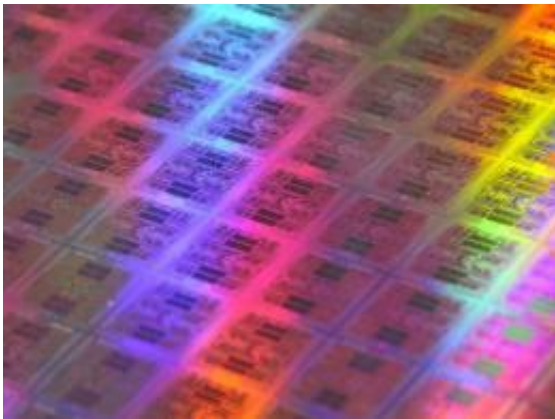


EU fines Samsung, nine other chip makers over cartel

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A semi-conductor wafer at a factory in Tokyo. The EU Commission has fined the world's biggest memory chip makers -- including Samsung, Infineon and Toshiba -- a total of \$403 million for operating a cartel.

The EU Commission fined the world's biggest memory chip makers, including Samsung, Infineon and Toshiba, a total of 331 million euros (403 million dollars) on Wednesday for operating a cartel.

The biggest fine, of 145 million euros, was handed down to South Korea's Samsung Electronics, the world's top computer memory chip maker, for its part in the cartel which shared confidential information and coordinated prices.

Germany's Infineon Technologies was fined 56.7 million euros while

South Korea's Hynix Semiconductor Inc. will have to pay 51.5 million euros.

Others fined for being part of the cartel include Japanese companies Hitachi, Toshiba, Mitsubishi, NEC Electronics and Elpida Memory as well as Taiwan's Nanya.

US chip maker Micron Technology blew the whistle on the price fixing cartel and therefore escaped a fine.

The European Commission said the overall fines had been reduced by 10 percent after the companies acknowledged their involvement in the cartel.

Some of the individual companies involved also had their fines reduced by up to 45 percent, in the case of Infineon, for cooperating with the long-running investigation and for what the commission said were "mitigating circumstances."

Infineon was the only European company involved, but all the members of the cartel which operated from 1998-2002 sold their products in Europe.

Samsung's fine was reduced by 18 percent.

It was the first time such a settlement has been reached in a cartel case.

"The companies concerned have acknowledged that they coordinated prices," said EU Competition Commissioner Joaquin Almunia.

"This first settlement decision is another milestone in the Commission's anti-cartel enforcement. By acknowledging their participation in a cartel the companies have allowed the Commission to bring this long-running

investigation to a close and to free up resources to investigate other suspected cartels," he said.

As the procedure is applied to new cases it is expected to speed up investigations significantly, the EU commissioner added, as it would offer a simplified procedure.

The actions of the cartel forced computer makers and others to push up the costs of finished products to consumers, he said.

The cartel was first busted in the United States in 2005 for price-fixing of dynamic random access memory (DRAM) chips, widely used in computers and other electronics.

In November 2005, Samsung pleaded guilty in the US to participating in the conspiracy and agreed to pay a 300-million-dollar fine in what was the second largest criminal antitrust fine in American history.

The case marked the shift of price-fixing into the technological age.

Six senior Samsung executives also received prison terms in the US as a result of the case.

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