

TV "Cartels" Face Hefty EC Fines

Written by Marco Attard
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Seven major TV vendors face hefty fines reaching €1.47 billion in total from the European Commission (EC) for participation in either one or both of what are described as two global TV price fixing cartels.



To think the word "*cartel*" usually brings to mind the violent Mexican meth dealers seen in AMC's *Breaking Bad*, not dealers in a nearly extinct TV technology...

According to the EC, between 1996 and 2006 two vendor groups "fixed prices, shared markets, allocated customers and restricted output" of cathode-ray tubes worldwide. One group handled colour TVs, the other PC monitors.

The fines follow a lengthy investigation brought about by a 2007 EU raid, after Taiwan's Chunghwa Picture Tubes rattled out the so called cartels. For its troubles, Chunghwa gets full immunity from the fines.

The vendors involved in the cartels are LG Electronics, Philips, Samsung, Panasonic, Toshiba, MTPD (now a Panasonic subsidiary) and Technicolor (formerly Thompson).

The EC says the TV makers used to have so-called "green(s) meetings," where upper management would presumably speak in conspiratorial tones on matters of TV demand, production, sales and capacity before indulging in a spot of golf. Meanwhile lower management

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had quarterly, monthly or weekly "glass meetings" in various Asian (Taiwan, Korea, Japan, Malaysia, Indonesia, Thailand, Hong Kong) or European (Amsterdam, Budapest, Glasgow, Paris, Rome) locations.

One cartel discussion recording says "producers need to avoid price competition through controlling their production capacity". Another warns "everybody is requested to keep it as secret as it would be serious damage if it is open to customers or European Commission". Sinister!

On one hand, one understands the EU's no-cartels-allowed policy-- not to mention the TV industry has "cartel-ed" enough to deserve the title of repeat offender, since a meeting can't happen without attempts to collude on the prices of TFTs, LCDs, CRTs *et al.*

But on the other hand, the likes of Samsung and Philips are not the bankers causing the European economy to spiral down the drain (all while making record profits) without so much as a slap on the wrist...

Maybe now that the EU is done with the suffering TV industry, it will go after the real fat cats next? One can only hope so much.

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