

EU launches probe into suspected chipmaker cartel

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A model demonstrates how to use a mobile phone handset equipped with a smartcard chip to pay an auto vending machine in Tokyo, 11 July 2005. EU anti-trust authorities have announced a formal cartel probe into smartcard chipmakers—the motors for everything from bank and mobile SIM cards to electronic ID papers, after talks aimed at securing an amicable settlement broke down.

EU anti-trust authorities announced on Monday a formal cartel probe into smartcard chipmakers—the motors for everything from bank and mobile SIM cards to electronic ID papers, after talks aimed at securing an amicable settlement broke down.

"The European Commission has informed a number of suppliers of smart card chips of its preliminary view that they may have participated in a cartel, in breach of EU [antitrust rules](#)," said a statement from European Union Competition Commissioner Joaquin Almunia.

The sending of a "statement of objections" is a legal step that does not necessarily result in a fine, but underlines that "the Commission has concerns that certain chips suppliers may have agreed or coordinated their behaviour ... in order to keep prices up."

Almunia added: "It is not because [settlement talks](#) fail that companies get off the hook ... The Commission will not hesitate to revert to the normal procedure and to pursue the suspected infringement."

The companies involved were not immediately named.

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