

LG Display may appeal EU fine over LCD cartel

KELLY OLSEN - AP Business Writer - Associated Press

South Korea's LG Display said Thursday it may appeal on procedural grounds a massive European Union fine for price fixing even as it acknowledged it had violated competition law over several years.

The EU competition watchdog fined LG Display and four Taiwanese manufacturers euro649 million (\$863 million) on Wednesday for fixing prices on LCD panels between 2001 and 2006. One of the Taiwanese companies has already said it will challenge the ruling.

A sixth LCD maker, South Korea's 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.

"LG Display acknowledges the wrongful acts of the past and respects the European Commission's regulatory authority in this regard," the company said in a statement.

The company was fined euro215 million.

Seoul-based LG Display Co., the world's second-biggest maker of liquid crystal displays after Samsung said that it may appeal the decision "if it finds there were procedural or substantive due process issues with the investigation."

The fines targeted price-fixing for LCD panels used in flat screens for televisions, computer monitors and electronic notebooks.

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, it said.

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

LG Display said that the EU appeals process generally takes more than two years and that the final amount of the fine can change and even be "significantly reduced."

The company said that it "has taken comprehensive measures to avoid repetition of such mistakes and reaffirms its commitment to highest ethical standards and transparency in the company's management."

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In Taiwan, a spokeswoman for AU Optronics Corp. said the company would appeal the euro116.8 million fine levied against it. The three other Taiwanese firms cited in the EU judgment — Chimei InnoLux Corp., Chunghwa Picture Tubes Ltd. and HannStar Display Corp. — did not respond immediately to a request for comment.

Chimei received the biggest fine, euro300 million, while Chunghwa and HannStar were fined euro9 million and euro8.1 million, respectively.

LG Display and its LG Display America Inc. unit agreed in November 2008 to pay a \$400 million fine imposed by the U.S. Justice Department in an antitrust investigation of the LCD industry in the United States covering a price-fixing conspiracy from 2001 to 2006.

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Associated Press writer Peter Enav in Taipei, Taiwan contributed to this report.

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