



## **TIMTECH CHEMICALS LIMITED**

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# Media Release

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### **FOR IMMEDIATE RELEASE**

## **TimTech Chemicals Initiates Legal Action against Cartel**

**AUCKLAND, THURSDAY 15 FEBRUARY, 13h00:** TimTech Chemicals Limited has filed civil proceedings in the Auckland High Court against two New Zealand companies, their Australian parent companies and fifteen executives for significant damages arising from anticompetitive cartel action and exclusionary conduct to which these companies recently pleaded guilty.

The New Zealand companies are:

- Koppers Arch Wood Protection (NZ) Limited  
256 James Fletcher Drive  
Otahuhu
- Osmose New Zealand Limited  
14 Mayo Road  
Wiri  
Auckland

TimTech Chemicals is a New Zealand owned company formed in 2001 to manufacture and supply wood preservatives to the Australasian forestry industry.

Koppers Arch and Osmose are subsidiaries of the large American corporations, Koppers Inc, Arch Chemicals Inc and Osmose Inc, the major suppliers of wood preservatives in the world.

They recently pleaded guilty in the Auckland High Court to forming a cartel to:

- Share pricing information
- Simultaneously raise prices
- Not to compete on price
- Not compete for each other's customers
- Rig bids and fix prices

They also pleaded guilty to trying to exclude & eliminate TimTech Chemicals from the market.

The Commerce Commission prosecuted the companies and seven executives for breaches of the Commerce Act. Record fines totalling \$5.5m were imposed when Koppers Arch & Osmose pleaded guilty.

Former Osmose general manager, Mark Greenacre was fined \$65,000 for price-fixing conduct, \$35,000 for exclusionary conduct and costs of \$5000. The highest penalty ever imposed in New Zealand on an individual cartel member. Former Koppers Arch managing director, Colin Newell was fined \$20,000 + \$5,000 costs.

The proceedings against other individuals were the subject of a High Court case to determine the Commerce Commission's jurisdiction overseas. A judgement is expected shortly.

Proceedings have also been brought by the ACCC in Australia against some of the same parties in relation to similar events.

*“The Commerce Commission has done a good job, but it is very disappointing that despite the record fines totalling \$5.5m to date, the victims of this illegal cartel have received no compensation”* says TimTech Managing Director, Ron Eddy.

*“TimTech’s case has been assisted by information obtained from the Commerce Commission and from former employees as to the anticompetitive actions, exclusionary conduct and collusive meetings held between Koppers Arch and Osmose”.*

Ron Eddy concluded *“Although we have proposed prompt pragmatic settlement between the parties, that invitation has not been accepted. Our core business is the supply of timber treatment chemicals to Australasian customers on good terms; not litigation.”*

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