

Antitrust watchdog fines builders for bid rigging

SEJONG, May 7 (Yonhap) -- The nation's antitrust watchdog said Thursday it has slapped a combined 182.6 billion won (US168.8 million) in fines on more than 20 construction companies for rigging bids for large-scale state projects.

According to the Fair Trade Commission (FTC), 22 builders have been fined a combined 174.6 billion won for rigging the bidding process of 27 pipeline projects in 2009 and again in 2011, which prevented free and open competition.

Violators include such builders as Hyundai E&C, Samsung C&T Corporation, Hanyang Construction Co., Sambo Construction Co., SK E&C and Sambo Construction Co.

"The companies consistently worked together to coordinate which company would win a particular project while others took part only to lose," the FTC said. "The companies have been ordered to refrain from such activities in the future."

Hyundai E&C was slapped with the largest fine of 36.2 billion won, followed by Hanyang and Samsung C&T. Keangnam Enterprise Ltd., Dong Ah Construction Industrial Co. and Ssangyong E&C were not ordered to pay fines because they are struggling to stay afloat or under court receivership.

The FTC also said Hyundai Development Co., SK E&C and Daewoo E&C were found to have rigged bids for a 61.1-kilometer rail system linking Suseo in southeastern Seoul with Pyeongtaek, 70 kilometers south of the capital. The companies have been slapped with just under 8.08 billion won in fines

The watchdog said the companies rigged the bidding to keep prices at set levels for the railway line that will open later this year. It claimed that the collusion caused the government to pay more for the work.

The FTC said its latest move aims to root out long entrenched bid rigging in the construction sector, adding that more effort will be made to keep tabs on other projects to ferret out illegal activities and support free and fair competition.

yonngong@yna.co.kr

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