

The Competition Authority suspects abuse on the cement market

Budapest, 16 October 2020 - The Hungarian Competition Authority (GVH) has initiated a proceeding against the three most important players in the domestic cement market for alleged infringement of the prohibition of abuse of dominant position.

The GVH has initiated a competition supervision proceeding against three market participants, Duna-Dráva Cement Kft., LAFARGE Cement Magyarország Gyártó és Kereskedelmi Kft. and CRH Magyarország Kft., which undertakings supply the construction industry with a substantial raw material. The GVH has become aware that the price levels and delivery conditions for cement products applied by the three undertakings have shown a high degree of similarity in recent years. The domestic cement market is a so-called oligopolistic market, where there is a particularly high degree of transparency, which, due to the small number of players, can increase the interdependence of undertakings and reduce the intensity of competition.

The above processes and the parallel economic interests that can be identified among the three most important market players give rise to the suspicion that the undertakings have engaged in and continue to engage in tacitly coordinated, largely identical market behaviour. Through the business policy developed as a result and continually pursued by all three of them, they together may have been able to influence the cement prices applied in Hungary and to prevent competitors from entering the market, thus reducing the consumer welfare resulting from competition.

The initiation of the competition supervision proceeding does not mean that the undertakings have in fact committed the suspected infringement. The procedure is aimed at clarifying the facts and thereby proving the alleged infringement. The time limit for the completion of the proceeding is six months which, where justified, may be extended on two occasions by a maximum of six months each.

The official registration number of the case is: **VJ/34/2020**.

GVH Press Office