

GVH uncovers public procurement cartel among Danube shipping undertakings

16 March 2023, Budapest – The Hungarian Competition Authority (GVH) revealed that four undertakings organised a cartel to win the operation of BKV's scheduled boat services. All participants admitted the infringement, and taking that into account, the GVH reduced the fine imposed. The national competition authority pays particular attention to public procurement cartels, which are one of the most severe anti-competitive infringements.

The Budapest transport undertaking launched an open tender for the operation of scheduled boat services in Budapest in the summer of 2020, but during the procedure it noticed that the statements of some bidders were identical almost word for word. BKV (Budapesti Közlekedési Zrt. – BKV) reported the suspicious case to the Hungarian Competition Authority, which [raided the undertakings](#) in July 2021.

The competition procedure revealed that four undertakings - Dunai Személyszállító Kft. and Hajózni Jó Kft., and Rubin Group Kft. and Duna-Weser Kft. - (two and two in the same group) had engaged in illegal cooperation in order to be selected as the winner of the tender. Before bidding, the undertakings shared their prices and their tender documents were prepared by the same person – the managing director of one of the undertakings. The GVH's procedure revealed that the concerted restrictive conduct continued during the public procurement procedure.

Restrictions of competition in the context of public procurement procedures are considered to be the most serious competition law infringements, which in some cases can even lead to criminal sanctions. The national competition authority therefore gives priority to the elimination of public procurement cartels.

In the course of the GVH's investigation, all of undertakings submitted leniency applications, i.e. they voluntarily provided the competition authority with evidence of the cartel, admitting the infringement. Thanks to this, and the so-called compliance efforts of some of the companies to avoid similar infringements in the future, the GVH Competition Council reduced the fines of the cartel participants concerned by around one third. At the same time, the authority also took into account the more limited financial capacity of undertakings that qualify as SMEs. The GVH's Competition Council imposed a total fine of HUF 6.5 million on Rubin Group Kft. and Duna-Weser Kft. The other two, 1-person companies - Dunai Személyszállító Kft and Hajózni Jó Kft - were established immediately before the tender was issued, on the same day, admittedly to submit supporting bids. The core activity of both undertakings was inland waterway passenger transport, they had no revenue, and the same person is entitled to sign for the undertaking.

Official registration number of the case: **VJ/29/2021.**

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