

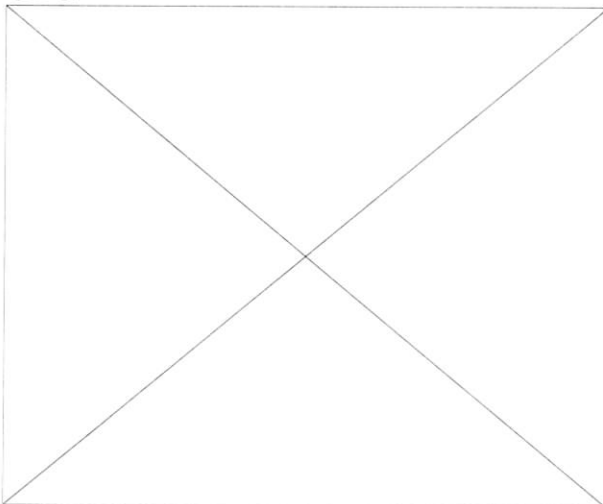


Concrete firms question cement pricing levels

(28 March 2007 00:00)


Cartel Damage Claims (CDC) has told CJ that a growing number of independent concrete manufacturers are coming forward to express concern over the competitiveness of cement pricing.

"The industry has been concerned for a number of years about unnaturally high prices, but it has only recently got together and asked us to look into it," said Seamus Maye, director of CDC.



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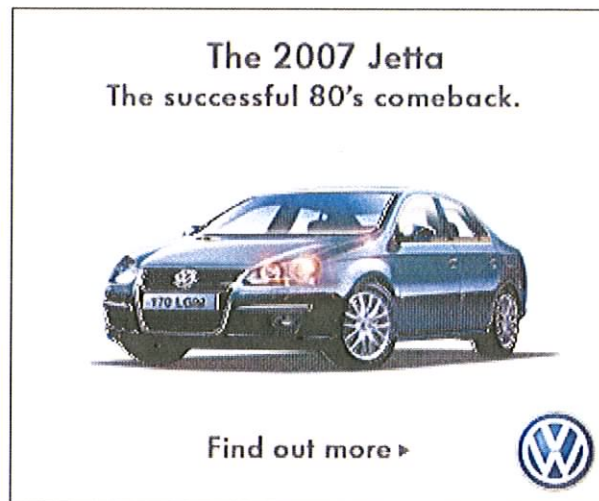
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The company intends to use the same model that worked in Germany for the successful prosecution of **Lafarge**, **Cemex** and Dykerhoff.

Maye has first-hand experience of competition issues having seen his Irish cement importation business sent to the wall following what he described as anti-competitive practices, including price discrimination and collusion. He is currently in the process of taking the case to Ireland's new Competition Court and seeking damages in excess of £200m from defendants **CRH**, Readymix (now **Cemex**), Kilsaran Concrete Products and **Grafton Group**.

For the UK, CDC will perform a full market analysis and investigate irregularities going as far back as it can - possibly 10 years.

"We think there is discriminatory pricing in the UK and we are actively seeking proof of this," Maye explained. "Germany is one of the highest cost economies in Europe, yet concrete now costs less than £33/t delivered following the breaking of the cartel in 2003. We want to know why cement manufacturers charge £75/t in the UK.



The German cartel office found that manufacturers were charging artificially high prices and I have no doubt this is happening across Europe."

To date, investigations have been undertaken in Germany, France, Ukraine and Hungary, and a decision is imminent in a case in Poland.

"We suspect that the Office of Fair Trading or the European Commission are carrying out investigations of their own on the UK market," May continued. "If they haven't taken any action before we finish collecting data, we will take private enforcement action."

Cemex, **Castle Cement**, Lafarge and **Tarmac's** Buxton cement plant have all rejected claims that there is a lack of genuine competition in the market. The manufacturers blame recent shortages and increased prices on rising energy costs, high demand due to mild weather both in the UK and Europe and unplanned shutdowns.

A Lafarge spokesman said: "We take anti-competition behaviour very seriously. We are not concerned as we don't think there is any basis in these allegations."

James Stagg ([About this Author](#))
