their participation in a cartel and their liability for it. Settlements are based on the [Antitrust Regulation 1/2003](#) and allow the Commission to apply a simplified and shortened procedure. This benefits consumers and taxpayers as it reduces costs. It also benefits antitrust enforcement as it frees up resources to tackle other suspected cartels. Finally, the parties themselves benefit in terms of quicker decisions and a 10% reduction in fines.

Action for damages

Any person or company 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

constitutes binding proof that the behaviour took place and was illegal. Even though the Commission has fined the cartel participants concerned, damages may be awarded without being reduced on account of the Commission fine.

The [Antitrust Damages Directive](#), which Member States had to transpose into their legal systems by 27 December 2016, makes it [easier for victims of anti-competitive practices to obtain damages](#). More information on antitrust damages actions, including a practical guide on how to quantify antitrust harm, is available [here](#).

Whistleblower tool

The Commission has set up by a tool to make it easier for individuals to alert it about anti-competitive behaviour while maintaining their anonymity. The new tool protects whistleblowers' anonymity through a specifically-designed encrypted messaging system that allows two way communications. The tool is accessible via this [link](#).