

Russia Seeks to Fine Lindt For Selling Worse Chocolate to Russians Than Europeans

The Federal Anti-Monopoly Service has launched a competition case against the Swiss chocolate maker.

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Lindt chocolates are marketed in Russia based on their high quality and Swiss tradition, the Federal Anti-Monopoly Service said. **imago-images.de / TASS**

Russian competition authorities launched a consumer protection case against Swiss chocolate brand Lindt on Tuesday, saying its chocolate sold in Russia is of inferior quality to that available in western Europe.

The Federal Anti-Monopoly Service (FAS) said the brand, controlled by Lindt and Sprüngli, advertised its chocolate in Russia on the basis of "guaranteed product quality" and its "high manufacturing reputation." But in quality tests on Lindt products conducted in 2019, the FAS said it found the confectionery in Russia was worse than that available in other countries. It said this duped Russian consumers and could have given the brand an unfair competitive advantage over its rivals.

The brand's advertising "creates the impression that [Russian] consumers are offered the same product that is produced and sold under the same brand in western Europe," the agency said in a <u>statement</u>.

"When manufacturers offer adapted products to Russian consumers ... and do not inform them about it, the Agency sees such actions as a violation of antitrust legislation," said Andrei Kashevarov, FAS deputy head. He added that Lindt's actions could have "redistributed market demand and led to the manufacturer obtaining unjustified benefits which negatively affected competition."

The FAS said it first warned Lindt about its findings in December 2019. It said it has not received a sufficient response from the chocolate maker since then and would therefore be launching a formal anti-competition case against the Russian subsidiary of Lindt and Sprüngli.

The company could be fined between 100,000-500,000 rubles (\$1,350-\$6,700).

Lindt rejected the allegations and said its own testing showed no "substantive differences" between chocolate sold in Russia and in other European markets.

"All products under the Lindt brand supplied by us to the Russian Federation fully comply with the same production and quality standards as those supplied to the rest of Europe and globally," the company said in a statement Tuesday.

"Our factories do not have special production facilities or separate production lines for products sold to Russia or any other region and we use the same raw materials of uniform quality for all recipes of the products, whether they will be sold in Russia or in any other country."

"A single batch of Lindt chocolate can be sold in Russia and in Switzerland, Germany, France, or in many other countries. The labelling may differ. The chocolate will be the same."

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