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South Korea's FTC fines six steelmakers for rebar price rigging

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Singapore — South Korea's Fair Trade Commission slapped six domestic steel companies with fines totaling Won 119.4 billion (\$105.7 million) for falsification of rebar prices, the commission said Sunday.

The companies -- Hyundai Steel, Dongkuk Steel Mill, Korea Iron & Steel, Daehan Steel, Hwanyoung Steel and YK Steel -
- rigged prices between May 2015 and December 2016 by reducing their discounts amid higher imports from China, the FTC said.

The combined share of the six in the domestic steel rebar market is about 81.5%, based on local production, and their overall sales in 2016 was worth Won 5.2 trillion.

Sales managers from the six companies met about 30 times during the 20-month period, the FTC said. After each meeting, the companies reduced discount for steel rebar, it added.

In May 2015, the discount was set at Won 80,000 so the price of rebar would not fall below Won 520,000/mt, the FTC said. The following month, the discount was set at Won 60,000 so that the rebar price would not fall below Won 540,000/mt, it added.

The FTC plans to report five of the six companies, excluding YK Steel, to South Korean prosecutors.

Steel rebar is widely used in civil engineering and construction.

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