

Antitrust: Commission fines four consumer electronics manufacturers for fixing online resale prices

The fines totalling over €111 million were in all four cases reduced due to the companies' cooperation with the Commission.

Commissioner Margrethe Vestager, in charge of competition policy, said: *"The online commerce market is growing rapidly and is now worth over 500 billion euros in Europe every year. More than half of Europeans now shop online. As a result of the actions taken by these four companies, millions of European consumers faced higher prices for kitchen appliances, hair dryers, notebook computers, headphones and many other products. This is illegal under EU antitrust rules. Our decisions today show that EU competition rules serve to protect consumers where companies stand in the way of more price competition and better choice."*

Asus, Denon & Marantz, Philips and Pioneer engaged in so called "fixed or minimum resale price maintenance (RPM)" by restricting the ability of their online retailers to set their own retail prices for widely used consumer electronics products such as kitchen appliances, notebooks and hi-fi products.

The four manufacturers intervened particularly with online retailers, who offered their products at low prices. If those retailers did not follow the prices requested by manufacturers, they faced threats or sanctions such as blocking of supplies. Many, including the biggest online retailers, use pricing algorithms which automatically adapt retail prices to those of competitors. In this way, the pricing restrictions imposed on low pricing online retailers typically had a broader impact on overall online prices for the respective consumer electronics products.

Moreover, the use of sophisticated monitoring tools allowed the manufacturers to effectively track resale price setting in the distribution network and to intervene swiftly in case of price decreases.

The price interventions limited effective price competition between retailers and led to higher prices with an immediate effect on consumers.

In particular, **Asus**, headquartered in Taiwan, monitored the resale price of retailers for certain computer hardware and electronics products such as notebooks and displays. The conduct of Asus related to two Member States (Germany and France) and took place between 2011 and 2014. Asus intervened with retailers selling those products below the resale prices recommended by Asus and requested price increases.

Denon & Marantz, headquartered in Japan, engaged in resale price maintenance with respect to audio and video consumer products such as headphones and

speakers of the brands Denon, Marantz and Boston Acoustics in Germany and the Netherlands between 2011 and 2015.

Philips, headquartered in the Netherlands, engaged in resale price maintenance in France between the end of 2011 and 2013 with respect to a range of consumer electronics products such as kitchen appliances, coffee machines, vacuum cleaners, home cinema and home video systems, electric toothbrushes, hair driers and trimmers.

In parallel to resale price maintenance with respect to products such as home theatre products, iPod speakers, speaker sets and hi-fi products, **Pioneer**, headquartered in Japan, also limited the ability of its retailers to sell cross border to consumers in other Member States in order to sustain different resale prices in different Member States, for example by blocking orders of retailers who sold cross-border. Pioneer's conduct lasted from the beginning of 2011 to the end of 2013 and concerned 12 countries (Germany, France, Italy, the United Kingdom, Spain, Portugal, Sweden, Finland, Denmark, Belgium, the Netherlands and Norway).

Fines

All four companies cooperated with the Commission by providing evidence with significant added value and by expressly acknowledging the facts and the infringements of EU antitrust rules.

The Commission therefore granted reductions to the fines depending on the extent of this cooperation ranging from 40 % (for Asus, Denon & Marantz and Philips) to 50 % (for Pioneer).

The fines imposed in the four cases are as follows:

	Reduction for cooperation	Fine (€)
Asus	40 %	63 522 000
Denon & Marantz	40 %	7 719 000
Philips	40 %	29 828 000
Pioneer	50 %	10 173 000

Such cooperation allows the Commission to increase the relevance and impact of decisions by speeding up its investigations and companies can benefit from significant reductions of the fines depending on the level of cooperation.

Background

The Commission's e-commerce sector inquiry, the results of which the Commission published in [May 2017](#) as part of its Digital Single Market strategy, showed that resale-price related restrictions are by far the most widespread restrictions of competition in e-commerce markets which makes effective competition enforcement in this area important. The findings also shed light on the increased use of automatic software applied by retailers for price monitoring and price setting. The Commission also launched other separate investigations in [February 2017](#) and [June 2017](#) to assess if certain

online sales practices prevent, in breach of EU antitrust rules, consumers from enjoying cross-border choice and from being able to buy products and services online at competitive prices. These investigations are ongoing.

Article 101 TFEU prohibits agreements between undertakings and decisions of associations of undertakings that prevent, restrict or distort competition within the EU's Single Market.

More information on the cases will be available on the Commission's [competition](#) website, in the public [case register](#) under the case numbers [AT. 40465](#)(Asus), [AT. 40469](#)(Denon & Marantz), [AT. 40181](#) (Philips), [AT. 40182](#)(Pioneer).

Action for damages

Any person or company affected by anti-competitive behaviour as described in these cases 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 companies 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](#).

Daily News 24 / 07 / 2018

President Juncker visits Washington, DC, to meet President Trump, discuss transatlantic relations

President **Juncker** is heading to Washington, DC, where he will be received tomorrow at 13:30 EST (19:30 CET) in the White House by President Donald Trump. Both Presidents will have an open dialogue on issues of interest for EU-US relations, notably trade. Commissioner **Malmström** will accompany President **Juncker**. Later in the day, President **Juncker** will deliver a speech

at the [Centre for Strategic and International Studies](#) (CSIS) entitled *"Transatlantic relations at a crossroads"*. The speech is scheduled for 16:00 EST (22:00 CET). It will be broadcast live on [EbS](#). (For more information: Margaritis Schinas – Tel.: +32 229 60524)

Managing migration: Commission expands on disembarkation and controlled centre concepts

Following the call by EU leaders at the June European Council, the Commission is today expanding on the concept of controlled centres as well as short-term measures that could be taken to improve the processing of migrants being disembarked in the EU, and giving a first outline of the possible way forward for the establishment of regional disembarkation arrangements with third countries. Regional disembarkation arrangements should be seen as working in concert with the development of controlled centres in the EU: together, both concepts should help ensure a truly shared regional responsibility in responding to complex migration challenges. Commissioner **Avramopoulos** said: *"Now more than ever we need common, European solutions on migration. We are ready to support Member States and third countries in better cooperating on disembarkation of those rescued at sea. But for this to work immediately on the ground, we need to be united – not just now, but also in the long run. We need to work towards sustainable solutions."* The non-papers on [controlled centres in the EU](#) and [regional disembarkation arrangements](#) are available online as well as the full [press release](#) and [factsheets](#). (For more information: Natasha Bertaud – Tel.: +32 229 67456; Katarzyna Kolanko – Tel.: +32 229 63444)

EU mobilises support following devastating fires in Greece, Sweden and Latvia

The [Commission's Emergency Response Coordination Centre](#) is working 24/7 and is in constant contact with the authorities of Greece, Sweden and Latvia which have all requested EU support following the unprecedented forest fires which are raging across Europe. Following the devastating fires in Greece, President **Juncker** spoke to President of the Hellenic Republic, Prokopis Pavlopoulos and Prime Minister Tsipras to express his sincere condolences to the families and friends of the victims. In a [letter](#) to the Prime Minister, President Juncker reiterated that everything will be done to support Greece during these difficult times. Yesterday evening Greece requested EU support through the [EU Civil Protection Mechanism](#). In an immediate response, Cyprus, Spain and Bulgaria made swift offers of concrete assistance including planes, firefighters, medics and vehicles. Commissioner for Humanitarian Aid and Crisis Management Christos **Stylianides** is travelling to Athens today and has published a [statement](#) with the details of his visit, during which he will meet the Greek civil protection authorities and coordinate the EU's assistance already on its way. For Sweden, EU support continues with planes, firefighters and vehicles, already operating in the affected areas. For Latvia, the [EU's Copernicus Satellite system](#) has been activated to assist the national authorities with emergency mapping of the risk areas. The Commission

will remain in contact with the states participating in the EU Civil Protection Mechanism to provide all possible further assistance. The Commission has proposed to strengthen EU civil protection response through [rescEU](#) – so that when multiple disasters hit Member States they are better prepared to confront them. The rescEU proposal is a central part of President Juncker's agenda for a Europe that protects. [Photos](#) and [video](#) stockshots of the Emergency Centre are available, as well as a [MEMO 'Fighting forest fires in Europe – how it works'](#). (For more information: Carlos Martin Ruiz de Gordejuela – Tel.: +32 229 65322; Daniel Puglisi – Tel.: +32 229 69140)

Juncker Plan: €15 million for biotech company Jennewein to build new research centre

The European Investment Bank (EIB) has signed a €15 million financing agreement with German biotechnology company Jennewein to build a new research and innovation centre. The deal is guaranteed by the Juncker Plan's European Fund for Strategic Investments (EFSI). Jennewein is a highly innovative company that has developed breakthrough technology for the production of rare functional sugars for a wide range of applications, including nutritional, pharmaceutical and cosmetic products. Commissioner Vytenis **Andriukaitis**, said: "As the EU Commissioner for Health and Food Safety and a former doctor, I know the positive impact that research and innovation, including in biotechnology, can have on our nutrition and good health, particularly in infants and young children. I am happy to see that the Investment Plan for Europe is really working and boosts research and innovation for the health of EU citizens." (The full press release can be found [here](#). For more information: Christian Spahr – Tel.: +32 229 50055; Siobhán Millbright – Tel.: +32 229 57361)

Trade: Commission reports on latest negotiation rounds and proposals with Indonesia and China

As part of its commitment to transparent trade negotiations, the Commission has today published reports from the latest talks towards a trade agreement with [Indonesia](#) and an investment agreement with [China](#). The fifth round of negotiations for a trade agreement between the EU and Indonesia took place in Brussels from 9 to 13 July 2018. Discussions were held in a very friendly atmosphere and good progress was made on most chapters. Tariff offers were exchanged before the round and this provided a basis for good discussions. Good progress was made on services and investment, clearing the way towards an exchange of offers in those areas at the next round. Talks also covered details of future arrangements on sustainable development. The Commission has also published today two new text proposals, including on the rules of procedure for [state-to-state dispute settlement](#) and on the concept of originating [products eligible for future tariff reductions](#). The sixth round will be held during the week of 15 October in Indonesia. The 18th round of the EU-China investment agreement negotiations took place in Brussels on 12 and 13 July. The discussions covered essentially subjects such as expropriation, national treatment, fair and equitable treatment and sustainable development. The 19th round is tentatively scheduled for 29-30 October in Beijing. The exact agenda and timing are yet to be confirmed. (For more information: Enrico Brivio – Tel.: +32 229 56172; Kinga Malinowska –

Tel.: +32 229 51383)

Mergers: Commission opens in-depth investigation into KME's proposed acquisition of competing copper products supplier MKM

The European Commission has opened an in-depth investigation to assess the proposed acquisition of MKM by KME, under the EU Merger Regulation. The Commission is concerned that the merger may reduce competition in the supply of rolled copper products and sanitary copper tubes. KME and MKM are both active in the manufacturing and marketing of copper and copper alloy products, including rolled copper products and copper alloys, and copper tubes (including sanitary copper tubes). Rolled copper products are used as an input in the manufacturing of many products, including electrical transformers, semiconductors, heat exchangers, and roofing materials. Sanitary copper tubes are used in the construction industry for drinking water installations, radiator connections, surface heating and cooling and sanitary gas installations. The Commission now has 90 working days, until 29 November 2018, to carry out an in-depth investigation into the effects of this transaction and determine whether its initial competition concerns are confirmed. Commissioner Margrethe **Vestager**, in charge of competition policy, said: "Copper is a key input in many industries including electrical equipment and pipes for heating equipment in our homes. *Our investigation aims to ensure that these customers, and ultimately final consumers, will not pay higher prices for this important input, following the proposed acquisition of MKM by KME.*" A full press release is available in [EN](#), [FR](#), [DE](#). (For more information Ricardo Cardoso – Tel.: +32 229 80100; Giulia Astuti – Tel +32 2 2955344)

Concentrations: la Commission ouvre une enquête approfondie sur le projet d'acquisition de Gemalto par Thales

La Commission européenne a ouvert une enquête approfondie afin d'apprécier le projet d'acquisition de Gemalto par Thales au regard du règlement de l'UE sur les concentrations. L'opération envisagée aurait pour effet de réunir les deux principaux fournisseurs de modules matériels de sécurité utilisés pour les solutions de gestion des clés des entreprises dans l'Espace économique européen et au niveau mondial. Les modules matériels de sécurité (hardware security modules – HSM) sont des dispositifs matériels dédiés utilisant un logiciel de cryptage pour générer, protéger et gérer des clés de chiffrement visant à protéger des données dans un module inviolable sécurisé. L'entité combinée deviendrait de loin l'acteur le plus important sur le marché des HSM en Europe et dans le monde. La Commission craint que la concentration conduise à une hausse des prix et à une réduction du choix et de l'innovation pour les consommateurs de modules matériels de sécurité. L'opération a été notifiée à la Commission le 18 juin 2018. Celle-ci dispose à présent de 90 jours ouvrables, soit jusqu'au 29 novembre 2018, pour prendre une décision. L'ouverture d'une enquête approfondie ne préjuge pas de l'issue de la procédure. Margrethe **Vestager**, commissaire chargée de la politique de concurrence, a fait la déclaration suivante: «*Notre société est de plus en plus dépendante des solutions de sécurité des données pour sécuriser toute*

une série d'informations sociales, commerciales ou personnelles. Nous ouvrons la présente enquête approfondie afin de veiller à ce que l'opération envisagée entre Thales et Gemalto ne conduise pas à une hausse des prix ni à une réduction du choix de modules matériels de sécurité pour les consommateurs qui cherchent à crypter leurs données de manière sécurisée.» Un communiqué de presse complet est disponible en ligne en [FR](#), [EN](#), [NL](#) et [DE](#). (Pour plus d'informations: Ricardo Cardoso – Tel.: +32 229 80100; Giulia Astuti – +32 229 55344)

Mergers: Commission clears acquisition of joint control over HES by Macquarie and Goldman Sachs

The European Commission has approved, under the EU Merger Regulation, the acquisition of joint control over HES International B.V. of the Netherlands by MEIF 5, a wholesale investment fund managed by a subsidiary of Macquarie Group Limited of Australia and funds advised by affiliates of the Goldman Sachs Group of the US. HES operates and develops dry, liquid and break bulk terminals, providing transshipment, storage, blending and processing services for dry and liquid bulk. Macquarie is global provider of banking, financial, advisory, investment and fund management services. Goldman Sachs is a global investment banking, securities and investment management firm. The Commission concluded that the proposed acquisition would raise no competition concerns because of the limited impact it would have on the market. The transaction was examined under the normal merger review procedure. More information is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.8896](#). (For more information Ricardo Cardoso – Tel.: +32 229 80100; Giulia Astuti – Tel +32 2 2955344)

ANNOUNCEMENTS

Le commissaire King en Espagne pour discuter du contre-terrorisme et de la lutte contre la radicalisation

Julian **King**, commissaire en charge de l'union de la sécurité, est aujourd'hui à Madrid, en Espagne, où il rencontre Dolores Delgado Garcia, la ministre de la Justice et Fernando Grande-Marlaska, le ministre de l'Intérieur, pour discuter des questions relatives à la prévention de la radicalisation, de cybersécurité et du soutien aux victimes du terrorisme. Le commissaire **King** se rendra également au Centre de renseignement contre le terrorisme et le crime organisé (CITCO) pour discuter du partage d'informations, de la lutte contre le terrorisme et de la lutte contre le crime organisé. (Pour plus d'informations: Natasha Bertaud – Tél.: +32 229 67456, Katarzyna Kolanko – Tél.: +32 229 63444)

[Upcoming events](#) of the European Commission (ex-Top News)

Statement by Commissioner for Humanitarian Aid and Crisis Management Christos Stylianides on the devastating fires in Greece

"Today is a day of great sorrow for Greece and for all of Europe.

The EU stands with the Greek people in solidarity at this difficult time.

Let me express our condolences to the families and friends of the victims of these devastating fires that have caused so much suffering and a tragic loss of life.

As announced by President Juncker in his letter, I will travel to Athens today to meet with the Greek civil protection authorities and coordinate the EU assistance which is already on its way.

I spoke with Prime Minister Tsipras yesterday night and I am in constant contact with him in order to offer the Commission's full support to the Greek authorities and people.

At this stage, I would like to thank Cyprus, Spain and Bulgaria who have already made immediate offers of concrete assistance through our EU Civil Protection Mechanism: planes, firefighters, medics and vehicles.

Together we are working 24/7 to help the brave first responders and emergency services working tirelessly to help those in need."

For more information

[President Juncker's letter](#)

[MEMO on forest fires](#)

[EU's Civil Protection Mechanism](#)

[Emergency Response Coordination Centre](#) (ERCC)

[Photos](#) and [video](#) stockshots of the ERCC

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Commissioner **Avramopoulos** said: *"Now more than ever we need common, European solutions on migration. We are ready to support Member States and third countries in better cooperating on disembarkation of those rescued at sea. But for this to work immediately on the ground, we need to be united – not just now, but also in the long run. We need to work towards sustainable solutions."*

'Controlled Centres' in the EU

To improve the orderly and effective processing of those disembarked in the European Union, EU leaders have called for the establishment of 'controlled centres' in the EU. The primary aim would be to improve the process of distinguishing between individuals in need of international protection, and irregular migrants with no right to remain in the EU, while speeding up returns.

The centres would be managed by the host Member State with full support from the EU and EU Agencies and could have a temporary or ad-hoc nature depending on the location. The main features of such centres are:

- **full operational support** with disembarkation teams of European border guards, asylum experts, security screeners and return officers, and all costs covered by the EU budget;
- **rapid, secure and effective processing** that reduces the risk of secondary movements and accelerates the process to determine the status of the person concerned;
- **full financial support** to volunteering Member States to cover infrastructure and operational costs; as well as financial support to Member States accepting transfers of those disembarked (€6,000 per person).

To test the concept, a pilot phase applying a flexible approach could be launched as soon as possible.

The Commission will also provide a central contact point to coordinate among Member States taking part in solidarity efforts – as an interim measure until a fully-fledged system can be established in the context of the ongoing Common European Asylum System reforms.

See the factsheet on controlled centres in the EU [here](#).

Regional Disembarkation Arrangements

In addition to the establishment of controlled centres, EU leaders have called on the Commission to explore the concept of regional disembarkation arrangements in close cooperation with IOM and UNHCR and in partnership with third countries.

The objective of regional disembarkation arrangements is to provide quick and safe disembarkation on both sides of the Mediterranean of rescued people in line with international law, including the principle of *non-refoulement*, and a responsible post-disembarkation process.

The main features of regional disembarkation arrangements are:

- **Clear rules for all:** To reduce deaths at sea and ensure orderly and predictable disembarkation, all coastal states in the Mediterranean should be encouraged to establish search and rescue zones and Maritime Rescue Coordination Centres (MRCCs);
- Developed by the UNHCR and IOM who will help ensure those disembarked can receive protection if they are in need of it, including through resettlement schemes; or will be returned to their countries of origin if they are not, including through the assisted voluntary return and reintegration programmes run by the IOM;
- **Partnerships on an equal footing:** work with interested third countries will be brought forward on the basis of existing partnerships and offered support tailored to their specific political, security and socio-economic situation;
- **No pull factors:** resettlement possibilities will not be available to all disembarked persons in need of international protection and points of reception should be established as far away as possible from points of irregular departure;
- **No detention, no camps:** Regional disembarkation arrangements mean providing a set of established procedures and rules to ensure safe and orderly disembarkation and post-disembarkation processing in full respect of international law and human rights;
- **EU Financial and logistical support:** The EU is ready to provide financial and operational support for disembarkation and post-disembarkation activities as well as for border management with equipment, training and other forms of support.

See the factsheet on regional disembarkation arrangements [here](#).

Next Steps

Ambassadors meetings tomorrow, 25 July, are expected to discuss the concept

of controlled centres in the EU and the possibility of rapidly using an interim framework for disembarkations of those rescued at sea in the EU.

The work on regional disembarkation arrangements will also be touched upon at tomorrow's meeting and is expected to be taken forward at a meeting with the IOM and UNHCR in Geneva 30 July 2018. Only once a common EU approach is agreed will outreach be made to interested third countries.

Background

The European Council in its conclusions of 28-29 June invited the Council and the Commission to swiftly explore the concept of "regional disembarkation platforms, in close cooperation with relevant third countries, as well as the United Nations High Commissioner for Refugees (UNHCR) and the International Organisation for Migration (IOM)".

The European Council also called for the development of 'controlled centres' on EU territory – a new approach based on shared efforts for the processing of persons who, following their rescue at sea, are disembarked within the EU.

For more information

[Non-paper on 'controlled centres' in the EU](#)

[Non-paper on regional disembarkation arrangements](#)

[Factsheet on 'controlled centres' in the EU](#)

[Factsheet on regional disembarkation arrangements](#)

[European Council conclusions, 28 June 2018](#)

Letter by President Juncker to Prime Minister Tsipras

European Commission President Jean-Claude **Juncker** has written to Prime Minister of Greece, Alexis Tsipras, to express his condolences for the loss of lives following forest fires in the country:

Dear Prime Minister,

It is with a heavy heart that I have learnt that many people have tragically lost their lives in devastating fires in Athens, Greece.

On behalf of the European Commission, I would like to express my sincere condolences to the families and friends of the victims.

During these difficult times, we stand side by side with the Greek people and authorities and I commend the tireless and courageous efforts of the emergency responders.

Everything possible will be done to provide support today, tomorrow and for as long as it takes.

I have asked the Commissioner for Crisis Management and Humanitarian Aid, Christos Stylianides, to be in immediate contact with the Greek civil protection authorities. He has informed me that assistance, including planes and fire teams, has been mobilised. The Commissioner is travelling to Athens today. I would also like to thank the relevant Member States for their continued solidarity in this regard.

Yours sincerely,

Jean-Claude JUNCKER