

**Annual Report on Competition Policy Developments in Hungary
2022**

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1. Changes to competition laws and policies, proposed or adopted

1.1. Summary of new legal provisions of competition law and related legislation

Legislative changes affecting the competence of the GVH

1. The Digital Markets Act ("DMA"), published by the European Union in October 2022, empowers the Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) to investigate in competition proceedings the compliance of gatekeepers with their obligations under the DMA. The final decision in these cases may be taken by the Commission.
2. In order to make the work of the Competition Council, the decision-making body of the GVH, more efficient and flexible, the amendment to the Competition Act extended the scope of decisions that the rapporteur member of the Competition Council can take independently and transferred the competence to conduct enforcement proceedings to the investigator of the case.

Legislative changes affecting the proceedings of the GVH

3. The amendment to the Competition Act has also introduced certain aspects of merger investigations reflecting the challenges of the digital era.
4. It was also in the interests of undertakings under investigation that the amendment ensured that the GVH would pay interest to the parties concerned when repaying fines imposed for infringements.
5. During the year, the Act on Certain Regulatory Issues Related to Emergency Situations entered into force, which introduced the legal institution of an accelerated sector inquiry into the Competition Act¹. The amendment did not change the procedure previously laid down in a Government Decree, but merely clarified it in a few places, based on practical experience.
6. The turnover thresholds for merger notification procedures were increased from 1 January 2023 which were last amended at the beginning of 2017. The combined turnover threshold of HUF 15 billion (EUR 37.5 million²) had been unchanged for much longer, since 2005. This threshold has been increased to HUF 20 billion (EUR 50 million) and the previous HUF 1 billion (EUR 2.5 million) of target company turnover to HUF 1.5 billion (EUR 3.75 million). At the same time, the amount of the administrative service fee to be paid for the competition procedure has also increased. In addition, the calculation of the fines for infringements of the ban for merger consummation has been modified. A further important innovation is that, as is the practice of other competition authorities, undertakings will be able to notify their merger to the GVH as soon as they have made a bona fide determination to do so.
7. During 2022, the Government Decree exempting certain categories of vertical agreements from the prohibition of restrictions of competition was amended. It has been amended and supplemented mainly where the EU block exemption rules have been amended in view of the increasing role of digitalisation and online commerce.
8. In the context of the transposition of Directive (EU) 2019/2161, the scope of misleading business practices in the Act on the Prohibition of Unfair Commercial Practices against Consumers was extended in 2022. The "blacklist" cases – i.e., commercial practices that are unfair without any further consideration – have been complemented by the regulation of dual

¹ Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (hereinafter: Competition Act)

² EUR values as of the EUR-HUF exchange rate on 30 december 2022.

quality issues, as well as by cases concerning internet searches, display of consumer reviews and resale of event tickets.

9. On 22 November 2022, the Parliament adopted the letter of formal notice as a new legal instrument, with effect from 1 January 2023. As a soft law instrument, the formal notice can help undertakings to review and amend their undesirable market behaviour based on the principle of graduality. This provides a flexible way for businesses to correct suspected competition issues voluntarily, thereby saving time and effort required for competition proceedings from both the authority and the undertakings.

2. Enforcement of competition laws and policies

2.1. Overview

10. In 2022, the **GVH initiated a total of 48 proceedings**. Out of all proceedings initiated:

- **6** concerned restrictive agreements,
- **1** concerned abuses of dominant position,
- **26** cases concerned unfair commercial practices,
- **15** were merger control investigations (15 competition supervision proceedings out of 64 merger notifications).

11. With regard to the proceedings concluded, **the GVH concluded a total on 37 proceedings** in 2022. Out of all proceedings concluded:

- **6** concerned restrictive agreements,
- **2** were decisions concerning abuses of dominant position.
- **16** cases concerned unfair commercial practices,
- **13** were merger control investigations (out of 66 merger notifications),

2.2. Action against anticompetitive practices; agreements and abuse of dominance

Anticompetitive practices and sectoral inquiries

12. In 2022, the GVH fined undertakings in 5 cases for restrictive agreements, two of which involved collusion in public procurement procedures. The GVH's Competition Council imposed 80% of the competition supervision fines (HUF 2.9 billion – EUR 7.25 million) as a result of restrictive agreements, and the majority of that (HUF 2.5 billion – EUR 6.25 million) was imposed for cartel-type infringements.

Significant cases

13. The repeated proceeding against CIB Bank and their partners were closed by imposing a fine of HUF 1.8 billion (EUR 4.5 million) in the so-called “full prepayment loan banking case”. Even earlier GVH had found that the undertakings under investigation had violated the Competition Act by coordinating their strategies between September 2011 and January 2012 through the exchange of information qualified as a business secret in order to reduce the full prepayment of foreign currency-based mortgages on fixed exchange rates by limiting access to loans which would have been suitable to redeem these loans. Additionally, bilateral consultations also took place between certain banks. In the repeated proceeding, in view of the Court's ruling, the GVH had to re-evaluate the amount of the fines imposed.

14. The GVH imposed a fine more than HUF 669 (EUR 1.7 million) in a public procurement cartel case on the firms active on the anesthesia devices and ventilation equipment market. The GVH found that three undertakings distributing health equipment made coordinated bids in 2015, distributing the planned central asset procurement published by the Ministry of Human

Resources in an amount of HUF 6 billion (EUR 15 million). Their detailed bid prices were also coordinated.

15. In 2022 the GVH had two resale price maintenance cases. Both cases were dealt with both under Hungarian and European competition laws since these practices affected trade between EU Member States. Since Yamaha set the minimum resale prices of its products, the GVH imposed a fine of HUF 101 million (EUR 250.000 thousand). In another case, the GVH imposed a joint and several fine of HUF 325 million (EUR 800.000 thousand) on FAST Hungary Kereskedelmi Kft. (FAST Hungary Commercial Ltd.) and its Czech parent company, FAST ČR a.s., distributors of Casio watches and musical instruments, for the single and continuous infringement of competition law. The firms set the minimum online consumer prices of their products unlawfully: they published lists of "recommended retail prices" for their distributors. However, the application of these prices was not only recommended, but also constantly monitored and, in case of discrepancies, online traders were immediately warned. This way price competition was totally eliminated.

Abuse of dominance

16. There were six abuse of dominant cases investigated by the GVH in 2022 – these cases were very complex and required substantial human resources. In this context the proceeding against Google due to its practice concerning the publication of lyrics of songs worth mentioning. Regarding the importance of the construction materials for the national economy and also considering the recent market failures on these markets, the GVH had abuse proceedings both on the cement and gravel markets. The GVH also investigated the behaviour of market participants of the online car advertisements, drink purchases and the artificial nail markets.

17. In 2021, the GVH's antitrust toolbox was expanded to include the possibility of a so-called "accelerated sector inquiry", which requires a new type of approach and investigation methods. The accelerated sector inquiry allows the GVH to respond to market problems in a short time, more extensively and more efficiently than before.

18. In 2022, the GVH continued to devote significant resources to accelerated sector inquiries in markets of importance to the national economy and the domestic population and closed 4 of these sector inquiries (wood building materials, thermal insulation materials, COVID-19 antigen rapid tests and COVID-19 antibody rapid tests) during the year.

– ***COVID-19 antigen rapid tests***

The reason of the initiation this accelerated sector inquiry was that in Hungary, the price of antigen rapid tests detecting the COVID-19 infection significantly exceeded the price level experienced in the neighbouring countries and in other EU Member States. The inquiry by the GVH found that price competition among these products in retail trade was less intensive, while the value chain was long, i.e. these products reached consumers through multiple players. On the GVH's proposal, the Government authorised the sale of the range in retail chains, drugstores, and petrol stations, which, according to rapid analyses, resulted in a price reduction of 20-50%.

– ***COVID-19 antibody rapid tests***

As opposed to antigen rapid tests, antibody tests do not detect the virus in the body, they present only the presence of antibodies produced by the human body after vaccination (or previous infections). The accelerated sector inquiry concluded that there may have been misconceptions among consumers about this product range. The GVH therefore made some proposals to the traders, among others to avoid

references to relations between of antibody production and the existence of immunity, and do not use health professionals, well-known people and influencers.

– ***Thermal insulation materials***

In August 2022 the GVH closed its accelerated inquiry into the sector of thermal insulation materials, the prices of which increased significantly over the past period. Based on the results of the inquiry, the GVH made proposals to the manufacturers, the public, the waste management authorities, and the legislator to reduce product prices. Among others, the competition authority suggested a sustainable product chain and the boosting of domestic thermal insulation material production to stabilise supply and reduce production costs. Furthermore, for the legislator, the GVH suggested that it would be worthwhile to keep the demand for insulation products at a permanent level in the long term by means of various public subsidies for housing and building renovation purposes to avoid occasional extreme fluctuations in demand. It would help in planning production capacities and making investment decisions by manufacturers and would ensure higher certainty on the supply side of the market as well as a better chance of avoiding product shortages.

2.3. Mergers & acquisitions

19. As in previous years, the rate of merger procedures remained high in 2022, 68 merger cases were initiated. 64 proceedings were opened following a merger notification, three other competition proceedings were opened for breach of the consummation ban, and one follow-up merger investigation was opened.

20. In nearly 86% of the mergers, the Authority endorsed the merger within a very short time (with an average administration time of 4 days) and issued the official certificate. The average case handling time for simplified merger procedures was 26 days. This was the result of the efficient preparatory work that has allowed faster procedures. Through pre-notification, the GVH helps market participants to avoid unnecessary proceedings due to incomplete information to be provided in the merger notification. Preliminary consultations also provide an opportunity for the GVH to express, even at this early stage, its concerns about anti-competitive clauses in the agreements creating the mergers. In more than 88% of the cases closed with an official certificate, undertakings took the opportunity to consult the GVH in advance of the notification.

21. The mergers investigated by the GVH in 2022 again involved a wide range of industries.

- With a total of 13 notifications, the manufacturing sector was once again the most affected sector, dominating the Competition Authority's merger procedures, as in the previous year. Within manufacturing, many different sectors were affected, such as food and automotive industry.
- 12 mergers affected real estate transactions; a marked increase compared to previous years.
- 7 mergers involved financial services, more than doubling the number of mergers in the sector compared to the previous year.
- The number of mergers in the construction industry has maintained the upward trend started in previous years, with 6 mergers in this sector investigated by the GVH in 2022.
- In 2022, the GVH investigated 5 transactions in which trade (including wholesale and retail trade) was the dominant activity of the undertakings concerned. Different sectors of the industry were affected, including among others daily consumer goods, passenger cars, electronics, construction materials. However, compared to the large

number of mergers (12) examined in the previous year, there was a significant decline in this sector.

- In the service sector 5 concentrations and in the energy sector 4 concentrations came to the attention of the GVH.
- Compared to the trend of previous years, there was a significant decline in the broadly defined market for IT services: only 2 of the mergers examined in 2022 affected the sector.
- In the procedures examined in 2022, 7 cases involved a state capital fund. In 2022, public capital funds emerged as investors in the energy sector, education and manufacturing.
- In addition to these, the GVH has also carried out procedures on waste management, media, education, and logistics.

2.4. Consumer protection

22. In 2022, the GVH opened 26 consumer competition proceedings and adopted decisions in 16 cases. In 15 cases, the Authority imposed fines of nearly HUF 713.5 million (EUR 1.8 million) on undertakings that had engaged in unfair commercial practices.

Significant cases

23. In the case against Euronics retail chain the investigation revealed that certain product prices marked as 'original' had not been applied for a long enough period and therefore could not be considered as typical prices for the products in question. The false promise of savings compared to these prices was in fact misleading for the consumers. The retail chain cooperated with the competition authority by admitting to the infringement, waiving its right to appeal and undertaking a set of commitments to prevent future infringements and to raise consumer awareness. As for the latter, the retail chain undertook to raise awareness of major consumer protection issues and the dangers of hidden unfair practices in internet commerce known as "dark patterns" on its website. The GVH also took into account the fact that during the procedure unlawful price indication was proven only for a few products and for a limited period of time (a couple of days). Based on the above, a fine of HUF 1.2 million (EUR 3 thousand) was imposed on the undertaking

24. In the case launched against the retail webshop, Alza the GVH found that the portal unlawfully urged users to purchase goods as soon as possible by putting them under psychological pressure with eye-catching, flashing pop up messages (e.g., „*Currently X customers are interested in the product*” or „*This product was purchased by X customers this week*” etc.). In itself was unfair as it disrupted the calm decision-making process of customers. Moreover, the data presented in the pop up messages were in most cases not confirmed by the calculation methods. For example, the message "*Currently X customers are interested*" did not show the actual number of customers interested at that moment, but the total number of views over the past full day from the group of undertakings in Europe. The GVH a HUF 40 million (EUR 100 thousand) fine on Alza.hu Ltd. and its parent company Alza.cz a.s. for the infringement. When determining the fine, the GVH also took into account the compensation package, offered by the online shop for the benefit of its consumers through a coupon solution all eligible persons in a total amount of HUF 450 million (EUR 1.1 million).

25. The GVH will continue to pay close attention to the commercial practices of telecom undertakings. In 2022, 3 proceedings were closed against telecom operators, all of them with the undertakings' cooperation.

- The GVH fined Digi Távközlési és Szolgáltató Kft. HUF 90 million (EUR 225 thousand) for failing to inform consumers that in order to reach – or even approach

- the promised speeds, their own devices must meet certain technical requirements: for example, they must purchase a separate wifi router, because the device provided by DIGI is not suitable for this purpose.
- The GVH found that Vodafone telecoms operator falsely advertised some of its mobile internet add-on packages as unlimited. The company admitted to the infringement and undertook to compensate its affected customers with extra data allowance, thereby the GVH reduced the imposed fine to HUF 60 million (EUR 150 thousand). Actually, contrary to the advertised claims, the packages turned out not to be unlimited, as the use of certain features (e.g., viewing embedded media content) reduced the data allowance of customers. As part of its reparation, Vodafone provided extra 3 GB data allowance to all current Vodafone Pass customers (i.e., all subscribers with a Vodafone Pass tariff package or additional Pass service at the time of fulfilment) in a total amount of HUF 245 million (EUR 612 thousand).
- As a result of the repeated proceeding of the GVH, Yettel Hungary telecoms operator agreed to a reparation package of over HUF 1.3 billion (EUR 3,3 million), by paying a compensation of HUF 7,500 (credit or top-up card credit) to its all-current customers (almost 180,000 consumers) who signed a loyalty subscription contract involving a handset during the relevant period of the “Telenor Blue” campaigns, i.e., from 6 October 2016 to 22 October 2017. Namely, the in one of its previous proceedings GVH found that the firm advertised some of its devices at HUF 0 or discounted prices between 2016 and 2017 while including a portion of their price in the relevant subscription fees. In addition to ordering the repatriation campaign the GVH imposed a fine of HUF 125 million (EUR 312 thousand) on Yettel.

26. In 2022 two investigations were closed against two fast food restaurant chains, Kentucky Fried Chicken (KFC) and Burger King. In these cases, the GVH’s investigations focused on whether the two restaurant chains complied with the new Act on Trade rules effective since summer 2021, based on which all restaurants were 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. While establishing these infringements, 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 considered the fact that both undertakings had voluntarily changed their infringing practices within a short period of time in the course of the competition proceedings.

27. In 2022, the Hungarian Competition Authority also fined several undertakings for unsubstantiated health-related advertising claims and misleading practices aimed at timeshare rights.

28. In 2022, several Hungarian authorities acted against the consumption and marketing of Elf Bar e-cigarette products, which were not licensed in Hungary. Vulnerable target groups, i.e., young people and minors were also targeted by the advertising. The GVH joined to these authorities by initiating two parallel competition proceedings against the distributors of the banned products, and by almost immediately ordering the unavailability of the online shops concerned by means of interim measures. The competition proceeding against one undertaking has already been closed. The investigation found that the undertaking had falsely created the impression that it could legally market electronic cigarettes and electronic devices that imitate smoking. The Slovak distributor had to pay a fine of HUF 68 million (EUR 170 thousand).

Sweeps

29. From time to time, the GVH carries out a comprehensive sweep investigation in certain markets to obtain a general overview of the commercial practices applied. The results of sweep investigations may also justify, if necessary, the opening of possible competition proceedings.

- In July 2022, the GVH investigated how domestic retailers comply with the stricter price-indication and discount rules that came into force at the end of May. The sweep assessed the steps taken by undertakings to provide consumers with the right information in a sector – online shops selling clothing products – that frequently offer discounts and coupons. Based on the results of the sweep, the Authority has made several recommendations to retailers, which are summarised in an educational video.
- In October 2022, the Authority investigated whether the websites of airlines available in Hungary and popular ticket price comparison websites in Hungary use so-called “*dark patterns*” in their ticketing and advertising practices. The sweep revealed a number of problems. On most platforms, psychological pressure is exerted to limit offers (e.g., “only 2 tickets available at this price”), often combined with sensory manipulation: i.e., some offers are highlighted in striking colours, while cheaper, simpler solutions are harder to spot. There is a tendency for ambiguous wording and, in most cases, for information overload, which can confuse consumers and distract them. In many cases, these are accompanied by the hiding of important information and choices. The GVH has so far made suggestions to help eliminate objectionable practices and avoid subliminal tricks but has indicated that if these do not lead to progress, it may later investigate the enforcement of the rules of fair competition in form of competition proceedings.

2.5. Judicial review of the GVH’s decisions

30. As a result of the wide range of cooperation possibilities offered in the GVH proceedings, the willingness of undertakings to initiate lawsuits dropped to half compared to the previous year. More and more undertakings are taking advantage of the reduction in fines that can be achieved by waiving redress. Only 13% (EUR 1.2 million) of the HUF 3.7 billion (EUR 9.3 million) competition fines imposed in 2022 was appealed to the courts.

31. Similarly, to previous years, in the vast majority of the cases (in 71%) in 2022, the courts also confirmed the position of the GVH about the assessment of infringements.

32. The Curia also in the case of the garbage truck cartel (public procurement cartel) confirmed the GVH's position on competition law, while making important statements of principle for future proceedings. On this basis, a so-called settlement statement admitting the cartel can be used as credible evidence not only for the declarant but also for the other undertakings participating in the infringement.

3. Competition advocacy & competition culture

3.1. Competition advocacy

33. In addition to competition supervision, the second pillar of the tasks of the GVH consists of the so-called competition advocacy activities. Within the framework of these activities, the GVH publishes its opinions on regulatory concepts and draft legislation that include provisions concerning its scope of tasks and competence, competition, the conditions for market entry, prices, or the relevant evaluation criteria, with the exception of municipal decrees. As part of its competition advocacy activities, the GVH attempts to use the tools at its disposal to influence the legislative process and public administrative decisions in a way that allows the enforcement

of important public interest principles in the form of market competition. Public administrative decisions include the development and enforcement of public policies, governmental economic policy, as well as the individual administrative measures and interventions of other state agencies.

34. The activities related to competition advocacy includes on the one hand reactive measures, i.e., responses to direct or indirect external requests (e.g., draft legislations published on a government portal, responses to other external requests). On the other hand, it covers proactive measures based on its own initiatives, either in the context of competition supervision or on the basis of legislative anomalies, other findings or priorities identified in sector inquiries, market analyses.

35. During 2022 the GVH made observations to the legislators for draft laws nine times in order to foster pro-competitive regulation. Similarly to the situation of past few years these were connected to the operational environment of the GVH and to the improvement of the quality of the legislation. The most significant work was the incorporation to the amendment of the Hungarian Competition Act, some norms of the EU competition law and previous experience gained during the application of the law. Hungary was one of the EU Member States that was the first to incorporate the DMA rules into their national legislation thanks to the exceptionally good cooperation between the GVH and the Hungarian Ministry of Justice.

36. The GVH intervened in two areas during the year: it advocated against the repeated increase of fixed taxi tariffs in the capital and for the creation of the possibility to sell Covid-19 antigen rapid tests outside pharmacies, as well as for the re-establishment of the free distribution of these products.

3.2. Competition culture

37. The Hungarian Competition Act also specifies the role and responsibility of the GVH related to the development and promotion of a culture of competition and conscious consumer decision-making, which constitutes the third pillar of the activities performed by the GVH in order to protect economic competition. During the development of Hungarian competition and consumer culture, the primary tasks of the GVH are to promote the social acceptance of competition and compliance with the law, the development of a regulatory environment that favours competition and ensures conscious consumer decision-making, and the improvement of consumer awareness. As part of these activities, the GVH takes measures to (i) increase awareness related to competition policy, consumer decision-making and its protection, and (ii) contribute to the work of the professional community responsible for the economic and legal issues related to competition and consumer decision-making.

38. In the framework of its competition culture activity, in 2022 the GVH used several tools to improve the social acceptance of competition, to foster the compliance of businesses and to increase consumer awareness.

Professional knowledge transfer, conferences and events

- In the framework of the so-called “series of mini conferences” initiated by the GVH, in January 2022 the Authority presented its Flash Report summarizing the results of the previous year in the form of an online event.
- In April 2022 in cooperation with the Ministry of Foreign Affairs and Trade the GVH organized a conference for the experts of the Visegrad 4 Countries’ competition authorities in Budapest. At the conference, which was also broadcast online and open to the press, the heads, and experts of the competition authorities of the V4 Countries

discussed competition law problems and legislative practices in the region as well as challenges in the construction sector and the digital markets and their possible solutions.

- In June the GVH organized a public workshop on influencer-marketing. The event explored the draft of the Authority’s influencer-marketing guide jointly with advertising industry players.
- The “*Vth Hungarian Competition Law Forum*” was jointly organized by the GVH and the Hungarian Competition Law Association in September. More than 200 lawyers, judges, corporate and regulatory professionals and press representatives registered for the most important event in Hungarian competition law. In line with its tradition, the conference focused again on the most relevant issues in the field of competition law through presentations and panel discussions. This year's Forum concentrated on cartels and other horizontal agreements, as well as on certain types of consumer protection issues - such as the impact of price communications on consumer behaviour -, and compliance and self-regulation issues in digital markets.
- In December the GVH presented the first volume of its new reference book series with the title „*Public Procurement and Competition Law*”, at a conference. In the framework of a separate online workshop the topic of compliance was discussed with business participants.

Active and open communication for the sake of consumers and businesses

- During the year the GVH informed the public about its decisions, events relevant for the Authority and issues of particular interest, mainly through press releases and social media channels. In 2022 92 press releases were prepared which were both sent to media staff and published on the website of the GVH. A total of 96 inquiries were received from representatives of the press regarding announcements and other issues related to the activities of the GVH. The spokesperson and the experts of the Authority gave a total of 51 interviews to various media in 2022, and 13 presidential press interviews were also held during the year.
- In 2022 the GVH carried on its previously successful series of community campaigns on the Authority's Facebook page. The GVH's animated information series – “*Be informed first and then decide!*” – helped to gain a broad understanding of the new consumer protection provisions even before the regulations came into force. GVH's modern format animation series not only attracted interested people on the Facebook interface, but also received attention in the nationwide media. In addition, before the period of end-of-year devaluations, the authority reappeared on its social channel with an animated information series entitled “Black Friday What to Know”, which aimed to raise consumer awareness.
- In addition to informing consumers, the GVH also used its social media channels to inform businesses. After the new, ever-stricter provisions of the law regulating unfair trade practices came into force, the GVH published a video about one of the most essential elements of the changes – the change in the rules for price indication. Building on the GVH’s recent experience gained during comprehensive online control campaign the video presents the legal contra unfair price indication methods through understandable, practical examples. The GVH aims to help domestic businesses to understand the rules, so they can avoid consumer and regulatory disputes arising from misleading promotions.

- In 2022, GVH provided information in a total of 257 posts on various social media sites (Youtube, Facebook, LinkedIn, Twitter). The number of Facebook followers has continued to grow organically, and GVH's LinkedIn page, where GVH publishes professional content both in Hungarian and English, also has a growing follower group, which increased by about a third over the year.

Publications, aiming at professional knowledge transfer

39. In the framework of its activities to promote the culture of competition, the GVH continued to contribute to the development and expansion of domestic competition awareness in Hungary in 2022 with numerous publications. See more information about these publications under Chapter 6.

Academic competition to support future generations

40. In October 2022, in cooperation with the Office of the Commissioner for Fundamental Rights the GVH launched a study competition for law students and doctoral candidates of the Visegrad Countries. During the competition, both law students and doctoral candidates could choose from 8 topics each in the fields of competition law and fundamental rights. Theses had to be submitted until February 28, 2023, and the award ceremony takes place in Budapest in the spring of 2023, following the evaluation. Although the GVH university study competition has a history of 23 years, in 2022 it was announced for the first time at an international level. Participation in the competition was open to students and PhD students of the law faculty of any university operating in the Visegrad Cooperation member countries. Theses received by the deadline are judged by an international jury – a group of professionals made up of competition law professors from the four countries.

3.3. Impact Assessment

41. As a result of the GVH's competition law enforcement activity consumer's benefit increases which, at least to some extent, may be quantified. Applying the method of ex-ante impact assessment in 2022 the GVH analysed which benefit the Authority's activity resulted for the consumers.

42. In the framework of its ex-ante impact assessment the GVH quantified the partial direct benefits generated through closed cases concerning anti-competitive agreements, abusive cases and mergers dealt with by the Authority in the period between 2017-2022. The outcome is a conservative estimation, building on the assumption that in the absence of the intervention of the GVH, that is, if the infringements had continued or the mergers substantially lessening competition had gone ahead, the goods and services affected would have been "only" 5-10% more expensive compared to the baseline for the subsequent two years. Furthermore, due to methodological constraints, this figure only covers some of the GVH's activities and only some of the resulting benefits: it excludes, inter alia, benefits arising from consumer protection activities, deterrence, or more general gains such as the competitiveness-enhancing effects of competition. Consequently, the actual gain is likely to be in excess of the level quantified; indeed, it may be even several times higher.

43. The survey showed that over five years, Hungarian consumers saved more than one and a half times the total budget of the competition authority for the same period. The consumer's benefit in this period was HUF 55.4 billion (EUR 138.5 million – calculated in value of December 2022).

4. International relations

4.3. Cooperation within international organisations

44. The international relations of the GVH focused mainly on cooperation with the European Commission and the national competition authorities of the EU Member States, cooperation within the framework of the Competition Committee of the Organisation for Economic Cooperation and Development (OECD) and the International Competition Network (ICN), as well as on bilateral cooperation.

45. Similarly to the practice of previous years, the case-related cooperation within the European Competition Network (ECN) in respect of the application of the competition rules of the EU continued to be one of the main fields of the international relations.

46. The GVH's contribution to the work of the OECD Competition Committee and to its working groups continued to be of uppermost importance also in 2022 and in this year the GVH sent submissions to OECD roundtables held on the following topics:

- “Integrating Consumer Behaviour Insights in Competition Enforcement”,
- “Disentangling Implemented Mergers”,
- Purchasing Power and Buyer's Cartels”,
- “Director Disqualification and Bidder Exclusion”,
- “Remedies and Commitments in Abuse Cases”,
- “Competition and Inflation”,
- “Interactions between Competition Authorities and Sector Regulators”,
- “The relationship between Foreign Investment Screening Reviews and Merger Control Reviews”.

47. As member of four different working groups³ the GVH participates in the work of ICPEN (International Consumer Protection and Enforcement Network), the largest international umbrella organization of consumer protection authorities, which brings together consumer protection authorities from 64 countries.

4.4. Activity of the OECD-GVH Regional Centre for Competition

48. The OECD-GVH Regional Centre for Competition in Budapest (RCC) was established by the OECD and the GVH on 16 February 2005. Relying on the professional background of the Competition Division of the OECD and the GVH, the Centre provides capacity building assistance and policy advice for the competition authorities of the Central, East and South-East European region, namely for Albania, Armenia, Azerbaijan, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, FYR of Macedonia, Georgia, Kazakhstan, Kosovo, Kyrgyzstan, Moldova, Montenegro, Romania, the Russian Federation, Serbia and Ukraine. The RCC is financially supported by the Hungarian Government.

49. The programmes of the RCC, besides others, deal with the following topics: building blocks of competition policy, analysis of competition cases, investigative techniques, training of judges, law enforcement priorities, framework for the cooperation of the competition authorities of the region, competition advocacy, cooperation between competition authorities and regulatory bodies, and other general issues falling under competition law and policy.

50. Focusing on the needs of the beneficiary competition authorities, and as a result of a regular dialogue with the heads of authorities and participants, the RCC has developed a continuously evolving programme structure over the years, which is adapted to the training needs of the participants.

³ „Green claims”, „Covid-19”, „Enforcement in the digital economy”, „Dark patterns”

51. In 2022 the training centre organized a total of 8 seminars which is a record in its history. Two seminars were held virtually at the beginning of the year, five in Budapest, with personal participation, and one - in accordance with tradition - together with one of the beneficiary competition authorities, abroad. Regarding the latter, the choice fell on Zagreb in 2022, because the Croatian Competition Authority celebrated its 25th anniversary on the opening day of the event.

52. The eight seminars held in 2022 hosted a total of 302 participants and 56 speakers. Among this year's events, the two judicial trainings organized for EU Member States' and candidate countries' judges should be highlighted, for which financial support from the European Commission contributed.

53. In 2022, the RCC organised seminars on the following topics:

– **16-17 February 2022: Market definition – Methodologies, Challenges and Developments**

The definition of a relevant product and geographic market is a necessary step in most competition cases, particularly in merger cases. The seminar overviewed the basic investigatory and analytical steps and the economics of market definition. Practical case examples from OECD members were presented in order to illustrate the theoretical concepts. The participants were asked to join the experts in hypothetical case exercises.

– **22 March 2022: RCC Heads of Agency Meeting – Reviewing the Past to Design the Future**

Building on the successful experience of the Centre over the last 17 years and the international initiatives in these areas, the event explored the ways in which the RCC's role as a catalyst for capacity building and enhanced regional cooperation could be further enhanced.

– **16-19 May 2022: Introductory Seminar for Young Staff Competition law principles and procedures**

The aim of this seminar was to provide young authority staff with an opportunity to deepen their knowledge of key notions and procedures in competition law enforcement. Experienced practitioners from OECD countries shared their knowledge and engaged in lively exchanges with the participants on cartels, mergers and abuse of dominance. There were discussions on basic legal and economic theories as well as on the relevant case law. Participants also had a chance to face and discuss procedural issues through practical exercises.

– **26 May 2022: Stepping up with the fundamentals of competition law: from core principles to advanced competition law enforcement (Judges' Training)**

The seminar focused on fundamental principles and concepts of EU competition law, through a two-step approach: first by setting out the elements that form each concept as developed by settled case law and the decisional practice of competition authorities, by exploring the scope of these notions, through the discussion of topical challenges for competition law enforcement due to the digitalization of the economy. The seminar provided a better understanding of key concepts such as collusion, vertical restraints and abuse, as well as new notions such as algorithmic collusion and online restrictions. The topics were addressed and discussed in lectures by competition experts from OECD countries and in case studies presented by the participants. Practical exercises on hypothetical cases involving all the participants

complemented the presentations and served as an opportunity to apply the learnings of the seminar.

– **14-16 June 2022: Interim Measures in Competition Cases**

The debate concerning the effectiveness and efficiency of antitrust enforcement in fast-moving markets turned the spotlight on interim measures, which are protective and corrective tools that may be adopted while investigating possible antitrust infringements. With the help of practiced competition officials, the seminar explored what kind of cases are best suited for interim measures, what principles and legal standards should be observed, while addressing policy considerations and due process issues.

– **28-30 September 2022: Ex-Ante Regulation and Competition Enforcement in Digital Markets (in Zagreb)**

In light of particular features of digital markets, several jurisdictions have recently proposed some form of ex-ante regulation to supplement existing ex-post competition enforcement. Experts from OECD countries discussed how competition authorities can help shape better regulation in digital markets and factor in existing regulation in order to ensure successful enforcement. The OECD-GVH RCC was delighted to hold this seminar in cooperation with the Croatian Competition Agency, which celebrated its 25th anniversary on 28 September 2022.

– **18-19 October 2022: GVH Staff Training Seminar – Managing Uncertainty**

The seminar discussed some topical challenges for competition authorities, in the face of an increasingly uncertain economic environment. The objective of the seminar was to learn more about the experience of other competition authorities and consider different possible solutions to overcome the challenges. Staff of the GVH had the opportunity to exchange views with representatives from leading European competition authorities and institutions, as well as antitrust experts.

– **10-11 November 2022: Competition Lab for Judges – Stepping up with the Economics of Competition Law: from Core Principles to Application in Practice (Judges' Training)**

The seminar elaborated on key economic concepts (elasticity, substitutability, SSNIP test, market power, counterfactual, theories of harm) by referencing legislative texts, case law and the decisional practice of the competition authorities. It then picked out specific practices, to better illustrate analytical considerations affected by economic reasoning and the relevance of assessing anti-competitive effects. The seminar also covered the use of economic evidence and the quantification of antitrust harm.

5. Resources of the Competition Authority

54. The Hungarian Parliament approved the planned amount of the budget of the GVH for 2022, which was initially calculated as HUF 3,138.6 million (EUR 7.8 million) including the sum to be used for the activities of the OECD-GVH Regional Centre for Competition in Budapest, which was initially calculated as HUF 169.4 million (EUR 423.5 thousand) for 2022. Following the modification of the planned amount, the available budget for the GVH and the RCC was HUF 5,411.4 million (EUR 13.5 million).

55. The annual finances of the budget chapter were balanced, with no liquidity issues arising; the GVH honoured its payment obligations in time.

1. Table Annual budget

	2022
million HUF	5,411.4
million EUR	13.6

56. The total number of staff in the GVH was 155 as of 31 December 2022.

2. Table Number of employees

	2022
Economists	18
Lawyers	111
Lawyer-economists	12
Other professionals	9
Support staff	44
All staff combined (actual)	136

57. The total number of staff in the main categories of activity (antitrust, mergers, consumer protection, and advocacy) in 2022 was 92.

6. Summaries to new reports and studies on competition policy issues

58. The GVH actively assisted businesses to prepare properly for the tightening of consumer protection rules from May 2022. The online publication entitled "Brief, easy-to-understand new regulations coming into effect on May 28, 2022" was made available on the website of the GVH and it explains the essence of the new legal requirements to market players in a clear form.

59. Continuing the series started earlier, in 2022 the GVH reported on the work and experiences of the competition authority in the form of "*Flash Reports*" every six months, both in paper and electronic format.

60. During the year, the biannual competition policy and competition law professional journal of the Competition Authority, the *Versenytükö*r (Competition Mirror), appeared with two new issues.

61. In November 2022, the GVH published its renewed guide to influencers, which provides up-to-date practical advice to help market participants develop their compliance. The criteria for influencer-marketing are that consumers should unequivocally, noticeably and emphatically recognize that they have been published for consideration. In the absence of this, influencer posts for advertising purposes can be treated as independent, neutral opinions.

62. In December, the Hungarian Competition Authority launched a series of books entitled "*Versenytükö*r-könyvek" (Competition Mirror Books) with the aim of presenting each comprehensive overview of a particular competition law issue at high professional and academic level to which the journal is accustomed. The first volume of the series explores the relationship between public procurement and competition law.