

**BUSINESS DAY**

# G.M.'s Venture in China Fined \$29 Million Under Antimonopoly Law

By THE ASSOCIATED PRESS DEC. 23, 2016

BEIJING — General Motors's main joint venture in China was fined \$29 million on Friday on charges that it suppressed competition by enforcing minimum sales prices for dealers. It is the latest in a string of penalties against non-Chinese auto brands under the country's antimonopoly law.

Chinese regulators have punished companies in several industries, like milk and medical devices, under the 2008 law in what appears to be an effort to force down consumer prices.

G.M. had announced in August 2014 that Shanghai G.M., its joint venture with the state-owned Shanghai Automotive Industry Corporation, was under investigation by antimonopoly regulators.

The Shanghai Price Bureau said that Shanghai G.M. improperly hurt competition by enforcing minimum prices dealers were allowed to charge for Cadillac, Chevrolet and Buick models.

That “disrupted the normal order of market competition,” said a statement by the price bureau.

Setting minimum retail prices is a common practice in many markets, but lawyers say Chinese regulators appear to regard it as an improper restraint on competition.

The price bureau's statement said the penalty was set at 4 percent of Shanghai G.M.'s annual sales, or 201 million yuan, about \$29 million.

G.M. vies with Volkswagen for the status of the top-selling vehicle brand in China.

Sales of G.M. vehicles in China are up 8.5 percent so far this year, to 3.4 million.

"G.M. fully respects local laws and regulations wherever we operate," the company said in a statement. "We will provide full support to our joint venture in China to ensure that all responsive and appropriate actions are taken with respect to this matter."

President-elect Donald J. Trump has criticized Chinese trade practices, but there was no indication the case was linked to that.

Audi, Volkswagen's luxury unit, was fined \$40.5 million, and Fiat Chrysler Automobiles' Chrysler brand received a smaller penalty in 2014 on similar charges of enforcing minimum sales prices.

State media cited an official saying Daimler Benz's Mercedes unit was guilty of violations, but no penalty was announced. Toyota Motor Corporation said its Lexus unit was under scrutiny, but no results have been announced.

The industrywide investigation began in 2014 after complaints of foreign auto brands abusing their control over supplies of spare parts to overcharge consumers. In the case of Mercedes, regulators said purchasing the spare parts needed to assemble one car would cost as much as 12 new vehicles.

A version of this list appears in print on December 24, 2016, on Page B2 of the New York edition with the headline: G.M.'s China Venture Fined Under Antimonopoly Law.