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Latest News

CDC cement cartel success boosts UK claimants

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Investigators gathering evidence over alleged cement price fixing in the UK have been boosted by Heidelberg, Lafarge, Holcim, Cemex and three other cement producers losing their court bid in Germany to throw out a lawsuit over a price-fixing cartel.

The lawsuit, filed by Cartel Damage Claims (CDC) SA, is seeking over 350million euros – including interest at 8% – in damages for around 35 unnamed companies after a 2003 investigation found the six cement firms had colluded on quotas and geographical regions in a cartel stretching back to the 1970s.

Although still some way from securing damages, the German ruling vindicates CDC's modus operandi of bundling different claims together, allowing it to move forward with its case.

In a statement the Dusseldorf court wrote: "As far as the admissibility of the claim is concerned, the claimant has provided sufficient evidence for its calculation and the minimum damage it claims." Since the decision on Wednesday, other firms in Germany have come forward joining those seeking damages, CDC's Seamus Maye told *MQR*. He hopes this decision will now help fuel further action in the UK.

The British Aggregates Association (BAA) has charged Maye and CDC with investigating cement cartels in the UK. BAA director Robert Durward told *MQR* today that the result was very good news.

He said: "The producers claim that this is only the beginning of the action but having already been convicted of the original offence they are on thin ice. We expect that the German court vindication of CDC's methodology, coupled with the recent Office of Fair Trading (OFT) offer of "up to £100,000" for whistleblowers will greatly help in bringing UK cement prices into line with the continent."

However, Maye warns that greater political will is needed from the OFT if cement cartels in the UK are to be tackled. "Firms are hesitant to come forward. If they could see the state backing them up it would make all the difference," he said.

Some see Professor Richard Whish being installed as a non-executive director at the trade watchdog last year as a sign attitudes may be starting to change. The professor of law at Kings College, London, held a range of lectures around the world in which he made his views about the existence of cement cartels clear.

He said: "The first thing I say to the students is, every system of competition law will deal with cartels and the first thing for any new competition regulator is to go out and find the cement cartel.

"Because my experience of this subject is, it is always there, somewhere. The only countries in which I had been unable to find the cement cartel is where there is a national state-owned monopoly for cement."

www.carteldamageclaims.com

www.british-aggregates.co.uk

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