

Inappropriate choice of drinks at Burger King and KFC restaurants, says the GVH

14 December 2022, Budapest – Burger King and KFC violated the Act CLXIV of 2005 on Trade by not offering consumers alternative choices in certain beverage categories, an investigation by the Hungarian Competition Authority (GVH) has revealed. As it was a new legal obligation assessed for the first time that had been breached, and the infringements were corrected within a short time, the fast-food chains have not yet been fined.

The Hungarian Competition Authority [launched proceedings](#) against the Hungarian operators of two fast food restaurant chains, Kentucky Fried Chicken (KFC) and Burger King at the end of last year. The investigation focused on whether or not the two restaurant chains complied with the [new act on trade rules effective since last summer](#), based on which all restaurants are required to offer an alternative choice in the legally defined drinks categories (beer, soft drinks, fruit drinks, fruit juices and fruit nectars, mineral and soda water) to the products of the major beverage manufacturers.

The GVH investigation revealed that both fast food operators had breached these rules. At KFC the restaurants offered products from a single large drinks manufacturer in the mineral and soda water categories, while at Burger King they also failed to offer an adequate choice of fruit juices and fruit nectars.

While establishing these infringements, the acting Competition Councils of the GVH decided not to impose a fine this time as the assessment aimed at a new legal obligation never applied before, with the undertakings not yet able to adapt to the new practice. The decision also took into account the fact that both undertakings had voluntarily changed their infringing practices within a short period of time in the course of the competition proceedings.

The GVH seeks to monitor the practices of major undertakings (with larger chains and revenues), which may affect public interest in respect of market competition. Beside these undertakings, however, the smallest catering establishments are also expected to offer alternatives in each category in addition to the products of the main beverage companies with significant market power. It is also important that this requirement is met by offering products from different drinks manufacturers and groups. It means that even if the offered brands are different, they do not offer consumers a real choice once they are produced by the same group of undertakings.

Case reference numbers: **VJ/49/2021, VJ/52/2021.**

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