

## **Hungarian families saved nearly HUF 20 billion in three months thanks to the online Price Monitor**

*Csaba Balázs Rigó: "The newly published study confirms the GVH's efforts"*

**Budapest, 4 September 2024 – The Macronome Institute estimates that the online Price Monitoring System operated by the Hungarian Competition Authority (GVH) reduced food inflation by 1.11 percentage points between the start of the system on the 1st of July 2023 and February 2024. According to the research institute's models, the system's most significant and monetizable impact was measured during the winter months: between December 2023 and February 2024, the online Price Monitor moderated food inflation by an average of 1.45 percentage points. Over the three months in question, this represented a saving of HUF 19.4 billion for Hungarian households.**

The Hungarian Competition Authority - in close cooperation with the Government of Hungary - launched the [online Price Monitoring System](#) on the 1st of July 2023. The price comparison website was launched by the GVH and the government with the aim of contributing to the reduction of the then still significant inflation and food inflation. In a [study published on the 4th of September](#), the Macronome Institute quantified the role played by the online Price Monitor in successfully bringing down inflation.

According to the Institute's calculations - which use a synthetic control method - food inflation in February 2024 was 1.11 percentage points lower than the base rate in July 2023 as a result of the system's operation. In the study, the impact of the Price Monitor was measured across a total of 21 subcategories of food products. Their results show that the system significantly contributed to price reductions in two thirds of the product groups (14 subcategories). Among the individual product groups, the Price Monitor had the greatest impact on low-fat milk (12.19 percentage points), eggs (12.16 percentage points), butter (9.87 percentage points), fresh fruits (9.49 percentage points) and bread (9.10 percentage points). When weighting the price effects observed for each product group according to their share in the consumer basket, the Price Monitor reduced overall inflation by around 0.2 percentage points through the reduction in food prices over the eight months examined.

Researchers at Macronome Institute also quantified the monetary impact of the GVH's Price Monitor. According to their calculations, the system reduced food inflation by an average of 1.45 percentage points in the winter months, 1.68 percentage points in December, 1.57 percentage points in January and 1.11 percentage points in February (compared to June 2023). Comparing the results with food retail sales in the months in question, they estimate that the online Price Monitoring system saved Hungarian households nearly HUF 20 billion, more precisely HUF 19.4 billion, in the winter months.

The results of the Macronome Institute's analysis clearly confirm that stimulating market competition - in this case, increasing price competition between retail chains - has quantifiable, tangible financial benefits in the medium and long term.

Commenting on the analysis, Csaba Balázs Rigó, President of the GVH said: *"In the summer of 2023, I made a competition advocacy proposal to the Government with the aim of creating an online price comparison system to encourage more intense competition among retailers, thus further reducing inflationary pressures on Hungarian families."* He underlined that: *"the analysis published by Macronome Institute validates the efforts of the Hungarian Competition Authority, the Price Monitoring*

*System has saved Hungarian households a significant amount of money, contributing to the increase in real wages and the improvement of the living standards of Hungarian families."*

The HUF 20 billion saved by the Price Monitor for Hungarian households in three months is almost four times the annual budget of the Hungarian Competition Authority for 2023.

The Hungarian Competition Authority itself regularly assesses the social benefits of its activities, using ex-ante impact assessment. [As a result of the latest analysis](#) carried out by the GVH, the prevention of the harmful effects of restrictive agreements, dominant position abuses and anti-competitive mergers detected in the last six years (2018-2023) has brought a total benefit of nearly HUF 85 billion to Hungarian consumers. This means that in the six years concerned, the GVH generated more than four times the budget spent on its operations in the form of welfare gains, without even including the impact of consumer protection cases.

According to the Government's decision, the online Price Monitoring System [will continue to ensure price comparability in 2024](#), thus contributing to keeping food inflation low.

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