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NEWS | 19 December 2023

Belgian Competition Authority fines manufacturer of cookware for imposing resale prices on its distributors

The Belgian Competition Authority ('BCA') has imposed a fine of 490,112 EUR on Le Creuset Benelux ('Le Creuset') for implementing a policy of vertical price fixing (also known as resale price maintenance or 'RPM') towards its distributors.

The fine was issued as part of a settlement decision, in which Le Creuset admitted its involvement in the infringement and accepted the terms proposed by the BCA.

The infringement

The infringement, which lasted for 6.5 years, consisted of a series of practices whereby the recommended resale prices that Le Creuset provided to its distributors in fact constituted fixed resale prices. Indeed, the resale prices communicated by Le Creuset to its distributors were anything but non-binding, as Le Creuset ensured that its distributors complied with its pricing policy by applying pressure – and sometimes even sanctions –when distributors failed to do so.

Le Creuset also supervised the promotional activities of its distributors and provided them with information about their competitors, especially about price changes that they had made or planned.

The imposition of resale prices is considered a clear violation of Article IV.1, §1 of the Belgian Code of Economic Law and Article 101, §1 of the Treaty on the Functioning of the European Union, which prohibit anti-competitive agreements between undertakings.

Commentary

It has been some time since the BCA imposed a fine for RPM. However, this decision shows that the BCA is not losing sight of such infringements, and that – once in the competition authority's sights – there are few excuses for companies engaging in such behaviour. The BCA's decision will be published shortly, which will give us more insight into the exact content of the infringement as well as the commitments accepted by Le Creuset.