

The Portuguese Competition Authority imposes a € 9865 fine on 7 regional driving schools for anti-competitive agreements on prices after a 3-year investigation (Driving school cartel)

Portugal, Anticompetitive practices, Price fixing, Agreement, Prices increase, Sanctions/Fines/Penalties, Other services

Portuguese Competition Authority (Autoridade da Concorrência), 17 June 2011 imposing fines for price agreements on Escola de Condução Francisco Pereira, Lda., Manuel Rodrigues, Lda., Escola de Condução Infante, Lda., Escola de Condução do Estreito, Lda., Alfredo Camacho, Lda., SMTZ Níga, Lda. (press release)

Miguel Gorjão-Henriques, Carla Farinhas, e-Competitions, N° 36983, www.concurrences.com

On June 17, 2011, the Portuguese Competition Authority (PCA) announced, through Press Release 6/2011 [1] that it has imposed fines totalling € 9.8 thousand on seven driving schools operating in the Autonomous Region of Madeira (ARM) – more specifically, in the capital Funchal – which it has found had colluded to increase prices. The largest sanction was of € 1800 whereas the lowest of a merely € 684.

Similarly to article 101 of the TFEU, article 4 of the Portuguese Competition Act prohibits agreements on prices [2].

The PCA's investigation, triggered by an anonymous complaint submitted in the beginning of 2008, unveiled that the prices the schools charged motor car students for driving lessons had increased simultaneously in two occasions – January 2008 and March 2008 – resulting in a price increase of 100% by comparison to the prices the schools charged for driving lessons on December 2007.

The PCA indicates that it found no reasonable explanation, from an economic standpoint, for the synchronized price increases. In contrast, it found evidence of contacts between the firms with the view to increase their prices in a coordinated fashion.

The PCA notes that in calculating the fines it took particularly into account the fact that the firms are all small businesses (in terms of their turnover and number of employees) affected by the disadvantages of developing their activity in an ultra-peripheral region in the EU. However, no indication is provided on how much the fines actually represent on the firms' turnover.

No further information was made available.

[1] See <http://www.concorrencia.pt/download...>

[2] See Law 18/2003, at <http://www.concorrencia.pt/Download...>

Miguel Gorjão-Henriques | Sérvulo & Associados (Lisboa) | mgh@servulo.com

Carla Farinhas | Sérvulo & Associados (Lisboa) | caf@servulo.com

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