



GAZDASÁGI  
VERSENYHIVATAL

H U N G A R I A N   C O M P E T I T I O N   A U T H O R I T Y

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## **Press release of the Hungarian Competition Authority**

### **New cartel case discovered with the cooperation of the members of the cartel**

**Today the Competition Council of the Hungarian Competition Authority (hereinafter: GVH – Gazdasági Versenyhivatal) has established that the undertakings of the Finnish group Kemira and those of the Belgian group Tessanderlo have participated in a market sharing and price fixing agreement concerning Hungary. The infringement, carried out as part of an international cartel, has been the longest, lasting from 1991 until 2003, agreement which has been detected. The GVH has applied its leniency policy aiding to discover cartels: therefore, Kemira, member of the cartel, which has reported the agreement to the GVH was released from paying a fine, whereas Tessanderlo, reporting second, was obliged to pay a fine of 131 million HUF (1 EUR = ca. 248 HUF).**

The cartel agreement concerned the production and distribution of fodder phosphate, which is mainly used by producers of fodder for animals and by large meat producers, both of which produce fodder themselves.

The international agreement started before the 1990's and the members' aim was to keep their market shares. Throughout the years several conditions, members and the geographic area has changed; the territory of Hungary, among others, was included in the agreement after 1991. During the cooperation the members of the cartel were exchanging information, about, inter alia, the amounts sold and prices, evaluated the market demand, shared quotas and, when the quotas agreed had been exceeded, a compensation mechanism was established. The Hungarian subsidiaries were not participating but they were executing the cartel agreement.

The proceedings started on the basis of the leniency policy of the GVH: by providing evidences on the effects of the international cartel onto Hungary Kemira was the first to report the agreement to the GVH. Following this, Tessanderlo had admitted the existence of the infringement and provided further important evidences in writing. According to the GVH's leniency policy the GVH may waive fully or partially the fine of those undertakings that cooperate in the detection of secret cartels and in the destabilisation of functioning collusions. Thus, the Competition Council of the GVH waived Kemira's fine of more than 1 billion HUF and lowered Tessanderlo's fine of a similar amount to 131 million HUF. The fine has to be paid within 30 days from the date of delivery of the decision of the Competition Council.

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