

The GVH closely monitors the fairness of price competition during the re-opening

13 May 2021, Budapest – The Hungarian Competition Authority (GVH) has become aware that a national association representing the interests of undertakings in the field of sport would like to introduce recommended minimum prices in order to protect its members from the tight price competition expected to accompany the re-opening process. The GVH has drawn the attention of the association to the fact that this conduct may infringe the regulations on restrictive market practices; therefore, it is recommended to voluntarily abandon the plans to introduce such practices.

It is clear that the pandemic has adversely affected several sectors. The players of these sectors are increasingly attempting to replace their losses that arose due to the lack of orders. During this process, business solutions that may infringe one of the competition law regulations may inevitably emerge.

The efforts of professional associations representing the interests of different sectors to support their members in surviving and recovering from the crisis as soon as possible are understandable and supportable. In a number of sectors, even the re-opening process itself can be a significant burden since many market players are exposed to the issues presented by the lack of capital and labour force. In parallel, a significant portion of potential consumers also suffers from a loss of income. Taking these circumstances into account, the GVH pays special attention to any behaviour that may seek to pass on part of the additional burden to consumers via pricing; this is due to the fact that such collusive practices may qualify as cartels – strictly prohibited restrictive agreements that cause significant harm to society. [In the past, the GVH has already drawn attention to the fact](#) that professional organisations, associations, and chambers are also required to comply with the provisions of competition law and representing the interest of the sector cannot mean the ‘moderation’ or elimination of price competition.

The GVH closely monitors the re-opening of the economy since many undertakings may try to seize the potential extra profit that may be obtained through mitigating the effects of competition. Taking into account the difficult situation of many undertakings and consumers, the GVH supports solutions that lead to the voluntary correction of potential infringements. However, those who fail to cease the prohibited practices can expect strict intervention by the Authority.

GVH Press Office