

The GVH authorised the MVM-E.ON transaction

The Gazdasági Versenyhivatal (GVH – the Hungarian Competition Authority) cleared the acquisition of E.ON Földgáz Trade Zrt. and E.ON Földgáz Storage Zrt. by Magyar Villamos Művek Zrt.

The most important field of activity of Magyar Villamos Művek Zrt. (MVM) and undertakings controlled by MVM is connected to the electrical utility energy industry. Activities of the MVM Group extend to the production and transmission of electricity, system operation and electricity trade, thus it can be regarded as a vertically integrated group of undertakings which also provides other services related to the market of electricity. Since 2011 both the wholesale and retail of natural gas have fallen under its range of activities; however its market share does not exceed 20% in any segment of the natural gas industry (primary procurement and sale of gas to retailers, power plants and industrial consumers).

The range of activities of E.ON Földgáz Trade Zrt. (EFT) extends to the wholesale and retail of natural gas, providing related services, and gas transport through the borders of Hungary. EFT sells gas in Hungary to retailers/dealers, typically to universal service providers, industrial consumers and power plants.

E.ON Földgáz Storage Zrt. is entitled to partake in natural gas storage activities on its storage sites in Hungary.

Defining the relevant product market in the proceeding, the GVH established that natural gas trade does not constitute a unified market: the sale to groups of customers in significantly different positions belongs to different relevant product markets; moreover the natural gas storage activity was also considered as a separate market. In agreement with its previous investigations – and in accordance with the practice of the European Commission – the production and wholesale of electricity were considered as identical markets.

The GVH – similarly to the competition authorities of Germany, Austria, Serbia, Ukraine and Romania – decided to unconditionally authorise the acquisition.

Case number: **Vj-31/2013.**

Budapest, 6 August 2013.

Hungarian Competition Authority

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