



Case Summary

29 July 2011

Cartel proceedings against manufacturers of fire engines with turntable ladders

Sector: Fire engines with turntable ladders

Ref: B12 - 12/10

Date of Decision: 27 July 2011

On 27 July 2011 the Bundeskartellamt imposed a fine of € 17.5 million against Iveco Magirus Brandschutztechnik GmbH, Ulm, for its involvement in anti-competitive agreements concerning the manufacture of fire engines equipped with turntable ladders. The other participant in the anti-competitive agreements was Metz Aerials GmbH & Co. KG, Karlsruhe, which belongs to the Austrian Rosenbauer group. No fine was imposed against Rosenbauer because the company had informed the Bundeskartellamt of the cartel agreement in 2010 by way of a leniency application. In May 2010 the Bundeskartellamt conducted a search. The proceedings against the sales managers and CEOs involved were referred to the competent public prosecutors' offices for examination under criminal law.

On average, 60-80 fire engines with turntable ladders are sold in Germany per year. The vehicles are purchased by municipalities. Iveco and Metz have a combined market share of close to 100% of the German market.

At least since 1998, the sales managers and CEOs of the two companies had engaged in anti-competitive agreements which affected the German market for turntable ladders. In these agreements representatives of Iveco and Metz coordinated bids for tenders by local authorities with the aim of dividing them up at a 50/50 ratio. The companies' sales managers met at regular intervals and divided the tenders among each other on the basis of so-called 'project lists'. These lists consisted of three columns headed 'Metz turntable ladders', 'Iveco turntable ladders' and 'open turntable ladders'; they contained all invitations to tenders for the following 12 months that were known to the sales

managers. The columns 'Metz turntable ladders' and 'Iveco turntable ladders' contained those tenders that had already been distributed, the column 'open turntable ladders' those that were to be allocated at the meeting.

To implement the agreements, the companies agreed to offer different discounts on the list prices in their bids. The company that was to receive the award offered a discount of 5-8%, while the other company offered a discount of only 3%. In addition, the companies agreed on virtually identical list prices.

To conceal the cartel agreements, the sales managers used prepaid mobile phones and initially communicated via hardcopy correspondence sent to their home addresses. As of 2006, they communicated via email using a 'football code'. Cartel meetings were referred to as 'training sessions' and discounts were indicated in the form of match results.

During the cartel period the sales managers discontinued the contact for short periods on account of conflicts arising from the allocation of individual tenders. In November 2007 the parties had a final disagreement after which the anti-competitive meetings came to an end.