

Court ruling gives go-ahead to cement price fixing case

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An ongoing probe into alleged price fixing in the UK cement industry has been given a huge fillip by the German judiciary.

Irish cartel buster Cartel Damage Claims believes a ruling by judges at a Džsseldorf court allowing it to proceed with an action against cement producers in Germany will encourage companies to help it with its separate probe into producers supplying the UK.

Cement production giants Heidelberg, Lafarge, Holcim and Cemex had tried to block a lawsuit filed by CDC against cement manufacturers in Germany.

CDC said it had found evidence that cement firms had colluded on quotas and geographical regions in a cartel stretching back over 30 years.

It wants more than 350 million euros (£278 million) in damages - including interest at eight per cent - for more than 30 unnamed companies, firms it says have been affected by the alleged cartel following a 2003 probe.

In a statement, the court stated: "As far as the admissibility of the claim is concerned, the claimant has provided sufficient evidence for its calculation and the minimum damage it claims."

CDC director Seamus Maye said that since the announcement more firms in Germany had come forward to join those seeking damages and he expected a similar thing to happen in the UK.

He said: "We expect that the German court vindication of our methodology, coupled with the recent Office of Fair Trading offer of as much as £100,000 for whistleblowers, will greatly help in bringing UK cement prices into line with the continent."

But he called for patience from UK companies, claiming a breakthrough in the cartel allegations would not come overnight.

He said: "UK independents need patience. It is inevitable that something will come out. I believe we are moving ever closer to the time when a whistleblower will come forward - that might be a producer wishing to escape the heaviest fines or an individual."

Trade body the British Aggregates Association called for CDC to investigate the UK market following the German probe.

Analysis: It's time to sort out disparity in prices

By Robert Durward

The fact that the German court has accepted the methodology of the CDC investigation and thrown out the cement producers' objections can only be seen as a positive for the industry.

It should help push the UK investigation on and encourage more companies to come forward with information.

Cement is a commodity just as water and gas are commodities and all we independents want is a level playing field where we are paying the same for that commodity as the larger producers.

There should be some sort of official Government attention drawn to the sector because of the huge disparity of cement prices between mainland Europe and the UK.

If that can be done in the United States as well as Germany, then surely we can do it here too.

Robert Durward is a director at the British Aggregates Association