

The GVH imposed a fine due to the partial implementation of a merger without authorisation

The Gazdasági Versenyhivatal (GVH – The Hungarian Competition Authority) authorised the acquisition by TRANZIT-KER Kereskedelmi Zrt. (Tranzit-Ker) and Tranzit-Food Baromfifeldolgozó és Élelmiszeripari Kft. (Tranzit-Food) of certain equipment and real estate in the possession of undertakings and private persons (Chicken Branch). The GVH imposed a fine of 1 800 000 HUF on the above-mentioned acquiring undertakings for partly implementing the transaction before obtaining the authorisation of the GVH.

Tranzit-Ker and Tranzit-Food, which belong to the Tranzit-group, are mainly active in the field of breeding (partly on their own sites, partly in the form of commissioned breeding), slaughtering, processing, packaging and sale of lean waterfowl of the poultry industry (lean goose and roast duck).

Due to the transaction, Chicken Branch became a part of the Tranzit-group, which deals with waterfowl.

Based on an assessment of the scope of activities and market positions of the parties involved, the GVH established that the merger did not bear anticompetitive effects and therefore authorised it. However, it was later established that Tranzit-Ker and Tranzit-Food had in fact already partly implemented the merger before the GVH's authorisation had been granted.

Consequently, the GVH imposed a fine on the above-mentioned undertakings for their partial implementation of the merger before the authorisation of the GVH had been obtained, contrary to the prohibition of implementation contained in the Competition Act. The GVH established that certain equipment related to breeding chickens had already come into the possession of the Tranzit-group before the authorisation of the GVH had been granted.