

# Air cargo cartel investigation

**Several of the world's largest airlines have admitted to colluding on fuel and security surcharges for freight customers following investigations by the ACCC and overseas agencies.**

The ACCC has been working alongside a number of competition authorities in the United States, Europe and Asia on what is emerging as one of the largest cartels prosecuted in recent years.

Several airlines have already been penalised in Australia and overseas, while a number of others are under investigation.

In December, the Federal Court in Sydney ordered Qantas to pay

\$20 million for its role in fixing prices with its competitors.

British Airways has also been ordered to pay \$5 million and in February, the Court ordered a further \$16 million in total pecuniary penalties against Air France, KLM, Martinair and Cargolux.

At the time of writing, the ACCC had instituted proceedings against Singapore Airlines Cargo, alleging it was also involved in the cartel.

The cartel, alleged to have operated during the 1990s and early 2000s, involved potentially dozens of airlines and has attracted significant penalties overseas in jurisdictions where many airlines conduct the bulk of their business.

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In the United States, several airlines have settled litigation with the Department

of Justice, and more than US\$1 billion in fines have already been issued.

Several senior executives, including one from Qantas, have been ordered to pay personal fines and serve US prison terms.

In New Zealand, the Commerce Commission lodged proceedings in December against 13 airlines and a number of senior staff for their alleged roles in the cartel.

The ACCC continues to investigate other airlines also suspected of being part of the illegal arrangements.

