

# Worldwide cartel fines fall by \$3.6 billion in a year

The Brief team  
Jan 24, 2018



A large fine for a cartel involving heavy duty trucks led to an ‘eyepopping’ total in 2016  
TIMES PHOTOGRAPHER RICHARD POHLE

Global cartel fines halved last year compared with 2016, with the EU leading the way in cutting back on financial penalties, figures published yesterday show.

Global fines totalled \$4.2 billion, down from \$7.8 billion in 2016, with analysts arguing that the drop reflected fewer “blockbuster” prosecutions rather than a

decrease in enforcement. The fall in fines in the EU was the steepest, down from \$4.1 billion in 2016 to \$1.3 billion last year.

Lawyers at the London office of the US law firm Morgan Lewis, which compiled the figures, said that the “eyepopping” totals in recent years had been driven by several large cases, including the competition actions resulting in large fines for cartels involving heavy duty trucks in 2016, foreign exchange deals in 2015 and car parts and financial benchmarks in 2014.

The firm said that while aspects of those cases were still working their way through various enforcement systems, unlike recent years “there was no single case that produced multibillion dollar fines in 2017”.

“Enforcement remains very active around the world especially in Asia,” Omar Shah, a partner at Morgan Lewis, said.

He added that the Chinese authorities were particularly active, with “a strong pipeline of domestic cases”. He said China was “becoming increasingly co-ordinated with their international counterparts. The next wave of international investigations is thus very likely to have a Chinese dimension”.

The EU is the world leader in cartel fines, with the authorities preferring to dole out financial penalties while their counterparts in the US opt for jail terms.

“The European Commission only has the power to impose administrative law fines on companies who have engaged in cartel conduct,” Shah said, explaining that the US Department of Justice “can impose criminal law sanctions including both prison terms for individual employees of those companies as well as criminal fines on the companies.

“Thus the EU Commission tends to rely only on very high fines on companies to deter cartel conduct whereas the Department of Justice uses both prison terms for individuals and fines on companies.”

Cartel fines rose in the US from \$337 million in 2016 to \$603 million last year.

**The online link to the article can be found [here](#).**