

The sector inquiry on the brick market of the Hungarian Competition Authority has been concluded

23 September 2021, Budapest – The Hungarian Competition Authority (GVH) launched an accelerated sector inquiry at the end of July in order to reveal the processes of the domestic market of ceramic masonry elements. Following the public consultation, the Authority published the report summarising the results of the inquiry on its website.

The sector inquiry covered all levels of the value chain; therefore, the GVH investigated the market behaviour of brick manufacturers, procurement undertakings, construction material retailers, and contractors. During the proceeding, the GVH held hearings with various market players on the opinion regarding market processes and reconciled the different professional standpoints. In addition, the Authority [conducted on-site investigations across the country](#) and contacted several undertakings to request the submission of data.

The market players [had the opportunity to submit comments during the public consultation](#) regarding the public draft report summarising the results of the inquiry. The GVH incorporated the feedback received from these undertakings into its brick market report: the comments of the market players also confirmed the earlier conclusions of the Authority.

Based on the facts revealed during the inquiry, the GVH called the attention of **residential developers** and **construction industry contractors** that significant differences can be observed in end-user prices on the level of retailers across the country; therefore, they should obtain as many offers as possible before purchasing. Furthermore, developers are directly affected by the increasing freight, packaging, and logistics fees, meaning that they may face increased prices even if the pricing of the product itself would not justify such increases.

The **building yards** and **procurement undertakings** serving developers directly are able to order from the manufacturers at a discount in the case of larger order volumes; this leads to price advantages for consumers as well, allowing them to purchase brick products at lower prices as a result. Therefore, the GVH would like to call the attention of market players that the best way to counterbalance the greater bargaining power of larger manufacturers is to establish procurement groups/companies.

Over the course of the inquiry, based on the facts revealed at the **manufacturer level**, the GVH arrived at the conclusion that the market concentration (few, significant market players) can be counteracted, and competition enhanced through state incentives that promote the expansion of domestic production.

The final report of the sector inquiry is available [here](#) (in Hungarian).