# EU fines LCD pannel makers euro649 million for cartel

The Associated Press

The European Union's competition watchdog on Wednesday fined five Taiwanese and South Korean electronics companies euro649 million for fixing prices on LCD panels between 2001 and 2006.

A sixth company, Samsung Electronics Co., also participated in the price fixing, but escaped a fine because it blew the whistle on the cartel, the European Commission said.

Chimei InnoLUx Corp. received the biggest fine, euro300 million, LG Display Co. has to pay euro215 million, while AU Optronics Corp. was fined euro116.8 million. Two smaller companies, Chunghwa Picture Tubes Ltd. and HannStar Display Corp., received fines of euro9 million and euro8.1 million respectively.

Monday's fines targeted price-fixing for LCD panels used in flat screens for televisions, computer monitors and electronic notebooks. The EU's initial investigation had also included smaller LCD screens like the ones built into mobile phones, digital cameras, or MP3 players, but the fines did not target price-fixing for those products.

"This was a very well organized cartel," said Competition Commissioner Joaquin Almunia.

Between Oct. 2001 and Feb. 2006, the companies met about 60 times, mostly in Taiwanese hotels, for what they called "the Crystal meetings," the Commission said. In addition to fixing prices, they also exchanged information on their future production plans and other business plans, the Commission said.

The cartel affected LCD panel sales worth about euro7 billion in the European market, Almunia said, and the cartel's impact on consumers was strong because most televisions and computers sold in the region come from Asia.

"Foreign companies, like European ones, need to understand that if they want to do business in Europe they must play fair," said Almunia. "The companies concerned knew they were breaking competition rules and took steps to conceal their illegal behavior."

The European Commission launched the cartel investigation in 2006 in parallel with similar action by U.S. regulators. These followed probes by South Korea and Japan.

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