



GAZDASÁGI
VERSENYHIVATAL

Paprika-suit closed

Finally the GVH won the suit against Szegedi Paprika Fűszer-és Konzervgyártó (Spice and Canning Food) Ltd. The undertaking was fined HUF 3 million (approx. EUR 12 thousand) for the deception of consumers. The undertaking for example distributed products in packages labelled “paprika from Szeged”, although those packages also contained grinded foreign red pepper.

The GVH initiated a proceeding at the end of 2004 against Házi Piros Paprika Kft., Szegedi Paprika Fűszer-és Konzervgyártó Rt., Kalocsa Fűszerpaprika Rt., Naturalpár Kft. and Rubin Szegedi Paprikafeldolgozó Kft. because of the unfair manipulation of consumer choice. The investigation revealed that Házi Piros Paprika in 2003-2004, Szegedi Paprika and Kalocsa Fűszerpaprika in 2004 distributed their grinded paprika products containing also foreign red pepper in packages suitable for the deception of consumers.

When examining the packaging of the products, the GVH distinguished two kinds of consumers: industrial consumers (commonly undertakings of the meat industry and spice producers) and residential consumers. With regard to residential consumption it is an essential feature of the grinded paprika product whether it is made exclusively of Hungarian paprika or it also contains paprika (red pepper) from foreign countries. Thus in the case of residential consumption the labelling of the product without the appropriate information that it is not exclusively made of Hungarian paprika, or that it contains also foreign paprika, is suitable for deception.

Házi Piros Paprika, Szegedi Paprika and Kalocsa Fűszerpaprika were fined HUF 6 million (approx. EUR 24 thousand), HUF 3 million and HUF 1 million, respectively, by the GVH. When calculating the amount of the fines the GVH took into account the income originating from the infringement of the undertakings and its share of the total income from the distribution of grinded paprika. With respect to Házi Piros Paprika the GVH also considered that this undertaking made efforts to inform consumers about the import paprika content in the case of some products. The competition supervision proceeding against Naturalpár and Rubin Szegedi Paprikafeldolgozó was terminated, as these undertakings sold grinded paprika containing also import red pepper only to industrial consumers.

Kalocsa Fűszerpaprika did not appeal the decision of the GVH, Házi Piros Paprika was late in submitting its appeal, thus Szegedi Paprika was the only petitioner in the suit. However, the appeal was dismissed at first instance by the Municipal Court of Budapest and at the end of February it was also dismissed by the Regional Court of Appeal in Budapest, thus the decision of the GVH became final.

Case number: Vj-197/2004.

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