

## **The GVH is taking action against issues in the construction industry with an expanded set of tools**

**9 July 2021, Budapest – The powers of the Hungarian Competition Authority (GVH) have been expanded by the Government in order to eliminate the problems in the construction sector. While the investigation of the market distortion accelerates, there are already undertakings that voluntarily limit their exports in order to satisfy the domestic demand.**

Due to the sectoral issues related to construction industry raw materials, the Government has decided to expand the legal toolbox of the GVH. These changes allow for quicker and more effective action against market issues.

The decision of the Government empowers the President of the GVH to order a so-called accelerated sector inquiry. Sector inquiry is a proceeding specified in the Hungarian Competition Act that is used to investigate market issues in cases where the circumstances suggest that competition is possibly being distorted or restricted in a market within a specific sector. During such proceedings, among others, the GVH analyses the information collected from market players through mandatory submission of data to identify the reasons behind the distortion of competition in order to take any further measures needed to eliminate them. Under the special rules adopted just now, the GVH is entitled to perform the sector inquiry with tighter deadlines, in a more targeted manner, and using a procedure that requires the undertakings concerned to respond faster.

Regardless of its new powers, the GVH will still welcome any market signals from any market players that wish to take advantage of the [cooperation options](#) already provided by the Hungarian Competition Act as those who voluntarily report their cartel may even be exempted from the fine. [Individuals who provide information](#) on anti-competitive agreements may even receive a reward.

Due to the drastic price increases, the Government has decided to impose an export restriction on certain product categories from October in order to ensure that sufficient quantities of certain essential raw materials are available to domestic customers. In parallel, one of the largest domestic manufacturers of construction industry auxiliary material has already announced this week that it is going to limit its export volume in order to facilitate the uninterrupted fulfilment of the domestic demand. In the second half of this year, the undertaking is only going to fulfil export orders if the Hungarian demand will have already been satisfied.

*“We are going to use our new powers to protect the interests of Hungarian citizens even more firmly. I would not be surprised if even more construction industry manufacturers and wholesalers concerned voluntarily accepted that the fulfilment of the demand on the Hungarian market must receive priority in such a situation. Their long-term business economic and financial interests dictate the same just as much as our national interests. During times of a global supply disruption, every player (raw material producers, manufacturers, wholesalers*

*and retailers) has to take part in solving the issue.” – said Csaba Balázs RIGÓ, President of the GVH.*

GVH Press Office