

S. Korea's LG to appeal European fine for price-fixing

December 6 2012

LG Electronics vowed on Thursday to appeal against a European Commission fine of nearly 500 million euros (\$653 million) for price-fixing, calling the penalty unfair and discriminatory.

The Commission imposed on Wednesday a record fine of 1.5 billion euros on seven top TV and [computer screen](#) makers including South Korean electronics giants LG and Samsung SDI for running decade-long price-fixing cartels.

Other companies involved in the scheme are Chunghwa of Taiwan, Philips of the Netherlands, Japan's Panasonic and Toshiba, and Technicolor, formerly Thomson, of France.

"For almost 10 years, between 1996 and 2006, these companies fixed prices, shared markets, allocated customers between themselves and restricted their output," the Commission said in a statement on Wednesday.

It said there were two cartels—one for television and another for computer screens—that carried out the "most harmful anti-competitive practices" involving the supply and pricing of cathode ray tube monitors.

LG was fined 491.5 million euros after the Commission held the company liable for not only its own actions but also those of the now-defunct [joint venture](#) it established with [Royal Philips Electronics](#).

LG claimed LG Philips Display, formed in 2001, operated independently until its bankruptcy in 2006 and LG should therefore not be held for its [management decisions](#).

"[LG Electronics](#) is currently reviewing the [European Commission's](#) decision with the intention to appeal the decision," the company said in a statement.

It argued that anti-trust authorities in [South Korea](#), Japan, the United States, Canada and the Czech Republic had all concluded that LG Electronics was not liable for the conduct of LG Philips.

"LG Electronics fails to understand why the... Commission, which publicly values convergence of competition law enforcement, has taken a wholly different approach," John Kwon, LG's executive vice president, said in the statement.

LG also said the size of the fine was unfairly based on the company's entire output of TV and PC monitors, instead of just [cathode ray tube](#) monitors.

"LG Electronics objects to this approach as there is no evidence that such sales (of other products) were affected by the alleged infringement investigated by the Commission," said the statement.

"We admit that we took part in some price-fixing activities until LG Philips was established in 2001 but the Commission's probe, which began in 2007, is time-barred for actions that took place before 2002," a spokesman for LG told AFP.

LG also argued that the fines had been imposed in a "discriminatory" fashion.

Chunghwa was granted complete immunity and not fined as it disclosed the cartel to regulators. Samsung was fined 150.8 million euros to be cut by 40 percent for cooperating in the probe.

Philips also had its fine of 500 million euros slashed by 30 percent.

(c) 2012 AFP

Citation: S. Korea's LG to appeal European fine for price-fixing (2012, December 6) retrieved 26 April 2024 from <https://phys.org/news/2012-12-korea-lg-appeal-european-fine.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.