

JOINT COMMUNICATION OF THE HUNGARIAN COMPETITION AUTHORITY AND THE MINISTRY OF ECONOMIC DEVELOPMENT

The Ministry supports the proposal of the Hungarian Competition Authority to create an online price monitoring database

A common goal is to fight inflation

23 March 2023, Budapest - Based on the experience of the ongoing accelerated sector inquiries in the food sector, the President of the Hungarian Competition Authority has initiated the establishment of an online price monitoring database at the Government. Minister of Economic Development Márton Nagy, on behalf of the Government, supports Csaba Balázs Rigó's proposal on competition advocacy and reducing inflation, and the parties will set up a joint working group early next week to ensure its swift implementation.

The rapid rise in food prices across Europe is causing difficulties for the population and all economic actors. Tackling inflation is therefore a common goal, and in order to protect families, the economy and competition in the market, the Competition Authority and the Government must use all possible means to tackle inflation and bring it down to single digits by the end of the year.

The Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) is conducting a number of accelerated sector inquiries in the food sector: on 20 January it launched an inquiry into the milk and dairy products market and on 8 February into the market for preserved food products.

In parallel with the accelerated sector inquiries, the GVH has been assessing related international initiatives. It has been revealed that several European competition authorities (e.g. Austrian, Greek, Dutch, Portuguese, Romanian, Swedish) are actively dealing with the phenomenon of food price rises, and that several EU Member States (e.g. Greece, Germany, Romania) have governments or authorities that use or are using various price monitoring and price recording applications.

International experience has shown that increasing price transparency and the comparability of consumer prices can increase competition, which can have a moderating effect on prices in the long run and increase consumer awareness.

As a result of this, Csaba Balázs Rigó, President of the GVH, has made a competition advocacy proposal to the Government for the establishment of an online price monitoring database in Hungary, which will be operated by the Hungarian Competition Authority after the necessary improvements have been made.

Minister of Economic Development Márton Nagy supported the initiative of the GVH; therefore the parties will set up a joint working group to develop an online price monitoring database and related web application for the general public as soon as possible, and to develop the necessary legislative environment. The joint working group, which will be set up on Monday, will also initiate consultations with the professional organisations concerned.

Price monitoring will focus first on the retail sector concerning food types, with the electronic price monitoring system to be operational by the end of the second quarter of the year.

The parties expect the online price monitoring database to significantly enhance transparency, make different pricing practices transparent, and ultimately - in line with the interests of consumers - contribute to increasing competition in the market, preventing overpricing, and thus overall help to reduce inflation to single digits by the end of the year.

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