



*Autorità Garante
della Concorrenza e del Mercato*

Executive summary

- i. C2MAC, Corrà, De Riccardis, Glisenti/LT, EF Group/Pilenga, Camozzi/FMG, Zanardi, VDP, Ariotti, Ironcastings, Zardo, Cividale/ZML and the trade association Assofond participated, at least from 5 February 2004 to 30 June 2024, in a **single, complex and continuous infringement** of Article 101, par. 1, TFEU, in the Italian market for the sale of cast irons.
- ii. The object of the anticompetitive agreement was to **coordinate the commercial policies** and the commercial strategies to be applied vis-à-vis customers, with the aim of supporting price increase requests, strengthening the parties' bargaining power towards the demand side, and preserving a certain level of profit margins, particularly during periods of economic downturn, namely in the aftermath of the exogenous shocks that occurred from 2001, 2007-2008 and 2020-2021.
- iii. This objective was pursued through the exchange of sensitive information, carried out by means of **bilateral and multilateral contacts**, also within the framework of the trade association, and by jointly developing price indexation mechanisms (QEMP, IDT and TET: "Assofond Indexes") which effectively led to the coordinated fixing of common price-variation targets.
- iv. It is worth pointing out that the Authority **does not dispute** the fact that a foundry applied price increases to its customers (notably, in response to increases in input costs). Rather, it considers that those decisions were taken by the parties to the proceedings following Assofond meetings or direct contacts among them, and were therefore adopted in a **coordinated manner rather than autonomously**.
- v. Likewise, the Authority **does not dispute** the fact that the association monitored the market dynamics of input costs, nor that price-adjustment mechanisms linked to input costs were used in price negotiations. Rather, what is contested is the **sharing among competitors of parameters to transfer production costs into sales prices**, carried out in a concerted manner through the development, updating and dissemination of Assofond Indexes.
- vi. Indeed, the extensive body of evidence shows that Assofond Indexes are not mere cost measurements, but were designed with the primary – if not exclusive – purpose of providing the foundries members of the trade association with a **focal point** for determining changes in the sales prices of cast irons over time.

- vii. In particular, the QEMP (Quota Extra Materia Prima – Raw Material Extra Charge) is an index, used by all the foundries that are parties to the proceedings, created by Assofond in 2004 with the aim of “*neutralising sales price lists with respect to variation of the cost component*” of cast iron products. It indicates, in euro/ton, the **price increase to be applied to the finished product as the cost of cast iron varies**, irrespective of the production process and the charge mix (percentage of cast iron and scrap) used by each foundry. The QEMP accounts for approximately one third of the final price and was applied by all the foundries that are parties to the proceedings, as recommended by Assofond, as an absolute value and through a **uniform increase** in the price of castings per unit of weight in euro/ton.
- viii. The quantity and quality of the evidence, and in particular the numerous bilateral and multilateral contacts, show that all the parties **contributed** to the common objective of limiting competition among themselves and preserving their respective profit margins. Further, participants were **aware** of the scale and pervasiveness of the collusive conduct. None of the foundries that are parties to the proceedings publicly distanced themselves from the common anticompetitive plan.
- ix. The infringement ascertained by the Authority – a single, complex and continuous secret cartel having as its object the coordination of pricing policies and commercial strategies to be applied vis-à-vis customers – constitutes **one of the most serious infringements of competition law**. Moreover, the anticompetitive agreement was implemented throughout the entire period concerned, as evidenced by the case file.
- x. The anticompetitive nature of the agreement is not undermined by the presence, in the sector concerned, of a certain degree of **market power** on the demand side for cast irons. Indeed, that circumstance – which in any event did not, in practice, compromise the stability of the anticompetitive agreement nor the revenues of the foundries – does not exempt the parties from complying with competition law, nor does it render an anticompetitive agreement lawful. Furthermore, the harmful nature of the agreement is not undermined by the fact that the sector (in particular during 2020–2023) was affected by **exogenous shocks** that led to a significant increase in input costs.
- xi. As for the role played by **Assofond**, it is worth underlining that the association also carries out lawful activities to the benefit of its members. However the present case concerns the association’s dual role as a facilitator of coordination among undertakings – in so far as it provided the opportunity for frequent meetings at which commercial strategies were regularly discussed – and as a co-author of the cartel, in light of its active role in the design, updating and dissemination of the Assofond Indexes, as well as of notices, guidelines and recommendations intended to steer the commercial decisions of its members.
