



सत्यमेव जयते



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CCI imposes penalty on maritime transport companies for indulging in cartelisation

Competition Commission of India ('CCI') passed a final order against four maritime transport companies namely Nippon Yusen Kabushiki Kaisha ('NYK Line'), Kawasaki Kisen Kaisha Ltd. ('K-Line'), Mitsui O.S.K. Lines Ltd. ('MOL') and Nissan Motor Car Carrier Company ('NMCC') for indulging in cartelisation in the provision of maritime motor vehicle transport services to automobile Original Equipment Manufacturers (OEMs) for various trade routes. Amongst these four companies, NYK Line, MOL and NMCC were lesser penalty applicants before CCI.

The evaluation of available evidence revealed that there was an agreement between NYK Line, K-Line, MOL and NMCC with the objective of enforcement of "Respect Rule", which implied avoiding competition with each other and protecting the business of incumbent carrier with the respective OEM. To achieve the said objective, the maritime transport companies resorted to multi-lateral as well as bilateral contacts/ meetings/ e-mails with each other to share commercially sensitive information which, *inter alia*, included freight rates. They also aimed to preserve their position in the market and maintain or increase prices, including by resisting requests for price reduction from certain OEMs.

Accordingly, based on a cumulative assessment of the evidence, the Commission held all the four opposite parties, *i.e.*, NYK Line, K-Line, MOL and NMCC, guilty of contravention of the provisions of Section 3 of the Competition Act, 2002 (the Act), which prohibits anti-competitive agreements including cartels, from 2009 to 2012. Further, 14 individuals of NYK Line, 10 individuals of K-Line, 6 individuals of MOL and 3 individuals of NMCC, were also held liable for the anti-competitive conduct of their respective companies, in terms of the provisions of Section 48 of the Act.

As three companies filed lesser penalty applications, the Commission gave benefit of reduction in penalty by 100% to NYK Line and its individuals, 50% to MOL and its individuals and 30% to NMCC and its individuals. Accordingly, the Commission directed K-Line, MOL and NMCC to pay penalties to the tune of approx. INR 24.23 crores, INR 10.12 crores and INR 28.69 crores respectively, besides passing a cease-and-desist order.
