

PRESS RELEASE

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The Investigation and Prosecution Service of the Belgian Competition Authority has decided to prosecute cigarette manufacturers Philip Morris Benelux, Établissements L. Lacroix Fils, JT International Company Netherlands and British American Tobacco Belgium for the exchange of information on prices between competitors, contrary to competition law

On 1 October 2021, the Investigation and Prosecution Service of the Belgian Competition Authority (hereafter “BCA”) has submitted a motivated proposal for decision to the Competition College following the formal inquiry that was opened on 8 May 2017 regarding alleged anticompetitive practices committed by Philip Morris Benelux (subsidiary of Philip Morris International Inc), Établissements L. Lacroix Fils (subsidiary of Imperial Brands PLC), JT International Company Netherlands (subsidiary of Japan Tobacco Inc) and British American Tobacco Belgium (subsidiary of British American Tobacco PLC) (hereafter “the parties”). The Investigation and Prosecution Service had conducted dawn raids in June 2017 as part of this investigation.

The parties are all manufacturers and sellers of tobacco products in Belgium and belong to major multinational groups. Together they account for 90% of cigarette consumption in Belgium.

In his motivated proposal for decision, the competition prosecutor alleges the existence of anticompetitive practices that lasted for several years and consisted in repeated exchanges of information on their future prices through wholesalers. According to the competition prosecutor the practice consisted in manufacturers sending information on their own future prices to their wholesalers and, through the wholesalers, receiving information on the future prices of their competitors. Such conduct may be contrary to Article IV.1 CEL and Article 101 TFEU.

This case will now be examined by the Competition College, before which the parties will have the opportunity to defend themselves against these objections. The parties will be able to submit written comments to the Competition College and will be heard at a hearing. The Competition College will either state that there exists an infringement of competition.

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The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)