



GAZDASÁGI
VERSENYHIVATAL

Dawn raid in the rail freight sector

The Hungarian Competition Authority (Gazdasági Versenyhivatal, GVH) initiated a proceeding under the case number Vj-3/2008 against Hungrail Magyar Vasúti Egyesülés (MAVE, Hungarian railway grouping), Magyar Államvasutak Zrt. (Hungarian State Railways), MÁV Cargo Árufuvarozási Zrt, Győr-Sopron–Ebenfurthi Vasút Zrt. (GYESEV Railway Shareholding Co) and CER Közép-Európai Vasúti Árufuvarozási Kereskedelmi és Szolgáltató (Central European Rail Transport, Trade and Services) Zrt. for their allegedly restrictive agreements; furthermore, the GVH launched another investigation against Magyar Államvasutak Zrt. and MÁV Cargo Árufuvarozási Zrt. under the case number Vj-5/2008 for the abuse of dominant position.

As the first investigative measure in the two above-mentioned proceedings, the GVH carried out inspections (“dawn raids”) in the premises of the undertakings concerned on 24 January 2008.

In the case **Vj-3/2008** the GVH, based on preliminary information, suspects that the undertakings concerned may have infringed, since the establishment of MAVE, Article 11 of the Hungarian Competition Act and Article 81(1) of the EC Treaty by their behaviour on the liberalised rail freight transport market.

In the case **Vj-5/2008** the GVH suspects that the undertakings concerned pursued, by abusing their privileged position and exclusive rights in relation to cross border railway traffic services, an activity that could have detrimental effects horizontally on the rail freight transport market and vertically on the market of logistic services. The conduct of the parties might be capable of infringing Article 21 of the Hungarian Competition Act and Article 82 of the EC Treaty.

The Hungarian Competition Act provides the possibility for the GVH to make dawn raids. The GVH needs a preliminary judicial authorisation for the enforcement of this type of investigative measures.

The initiation of proceedings and the conducting of a dawn raid do not mean that the undertakings concerned committed a competition law infringement. The investigations have the role to clarify the facts of the cases and to prove any alleged infringement. Since the GVH can use its investigative powers only in competition supervision proceedings, the Authority found it necessary to launch these investigations in order to clarify the actual facts of the cases. Pursuant to the Competition Act, the deadline provided for the investigation is 180 days, which can be extended on two occasions by the same amount of days, depending on the complexity of the case.

Budapest, 25 January 2008

Hungarian Competition Authority
Communication Group

Further information:

András Mihálovits

Hungarian Competition Authority

Address: 1054 Budapest, V., Alkotmány u. 5

Postal address: 1245 Budapest 5, POB 1036

Tel: +36-30 618-6618

E-mail: Mihalovits.Andras@gvh.hu

<http://www.gvh.hu>