

## **Putting a stop to the price increases in the construction industry is a priority on all levels**

**6 July 2021, Budapest – The Hungarian Competition Authority (GVH) understands that the Government is treating the drastic increases in the prices of construction industry raw materials a priority as well. Keeping the interests of the consumers in mind, the GVH thoroughly investigates all reports that may indicate an infringement on the market.**

Csaba Balázs RIGÓ, the President of the GVH, also participated in the session of the Operational Task Force for Economic Recovery, held last Friday, where the matters discussed included the proposals of the Government concerning the explosion of the raw material prices in the construction industry. The Government will be able to discuss the recommendation of the committee, headed by the Minister of Foreign Affairs and Trade.

*‘This is an especially important matter that affects a lot of Hungarian families. It is not by accident that the Government is clearly treating the issues related to the raw material prices increases in the construction industry as a priority. The GVH will provide all professional support necessary to ensure that the problem is resolved as soon as possible, both within the framework of its cooperation with the Operational Task Force for Economic Recovery but independently as well. We are continuously monitoring the market: the informal complaints we are receiving are speaking of the vulnerability of the customers and contractors and describe a situation befitting the Wild West. Raw material traders are supposed to be competing for customers, not the other way around. It is unacceptable that certain building yards are not displaying their prices in a clearly visible way while they ask for the full purchase price in advance and what is more, in cash. The opportunities for customers to submit complaints are limited, problems with quality are not handled appropriately, the replacement of faulty products has become impossible. This is a typical situation that requires urgent intervention because the market is not going to correct itself in the foreseeable future. We are working on protecting the interests of Hungarian consumers and promote the creation of a level playing field with all tools available to us’* said Csaba Balázs RIGÓ, President of the GVH.

Not long ago, a special investigation team was created from the experts of the GVH, prioritising the analysis of [formal and informal complaints received in connection with alleged cartel activities](#) on this market, so that the GVH can begin investigating alleged infringements in the construction industry as soon as possible. The competition supervision proceedings of the Authority help reveal market abuses, thus providing the lowest possible prices to Hungarian consumers and undertakings with the help of clean and fair competition.

[The GVH has been receiving more and more informal complaints](#) recently in relation to the construction industry, drawing attention to worrying phenomena. The GVH has [initiated a consultation with the National Federation of Hungarian Building Contractors](#) on this topic at the end of May, after which the Authority established a separate investigation team to reveal the causes of the drastic increases in the prices of construction industry materials. In addition, a [proceeding initiated due to the alleged infringement of the prohibition on the abuse of dominant position](#) in October 2020 is still in progress against the three most significant players of the Hungarian cement market.

GVH Press Office