

I. The statement of objection and the investigation

1. The Competition Authority's investigation concerns whether on the one hand, Eimskipafélag Íslands hf., Eimskip Íslands ehf., TVG Zimsen ehf. and connected entities (hereinafter jointly referred to as Eimskip unless otherwise stated), and on the other hand Samskip Holding BV, Samskip hf., Landflutningar ehf., Jónar Transport hf. and connected entities, have with an alleged continuous collusion infringed Article 10 of the competition act and Article 53 of the EEA Agreement.
2. The principal investigation period is from 2008 up to and until 2013.¹ It is the preliminary assessment of the Competition Authority that during this period, Eimskip and Samskip committed a continuous illegal collusion which had as its main objective to restrict competition within the meaning of competition law. At this stage of the investigation, it is the assessment of the Competition Authority that the essence of the continuous collusion did not in the least entail the following:
 - Collusion on limiting transportation supply.
 - Market sharing by customers.
 - Market sharing by regions in Iceland.
 - Price collusion.
 - Sharing of information on sensitive business matters.
3. Further, it is the preliminary assessment of the Competition Authority that certain alleged infringements entailed a longer infringement period. Those are i.a. alleged illegal collusion in the market for sea transport to and from Europe from the year 2001 (so called "*emergency agreement*"), alleged illegal collusion from 2004-2009 in sea transport to and from N-America, alleged illegal collusion in land transport from 2005 and alleged illegal collusion from 2007 on stevedoring in Reyðafjörður.
4. The alleged illegal collusion mainly involved the companies' operations in sea transport to and from Iceland on the one hand, and land transport in Iceland on the other. The collusion affected competition between its subsidiaries in freight forwarding (TVG Zimsen ehf. and Jónar Transport hf.) although the investigation indicates that these subsidiaries did not play as a big part in the collusion. Nevertheless its employees took part in the alleged collusion.
5. The alleged infringement of Eimskip and Samskip entails i.a. that from June 2008 the companies colluded in the form of making changes to its operating schedules and routes, which not in the least entailed the restriction of supply, creating conditions for the companies to maintain or increase prices to customers. These were i.a. responses to the worsening economic outlook and situation in 2008, and the worsening financial position of the companies.
6. In order to facilitate price increases, the companies allegedly colluded by sharing markets which had not in the least the objective that they would not seek its other's important customers. By this, the companies put in place and maintained a situation on the market

¹ As later discussed, individual incidents both before and after the alleged infringement period are also discussed for the sake of clarity.

(referred to in the case documents as “peace” or “quiet”) where the premise of effective competition was distorted and the companies made possible to maintain or increase prices to customers and put in place new tariffs. The documents further demonstrate that the collusion entailed direct price collusion and illegal information sharing between Eimskip and Samskip. The case also includes clues on alleged collusion with foreign companies.

7. As is evident from this statement of objection, the intention is to give the companies a chance to submit their views and objections to the Competition Authority’s preliminary assessment in two instances. This is i.a. due to Eimskip and Samskip both having requested further information during the investigation, but this procedure supports the rights to information and objection of companies under investigation. In collusion cases of a wide ranging scope, it is both permitted and useful to issue more than one statement of objection, cf. the case which ended in the Supreme Court by its judgment from 4 February 2016 in i.a. case no 277/2015, *Olíuverslun Íslands hf. v. the Competition Authority*.
8. In this statement of objection (statement of objection I) the preliminary assessment of the Competition Authority on those infringement incidents which are furthest investigated, is set forth. These are i.a. the aforementioned incidents in 2008 and in 2009 up to and until 2013 which in the preliminary assessment of the Competition Authority supports i.a. that the mentioned market sharing took place. The statement of objection further describes the framework of the investigation and the procedure to date.
9. The Competition Authority considers it appropriate to give Eimskip and Samskip a chance to submit their written views on these incidents. It is the view of the Competition Authority that at this stage, it is possible to cover these incidents independently. In light of the scope and nature of the case the Competition Authority considers that this procedure simplifies and supports speedy procedure, cf. Articles 9 and 10 of the administrative act no. 37/1993. This statement of objection (statement of objection I) is thus sent to the companies and they hereby given a chance to express their views on it, and if applicable, submit new documents.
10. Further the aim is to send the companies as soon as possible an additional statement of objections (statement of objections II). Therein incidents in the year following 2008, in particular 2010 up to and until 2013, will be discussed. It will further discuss potential penalties for the alleged collusion and the need for potential remedies under Article 16 of the competition act. Further it will preliminary assess whether Eimskip and Samskip infringed Article 19 of the competition act, cf. Article 41 b. of the act, during the investigation.
11. The part of individuals in the alleged collusion is investigated by the police. According to Article 42 (6) of the competition act, the police and the prosecution are authorized to hand over to the Competition Authority any information and documents they have gathered and relate to alleged collusion infringements of i.a. directors of companies. In statement of objections II it will be assessed whether documents or information, which the Competition Authority may receive from the police or the prosecution, lead to changes in the authority’s preliminary assessment.
12. After receiving statement of objections II, Eimskip and Samskip will again be given the chance to submit their views on that and the case as a whole and, if applicable, submit further views on the subject matters of statement of objection I.

13. This statement of objection is written for the purposes of the aforementioned investigation. It is based on the inspection of documents currently a part of the case. The document does neither entail an administrative act nor is it in any way binding for the competition authorities. The statement of objection is written for the purpose of making it easier for parties to utilize their rights to objection under the administrative act no. 37/1993 and facilitate a correct decision in the case, cf. Art. 17 of the Competition Authority's rules of procedure no. 880/2005 and the Supreme Court's judgment from 28 April 2016 in case no. 419/2016, *Valitor hf. v. the Competition Authority*.
14. Remarks, clarifications or new documents can alter this preliminary assesment and the conclusions drawn herein, which can subsequently be amended.