

# Moscow OFAS Russia initiated a case against three Moscow bakery plants

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On 13th August 2010, the Moscow Office of the Federal Antimonopoly Service (OFAS Russia) initiated a case for the signs of violating Part 1 Article 11 of the Federal Law "On Protection of Competition" regarding "No.28 Bakery Plant" OJSC, "No.24 Bakery Plant" CJSC and "No.28 Bakery Plant" CJSC. The Moscow OFAS Russia suspects violations in the form of concerted actions that have resulted in fixing and maintaining prices on the market of bakery products.

Monitoring prices for socially important groups of food products, in July 2010 the Moscow OFAS Russia discovered that bread prices had increased by around 20 %.

Bakery plants increased their ex-works prices for wheat and rye bread simultaneously and at a similar value. According to the Moscow OFAS Russia such actions have the signs of concerted actions prohibited by Part 1 Article 11 of the Federal Law "On Protection of Competition".

"At the moment there are no grounds for such a significant increase of prices. Draught did not cause grain prices increasing twofold or threefold, especially as the government stopped grain export", thinks the Head of the Moscow OFAS Russia Vladimir Yefimov.

Currently the Moscow OFAS Russia is inspecting actions of other market participants. "It is possible that there will more respondents to the case", pointed out Vladimir Yefimov.

If the violations are confirmed, the companies can be fined from 1% to 15% of their turnover. If the damages inflicted by price collusion exceed one million Rubles, the case file will be transferred to the law enforcement bodies to consider possible initiation of a case under Article 178 of the Criminal Code of the Russian Federation, which provides for criminal sanctions for such actions (up to seven years imprisonment).