

# Builders fined for alleged collusion in high-speed rail bid

SEOUL, July 27 (Yonhap) -- The antitrust watchdog said Sunday it has imposed a record fine on major builders for their alleged collusion in bidding for an 8.3 trillion won (US\$8.1 billion) project to build a high-speed railroad system.

The Fair Trade Commission (FTC) said 28 major construction companies were fined a combined 435.5 billion won for allegedly rigging bids for a section of the Honam high-speed railroad project linking Seoul to the southwestern port city of Mokpo.

The companies, including top industry player Hyundai Engineering & Construction Co., have also been ordered to take corrective measures, the watchdog said.

It is the largest fine imposed for a collusion case involving the construction company and the second highest for all industries in the country's history.

The state railroad operator placed bids for the construction of the 184.5-kilometer section by dividing it into 19 subsections.

According to the FTC, top seven builders colluded to win bids for 13 subsections, while 21 companies helped them win orders at fixed costs. Eleven others were also fined for allegedly rigging bids for the construction of train bases.

"The chronic practice of price-fixing was detected in large-scale state businesses like the Honam high-speed railroad project," an FTC official said. "We will continue to beef up surveillance on bid rigging and impose strict disciplines on violators."

Launched in 2006, the project is scheduled for completion by the end of this year.

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