

The CNMC fines three steel companies 24 million euros for two very serious infringements in the scrap purchase market in Spain

- The companies disclosed information to one another regarding the prices they would offer to iron scrap suppliers.
- In addition, they shared data on the technical shutdowns of their facilities so that they could anticipate future demand for scrap.
- They also exchanged information on third party competitors' prices, obtained from their suppliers, which were not yet publicly available.
- The investigation was initiated on the basis of anonymous information sent to the European Commission on the possible existence of a cartel in the scrap purchasing market.

Madrid, 14 March, 2021.- The CNMC has sanctioned two infringements involving exchanges of information between competitors: these exchanges took place, on the one hand, between AG Siderúrgica Balboa, S.A. (Balboa) and Sidenor Aceros Especiales, S.L.U. (Sidenor) and, on the other hand, between Sidenor and Arcelormittal Aceralia Basque Holding, S.L. (Arcelormittal) ([S/0012/19 SCRAP AND STEEL](#)).

In total, the fines imposed amount to 24 million euros for two infringements of Article 1 of Competition Law 15/2007, of 3 July, 2007, and Article 101 of the Treaty on the Functioning of the European Union, comprising anti-competitive exchanges of information in the market for the purchase of scrap iron.

Origin of the sanction

The investigation originated from anonymous information submitted to the European Commission on the possible existence of a cartel in the scrap purchase market in Spain. In November 2018 ([press release](#)) and March 2020 ([press release](#)), the CNMC carried out on-site inspections at the headquarters of several steel companies. Subsequently, in July 2020 ([press release](#)), the CNMC opened sanctioning proceedings against several companies in the sector for anti-competitive practices.

Prohibited Exchange of Information

In the course of the investigation, the CNMC found that Balboa, Arcelormittal and Sidenor had exchanged commercially sensitive information.

Firstly, they disclosed information concerning the **future purchase prices** they intended to offer to their iron scrap suppliers. Exchanging future prices between competitors is a practice which is particularly harmful to competition and constitutes a cartel.

Secondly, the sanctioned companies exchanged information concerning **technical stoppages at their steel mills**, allowing them to anticipate reductions in the level of demand for scrap and further restrict competition.

Finally, they exchanged information on **their prices or prices of third party competitors** which had not yet been made public.

This allowed the sanctioned companies, which are competitors, to align their behaviour and to secure their scrap supply without being subject to market discipline.

Sanctions imposed

As a result, the CNMC has imposed the following sanctions for infringements of Article 1 of Competition Law 15/2007 of 3 July, and Article 101 of the Treaty on the Functioning of the European Union, involving anti-competitive exchanges of information in the market for the purchase of scrap iron.

- Exchange of information in August 2017 between Balboa and Sidenor:
 - Balboa: 1,340,000 euros
 - Sidenor: 1,210,000 euros
- Exchange of information between January and August 2018 between Arcelormittal and Sidenor:
 - Arcelormittal: 12,120,000 euros
 - Sidenor: 9,340,000 euros

In addition to declaring the liability of these companies as perpetrators of the sanctioned practices, the following parent companies have been declared jointly and severally liable for the payment of the fines:

- Arcelormittal Spain Holding, S.L. (AMSH), parent company of Arcelormittal
- Clerbil, S.L. (Clerbil), parent company of Sidenor
- Gallardo Balboa S.L.T. Group, parent company of Balboa

In the case of Balboa, the fine has been reduced to 670,000 euros as a 50% reduction has been applied by virtue of Article 66 of the Competition Law, due to the collaboration of its parent company Gallardo Balboa, S.L. in the framework of the [CNMC's Clemency Programme](#).

Proceedings file

The resolution also declares that the proceedings against the following companies, initially initiated in the case, have been closed, as insufficient evidence has been found of their participation in the anti-competitive practices under investigation:

- Arcelormittal Comercial perfiles España, S.L.; Arcelormittal España, S.A. and Arcelormittal Madrid, S.L.
- Ferimet, S.L. and its parent company Compañía Española de Laminación, S.L.
- Metalúrgica Galaica, S.A. and its parent company Bipadosa, S.L.
- Siderúrgica Sevillana, S.A. and its parent company Riva Forni Electrici S.P.A.

The CNMC reiterates that there is no administrative appeal against this ruling. A contentious-administrative appeal may be filed in the National High Court within a period of two months from the day following notification.