

Brussels, 24 January 1966  
IP(66)10

PRESS RELEASE

Communication from the Commission to a European cement cartel

The Commission of the European Economic Community has informed 53 enterprises in the cement industry in Belgium, Germany and the Netherlands that, after preliminary examination, it considers that an agreement notified by them for the control of the Netherlands cement market falls under the ban in the EEC Treaty on cartels and does not justify exemption (Article 85 (1 and 3)).

The effect of this communication is that the Commission can adopt a decision imposing fines on the enterprises concerned if, in violation of the ban on cartels, they persist in the agreement notified (Article 15(6) of Council Regulation No. 17). The Commission takes such a communication into consideration when, after preliminary examination, it comes to the conclusion that an evident case of infringement of the Treaty rules of competition exists.

In particular, the parties to the agreement have shared out among themselves by means of quotas the task of supplying the Netherlands market with cement and cement clinker (a product for further processing), and they have agreed upon uniform prices and sales conditions; each enterprise has further undertaken not to erect any cement factories in the other countries without first obtaining the consent of any party to the agreement registered in the country concerned.

After a preliminary examination of the matter, the Commission had come to the conclusion that the cartel is prejudicial to trade in cement and cement clinker between the Netherlands, on the one hand, and Belgium and Germany, on the other. At the same time it restricts competition with regard to the Netherlands market for cement and cement clinker. The preliminary examination has not revealed any reasons for thinking that the agreement in question contributes to the improvement of the production or distribution of goods or to the promotion of technical or economic progress while reserving to users an equitable share in the profit resulting therefrom - grounds on which it could be exempted from the ban on cartels.

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