

EU raids cement companies in cartel probe

The Associated Press

Wednesday, November 5, 2008

BRUSSELS, Belgium: EU antitrust regulators have raided cement companies it suspects formed an illegal cartel to hike prices for the building trade, the European Commission said Wednesday.

Mexico-based Cemex SAB, one of the world's largest building materials companies, Holcim of Switzerland, France's Lafarge and Germany's HeidelbergCement and Dyckerhoff all confirmed that their European plants were among those that received surprise visits from inspectors on Tuesday and Wednesday.

The EU executive said it had "reason to believe" that the companies it examined may have broken EU rules that outlaw price-fixing cartels and monopolies. But it stressed that it was still investigating and was not accusing the companies of illegal behavior.

The European Union has the power to levy billions of euros (dollars) in fines but usually gives an amnesty to the first company to come forward triggering a flood of cartel confessions in recent years.

HeidelbergCement which was fined 252 million euros by German regulators in 2003 for a previous cement cartel said it now tells employees to report any illegal antitrust activities such as cartels.

It said officials had raided its headquarters in Heidelberg, western Germany, as well as regional offices in Britain, Belgium, the Netherlands and Luxembourg.

Also in Germany, Wiesbaden-based Dyckerhoff AG told the AP that EU investigators had arrived at its offices there on Tuesday and were still searching for evidence. They said their Luxembourg offices had also been raided.

Holcim spokesman Peter Gysel confirmed that EU regulators sprang surprise visits on Holcim Group companies in Belgium, Britain, France and Germany on Tuesday.

Lafarge spokeswoman Claire Mathieu said the company's Paris headquarters were visited Tuesday by EU antitrust investigators, and Lafarge was "fully cooperating" with the inquiry.

Cemex said Tuesday it was also cooperating with antitrust authorities and was providing all the information and testimony they wanted. It said its German and British offices had been raided.

Associated Press writers Matt Moore in Berlin, Brad Klapper in Geneva and Angela Charlton in Paris contributed to this story.

Correction:

Notes: