



Media Statement
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GLOBAL CAR SAFETY COMPANY TO BE PROSECUTED FOR COLLUSION

A global manufacturer and supplier of airbags and seatbelts, Takata Corporation (Takata) and its local arm, Takata South Africa (Pty) Ltd (Takata SA), have been referred to the Competition Tribunal for prosecution on four separate cases involving price fixing, market division and collusive tendering.

A Commission investigation shows that the Japan based firm colluded with other motor safety product suppliers in respect of tenders for Honda Civic, Honda CRV, BMW and Toyota Yaris vehicles.

BMW TENDER

Takata, Takata SA, TRW Automotive Inc (TRW) and TRW Occupant Restraints SA Inc (TRW SA) colluded on a tender issued by BMW in 2007 for the manufacture and supply of airbags, seatbelts and steering wheels/driver airbags for the BMW F25 (X3).

Takata and TRW disclosed their prices to each other and agreed not to compete with each other. TRW won the tender to supply thorax airbags, curtain airbags and rear seatbelts while Takata won the tender to supply passenger airbags, front seatbelts and steering wheels/driver airbags. This was in line with the collusive arrangement. TRW subsequently approached the Commission and applied for leniency in exchange for full information disclosure and cooperation with the Commission when prosecuting Takata.

HONDA CIVIC TENDER

In 2007, Honda issued a tender for seatbelts for Honda Civic vehicles. At the time, Takata supplied Honda Civic seatbelts while US company, Autoliv Inc (Autoliv) supplied seatbelts for other Honda models. The companies - which are competitors - agreed to fix prices, divide markets and tender collusively in contravention of section 4(1)(b) of the Competition Act.

The Commission is not seeking penalty against Autoliv and its subsidiary, Autoliv Southern Africa (Pty) Ltd (Autoliv SA) as Autoliv has settled with the Commission. Autoliv concluded a settlement agreement with the Commission last year and agreed to pay an administrative penalty of R149 960 540 (one hundred and forty nine million, nine hundred and sixty thousand, five hundred and forty rand).

HONDA CRV TENDER

Around 2008, Honda invited Autoliv and Takata, among others, to submit bids for a Honda Legends tender it had issued. During this time, Honda was also preparing to issue a tender for Honda CRV.

Takata and Autoliv discussed both tenders and agreed to coordinate prices and bids. This was to ensure that Takata would win the seatbelts, airbags and steering wheels tender for the Honda Legend while Autoliv, in turn, would win the contract to supply seatbelts for the Honda CRV motor vehicles.

TOYOTA YARIS TENDER

Around 2008, Toyota issued a tender and invited Autoliv, Takata and others to submit bids for a tender to supply seatbelts for the Toyota Yaris. Before the tender, Takata supplied front seatbelts for the Toyota Yaris. Autoliv had not been appointed as a supplier for Toyota.

During the tender process, Takata and Autoliv disclosed their prices to each other so that Autoliv would submit a higher price in order to enable Takata to win the tender. Autoliv submitted a price higher than Takata, in line with the arrangement, so that Takata could retain the tender to supply Toyota with front seatbelts.

The Commission has referred the four cases to the Tribunal for prosecution and is seeking orders that Takata be held liable to pay penalties in each of the cases.

[ENDS]

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