

LEGAL UPDATES

CCI: CCI IMPOSES PENALTIES ON MARITIME TRANSPORT COMPANIES FOR CARTELIZATION

3-member bench of CCI, consisting of Mr A.K.Gupta, Ms Sangeeta Verma, and Mr B.S.Bishnoi, in a suo-moto case, imposed penalty on Nippon Yusen Kabushiki Kaisha, Kawasaki Kisen Kaisha Ltd., Mitsui O.S.K. Lines Ltd. and Nissan Motor Car Carrier Company ("OP") for violation of sec.3 of the Act for cartelisation against OEMs on various trade routes and further ordered to end such conduct immediately. The Commission noted that OP colluded among themselves for anti-competition agreements with respective OEMs and in continuance to this, OP conducted various meetings and other communication to share sensitive information for the business. The Commission further noted that OP targeted to maintain their market stronghold by strongly resisting OEM's request to reduce the price. CCI opined that said collusion is presumed to have AAEC in contravention to Sec.3(3) of the Act. CCI remarked that OP had no substantive defence to the allegation and hence, held them guilty accordingly. Further, the watchdog held such a penalty will achieve two objectives, firstly, it will reflect the gravity of the infringement and secondly deter the subsequent commission of such offences. With regards to the amount of penalties, the commission stated to consider the aggravating and mitigating factors. Lastly, subsequent to the application for reduction of penalty, reduced the penalty by 100%, 50% and 30% for Nippon, Mitsui and Nissan respectively. Hence, CCI ordered Kawasaki, Mitsui and Nissan to pay INR 24.23 crore, INR 10.12 crore & INR 28.69 crore respectively.