

Total fine of more than 100 million forints imposed on well drilling companies for participation in a cartel

The Hungarian Competition Authority (Gazdasági Versenyhivatal, GVH) imposed fines amounting to a total of 105 million forints (0.33 million EUR) on four water welling companies for entering into an agreement aimed at restricting competition in public procurement procedures.

The GVH conducted competition supervision proceedings against Vikuv Vízkutató és Fúró Zrt., Aquazit Szolgáltató Kft., Drillingwater Kft. és a Geo-Sivo Építőipari, and Környezetvédelmi Tervező és Kivitelező Kft. The GVH established that the four companies had divided among themselves public procurement tenders relating to well drilling, restoration and utilisation in certain cities. In order to achieve this goal, the undertakings entered into an anti-competitive agreement with one another; furthermore, they co-ordinated their bids in advance and agreed on the winner of each tender.

Three of the concerned undertaking, namely Vikuv, Aquazit and Drillingwater, did not deny that the agreement had been concluded; however, they claimed that in practice Aquazit and Drillingwater belonged to the Vikuv group and that therefore their co-operation could not have infringed the prohibition against the restriction of competition. The GVH, after considering all of the arguments and evidence put forward by the companies, did not accept their standpoint, as the undertakings could not prove that Vikuv legally exercised full and permanent control over the two other undertaking. In its decision, the GVH's therefore qualified the parties to the agreement as independent, colluding undertakings.

Furthermore, it was established that in relation to the procurement tender of Kengyel village, Vikuv, in addition to submitting its own bid, also prepared the bid of Geo-Sivo Kft, which it set at a higher level in order to ensure that the former would win the tender. Additionally, the third bidder, Aquazit, also submitted a higher, so-called supporting bid, in order to guarantee that Vikuv would win the bid.

Bid rigging is a very serious offence and in certain cases it may have criminal consequences. The GVH imposed the maximum fine possible under the provisions of the Hungarian Competition Act on all four undertakings.

Case number: **Vj/111/2015.**

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Hungarian Competition Authority

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