

The GVH is investigating a foreign acquisition in the construction industry

7 July 2021, Budapest – The Hungarian Competition Authority (GVH) has initiated a proceeding to investigate a merger of undertakings engaged in the wholesale of electrical products, which affects construction industry development projects as well. This is due to the fact that based on the preliminary data, it was not possible to assess the future effects of the transaction on the construction sector, which is currently struggling with massive price increases.

The GVH is investigating the possible effects of the proposed merger of the two electrical product wholesalers on the market within the framework of a competition supervision proceeding. As a result of the transaction, Sonepar Magyarország Kereskedelmi és Szolgáltató Kft. would obtain sole control over Újfa-Vill Kereskedelmi Kft. and would begin renting the business premises where Újfa-Vill has been conducting its wholesale activity from Zoma-Elektro Kft.

The buyer is a member of the French Sonepar-Group, the main activity of which is the wholesale of electrical products and materials. In addition to the central warehouse of the undertaking in Dunaharaszti, it operates 14 sites, providing it with national coverage. It sells its products primarily to construction industry contractors, retailers, industrial end-users, and public utility service providers. The other undertaking involved, Újfa-Vill, is also engaged in the wholesale of electrical products. The undertakings [notified the GVH](#) of the proposed transaction on 21 June.

The Authority has been [treating it as a priority](#) to investigate the price increases and supply issues experienced in the construction industry over the course of the recent period. Since the effects of the transaction could not have been established based on the notification, the GVH decided to initiate a competition supervision proceeding to investigate the merger in light of the current conditions on the market. As part of this proceeding, the Authority will collect data on the domestic trade of electrical products in Hungary, the operation of the supply chains under the current market conditions, and the positions of the market players.

The official registration number of the case is: **VJ/30/2021.**

GVH Press Office