



*European Communities
Commission
Press Release*

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**EUROPEAN COMMISSION IMPOSES FINE OF £67,000 ON KAWASAKI (UK)
FOR RESTRICTIVE PRACTICES IN THE MOTOR CYCLE TRADE**

The Commission has imposed a fine of 100,000 units of account (about £67,000) on Kawasaki Motors (UK), a wholly-owned subsidiary of Kawasaki Heavy Industries, for preventing the export of Kawasaki motor cycles from the United Kingdom. Kawasaki is the fourth most important supplier of motor cycles in the Community.

This matter was brought to the Commission's attention in March 1977 by a private consumer, resident in Belgium, who had sought to buy a Kawasaki motor cycle in the United Kingdom because prices in the United Kingdom for Kawasaki machines were at least 30 per cent lower than in Belgium.

The Commission's investigations discovered that Kawasaki Motors (UK) had imposed an export prohibition on Kawasaki dealers since May 1975. The export prohibition was lifted in July 1977 after the Commission had served a statement of objections under Article 15 (6) of Regulation 17 as an interim measure.

Price differences of up to 50 per cent

The considerable price differences referred to by the private consumer were confirmed by the Commission's investigations which found that recommended retail prices in other Member States were as much as 50 per cent higher than those in the United Kingdom. In particular it was found that the wholesale price charged to dealers in Germany by Kawasaki Motoren GmbH, also a wholly-owned subsidiary of Kawasaki Heavy Industries, was on average 25 per cent higher than the Kawasaki Motors (UK) recommended retail price to private customers in the United Kingdom.

The export prohibition was imposed in order to protect the high price levels in other Member States, especially the Federal Republic of Germany, from competition from dealers in the United Kingdom so denying those dealers an opportunity to meet demand from other countries of the Community.

This conduct enabled Kawasaki Motoren GmbH in particular to charge higher prices than would otherwise have been possible. A profit was thereby made from a restriction of competition prohibited by Article 85, and in the Commission's view, a fine was justified.

The Commission welcomes the initiative shown by the private consumer in this case, and will continue to defend the right of consumers and others to buy wherever they wish in the Community.