

## The GVH is investigating the timber market as well

**25 October 2021, Budapest – The Hungarian Competition Authority (GVH) has launched an accelerated sector inquiry on the market of wooden construction materials as well in order to appropriately uncover the market processes in the background of the drastic price increases in the construction industry. The inquiry started with unannounced inspections, coordinated with the inspections of the National Food Chain Safety Office (NÉBIH), in the framework of which the case handlers of the GVH showed up on the premises of several market players.**

The GVH treats the investigation of any market distortions or possible infringements that are connected to the drastic increase in the prices of raw materials in the construction industry in the recent period [as special priorities](#). An accelerated sector inquiry has recently been concluded by the Authority on the domestic market of ceramic masonry elements as well: the results of the inquiry were published by the GVH [at the end of September](#).

The investigation of the issues in the construction sector now continues in another area: this time, the Authority has launched a sector inquiry into the domestic timber market. Namely, the GVH received several signals regarding a large and nationwide increase in the prices of wooden materials, as well as shortages.

The domestic construction sector heavily relies on imports regarding timber. Property developers procure the necessary raw materials through a complex supply chain that is comprised of many market players. The price increases and shortage of goods were noticeable on every level of this supply chain during 2021, in spite of the global developments towards consolidation in the third quarter.

*“Phenomena that can be observed in the domestic market of wood building materials are not acceptable and therefore it cannot be left without words and deeds. With the use of our new tool, I decided to launch an accelerated sector inquiry, the main purpose of which is to explore and access the market processes” – said Csaba Balázs RIGÓ, President of the national competition authority.*

The GVH and the NÉBIH conducted unannounced inspections at several significant market players within the framework of a coordinated action. Indeed, NÉBIH acts as the forestry authority in Hungary, overseeing the operations of the market players participating in the domestic wood supply chain, which includes the tracking of the path of wood from the time the materials are first placed on the market, as well as the verification of the origins of wood materials sourced from foreign countries.

Following the public market consultation, the GVH shall prepare a report presenting the findings of the inquiry. The time limit available to the GVH for the completion of the report draft is one month which, where justified, may be extended on two occasions by a maximum of one month each.

GVH Press Office