

The GVH is investigating the pharmaceutical wholesaler system

18 March 2021, Budapest – The Hungarian Competition Authority (GVH) launched an investigation into the agreements concluded by the largest domestic pharmaceutical wholesalers and the cooperation systems they established with pharmacies, since these may restrict competition on the Hungarian pharmaceutical procurement market. Ensuring that patients are able to access pharmaceutical products at competitive prices and guaranteeing the safe distribution of medicine are especially important goals during the pandemic. The GVH intends to contribute to these goals by making certain that competition processes are free of distortions on the pharmaceutical distribution market.

The GVH has initiated a proceeding against PHOENIX Hungaria Holding Zrt. (PHOENIX) and HUNGAROPHARMA Zrt. (HPH), as well as certain members of their respective groups of undertakings, due to an alleged infringement of the prohibition of restrictive agreements. The members of both PHOENIX Group and HPH Group are active on the Hungarian pharmaceutical market as wholesalers offering full product ranges and they have been the dominant market players in this sector for several years. Both groups of undertakings have established a pharmacy franchise system (BENU and ALMA franchises) and developed other forms of cooperation with several Hungarian pharmacies ('SZIMPATIKA' and 'GYÖNGY' programmes). These cooperation systems between the two dominant Hungarian pharmaceutical wholesalers and pharmacies affect a significant portion, more than sixty per cent, of domestic pharmacies.

In the course of the proceeding, the GVH will investigate whether the agreements concluded by the wholesalers and the cooperating pharmacies result in a distortion of competition on the Hungarian pharmaceutical distribution market.

While conducting the proceeding, as well as scheduling and planning the relevant procedural measures, the GVH will take into consideration the fact that the undertakings subject to the proceeding and the other stakeholders are facing increased workloads due to the pandemic, and the Authority will adjust the individual steps of the proceeding accordingly.

The initiation of the competition supervision proceeding does not mean that the undertakings have in fact committed the infringement. The proceeding 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/10/2021.**

GVH Press Office