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PRESS RELEASE

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FOR IMMEDIATE RELEASE

MOTOR VEHICLE CARTEL DISMANTLED AFTER COMMON MARKET COMMISSION STEPS IN

WASHINGTON, D.C., May 21 -- A Dutch and a Belgian Automobile association has bowed to Common Market anti-trust laws and scrapped an import-distribution cartel, it was reported from Brussels today.

Following action by the European Communities Commission, the Dutch association, "De Rijwiel-en-Automobiel Industrie" (R.A.I), and the Belgian association, "Chambre Syndicale du Commerce Automobile de Belgique" (Comaubel), have released their members from obligations resulting from exclusive-purchase contracts signed with foreign firms that either created or guaranteed absolute territorial protection in the buying, importing, and reselling of automobile products and accessories.

The Commission acted on the basis of the Common Market Treaty's prohibition of cartels. (Article 85 bans price fixing, production and sales quotas, restriction of technical development, market sharing, discrimination, and tied sales.)

Horizontal Agreements Eliminated

R.A.I. kept a register in which its members could list their exclusive contracts covering imports into the Netherlands of automobiles, parts, accessories, and shop equipment. Once such a contract was registered,

other members of the R.A.I. had to respect the exclusive purchase rights with the foreign firm. No other member could import or resell the same products. Distribution rights for the registered products for the other members could only be obtained from the manufacturer subject to a number of restrictions and obligations. R.A.I. has released its members from the obligation of respecting such contracts.

Members of Comaubel were forbidden to import into Belgium similar automotive parts, accessories, and shop equipment, as well as motor cycles, once the exclusive purchase rights with a manufacturer had been granted to another member. In this case, other members could not even take steps with a manufacturer to eliminate the purchase rights already granted. Comaubel had also recommended that members use a standard contract that guaranteed importers absolute territorial protection of distribution rights. Comaubel has released its members from such obligations and established a new standard contract which is in line with the Community's competition policy and which, particularly, does not contain a system of export restrictions.

Comaubel and R.A.I. also terminated an agreement between them under which the members of each association were not allowed to export into the other association's country any of the automotive products protected by an exclusive contract registered with either association.

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