Pre-cast concrete products: four cartels fined €76,645,000

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Pre-cast concrete products: the *Autorité* sanctions four cartels and imposes a total fine of €76,645,000 on 11 companies

The *Autorité de la concurrence* has fined four cartels in the pre-cast concrete products sector. Eleven companies have been fined a total of €76,645,000.

While the *Autorité* has fined cartel practices for periods ranging from seven to 10 years, depending on the objections (from 2008 or 2011 to 2017 or 2018), it stresses that the evidence in the case file shows that, in reality, these practices were deeply rooted in the way the sector operated, to the extent that some participants in the practices stated that they had "*lost sight*" of the illegal nature of their actions and were unable to pinpoint the precise start of the practices, which, they declared, could date back to the 1980s.

The existence of a criminal law component

Informed by a report from the Directorate General for Competition Policy, Consumer Affairs and Fraud Control (DGCCRF) (Lille Interregional Competition Investigation Brigade [BIEC]), the General Rapporteur of the *Autorité* sent a report to the public prosecutor based on Article 40 of the French Criminal Procedure Code (*Code de procédure pénale*).

Following this report, the investigating judge intercepted telephone calls and conducted raids at the premises of several of the companies involved. A raid was also carried out at the Mercure Hotel in Roissy, interrupting a meeting attended by seven company representatives. The *Autorité*'s decision in no way

prejudges the outcome of the criminal proceedings.

Two leniency applications

Following the criminal searches, KP1 and Rector filed two leniency applications with the *Autorité*. In response, the *Autorité* started proceedings *ex officio* into possible anticompetitive practices in the pre-cast concrete products sector. In particular, KP1's declarations enabled the *Autorité* to identify anticompetitive practices other than those detected on the basis of the criminal investigation information forwarded to the *Autorité* by the investigating judge.

Four cartels fined:

- KP1, Rector and SEAC for setting up a nationwide cartel aimed at sharing worksite volumes by distorting competition in calls to tender issued by building companies. KP1, Rector, SEAC, Strudal, A2C, FB, L'Industrielle du béton (IB), Saint-Léonard Matériaux (SLM) and Soprel have also been fined for implementing this national strategy in several regions.
- KP1 and Rector for setting up a cartel relating to the rates of price increases applicable to wholesalers and residential house builders.
- KP1, Eurobéton France and Strudal for sharing sensitive information in connection with calls to tender for concrete frame projects.
- KP1 and Société de préfabrication de Landaul (SPL) for implementing a bilateral agreement on prices and customer allocation.

The *Autorité* has imposed an additional fine of €75,000 on Eurobéton France for obstructing the investigation, as the company provided incorrect information in response to a request for information from the Investigation Services, and only corrected this error after the statement of objections.

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