



## **ACTIVE ENGLISH 21**

**Topic: COLLUSION.**

**Date: November 24<sup>TH</sup> to November 30<sup>TH</sup>.**

### **Large Collusion Concerning Toilet Paper Prices Has Been Uncovered in Chile**

According to the Chilean practices regulator, "one of the biggest collusion cases ever" has been uncovered in the country.

CHILE- The forestry companies CMPC Tissue and SCA Chile have been colluding from 2000 to 2011 in order to control 90 percent of the toilet paper market in Chile. This doesn't just include prices of toilet paper, but also prices of other products, such as napkins or absorbent towels, which have been fixed for over a decade.

In 2000, a price war concerning toilet paper broke out between the competing companies. Because of that, the managers of both companies began to meet each other at a golf club in Santiago with the aim of starting a conspiracy. In the following years, other employees and executives of the companies were involved in the collusion. By using fake email accounts and prepaid phones, the companies colluded for more than a decade.

In total, the Chilean companies have combined annual sales of around \$400 million and they controlled 90 percent of the market for sanitary tissue and other products.

Chilean President Michelle Bachelet considers the collusion to be a "sort of abuse which harms people, the economy and the image of our country."

The hardest hit from the scheme and high prices are the poor community.

Even though both companies acted in an illegal way throughout more than 10 years, only one of the companies will be fined. Since CMPC Tissue has already acknowledged their conduct earlier this year, they won't have to pay a fine, whereas SCA Chile will have to fine about \$15.5 million.

While SCA Chile hasn't commented on the collusion yet, CMPC Tissue has already fired the general manager and other executives involved in the price-fixing scheme.

**Helpful Words:**

**Collude:** come to a secret understanding for a harmful purpose; conspire.

**Napkins:** a square piece of cloth or paper used at a meal to wipe the fingers or lips and to protect garments, or to serve food on.

**Aim:** a purpose or intention; a desired outcome.

**Fine:** penalize, mulct

**Acknowledged:** accept or admit the existence or truth of.

**Answer the following questions:**

1. Have you Heard about this collusion? What do you think about it?
2. What did the President Michelle Bachelet say?