



GAZDASÁGI
VERSENYHIVATAL

Polystyrol cartel in Hungary?

The Gazdasági Versenyhivatal (GVH – the Hungarian Competition Authority) carried out a previously unannounced down raid at Linpac Plastics Hungária Ltd, Propack Kereskedelmi (Trade) Ltd and Petruzalek Kereskedelmi és Szolgáltató (Trade and Services) Ltd on 17 January 2008. The GVH presumes the three undertakings to restrict market competition. The proceeding initiated by the GVH also covers the Slovakian Coopbox Eastern S.r.o. and the Austrian Petruzalek GmbH.

Based on the information available for the GVH it can be supposed that the distributors Linpac Plastics, Propack and Petruzalek Trade and Services, which are active on the Hungarian polystyrol market (the plastic polystyrol is a raw material for the manufacturing of food packaging) agreed at a meeting, with the knowledge and support of the manufacturers Petruzalek GmbH. and Coopbox Eastern, on a sharing between them of the Hungarian market in order to optimise their incomes and profits.

On the basis of the agreement presumed by the GVH these undertakings allocated to each other the Hungarian customers and for 2005 they also agreed on an overall average price increase, the rate of which was some 10 to 15 per cent, depending on product groups. According to the alleged agreement when a buyer requested an offer from a different supplier than that to which it had been allocated then the undertakings informed each other and the supplier contacted by the buyer submitted an offer which was inferior to that of the supplier to which the buyer had been allocated. As far as the GVH is informed the alleged agreement is still in operation.

The GVH is empowered by the Competition Act to carry out unannounced on-site inspections. According to the relevant provisions the carrying out of such an investigatory measure is subjected to the obtainment of a preliminary court authorisation.

The commencement of a competition proceeding does not mean that the violation has been committed by the undertakings involved in the proceeding. The proceeding aims at clarifying the facts and proving the infringement. Under the competition law the GVH has 180 days for such proceedings, which period – depending on the complexity of the case – may be extended two times by 180 days each.

Case number: **Vj-194/2007**

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