



Press release

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COMCO fines several airlines

The Competition Commission (COMCO) prohibits a price cartel in the context of air freight. Between 2000 and 2005 several airlines agreed on certain elements of the price for air freight transport. The COMCO fined the airlines 11 million Swiss Francs in total in connection with the agreement.

The investigation of the Competition Commission revealed that the airlines had agreed on freight rates, fuel surcharges, war risk surcharges, customs clearance surcharges for the U.S. and the commissioning of surcharges. All those elements are part of the price that is charged for air freight transport. This is a horizontal price agreement case.

The COMCO fines the following airlines: Korean Air Lines Co. Ltd., Atlas Air Worldwide Holdings, Inc. (Polar Air Cargo Worldwide, Inc.), AMR Corporation (American Airlines), United Continental Holdings, Inc., SAS AB (Scandinavian Airlines), Japan Airlines Co., Ltd., Singapore Airlines Limited, Cathay Pacific Airways Limited, Cargolux Airlines International S. A., British Airways Plc. and Air France-KLM SA. The Deutsche Lufthansa AG, as part of the cartel, triggered the legal proceedings by self-denunciation. Thus this airline benefits from complete immunity from the sanction. As subsidiary of the Deutsche Lufthansa AG, Swiss International Air Lines AG also benefits from full immunity from the sanction. After the initiation of the legal proceedings, British Airways Plc., Cathay Pacific Airways Limited, Japan Airlines Co., Ltd., Air France-KLM SA and Cargolux Airlines International S.A. submitted leniency applications. These leniency applicants benefit from substantial reductions of the sanctions.

The investigation has been characterized by a high complexity of proceedings because of the large number of air transport agreements with third party States. Of the existing air transport agreements, the one with the European Union (EU) is of particular importance. Switzerland signed this agreement within the framework the Bilateral Agreements I. For Switzerland this Agreement stands for a partial integration in the field of air transport. Additionally to the Swiss Federal Act on Cartels and other Restraints of Competition (Cartel Act), the COMCO therefore had to apply European competition rules, because they are an integral part of the Agreement.

Horizontal price agreements of this type are serious infringements of Article 5 Paragraph 3 of the Cartel Act. Besides the COMCO, the EU-Commission and the US Department of Justice (DOJ), amongst others, inquired into and sanctioned the behavior of various airlines.

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