

The GVH fines solar battery producers for cartel activity

The Gazdasági Versenyhivatal (the Hungarian Competition Authority, GVH) established that five undertakings had infringed competition law when they shared 26 EU funded projects among themselves relating to the production of solar power systems. It granted one of the undertakings a fine reduction of 30% due to its active cooperation during the investigation, and imposed fines totalling more than 81 million HUF (cca 253,000 EUR) on the other cartel participants, which is the maximum legal amount that can be imposed.

Undertakings and municipalities were allowed to claim non-refundable subsidies for the development of energetic systems in the framework of the “Environment and Energy Operative Programme” published by the Ministry of National Development. Claimants were required to obtain at least three price bids for the implementation of the projects. The investigation of the GVH found that Alter Energetikai Iroda Tudományos, Szolgáltató Bt., Megújuló Energiapark Kutatóközpont Kft., Új Irány Energetika Kft., LKM.HU Service Kft. and Havrilla-Ép Építőipari Szolgáltató Kft. had coordinated the price offers that they submitted to the claimants concerning the implementation of the solar power systems.

Evidence of the violations was found by the GVH among the electronic data that was seized from the undertakings participating in the cartel. On the basis of this evidence the GVH established that in each case Alter Bt. and Megújuló Kft. (both belonging to the same group of undertakings) had also prepared the bids of their competitors, in a manner that ensured that their own bids would be the most favourable.

Consequently, the GVH established the violation and imposed fines amounting to the maximum legal amount on the undertakings, corresponding to 10% of the net turnover achieved in the previous business year of the undertakings. However, in the framework of the settlement procedure the GVH reduced the possible maximum legal amount of the fine by 30% for Havrilla Kft, as the undertaking acknowledged the infringement and waived its right to seek a legal remedy.

According to the settlement procedure, the GVH may reduce the fine to be imposed by 10-30% if the undertaking under investigation admits the infringement on the basis of the revealed evidence; moreover, it must also waive its right to extensive access to files, to make a statement, to a hearing and to seek a legal remedy. This procedure facilitates the conclusion of the proceeding in a more rapid and less resource intensive manner. The settlement procedure may result in significant cost savings, not only for the competition authority but also for the undertaking concerned.

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