Toyota says Chinese regulators looking at Lexus

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Toyota Motor Corp. said Friday that Chinese anti-monopoly regulators are looking at its Lexus luxury unit in a spreading investigation of foreign automakers.

The company is "cooperating fully with the queries from the authorities on Lexus," said Toyota spokesman Naoki Sumino in Tokyo. He declined to give details.

Authorities said this week that Audi, which is Volkswagen AG's luxury unit, and Fiat Chrysler Automobiles NV's Chrysler brand would be punished for unspecified anti-monopoly violations. Mercedes Benz, the luxury brand of Daimler AG, has said it is under scrutiny and a government spokesman said regulators are looking at 12 Japanese companies in the auto industry.

Regulators have not disclosed the basis of their investigation. But customers complain prices of imported luxury vehicles and replacement parts are too expensive. Luxury cars in China can cost up to three times the price charged in the United States or Europe.

The headquarters in Japan of Nissan Motor Corp., owner of the Infiniti luxury brand, was closed for a vacation this week and unavailable for comment.

In an apparent effort to force down consumer prices, regulators have launched investigations of foreign auto, technology, pharmaceutical and dairy companies over the past two years using a 2008 anti-monopoly law.

Audi, Chrysler and Mercedes announced pre-emptive price cuts of up to 38 percent for vehicles or replacement parts. Another luxury automaker, BMW AG, lowered vehicle prices but has not confirmed whether it is under investigation.

A spokeswoman for a major Japanese components supplier Denso Corp., Yoko Suga, said, "We are not in a position to comment on anything related to any authorities' investigation."

The investigations are fueling unease among foreign companies that complain Beijing uses regulatory measures to hamper them and promote potential Chinese competitors in violation of its free-trade commitments.

Business groups welcomed the 2008 law as a step toward clarifying operating conditions in China. Since then, they have said it is enforced more actively against foreign companies than against their Chinese rivals.

In a case last year, five foreign dairy companies and one from Hong Kong were fined for setting minimum prices that distributors were required to charge. That is a common practice in some other countries but regulators said it interfered with market forces and forced consumers to pay higher prices.

Regulators also are investigating Microsoft Corp.; Qualcomm Inc., a San Diego, California-based supplier of chips used by Chinese manufacturers of smartphones and other mobile devices, and InterDigital Inc., of Wilmington, Delaware, which licenses technology patents.

In those cases, the government has said it was looking into whether they abused their market dominance to charge excessively high prices.