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Portuguese Competition Authority issues fourth hub-and-spoke cartel fine

On 17 November 2021, Portugal's Autoridade da Concorrência (AdC) imposed fines on three supermarket chains Auchan, Modelo Continente and Pingo Doce and their common bakery supplier Bimbo Donuts for a total of EUR 24,69m. The AdC found that the supermarket chains, via their common supplier, had aligned retail prices in their supermarkets for at least 11 years (between 2005 and 2016).

Hub and spoke violations are clearly on the AdC's radar. This recent fine is one in a series of similar decisions. Earlier that month, the AdC fined Auchan, Modelo Continente, Pingo Doce, a fourth supermarket chain Intermarché, their common supplier Super Bock, and two managers of Modelo Continente for allegedly operating a 13-year hub-and-spoke infringement that fixed retail prices of alcoholic beverages and soft drinks.

In December 2020, the AdC had already sanctioned these four companies, two other supermarket chains Lidl and Cooplecnorte, two beverage suppliers Sociedade Central de Cervejas and Primedrinks and a board member and a director of Modelo Continente for the same type of practice.

In view of the rather strict position taken by the national competition authorities against suppliers who are perceived to facilitate cartel agreements between their customers, suppliers should be very careful when exchanging commercial information with their customers and when communicating their recommended resale prices. Such vertical exchange must not contain any information on or reference to the competitors of the customer.

Press releases of the AdC are available here (17 November 2021), here (3 November 2021) and here (21 December 2020).