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NOTICE

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Investigation Ref: CCM/INV/006

CCM LAUNCHES AN INVESTIGATION INTO POSSIBLE COLLUSION IN THE MARKET FOR SECONDARY SCHOOL BOOKS

The CCM has today launched an investigation into the market for secondary school books.

We have received an allegation that the two main enterprises involved in importing text books, Edition Le Printemps (ELP) and Edition de L'Océan Indien (EOI) may be colluding to fix the price of books to retailers or end-users.

The Executive Director has concluded that he has reasonable grounds to investigate whether there is an infringement of the collusive agreement provisions (secs 41 - 43) of the Competition Act 2007, as set out in CCM 3, the CCM Guidelines on collusive agreements. The CCM will also investigate whether there is *tacit collusion*, a form of monopoly situation in s 46 of the Act. (Guidance on this is set out in para 4.10 *et seq* of CCM 4, the monopoly guidelines).

The key question is whether an agreement, within the broad meaning of that term in the Act, exists between the businesses concerned. If after an investigation, the Commission concludes that there is an agreement that has the object or effect of significantly preventing, restricting or distorting competition, that agreement would become null and void. If the Commission were to find that such an agreement was deliberately or negligently concluded, then financial penalties could be applied to the companies concerned. In the case of a breach of the monopoly provision of the Act, there could be no financial penalties, but the Commission has powers to remedy the situation.

Alternatively, the investigation might find no infringement of any sections of the Act, in which case the investigation would be closed down without action. At this stage, the CCM is merely at the start of its investigation and no conclusions have been drawn.