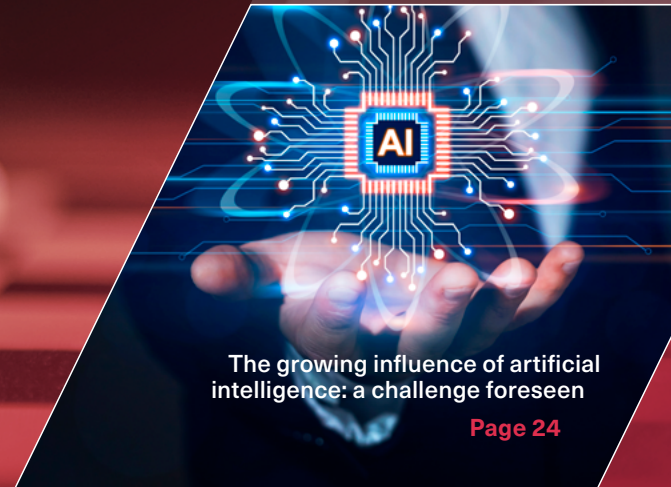


HUNGARIAN COMPETITION AUTHORITY

ANNUAL REPORT

2024

For fair competition
at the service of
consumers





HUNGARIAN
COMPETITION
AUTHORITY

REPORT TO THE PARLIAMENT ON THE ACTIVITIES
OF THE HUNGARIAN COMPETITION AUTHORITY - 2024



TABLE OF CONTENTS

1. Presidential interview	4
2. Heads of the Hungarian Competition Authority	8
3. 2024 in figures	10
4. Advocacy proposals to the Parliament	14
5. Focus themes for 2024	16
5.1. Placing the consumer at the centre - even in the digital space	18
5.2. The growing influence of artificial intelligence: a challenge forseen	24
5.3. Committed to sustainability.	30
5.4. Combating cartels: our ongoing commitment.	34
5.5. Promoting competitiveness by cutting red tape	42
5.6. Beliefs in interconnectivity: a foundation for cooperation	48
5.7. Prevention, education, information: three pillars of our communication	58
5.8. Managing our resources with care and strategy.	64
6. New powers, strong protection: serving consumers and competition	70
7. Making a difference for every Hungarian citizen	76



Csaba Balázs Rigó
president of the Hungarian Competition Authority

„FOR FAIR COMPETITION AT THE SERVICE OF CONSUMERS”

For the year 2024, the Hungarian Competition Authority has chosen the motto „competition for competitiveness”. Why?

In 2023, inflation was already curbed and then brought down, with the Hungarian Competition Authority (GVH) playing its part. We have carried out in-depth studies and from July 2023, we have placed the online Price Monitoring Database at the service of the Hungarian people. Thereafter, in 2024, the main objectives were to boost economic activity, growth, trade and consumption. We have therefore worked to support these processes with the tools at our disposal.

„I am convinced that fair competition is a key factor. On the one hand, it is the best consumer protection, on the other hand, it is a decisive factor in strengthening competitiveness.”

Fighting inflation or actively supporting economic processes are not classic tasks for competition authorities. Could this be considered as a shift of emphasis?

The last few years have taught us that adaptability and resilience is extremely important. Not only for individuals, but also for organisations. The main tasks of the Hungarian Competition Authority remain the fight against cartels, the detection of abuses of dominant position, the control and approval of mergers between companies and the active protection of consumers against unfair commercial practices.

„Our core activities can only achieve their true purpose and be effective if we provide forward-looking answers and solutions to the current challenges and problems that Hungarian people and businesses face.”

I am convinced that competition authorities must also recognise this. Consequently, our focus is stable, we know what our tasks are, but at the same time we strive to think strategically to serve the Hungarian people and Hungarian businesses. One thing is for sure, every step we take is to ensure fair competition in the market.

Is this proactive approach also reflected in the GVH's 2024 annual report?

That is what we aimed for. According to the Hungarian Competition Act, the President of the Hungarian Competition Authority reports annually to the Parliament on the activities of the GVH and on the fairness and freedom of economic competition based on his experience in the application of the Competition Act. At the same time, our aim was to present our professional activities, experiences, and achievements to the general public in a clear and transparent manner, along the main focus areas of the year, and not just as a summary as required by law. Our undisguised aim is to ensure that our annual reports are also read by people who are generally less interested in those of public bodies.

So, what were the key figures for 2024?

The GVH closed a total of 98 cases in 2024. The GVH's Competition Council ruled against 69 undertakings in a total of 31 cases. The Competition Council imposed fines totalling around HUF 4.3 billion. This represents a surge of more than HUF 2 billion compared to the year 2023. In addition, thanks to the undertaking's active cooperation resulting in a decrease of more than HUF 2.5 billion in fines imposed during the year benefited both the companies and the employees by helping to save jobs. We encourage businesses to cooperate with the competition authority, as they can achieve significant reductions in fines. Punishment is not our priority. In terms of mergers, 2024 was a record year, with 70 merger cases closed, about 25% more than in 2023. This indicates a recovery in the economy. In addition, we are receiving more and more consumer and market signals every year. In 2024, we processed more than 3 200 formal complaints, informal complaints and enquiries, an increase of more than 670, or about 20%, compared to 2023.

Based on the indications and closed cases, have you seen any patterns or recurring problems in 2024 or in recent years?

Yes. In recent years, the Hungarian Competition Authority has identified recurring problems and infringements in several markets and even commercial practices. This includes, for example, inadequate or insufficient information to consumers, recurrent infringements related to pricing, or unfair commercial practices, such as so-called dark patterns or psychological pressure, etc., mainly in the online space. This is one of the reasons why the Hungarian Competition Authority has for years paid great attention to investigating the market conduct

of large technology companies and online platforms that affect the interests and market position of a significant number of consumers and businesses. The GVH has an increasing number of cases concerning the digital space, the operation of different online platforms and their commercial practices. We also have ongoing proceedings against Microsoft and Temu.

Does this show that your professional activities and the scope of your research are increasingly shifting to the digital space?

Absolutely. The online space has become an unavoidable part of people's lives, whether it is for doing business, consuming content or shopping. According to data of the National Media and Infocommunications Authority, nearly 90% of the Hungarian population use the internet daily, and the vast majority of Hungarians spend a significant amount of time on social networking sites and have made purchases on e-commerce sites. Accordingly, the GVH's consumer protection activities are increasingly shifting to the digital space every year. In 2024, the Hungarian Competition Authority closed 21 unfair commercial practices cases - almost a quarter of all closed cases - which resulted in more than HUF 1.7 billion fine imposed by the Competition Council of the GVH.

„Consumer protection was a priority even in the digital space.”

Is this why you have included the study and analysis of artificial intelligence as one of your focus areas for 2024?

I would say we have foreseen the rise of artificial intelligence, which has entered the interest of the wider society and businesses in recent years. There is currently an explosive development of AI-based technologies. Through internal applications that improve the efficiency of businesses and so-called „chatbots” based on large language models, AI tools are also increasingly infiltrating people's daily lives. In addition to its many opportunities, AI also brings new risks, which competition authorities need to be prepared for. The GVH has therefore carried out a market analysis in 2024 to assess the potential impact of the technology, which has led to numerous recommendations.

„The Hungarian Competition Authority has shown that AI could be a key factor for competitiveness in the future and a breakthrough for domestic SMEs.”

In addition to competitiveness, another important theme in 2024 was the contribution to sustainability. How was this objective addressed?

Proactively. Consumer demand is shifting towards greener products. That is why it is important to provide consumers with credible information to help them make informed purchasing and transactional decisions. However, this is made more difficult by the fact that consumers are often unaware of the precise content and meaning of certain claims on products and services. Therefore, the GVH has continued to focus on „green claims” in 2024, and we have completed a comprehensive market analysis and made several proposals to alleviate and eliminate the „green confusion”. Instead of green agreements written in bureaucratic language, we believe in and act on sustainability in practice, without sacrificing economic development.

You stressed that one of the most important core tasks of the GVH is to fight cartels. How was 2024 in this respect?

Cartels are one of the most serious and harmful competition law infringements within the category of prohibited restrictive agreements. Therefore, active and severe actions against cartels, in particular public procurement cartels, remained a priority for the GVH in 2024. During the year, 19 cartel cases were in progress before the Hungarian Competition Authority, of which three major cartel cases were closed and eight new cases were opened. The number of tenders examined in cartel proceedings exceeded 1 500, including over 1 000 tenders involving public funds. The fines imposed in cartel cases exceeded HUF 2.5 billion. We are eliminating cartels.

As you said, 2024 was an outstanding year not only in the fight against cartels, but also in the field of mergers. What message does this send?

Nearly 30% more mergers were notified by firms in 2024 than in 2023. This points to a recovery in the economy. For the first time in the history of the GVH, the combined annual turnover of the target companies involved in transactions exceeded HUF 1 trillion in 2024. Simplified forms, available from July 2023, are becoming increasingly

popular among firms, with more than 25% of mergers in 2024 taking advantage of this option. The so-called pre-merger notification consultations can help companies to significantly reduce the time needed to clear mergers by avoiding the need to open a case due to a lack of data. We are trying to help reducing the administrative burden for domestic businesses. In 2024, we closed around 90% of the cleared mergers within four days by issuing an official certificate. This maintains our position as one of the fastest merger clearance rates in Europe.

Speaking of international comparisons, the GVH has traditionally been active in international relations. What is the purpose of this?

Extensive knowledge exchange and professional networking has been at the heart of the GVH's international activities in 2024. We represented Hungary in the International Competition Network (ICN), the European Competition Network (ECN), in various bodies and working groups of the Organisation for Economic Co-operation and Development (OECD), and we also had a successful year with our Regional Centre for Competition (RCC) in Budapest, which we run jointly with the OECD. On 22 October, the European competition community turned its attention to Budapest. The 50th European Competition Day was organised as an official programme of Hungary's EU Presidency. The GVH also joined the cooperation of the competition authorities of the Organization of the Turkic States as an observer member. Let me conclude by saying that we believe in interconnectivity shaping our international relations.

In addition to the classic enforcement tools, there is also a strong emphasis on raising consumer awareness and supporting businesses that want to comply with the law. What is the aim?

A key part of the GVH's activities is to improve the competition culture and to inform consumers and businesses. We prevented, educated, informed, and in 2024 we launched the Hungarian Compliance Academy, our Digital Awareness Programme for children in school, and we have also re-launched our „Think It Over Calmy” series of campaigns at the service of the consumers. The GVH prepares and raises consumer awareness of the most dangerous deceptive practices through its professional

communication and education campaigns. Through the GVH's advocacy work, both the public and businesses can gain insight into the collective benefits of intense competition in the market.

„We also placed a strong emphasis on proactive and accessible communication to support the widespread uptake of our work during the year.”

The GVH continued to be a family-friendly workplace in 2024, earning awards throughout the year for supporting its staff and their families with a range of measures. Do you consider these important?

We are proud of the awards and recognition, but what counts is behind them. We think it is important to help families, but we also put a lot of emphasis on supporting vocational training and language skills, and 2024 was an outstanding year in that respect. The Hungarian Competition Authority continues to be an attractive place to work for young professionals, with an average age of less than 40 years. The successful professional work was underpinned by the fact that the GVH's finances remained balanced in 2024. We managed our resources wisely and will continue to do so in 2025.





Csaba Balázs Rigó
President



András Tóth
Vice President
Chairman of the
Competition Council
of the GVH



Attila Dudra
Member of the Competition
Council of the GVH



Judit Buránszki
Head of Merger Section



Zoltán Bajerle
Head of Cartel Detection
Section

**Members of the
Competition
Council of the GVH:**



Attila Kóhalmi
Member of the Competition
Council of the GVH



Gábor Gál
Member of the Competition
Council of the GVH



Zoltán Ay
Head of Litigation
Section



Márk Pánczél
Member of the Competition
Council of the GVH



Dávid Kuritár
Member of the Competition
Council of the GVH



Martin Milán Csirszki
Head of Decision-Making
Support Section



Nóra Váczi
Member of the Competition
Council of the GVH



Izabella Szoboszlai
Member of the Competition
Council of the GVH

ORGANIGRAM OF THE GVH

as of 31 December 2024



Attila Sipos
Secretary General



László Bak
Vice-President



Bálint Horváth
Head of Public Service
Communications Section



Szilvia Orbán
Head of Legal Support
Section



Andrea Basa
Head of Consumer
Protection Section



István Kéri
Head of Human
Resources and
Coordination Section



Dávid Bence Vécsei
Head of Accounting,
Asset Management and
Controlling Section



Zombor Berezvai
Head of Competition
Economics and Market
Research Section



Bálint Bordács
Head of Antitrust Section



Sándor Dán
Head of IT and Document
Management Section



Cecília Balog
Head of Consumer
Relations Section



Botond Horváth
Head of Cartel Section



2024 IN FIGURES

In 2024, the GVH's Competition Council closed 31 proceedings finding a total of 43 undertakings in breach of the rules. In addition, the GVH closed 5 proceedings at the investigation stage. The total amount of fines imposed was just over HUF 4.278 billion (approx. EUR 10.4 million). Of the total fines imposed, HUF 542.5 million (approx. EUR 1.3 million) was levied in the course of four follow-up investigations carried out during the year.



36

closed competition supervision proceedings

43

infringing undertakings

Fines of HUF 4.279 billion

imposed

3 231

processed complaints and consumer enquiries

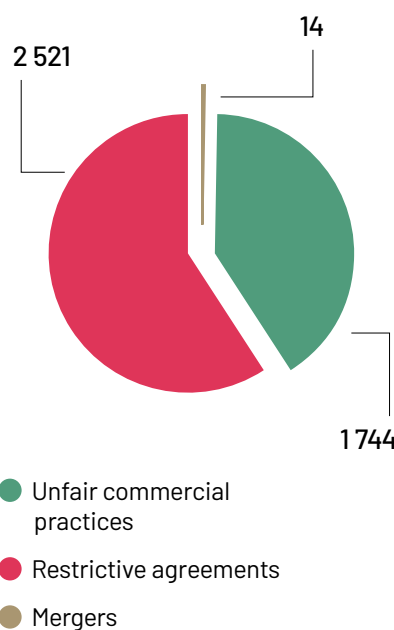
HUF 112.843 billion

welfare gains in the last 6 years

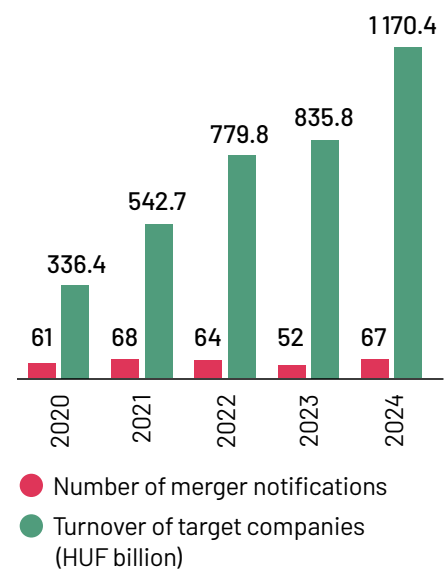
More than HUF 2.534 billion

reduction of fines

Fines imposed in 2024 (HUF million)



Trend in the number of merger notifications received by the GVH and the turnover of the target companies involved in the transaction



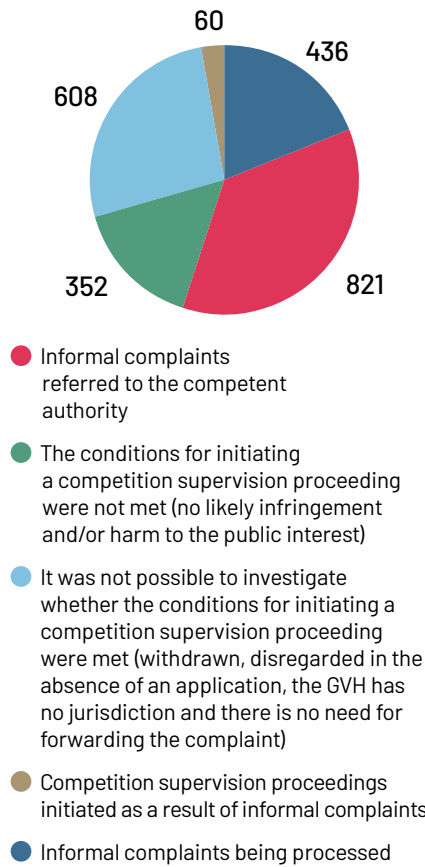
In 2024, the GVH processed a total of 167 formal complaints, 2 277 informal complaints and received a total of 787 consumer enquiries in person or by telephone.

21 closed consumer protection cases

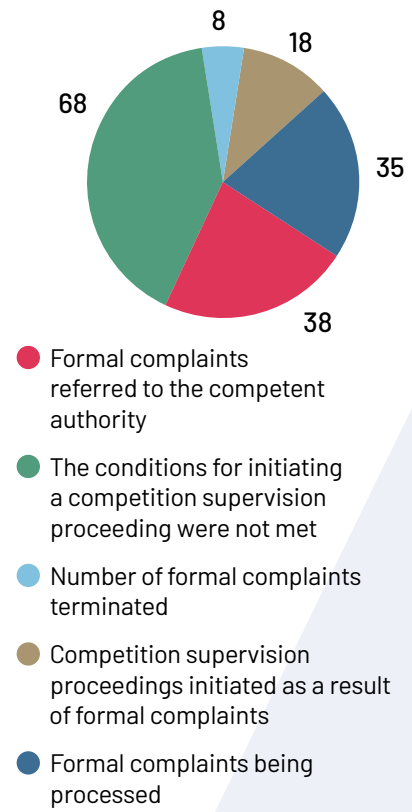
more than HUF **1,7** billion of fines imposed

more than HUF **212** compensation for consumers

Informal complaints processed in 2024



Formal complaints processed in 2024

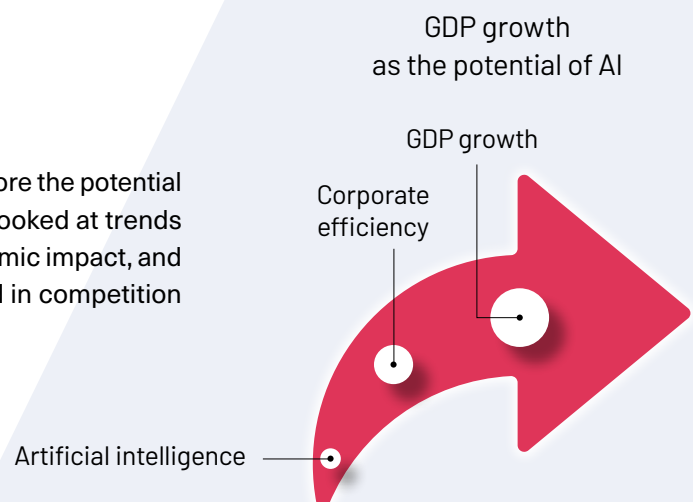


Acting to benefit digital consumers

In 2024, the GVH continued to focus on consumer protection, which in recent years has increasingly been carried out in the digital space. During the year, the Hungarian Competition Authority took action against Viber, Booking and Temu, among others.

On the trail of artificial intelligence

In early 2024, the GVH launched a market analysis to explore the potential impact of AI on competition and consumers. The GVH looked at trends in the development of the technology, its potential economic impact, and the issue of small languages. AI was already being used in competition enforcement proceedings in 2024.





Proposals to protect consumers and the environment:

a state-regulated sustainability labelling scheme

transforming corporate communication practices

More than HUF

2.5

billion of fines imposed

19

proceedings under way

1 550

tenders investigated

30

dawn raids in cartel cases and accelerated sector inquiries



1.7 TB

amount of data seized



170

HD movie equivalent data

Sustainability in focus

Earlier the year, the GVH published its market analysis of green claims, which found that domestic companies communicate sustainability in a broad and unsystematic way.

In 2024, the GVH also took action against the practices of a recyclable cup distributor and green claims related to pet bottles.

Elimination of cartels

The fight against cartel agreements continued in 2024. The Hungarian Competition Authority examined more than 1 000 public procurement procedures and caught three major cartel agreements.

The GVH seized more than 1.7 terabytes of data in the so-called dawn raids that were carried out in cartel cases.

Red tape reduction and cooperation

In 2024, the GVH cleared around 90 percent of approved mergers by issuing official certificates. The GVH's efforts to simplify merger procedures, such as pre-notification and the simplified form, are also proving popular.

The Competition Council of the GVH granted more than HUF 2.534 billion (approx. EUR 6.179 million) fine reduction due to cooperation under leniency programs during the year.

70

merger decision

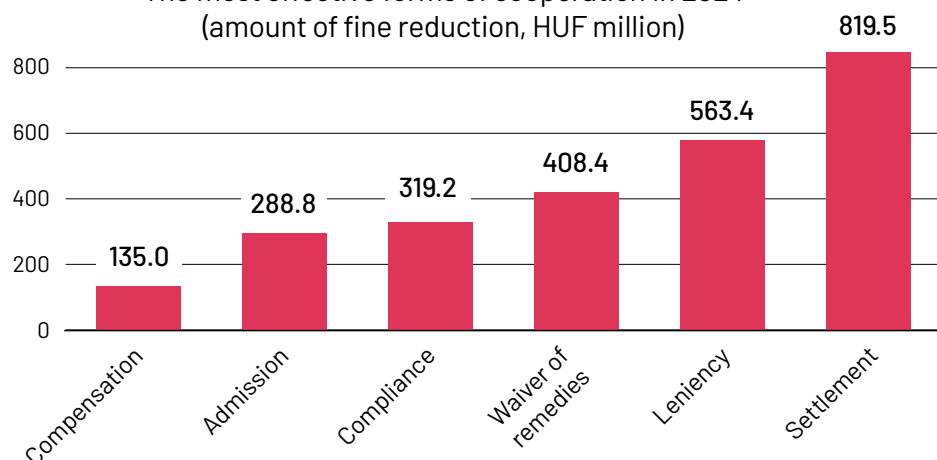
97%

of the acquisitions were prenotified

27%

of the notifications were made using the simplified form

The most effective forms of cooperation in 2024
(amount of fine reduction, HUF million)



Striving for interconnection

In 2024, the GVH further expanded its extensive network of international relations. In the first half of the year, it joined the cooperation of the competition authorities of the Organization of the Turkic States as an observer member and signed bilateral cooperation agreements with the competition authorities of Türkiye and Azerbaijan.



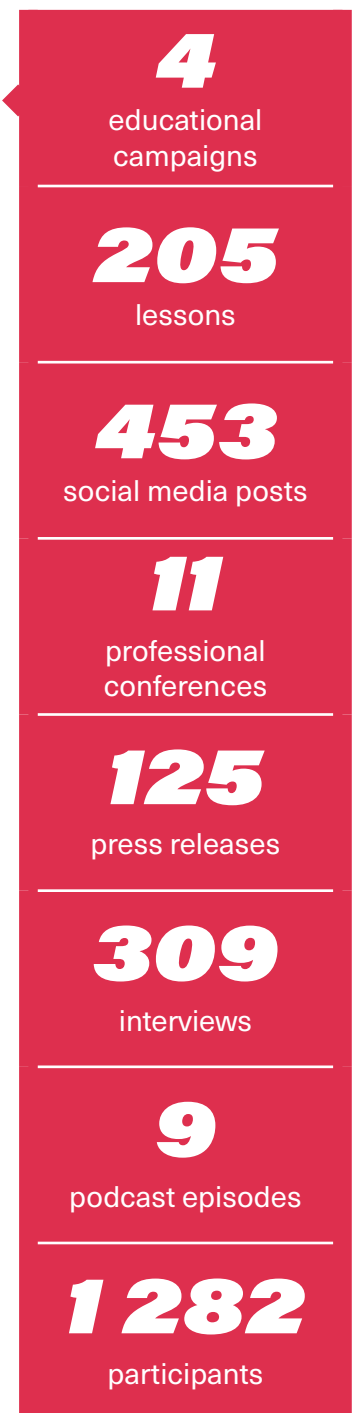
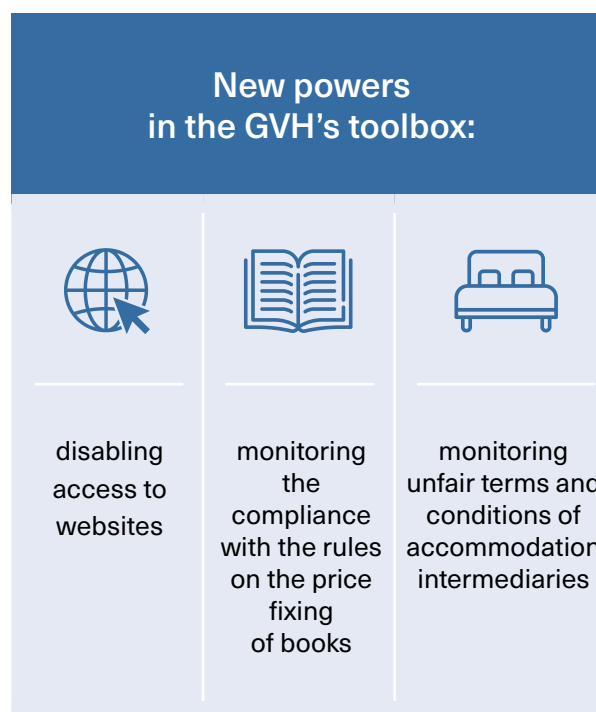
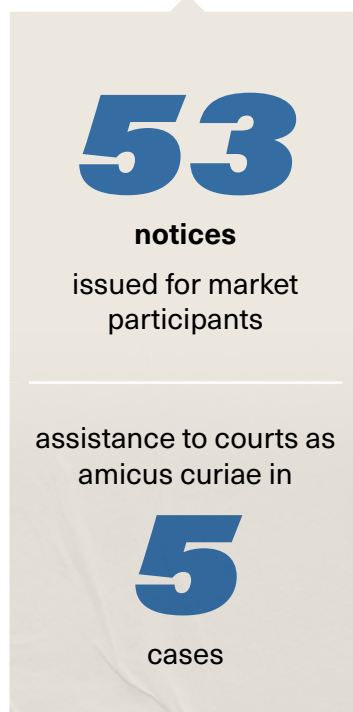
Education and communication

In 2024, the GVH continued its active educational work and kept the public up to date with its news on its work in the interest of consumers.

The Digital Awareness Programme has reached thousands of students.

New powers for more effective enforcement

During the year, the GVH actively implemented the powers it has been given in recent years to protect competition and benefit consumers through more effective competition law enforcement. In addition, the toolbox of the Hungarian Competition Authority was further expanded in 2024.





4 **ADVOCACY PROPOSALS TO THE PARLIAMENT**

Market analysis on the formation and use of environmental claims by market players

The GVH published its report at the beginning of 2024. The market analysis was launched to conduct a thorough and comprehensive assessment of the use and formation of environmental (green) claims by businesses in the food, clothing, chemical and cosmetics sectors. Based on the results of the market analysis, the GVH made a number of recommendations both for businesses and the legislator. For the latter, the Authority made two proposals.

- Develop a tiered, state-regulated sustainability and environmental labelling scheme that can increase confidence and facilitate consumer decision-making.
- Raise consumer awareness of the system and its benefits by linking consumer education campaigns to the established certification and labelling scheme.

Examining the impact of artificial intelligence on market competition and consumers

The GVH conducted its market analysis on the impact of artificial intelligence on competition and consumers in October 2024. Based on the results of the analysis, the GVH made three recommendations to the legislator.

- Promote the use of AI in the domestic private sector, with a particular focus on SMEs.
- Revisit the national strategy for AI, paying particular attention to developing and supporting specialised training programs; the rational integration and coordination of AI-related researches and the government's AI strategy; the continued development of an appropriate IT infrastructure; and the establishment of an AI development ecosystem.
- Targeted support for the development of Hungarian language models through the effective coordination of financial and strategic resources of the public sector.





5

FOCUS THEMES FOR 2024

- *Placing the consumer at the centre - even in the digital space*
- *The growing influence of artificial intelligence: a challenge foreseen*
- *Committed to sustainability*
- *Combating cartels: our ongoing commitment*
- *Promoting competitiveness by cutting red tape*
- *Belief in interconnectivity: a foundation for cooperation*
- *Prevention, education, information: three pillars of our communication*
- *Managing our resources with care and strategy*

5.1.

PLACING THE CONSUMER AT THE CENTRE - EVEN IN THE DIGITAL SPACE

The online space has become an inescapable part of people's lives, whether they are doing business, shopping or content consumption. According to the data of the National Media and Infocommunications Authority, nearly 90% of the Hungarian population use¹ the internet on a daily basis. The vast majority of Hungarians spend a significant amount of time on social media and have made purchases on e-commerce websites. The efforts of the GVH in the field of consumer protection are therefore moving more and more into the digital domain every year. In 2024, the Hungarian Competition Authority closed 21 unfair commercial practice cases, imposing fines of more than HUF 1.7 billion (approx. EUR 4.1 million).

¹ Source: NMHH (2024) https://nmhh.hu/cikk/248501/Internethasznalat_az_elso_tiz_kozott_Magyarorszag_az_Europai_Unioban (Accessed: 07. 01. 2025.)



Digital consumer protection in the spotlight

According to the Hungarian Central Statistical Office, the number of internet users in Hungary has increased by 19% since 2013.² According to surveys by the National Media and Infocommunications Authority, the average daily number of visits of e-commerce websites is close to 740 thousand while the average Hungarian user aged between 16 and 75 spends nearly 50 minutes a day on social media sites.³ As a result of the expansion of the digital space, the GVH has been closely monitoring online commercial practices for several years, particularly those of large technology companies and digital marketplaces. In line with these trends, the GVH's consumer protection efforts have largely shifted to the online space.

In 2024, the GVH opened 31 competition supervision proceedings and closed 21 proceedings investigating unfair commercial practices. As a result, 40% of the total annual fines, more than HUF 1.744 billion (approx. EUR 4.253 million) was imposed in consumer protection cases. In addition, more than HUF 212 million (approx. EUR 517 thousand) in direct compensation to consumers was paid as a result of the GVH's proceedings.

PROCEDURAL EXPERIENCE

Viber

The GVH proceeding, closed in May 2024, was initiated because information regarding the free and secure nature of Viber Media S.á.r.l.'s Viber service was not available in Hungarian, and consumers were not adequately informed about how the data were managed.

The GVH closed the case by imposing a **complex set of measures** on the company. The creation and continuous updating of the privacy policy and in-app information in Hungarian, the reduction of the amount of personal data that can be used by the company by default, the introduction of Viber Plus subscriptions in Hungary, and the development of a Hungarian-language privacy chatbot were all undertaken by the company.

Consumer protection in figures 2024

31

proceedings initiated

21

closed proceedings

more than

1.7

billion
of fines

around HUF

212

million
in consumer
compensation



VJ/6/2020.

² Source: HCSO, https://www.ksh.hu/stadat_files/ikt/hu/ikt0029.html (Accessed: 07. 01. 2025.)

³ Source: NMIA - Az online médiatér közönsége (November 2024) https://nmhh.hu/cikk/249659/Az_online_media-ter_kozonsege_2024_november (Accessed: 07. 01. 2025.)



**HUF
382.5**

million,
the largest ever fine
imposed in a follow-up
investigation

Did you know?

Dark patterns, such as urging messages, are designed to limit independent and informed decision-making.

Read more about them on page 63.



Booking

Booking.com B.V. failed to fully comply with its obligations to cease previous infringements and was **fined HUF 382.5 million (approx. EUR 933 thousand)** by the GVH. The follow-up investigation carried out by the Hungarian Competition Authority examined whether the company had ceased the infringing practices. In the original decision, the company:

- advertised free cancellation offer accommodation, which was more expensive than without „free cancellation”,
- put psychological pressure on consumers with urging messages,
- failed to act with professional diligence in the promotion of SZÉP card payment options.



VJ/28/2022.

During the follow-up investigation the case handlers of the GVH found that the company did not abandon its free cancellation slogan, instead it introduced cheaper offers that could not be cancelled for free. Furthermore, although there was a reduction in the use of urging messages, it still used messages which were not in line with the ban and which had the potential for psychological pressure.

Eventim

CTS Eventim Hungary Kft. used so-called “drip pricing” in the online ticket sales on its ticket portal. It did not inform consumers about the individual fee items - mainly handling fees, delivery and collection fees - in a timely manner or at all.

The company cooperated with the GVH during the procedure and committed to compensate consumers affected by the infringement. As a result, more than 80 000 consumers received a monetary compensation of HUF 700 (approx. EUR 1.71) per individual. **The total amount of compensation exceeded HUF 70 million (approx. EUR 171 thousand).** The company also committed to simplify its pricing practice, replacing the previous multiple fee structure with a single service fee, while also notifying consumers about the price at the appropriate stage of the purchase.



VJ/11/2023.

Donoci

Donoci s.r.o., the operator of lampak.hu, a popular lighting webshop for domestic consumers, used misleading pricing practices and urging messages on its website that deceived consumers:

- it could not prove that the original price before the discount had ever been applied,
- provided false information on the demand for products, as it did not present domestic demand data,
- displayed urging messages about, for example, the limited duration of price reductions.

Taking into account the cooperation of the company, the Hungarian Competition Authority **imposed a fine of HUF 126 million (approx. EUR 307 thousand)** and a complex compliance programme on the company.



VJ/25/2022.

Did you know?

Deceptive pricing practices, such as drip pricing, are designed to mislead consumers about the discounted price.

Read more about them on page 63.



Wizz Air

The investigation, closed in 2024, found that Wizz Air Hungary Zrt. failed to disclose - and failed to disclose in a timely manner - that certain „extra services” could be purchased separately, even when choosing the airline’s basic services. The company thus steered customers towards more expensive packages. Wizz Air has also engaged in commercial communications in breach of professional diligence with regard to the content and the limits of the automated check-in service. The Hungarian Competition Authority **imposed a fine of HUF 307 million (approx. EUR 749 thousand)** on the airline for the infringements.

In 2024, the GVH opened two further competition supervision proceedings against the airline:

Earlier the year, the GVH opened an investigation into Wizz Air’s alleged withhold of information about its free online check-in service, resulting in avoidable costs for passengers.

The proceedings, launched in August, concern the likely breach of professional diligence in the operation of the company’s booking system and the concealment of information on service charges.



VJ/1/2023.



VJ/4/2024.



VJ/37/2024.

Did you know?

At the beginning of July, in view of the increased consumer signals and market anomalies during that period, the President of the GVH issued notices to several airlines operating in the Hungarian market.

For more information on the scope of the letter of formal notice, visit page 72.



Did you know?

From 1 March 2024, the Hungarian Competition Authority may also order the inaccessibility of electronic data, such as websites, on its own initiative.

Read more about the new powers of the GVH on page 71.



Lottoland

In March, the Hungarian Competition Authority closed its proceeding against a Maltese gambling company. The case handlers of the GVH revealed that the company:

- had copied some of Szerencsejáték Zrt.'s games virtually in the same way or with minimal changes to their name, leading consumers to believe that they were using the services of the competitor,
- either displayed their name and contact details in a misleading way or did not display them at all when providing services.

The GVH **fined the company HUF 345 million (approx. EUR 841 thousand)** and banned it from further organising EUROJACKPOT and EUROJACKPOT GO games. As the company did not comply with the latter obligation, the GVH ordered that all websites hosting the games in question be made inaccessible in October 2024.



VJ/35/2022.

In 2024, the GVH launched a number of proceedings for likely infringements in the digital space.

Temu

In March, the GVH launched a proceeding against Temu's Irish-registered operator, Whaleco Tecnology Limited. The proceeding was launched with regards to its price display practices and urging messages. The company advertised discounts of „up to 95%” (or more) on the products it sold, but no such discounts were available on its online store. The company also overwhelmed customers with urging messages throughout the purchasing process, such as „only 4 left”, „almost sold out”, „purchased by someone else 1 minute ago”.

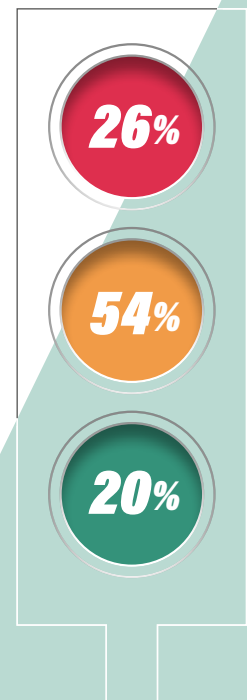
eMAG

Also in the spring, the GVH initiated a proceeding against Extreme Digital-eMAG Kft. for, among other things, allegedly deceiving consumers by publishing consumer reviews, promoting several products with significant discounts and cancelling most of the orders for the products concerned and providing consumers with false information about delivery deadlines.

The impact of influencers

In recent years, the GVH has placed increasing emphasis on the marketing practices of influencers. They have the potential to have a significant impact on the purchasing habits and decisions of consumers, in particular those of the younger generation. This makes them particularly responsible for the display of paid promotions.

At the beginning of the year, the GVH participated in a joint sweep of the European Commission and the Consumer Protection Cooperation Network (CPC), which brings together national competition authorities. The research carried out by the GVH in relation to the **marketing practices of the national influencers** showed that only 20% of them always comply with the rules on advertising. The majority (54%) usually, but not always, indicate the fact of promotional content. Almost a quarter of influencers never or rarely make mandatory disclosures.



VJ/14/2024., VJ/15/2024.,
VJ/16/2024., VJ/17/2024.,
VJ/18/2024., VJ/19/2024.

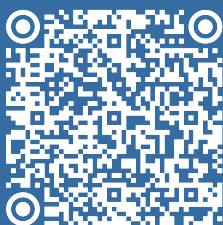
Action of the authority

Based on the findings of the sweep, the GVH identified likely infringements.

In 2024, the Hungarian Competition Authority opened competition supervision proceedings against six Hungarian influencers and several advertising companies for failing to disclose the fact of paid content.

Other cases in favour of consumers

VJ/24/2023.



Vodafone

As part of a follow-up investigation, the GVH assessed whether the company had complied with its earlier commitments to restructure its communication practices and to compensate consumers.

Airbox

The company gave consumers the false impression that it was legally selling electronic cigarettes and electronic devices imitating smoking on its website. Airbox was fined HUF 189 million (approx. EUR 461 thousand) by the GVH.



VJ/2/2024.

VJ/18/2022.



Manker Beauty

The company undertook a complex set of measures, including the improvement of its communication practices and the compensation of consumers. The undertaking also joined the Advertising Self-Regulatory Board.

GymBeam

The company's communication practices did not meet the requirement of professional diligence, so the GVH imposed a fine of HUF 100 million (approx. EUR 244 thousand).



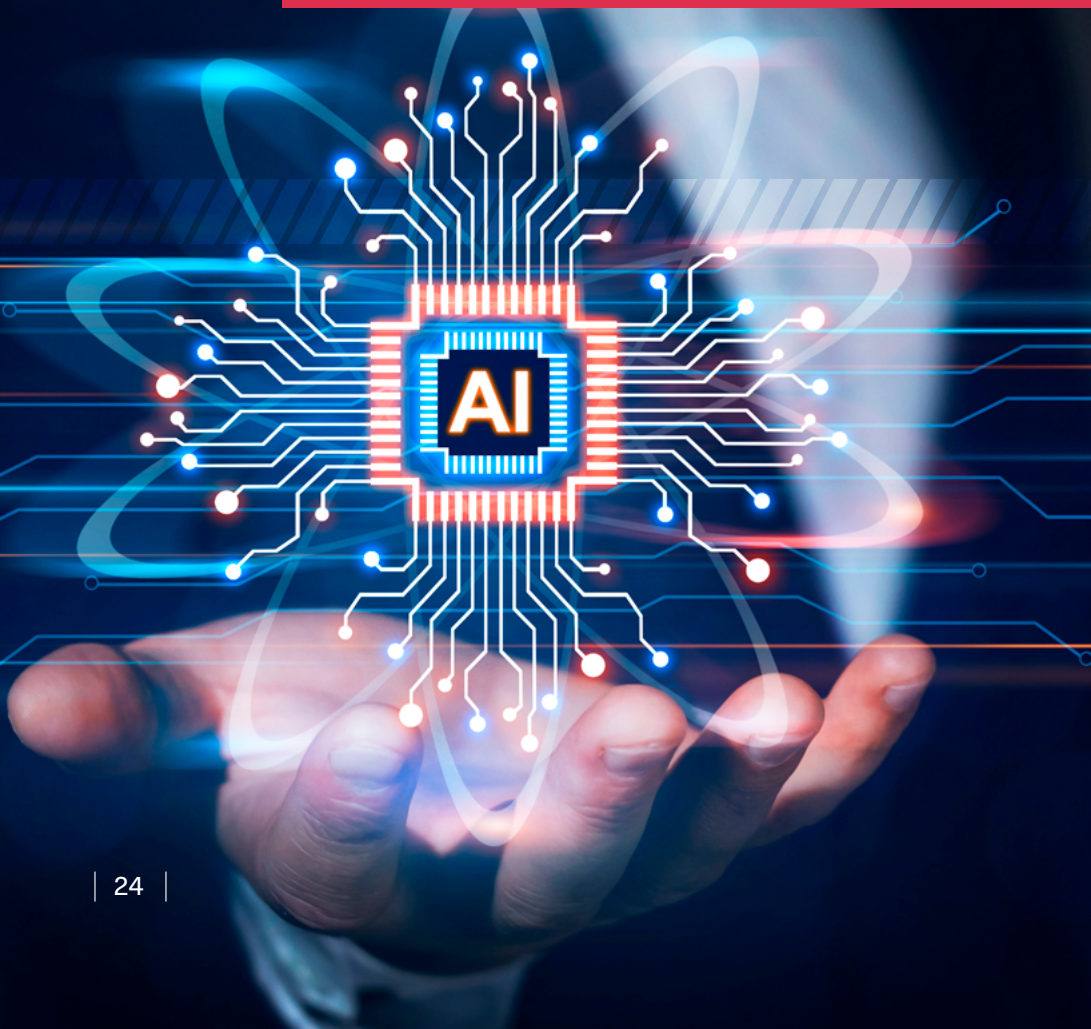
VJ/51/2022.



5.2.

THE GROWING INFLUENCE OF ARTIFICIAL INTELLIGENCE: A CHALLENGE FORESEEN

Artificial intelligence has been mainstream for a year or two. In recent years, AI-based technologies have undergone an explosion of development and are increasingly infiltrating everyday life through internal applications that improve business efficiency via so-called "chatbots" based on large language models. In addition to its many opportunities, AI also brings new risks, which competition authorities need to be prepared for. Accordingly, the GVH carried out a market analysis of the potential impact of the technology and made a number of recommendations. The Hungarian Competition Authority pointed out that AI could be a key factor for competitiveness in the future and could represent a breakthrough for domestic SMEs.




MARKET ANALYSIS ON ARTIFICIAL INTELLIGENCE

Recognising the trends in the development and use of artificial intelligence (AI), the Hungarian Competition Authority launched a market analysis in January 2024 to assess the impact of this technology. In doing so, the GVH became one of the first EU competition authorities to analyse AI-related markets. The focus of the investigation was on whether the proliferation of technology could potentially distort competition across various sectors and potentially leave consumers more vulnerable. However, the analysis also addressed issues such as the experience of domestic businesses and the development of domestic large language models.

In order to ensure the analysis is as in-depth and comprehensive as possible, the GVH also contacted a number of national and international stakeholders.

Artificial intelligence at the heart of the GVH's proceedings

The case against Microsoft concerns information about the AI-based chat function integrated into the Bing search engine. The company is likely to have failed to provide consumers with sufficient information regarding the use of personal data and management issues of the service.



VJ/20/2023.

105

requests for information from national and international developers and users

7 rounds of joint consultation with national research institutes, universities, public and private stakeholders

2

workshops with academic and market participants

targeted analysis of

2

specific domestic focus markets

Comprehensive desk research

to map the theoretical framework, development history and international regulatory framework of the technology



For more information on the objectives, results and conclusions of the market analysis, listen to the 32nd episode of the GVH Podcast (available in Hungarian only).



The market analysis reveals that most forecasts predict that AI-based solutions will further increase business efficiency, which could lead to significant growth in GDP, making AI a key driver of competitiveness in many markets. However, widespread corporate adoption of the technology is needed, which is threatened by the tendency for resources to be highly concentrated in the hands of market-leading technology companies. The case handlers of the GVH identified four critical resources.

Significant and diverse data set

Developing the latest basic models requires hundreds of terabytes of data. That is roughly:
100 000 years of reading time or
70 million books in total text.

Adequate computing capacity

Whether hardware-based or cloud-based, supercomputing capacity is required, and its power requirements are also significant.

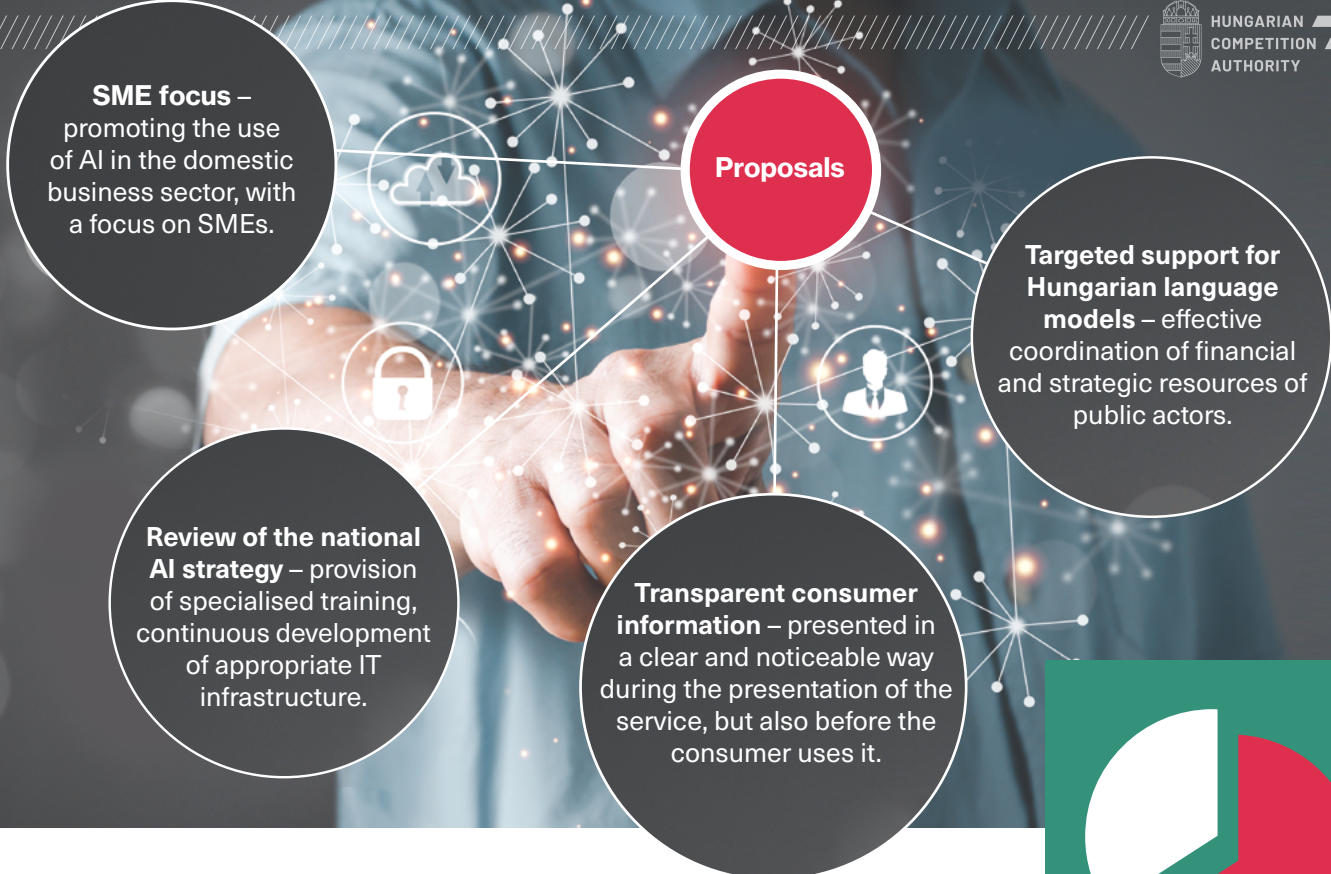
4 critical resources

Highly and specifically skilled workforce

There is a shortage of specifically trained staff to teach and develop the AI models.

Financial resources

Between 2019 and 2023, the amount of money spent on generative artificial intelligence increased by 2 400%.



SME focus – promoting the use of AI in the domestic business sector, with a focus on SMEs.

Review of the national AI strategy – provision of specialised training, continuous development of appropriate IT infrastructure.

Transparent consumer information – presented in a clear and noticeable way during the presentation of the service, but also before the consumer uses it.

Targeted support for Hungarian language models – effective coordination of financial and strategic resources of public actors.



The use of AI-based solutions among domestic companies is relatively low. This is partly due to a lack of capital and partly due to a shortage of skilled labour. The risk of falling behind is particularly acute among SMEs, most of which, unlike larger firms, are not yet planning the deployment of the technology.

For a country's data sovereignty, data security, and the preservation of its cultural identity the targeted development of self-learning systems based on small languages is of paramount importance.

The market analysis revealed that global technology companies offer the same products and services to their Hungarian customers as in other countries, but that their adoption by companies, especially SMEs, is low. However, it should be stressed that Hungary is in an advantageous position compared to the EU average in the development of large language models, with two initiatives currently developing Hungarian models.

Based on the results of the market analysis, the GVH made several proposals both for the legislator and for market players to address the problems identified.

Did you know?

For a country's data sovereignty, data security, and the preservation of its cultural identity the targeted development of self-learning systems based on small languages is of paramount importance.





The field of AI is extremely wide-ranging and complex. Accordingly, the AI Act takes a holistic and comprehensive approach. Its complexity is demonstrated by the fact that its preamble alone consists of 180 paragraphs.

AI ACT - THE FIRST ARTIFICIAL INTELLIGENCE REGULATION

In the summer of 2024, the European Union’s regulation on artificial intelligence (AI) entered into force, marking the first attempt in the world to set the regulatory framework for the technology. The AI Act aims to make the operation of AI more understandable and transparent, including the obligation to label manipulated content.

The legislation adopts a risk-based approach, according to which it defines several categories of AI systems, ranging from minimal to unacceptable risk. These classifications oblige developers, manufacturers and operators to apply the regulatory framework correctly and to take the required security measures.

The legislation will be applied gradually, and after a transitional period of 24 months, it will be fully integrated into European and national legislation from mid-2026.

András Tóth,
Chairman of the GVH’s
Competition Council
and Vice-President of
the GVH, spoke in more
detail about the EU
regulation and artificial
intelligence issues in the
GVH Podcast (available
in Hungarian only).



INTERNATIONAL INTEREST

Besides the GVH, the rise of artificial intelligence also attracted the attention of other competition authorities. In addition to the Hungarian Competition Authority, the UK, French and Portuguese competition authorities conducted AI analyses, and several others examined the technology's impact.

AI-based technologies were also a central theme of the 50th European Competition Day in Budapest. The international conference, which traditionally takes place every six months, brought together hundreds of European competition practitioners and policy makers to discuss the competition policy implications and future challenges of the rise of artificial intelligence. At the event, Csaba Balázs Rigó, President of the GVH, presented the results of the market analysis of the Hungarian Competition Authority.





5.3.

COMMITTED TO SUSTAINABILITY

To mitigate climate change, its effects and to reduce the human impact on the environment, it is essential to shift consumer demand towards environmentally friendly products. One of the first steps in this process is to provide consumers with credible information to help them make informed purchasing and transactional decisions. However, this is made more difficult by the fact that consumers are often unaware of the exact content and meaning of certain claims on products and services. Therefore, "green claims" continued to be a focus of the Hungarian Competition Authority in 2024.



What is a green claim and why you should care?

A green claim is a non-mandatory message (text, image, graphic or symbolic representation, label, company, product or brand name) in the content of commercial communication that states or implies that the product or the trader's activity

- ▶ ***has a positive impact on the environment,***
- ▶ ***has no negative environmental impact,***
- ▶ ***is less harmful to the environment than other similar products or services,***
- ▶ ***its effect on the environment improved significantly compared to the past.***

The GVH proposed a tiered, state-regulated sustainability labelling scheme

The GVH published its market analysis on green claims in January 2024, with a focus on food, alongside clothing, chemicals and cosmetics. The study found that **domestic businesses communicate sustainability in a very broad and unsystematic way**. Many companies use so-called trust marks and logos to demonstrate their 'green' credentials, but the certification body or criteria behind them are not always identifiable (or not available in Hungarian) to consumers. As part of the market analysis, a controlled randomised experiment carried out in collaboration with Eötvös Loránd University (ELTE) showed that the display of green claims on product packaging has an impact on consumers' perceptions of the products and their purchase intentions. However, **a significant number of consumers are not number of the exact content of the claims they, therefore they often misunderstand them**.

More information on the results of the market analysis and the GVH's proposals can be found on the Hungarian Competition Authority's website.



Did you know?

Greenwashing

is a marketing or PR strategy of a company that presents the company or its products and services as environmentally friendly and environmentally responsible, while no real steps are taken to achieve these goals in its actual operations. Where greenwashing appears in the specific marketing communication of the company, the term refers to unverifiable environmental claims.

Main proposals for undertakings:

1	Undertakings should understand and map the environmental impacts of the production and consumption of their products before developing their environmental and sustainability-related information.
2	Knowing the real environmental burden of businesses and their products, it is worth determining which environmental improvements, investments or modifications can have the greatest positive environmental impact.
3	Undertakings' communication on sustainability and environmental protection should focus on those activities that have the greatest impact on reducing environmental impacts. The claims, logos and labels used should be substantiated, verifiable and accessible to consumers.
4	Poorly worded, overly general or generalisable, vague claims should be avoided.



Green marketing guide
from the GVH



GVH Podcast: Green claims and
sustainability in the food industry
(available in Hungarian only)

Procedural experience

Cup Revolution - Re-Cup system

In the case closed in 2024, the GVH found that one of the largest Hungarian reusable-cup distributors **had misleadingly communicated to consumers about the environmental impact of the cups (so called re-cups) and the return system.** The company co-operated with the GVH during the investigation, reviewed, and modified its commercial practices at several points (e.g. by

introducing an app to help people to return their cups) and announced further improvements. Furthermore, the company changed its so-called environmental "green" claims during the proceedings, with the intention of compliance. In view of these, the Competition Council of the GVH issued a warning to Cup Revolution Kft. and ordered the company to

► *review all its (current) communication tools, particularly the claims concerning the environmental impact, and to*

► *develop a programme to help inform consumers about the operation of the re-cup system.*

Based on the findings of the investigation, the President of the GVH **sent a letter of formal notice to a Budapest concert venue using the re-cup system.** The Hungarian Competition Authority reiterated its call on all the venues using the system to ensure that consumers are informed as widely as possible about the use of the re-cup system and to review their commercial practices regarding the return of plastic cups.

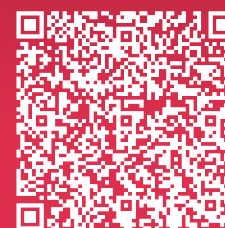
The GVH investigated green claims on PET bottles

In 2024, the GVH launched parallel proceedings against several companies for likely misleading consumers with claims about the environmental impact of their products on the labels of mineral water and soft drink bottles and in other commercial communications.

It is common to the companies' likely misleading claims that they refer to the essential characteristics of the products, namely their environmental impact. However, the contested advertising claims are likely to be unsubstantiated, and the companies are unlikely to have sufficient evidence to justify the environmental benefits of the bottles.



VJ/33/2024.,
VJ/34/2024.,
VJ/35/2024.



VJ/34/2022.



5.4.

COMBATING CARTELS: OUR ONGOING COMMITMENT

Cartels are one of the most serious and damaging competition law infringements of all illegal restrictive agreements. Therefore, active and strict action against cartels, in particular public procurement cartels, has been one of the main priorities of the Hungarian Competition Authority in 2024. The GVH closed 19 cartel cases under competition supervision, closed three major cartel cases and opened eight new cases. The number of tenders investigated in cartel proceedings exceeded 1 500, of which more than 1 000 involved the use of public funds. Fines imposed in cartel cases exceeded HUF 2.5 billion (approx. EUR 6.1 million).



Cartels are the most harmful anti-competitive agreements, **causing significant damage to the economy while also substantially harming** consumers' interest. In a cartel, it is not competition but an agreement between companies that determines who wins a tender and at what price. This typically leads to **higher prices**. This is why one of the most important tasks of the Hungarian Competition Authority is to detect and stop these illegal agreements. **Public procurement cartels** are particularly serious and socially damaging infringements, which can lead to criminal penalties and exclusion from public procurement. The GVH therefore pays great attention to the elimination and severe sanctioning of public procurement cartels in order to deter market participants from such illegal behaviour.

Cartel proceedings in 2024:

19

proceedings
in progress

8

cases opened

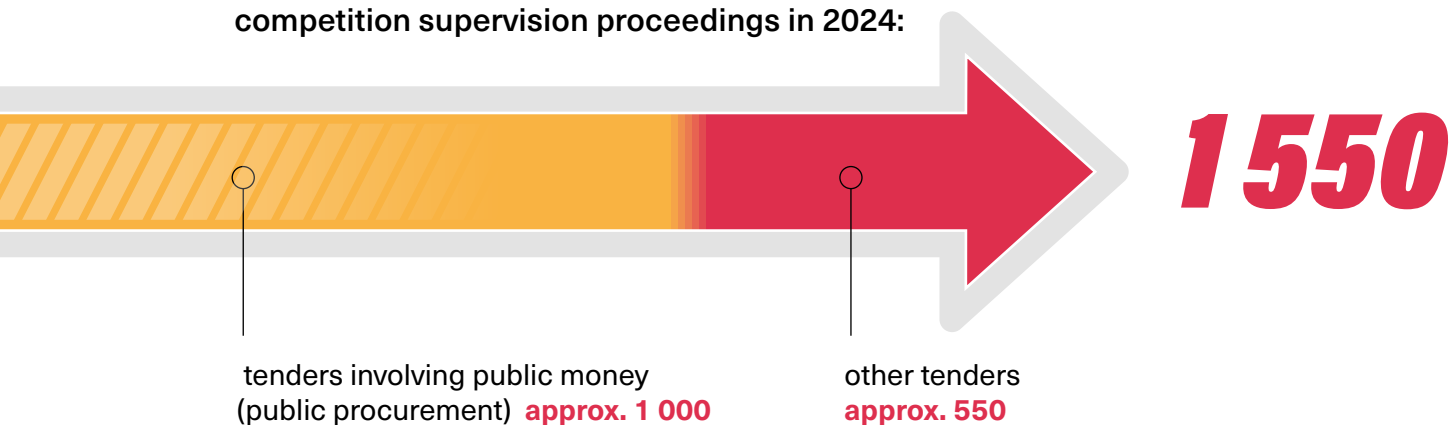
In 2024, a total of 19 cartel proceedings were in progress, of which eight cases were initiated during the year. These figures do not, however, truly reflect the complexity, extent and workload of cartel proceedings, nor the number of tenders examined. It is rare for the GVH to investigate a single tender in a competition supervision proceeding. Companies participating in cartels typically engage in infringing behaviour in numerous tenders and often continue to do so for years until they are detected by the competition authority.

In 2024, the number of tenders investigated in cartel cases in which the conduct concerned competition for certain tenders, procurements and public contracts

exceeded 1 500. The GVH staff had to collect data, conduct hearings, analyse and legally assess the evidence in connection with so many (public) procurements. In fact, the case handlers of the GVH have to prove the infringement on a tender-by-tender basis, which is a very time-consuming and challenging task.

A significant share (around 2/3, approximately 1 000 tenders) of the tenders examined in the cartel proceedings concerning ongoing tenders in 2024 involved the use of public money, some of which were tendered under public procurement rules, others under state/union aid rules, municipal procurement rules.

Number of tenders investigated in ongoing competition supervision proceedings in 2024:





? Did you know?

The Cartel Chat application is an information channel which allows anyone to anonymously share information with the staff of the Hungarian Competition Authority about suspected or actual anticompetitive agreements that may constitute a competition law infringement.

More information on Cartel Chat is available on the GVH's website.



Active detection against cartels

The Hungarian Competition Authority carries out extensive fact-finding and market monitoring activities to detect cartels, which require effective mobilisation and specialised tools. Such tools include, for example, the anonymised Cartel Chat contact system, leniency policy, whistleblower system, or signals from contracting authorities and other market signals. These tools allow the GVH to conduct a dawn raid subject to prior judicial authorisation in order to gather evidence of a likely infringement.

In 2024, the GVH has developed a specialised complaint form for contracting authorities to report infringements of competition law by economic operators in public procurement procedures, which is available on its website.

Cartels and the digital space

As cartel infringements are becoming increasingly complex and extensive both in terms of time and number of tenders and parties involved, a significant amount of data related to cartel infringements needs to be obtained and copied during on-site inspections.

In 2024, the Hungarian Competition Authority seized and processed around 1.7 TB of data during its investigations.

The Hungarian Competition Authority's cartel activities in 2024:

dawn raids at
24
undertakings

dawn raids during
6
accelerated sector inquiries

260
RFIs to undertakings

HUF
2.515
billion
in fines

? Did you know?

Unannounced on-site inspections (dawn raids) are an essential tool for the detection of cartels, which is granted to the GVH by law, with the aim of finding evidence of the suspected infringement. Given that cartels are the most serious competition law infringements and therefore carry very high fines, undertakings involved in such collusion strive to keep their illegal activities secret.

Nowadays, most of the infringing communications between undertakings are in electronic form, so the GVH's dawn raids focus on making digital copies from electronic media, with the seizure of paper documents being negligible. The possibilities for storing electronic data are also increasing. Businesses are increasingly adopting cloud computing, where services are not hosted on a specific hardware device but distributed on the external service provider's equipment (servers). It is also common for businesses to use chat applications (Viber, WhatsApp, Signal, etc.) to communicate with each other, in addition to or instead of e-mail.



1.7 TB

amount of data seized



170

HD movie equivalent data

 **Interesting facts**

In antitrust investigations, the hearing of parties and witnesses is of great importance in clarifying the facts and is an essential tool for the case handlers' fact-finding activities.

During the hearing, the GVH's case handlers obtain significant knowledge and information about the market under investigation, the conduct under investigation, the background to it, the individual requests for proposals, the relationships between the undertakings subject to the procedure and the issues that need clarification. In addition, during the hearing, the parties or witnesses will have the opportunity to express their views on the evidence presented to them.





THREE MAJOR CARTEL CASES CLOSED BY THE GVH IN 2024



VJ/76/2014.

Did you know?

In 2024, the GVH granted a reduction of fines of almost HUF 820 million (approx. EUR 2 million) in the context of settlement procedures.

For more information on possible forms of cooperation between companies, see page 46.



Road salt distributor cartel

Between 2011 and 2014, the country's major road salt distributors colluded with each other in seven tenders, most of which were public tenders. The GVH's Competition Council imposed fines totalling HUF 399.8 million (approx. EUR 975 thousand) on six companies, four of which admitted the infringement.

The GVH launched an investigation in 2014 after it found that the country's major road salt distributors had colluded on the prices to be submitted in public tenders for the purchase of de-icing materials in Hungary and had allocated the tenders among themselves. The proceeding revealed that between 2011 and 2014, the companies agreed on their bid prices, the winning bidder and the allocation of some tenders among themselves in seven tenders, most of which were public tenders.

In its assessment of the infringements committed, the Competition Council of the GVH considered as a particularly aggravating circumstance that they were aimed at allocating public procurement procedures and that the companies' senior officials were also involved. In the procedure, four of the six companies fully admitted the infringement in a so-called settlement procedure, waived their right to appeal and undertook to implement a compliance programme.



Interesting facts

The GVH was forced to suspend the complex cartel proceedings investigating a significant number of companies and numerous tenders, as the collusion under examination not only entailed competition authority consequences, but also criminal proceedings were pending in relation to certain public procurement contracts. The GVH waited for a total of about 3.5 years for the final conclusion of the criminal proceedings, which also necessitated a reassessment of the available evidence.

Truck cartel

For more than seven years, the undertakings involved in the proceedings have been coordinating their purchases of Iveco trucks and buses. A total of 13 companies were involved in the extensive cartel, which also covered public procurement, seven of which cooperated with the Hungarian Competition Authority, admitted the infringement, and voluntarily provided evidence. The Competition Council of the GVH imposed fines totalling HUF 885.7 million (approx. EUR 2.2 million) on the 13 companies.

The investigation into the extensive truck cartel was launched by the Hungarian Competition Authority in 2020. The GVH's case handlers revealed that between 2014 and 2021, the importer of Iveco trucks and its main distributors in Hungary divided customers between themselves, thereby eliminating competition. During the proceeding, more than half of the 13 companies concerned, seven in total, cooperated with the GVH, admitting the infringement and providing evidence of the cartel to the Hungarian Competition Authority. Several undertakings undertook to introduce or improve their existing compliance programme to avoid future infringements. In its decision the GVH committed them to do so.



VJ/19/2020., VJ/41/2020.

Rail cartel

Three undertakings illegally colluded in the public procurement of a railway project worth tens of billions of forints near Debrecen. During the concerted cartel, the companies involved agreed on almost everything. The Competition Council of the GVH imposed fines totalling HUF 1.230 billion (approx. EUR 2.999 million) on the three companies involved in the cartel.

In January 2023, the Hungarian Competition Authority opened a proceeding based on a complaint concerning a public procurement tender issued by NIF Nemzeti Infrastruktúra Fejlesztő Zrt. The Hungarian Competition Authority revealed that during the public procurement procedure, the Homlok Kft., the Homlok Zrt., and the Inter Mobility Kft., belonging to the same group of companies (Homlok Group), colluded in order to facilitate the winning of the tender by Homlok Kft. In the case, the Competition Council of the GVH imposed a total fine of HUF 1.2 billion (approx. EUR 2.9 million) on Homlok Kft. and Homlok Zrt. The other party involved in the case, Inter Mobility Kft., cooperated in the proceeding and submitted a leniency application, so the Competition Council significantly reduced the amount of the fine, and the company was eventually fined HUF 30 million (approx. EUR 73 thousand).



VJ/36/2022.



Interesting facts

In the spring of 2024, the GVH imposed a record HUF 270 million (approx. 658 thousand) procedural fine on one of the companies subject to proceeding because the company did not provide the data contained in the data carriers and mailboxes seized by the GVH during the dawn raid in a readable format and in an accessible way to the case handlers.

Obstructing an on-site inspection is one of the most serious procedural violations, especially when committed by an undertaking in the context of the fact-finding of a public procurement cartel.

THE GVH IS ALSO KEEPING AN EYE ON FRANCHISE SYSTEMS

It was not a cartel case in the classical sense, but in 2024, a franchise system for the review of pesticide machinery was also examined by the Hungarian Competition Authority. The GVH found that the operator of the system, MANOK-Növényorvos Kft., had committed an anti-competitive infringement by imposing certain clauses aimed at market sharing and price fixing. The competition rules on vertical agreements also apply to franchise systems.



ACCELERATED SECTOR INQUIRIES TO IDENTIFY THE CAUSES OF SINGLE-BID PUBLIC PROCUREMENTS

One of the main tasks of the Hungarian Competition Authority is to promote the fair use of public money by detecting, eliminating and preventing public procurement cartels. In addition to cartels, single-bid public procurements can also be a major problem. In all cases, including public procurements, intense competition between multiple players leads to lower prices. However, in the absence of competitors, bidders are free to set their own prices, which in the long run undermines the efficiency of the use of budgetary resources and thus harms the public interest.

In 2024, the Government of Hungary requested the President of the GVH to ensure that three sector inquiries are carried out to investigate the causes the high number of single-bid public procurements, with the aim to reduce it and to fulfil the commitments made to the European Commission.

The GVH first opened and then closed its accelerated sector inquiry into medical diagnostic equipment in December 2024, focusing on the procurement of diagnostic medical imaging equipment, i.e. MRI, CT, US and radiology equipment.

Overall, the GVH concluded that the market for diagnostic imaging devices was also positively affected by measures aimed at reducing the number of single-bid procurements: the number of procurements decreased, while the prior declaration of ineffectiveness of single-bid procurements and the conduct of prior market consultations became standard practice in the market (as optional alternatives). The GVH made recommendations to further reduce the number of single-bid procurements.

KNOWLEDGE SHARING AND THE INTERNATIONAL ARENA

The processing and sharing of experience from cartel cases was also an important part of the Hungarian Competition Authority's activities in 2024 in the fields of competition advocacy, education and international knowledge sharing.

The two events of the Hungarian Compliance Academy (Magyar Compliance Akadémia - MCA), launched in early 2024, also dealt with the legal environment and experiences of restrictive agreements and cartels. One of them was devoted to the development of cartel law in Hungary, while the other provided answers to questions such as exclusion from public procurement, the use of evidence in criminal proceedings, the requirement of reasonable time, and what is the legal protection of cartelists.

In 2024, the seminars of the OECD-GVH Regional Centre for Competition (RCC) in Budapest, a joint training centre of the Hungarian Competition Authority and the OECD, also focused on cartel knowledge. **The RCC seminar in Budapest in May focused on tools for effective action against public procurement cartels and mutual cooperation with public procurement authorities. The three-day international training event brought together 34 competition and public procurement experts from 16 countries to the Hungarian capital.** The traditional RCC seminar for judges in December focused on the assessment of cartels. **This event was attended by 32 judges from 19 countries, who were again trained by OECD experts, as well as competition and business experts.**



Results the accelerated
sector inquiry



Hungarian
Compliance Academy



RCC seminar in May



RCC seminar in December



RCC OECD-GVH

Regional Centre for Competition in Budapest (Hungary)

5.5.

PROMOTING COMPETITIVENESS BY CUTTING RED TAPE

In addition to transparent and consistent rules, reducing the administrative burden on businesses is an important element of efficient economic functioning. For years, the GVH has been committed to cutting red tape and reducing administrative burdens. As part of this initiative, the GVH provides numerous cooperation opportunities for businesses subject to proceedings. The Hungarian Competition Authority has granted more than HUF 2.534 billion (approx. EUR 6.179 million) in fine reductions in 2024. Simplified filing in merger proceedings is also becoming more popular, and the GVH is also exploring the potential use of artificial intelligence to improve internal efficiency.



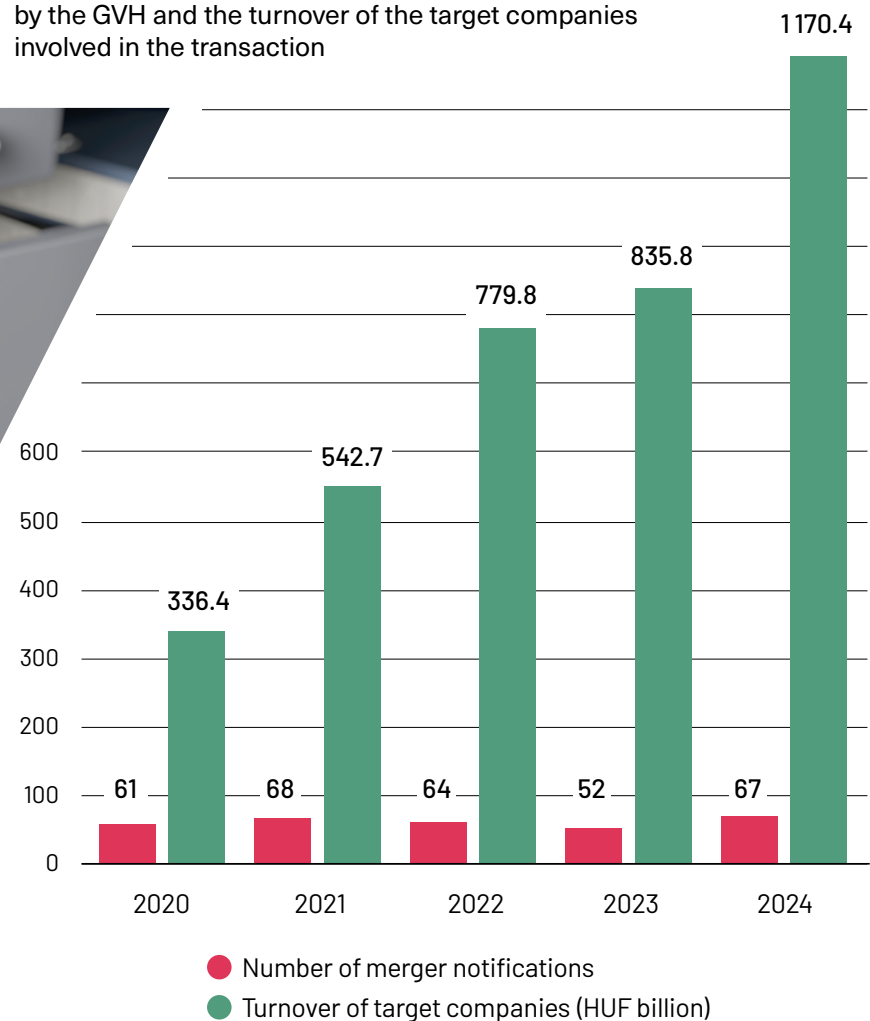
Smooth merger control

The GVH received 67 merger notifications in 2024, an increase of almost 30% compared to 2023. The combined turnover of the target companies involved in the transactions exceeded HUF 1.170 trillion (approx. 2.853 billion), an increase of around 40% compared to 2023. In general, the turnover of the target companies involved in mergers has shown a significant upward trend over the last 5 years.

The combined turnover of the target companies increased by approximately

3.5
times
since 2020.

The trend in the number of merger notifications received by the GVH and the turnover of the target companies involved in the transaction



Did you know?

Most mergers are cleared by the GVH with an official certificate, as it can simply be concluded that they do not raise potential competition concerns. The average administrative time for clearances since 2018 is 4 days, which means that merger control is extremely rapid.

The structure of the GVH's merger procedures may consist of several steps. In 2024, the GVH concluded a total of 70 merger decisions, of which 62, i.e. almost 90%, were notified by the Hungarian Competition Authority by issuing an official certificate due to their simple nature.

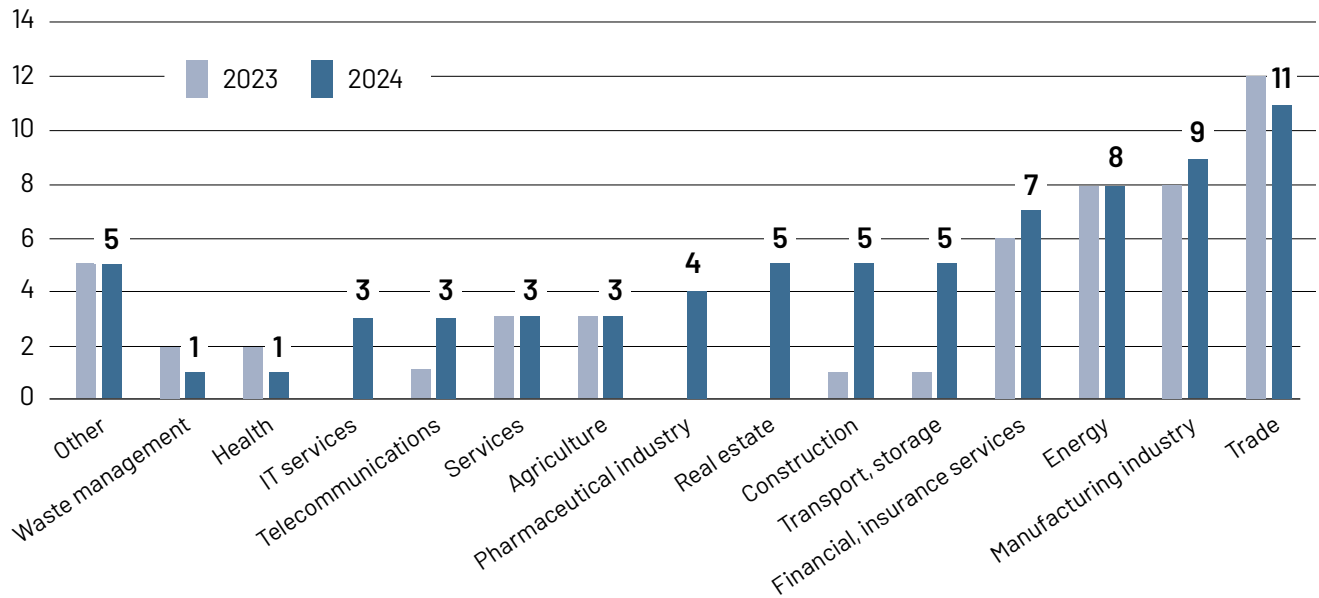
The average time taken to complete a simplified merger investigation was 26 days, compared to 78 days for full proceedings.

Concentrations investigated by the GVH typically affect a wide range of sectors across the economy, and 2024 was no different. Compared to the previous year, the number of transactions involving trade, manufacturing, energy, financial and insurance services remained high. However, there were also notifications from sectors where the GVH did not investigate mergers in 2023, such as IT services, pharmaceuticals, and real estate.

Average time for types of merger control procedures



Number of concentrations examined by the GVH by industry concerned



Preliminary consultations

The GVH has taken numerous steps in recent years to further simplify merger procedures.

Prior to notifying a concentration, the undertakings concerned can engage in a preliminary consultation with the GVH, which will make it easier to avoid potential pitfalls such as the opening of a procedure due to lack of data and facilitate the expedited processing of the case (with an official certificate). Preliminary discussions may even reveal that the transaction does not need to be notified to the GVH. In recent years, the number of so-called prior consultations have been on an upward trend.

Did you know?

Not all mergers have to be notified to the Hungarian Competition Authority as the Competition Act provides for a turnover-based notification threshold.

prior consultation in

76

transactions

Prior consultation
in 97% of the
merger notifications.

Simplified forms

On 1 July 2023, the GVH introduced the simplified form for a limited number of mergers. In 2024, 18 notifications, i.e. 27% of all notifications was notified using the simplified form, a significant increase compared to the second half of 2023.

27%
of notifications
was notified using
the simplified form.



Please visit the GVH's website for more information on the benefits, terms and conditions and possible forms of cooperation.

Opportunities for cooperation in the procedures

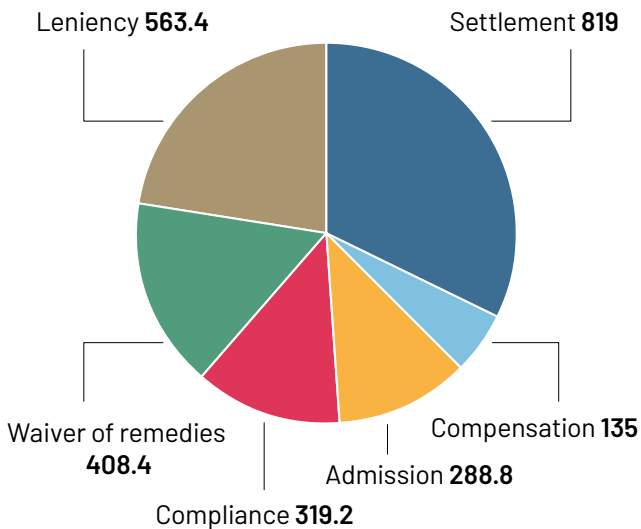
The possibilities for cooperation provided by the competition law have added value for both companies and the GVH. Businesses can reduce the threat of fines related to their behaviour, while the GVH can allocate time and costs more efficiently to cases that are more difficult to detect. Through cooperation, the GVH can both contribute to safeguarding jobs and provide direct compensation to consumers directly affected by infringements.

Under the law, the Hungarian Competition Authority provides several cooperation opportunities for businesses subject to the procedure.

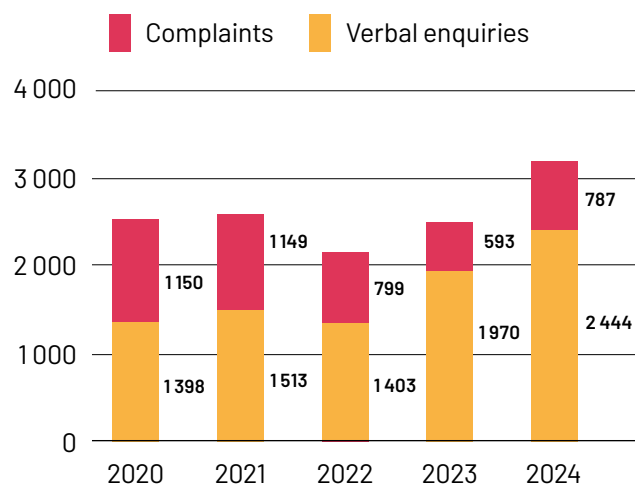
The total amount of the reduction in fines for all cooperation options was more than HUF 2.534 billion (approx. EUR 6.179 million) in 2024. The most effective forms of cooperation in terms of reduction of fines were settlement, leniency, and waiver of remedies.

the voluntary provision of evidence of the infringement	no dispute of facts
waiver of remedies	admission of infringement
consumer compensation	compliance / commitments programme
settlement	leniency
other forms of cooperation not specified	

The most effective forms of cooperation in 2024 (amount of fine reduction, HUF million)



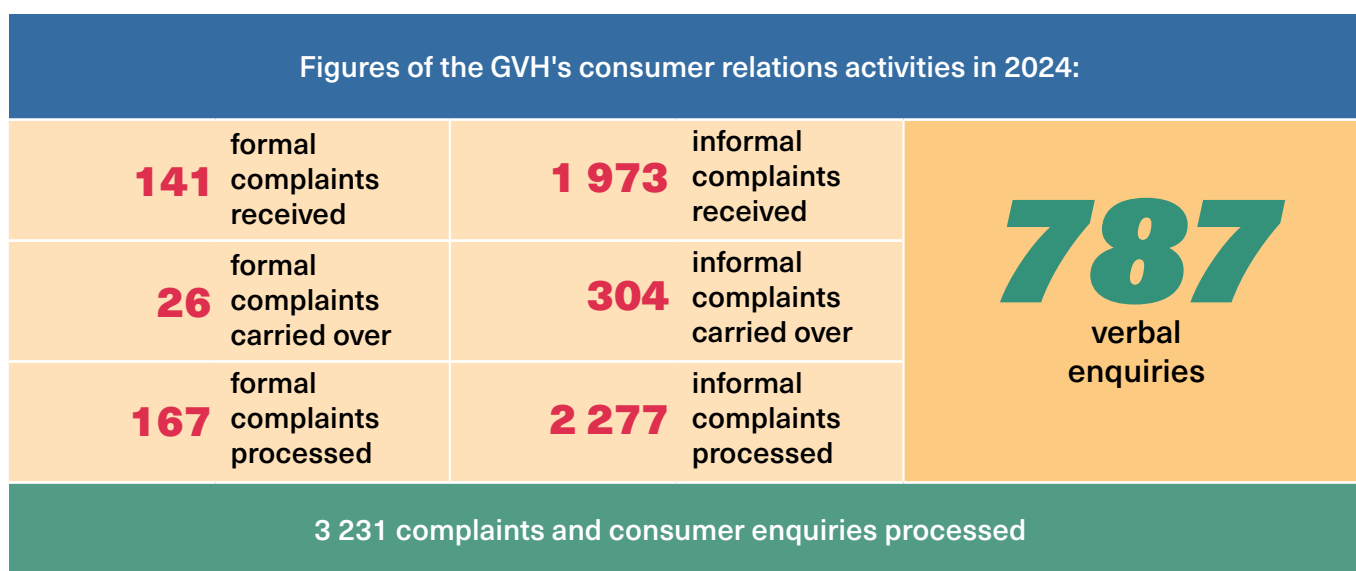
Total number of processed complaints (formal and informal), and verbal enquires (telephone or personal)



Efficient management of the growing number of market signals

The number of consumer and market signals received by the Hungarian Competition Authority has increased significantly in recent years, with a total of 141 formal and 1 973 informal complaints received in 2024. The GVH's case handlers processed a total of 167 formal and 2 277 informal complaints, including those carried over from the previous year. Taking into account telephone and personal enquiries received during the year, the GVH processed a total of 3 231 consumer and market signals. This represents an increase of almost 50% compared to 2022.

There is also a trend towards a steady increase in the share of formal and informal complaints within the signals received by the GVH. Dealing with these enquiries is significantly more complex, resource- and time-intensive than dealing with verbal enquiries. The GVH is committed to investigating and processing all market and consumer signals. Accordingly, in view of the increasing number of signals, the GVH is striving to organise its consumer relations activities as efficiently and unbureaucratically as possible.



Artificial intelligence to cut red tape

To further increase efficiency, the GVH is committed not only to reducing the burden on businesses, but also to optimising its own internal operations. In this spirit, the GVH is open to the use of the latest innovative technologies to further improve the efficiency of its professional operations. In this respect, it is important that the European Commission has pre-selected the project "Supporting Digital Transformation in Competition Law Enforcement", submitted jointly with several EU competition authorities under the 2025 Technical Support Instrument (TSI) program, as one of the possible winning applications. The aim of the program

is to integrate artificial intelligence-based tools into the work of public administrations to automate some of the routine tasks involved in the operation of competition authorities. It also aims to create an internal knowledge management system. This will make it easier for the GVH's staff to access the organised expertise of the Hungarian Competition Authority. All of this contributes to the swift and professional conduct of proceedings in the competition and consumer protection fields. The final decision will be taken by the College of Commissioners in March 2025.

5.6.

CHAMPIONING INTERCONNECTIVITY: A FOUNDATION FOR COOPERATION

Extensive knowledge exchange and professional networking was the focus of the GVH's international activities in 2024. The GVH represented Hungary in various bodies and working groups of the International Competition Network (ICN), the European Competition Network (ECN), the Organisation for Economic Co-operation and Development (OECD), and operated the OECD-GVH Regional Centre for Competition (RCC) in Budapest. As an official programme of Hungary's EU Presidency, the Hungarian Competition Authority organised the 50th European Competition Day in Budapest and joined the cooperation of the competition authorities of the Organization of Turkic States as an observer member.



The Hungarian Competition Authority has traditionally had close international links. The GVH consciously strives for extensive international activity based on mutual knowledge sharing. To this end it plays an active role in international competition law and policy organisations.

European Competition Network (ECN):

cooperation between the European Commission and the national competition authorities of the EU Member States.

Organisation for Economic Co-operation and Development (OECD): the GVH's experts regularly contribute studies to the meetings, while the Hungarian Competition Authority has also been running the OECD-GVH Regional Centre for Competition (RCC) in Budapest for 20 years.

International Competition Network (ICN): co-chair position in the Agency Effectiveness Working Group until 2025, and the President of the GVH is a permanent member of the ICN Steering Group.

United Nations Conference on Trade and Development (UNCTAD): experts from the GVH regularly participate in the organisation's working group on competition law.

Cooperation of the competition authorities of the Organization of Turkic States: the GVH joined as an observer member.

Active contact with the competition authorities of the **Visegrad Group (V4)** to strengthen bilateral international competition law relations, which are expanding year by year.

The GVH is an active member of the European Competition Network

In the framework of the European Competition Network (ECN), the GVH and its associated authorities regularly inform each other about cases brought under EU law. In this context, the Hungarian Competition Authority reviews all cases brought on dual (i.e. national and EU) legal bases to see whether they have any impact on Hungary and on competition in the domestic markets. The aim is to be able to initiate referral of cases within the ECN system if it is affected.

As in previous years, in 2024 the GVH made use of the possibilities for cooperation provided by the implementing rules of EU law, and other authorities also initiated cooperation with the competition authority.

The heads and experts of the Hungarian Competition Authority regularly participate in the meetings for the heads of agencies, the plenary meetings and the GVH is a member of all horizontal working groups and all sectoral working groups. A particular focus is the Cooperation Issues and Due Process (CIDP) Working Group, which is co-chaired by the GVH together with the German and Portuguese competition authorities. In this co-chair role, the GVH plays a key part in the activities and organisation of the CIDP, which is recognised by the EU and other member states' competition authorities.

Exchange of
expertise between
European
authorities:

74
enquiries (RFI)
from EU authorities

2
enquires (RFI)
by the colleagues
from the GVH



almost
30
countries

About
200
experts and
decision-makers

The 50th European Competition Day in Budapest was the centre of the European competition community

On 22 October 2024, as an official programme of the Hungarian Presidency of the European Union, the GVH - in cooperation with the Government of Hungary - organised the 50th European Competition Day in Budapest. The European Competition Day has been held every six months since 2000, traditionally organised by the competition authority of the country holding the Presidency of the Council of the European Union. An important objective of the Hungarian EU Presidency was to promote enlargement policy. In this spirit, the GVH invited to the European Competition Day the competition authorities of eight other countries at various stages of joining to the European Union, in addition to the 27 EU Member States.

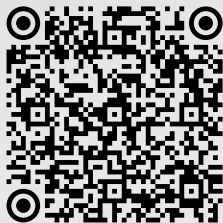
The main themes of the international event were:

- **the link between competitiveness, sustainability and competition policy,**
- **experience of applying the Digital Markets Act (DMA)**
- **and artificial intelligence (AI).**

The GVH also issued the latest volume of its Competition Mirror series of books, "Twenty Years of EU Competition Law in Hungary", at the opening panel discussion of the conference. The book provides a comprehensive analysis of the development of European competition law and policy in Hungary and its impact on national legislation and enforcement.

? Did you know?

The GVH's Competition Mirror book series is available in digital format, completely free of charge, on the Hungarian Competition Authority's website.



ICN, the global platform for competition authorities

The International Competition Network (ICN) is led by a 22-member Steering Group, of which the President of the Hungarian Competition Authority was elected as a permanent member in 2023 - the first from the Central and Eastern European region.

The professional work of the ICN is based on the activities of five working groups, of which the GVH is a co-chair of the Agency Effectiveness Working Group (AEWG) from 2022 to 2025, in cooperation with three other competition authorities.

The GVH was also represented at the ICN 2024 annual conference in May. The President and Chief Economist of the GVH discussed a range of topical issues with experts from around the world - some 80 countries - and represented the domestic competition community. Representatives of the GVH also played an active role in highly technical plenary session on "Monitoring and Evaluating the Effectiveness of Competition Actions" and in the panel discussion on "*Navigating economic turbulence: the role of competition authorities in macroeconomic stabilisation and growth*".

129
countries

141
competition
authorities



The GVH also presented the results of its market analysis on artificial intelligence.

Read more about the market analysis on page 25.





Results of the cooperation between the GVH and the OECD

The GVH actively participated in the OECD Competition Committee's Winter and Spring meetings in 2024. The Hungarian Competition Authority represents Hungary in the Competition Committee, which brings together the authorities of the member states, and in two working groups on competition law, and is continuously involved in the work of the organisation.

During the June session, the President of the GVH participated in a review of Romania's competition regime prior to full OECD membership.

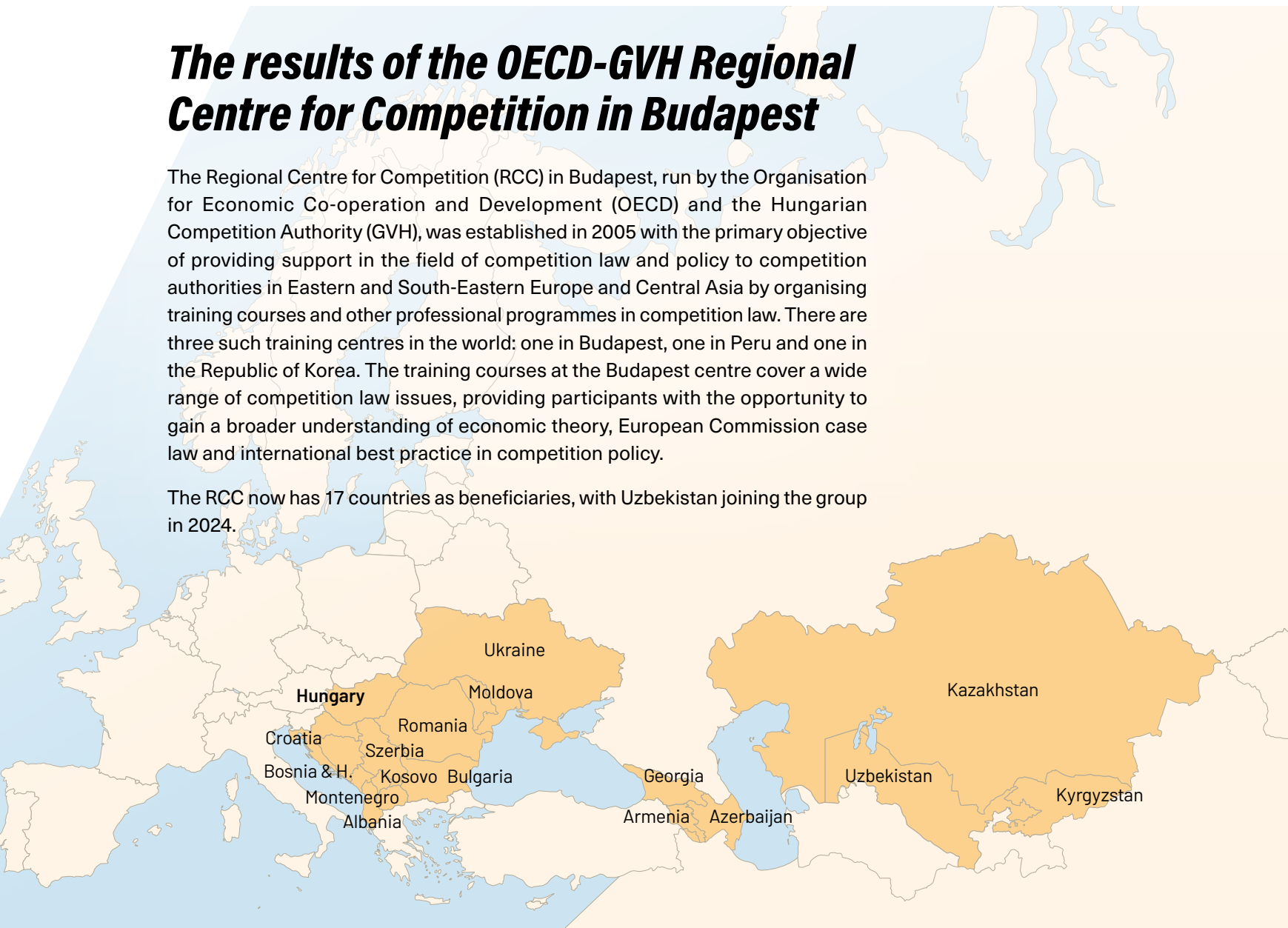
The GVH also actively contributed to the OECD winter session, which ended in early December. The Hungarian Competition Authority presented national enforcement in three areas (HORECA and food market inspections, judicial experience, burden of proof requirements) during the so-called *good practice roundtables* to discuss national experiences.

During the meeting, the President of the GVH reported on the activities of the OECD-GVH Regional Centre for Competition (RCC) in Budapest and the results of the RCC in 2024.

The results of the OECD-GVH Regional Centre for Competition in Budapest

The Regional Centre for Competition (RCC) in Budapest, run by the Organisation for Economic Co-operation and Development (OECD) and the Hungarian Competition Authority (GVH), was established in 2005 with the primary objective of providing support in the field of competition law and policy to competition authorities in Eastern and South-Eastern Europe and Central Asia by organising training courses and other professional programmes in competition law. There are three such training centres in the world: one in Budapest, one in Peru and one in the Republic of Korea. The training courses at the Budapest centre cover a wide range of competition law issues, providing participants with the opportunity to gain a broader understanding of economic theory, European Commission case law and international best practice in competition policy.

The RCC now has 17 countries as beneficiaries, with Uzbekistan joining the group in 2024.





Figures of the RCC in 2024:

7

seminars

24

country
representatives

282

participants

45

expert
rapporteurs



Interesting facts

The RCC celebrates its 20th anniversary in 2025. The RCC is also preparing for 2025 with a full range of professional programmes, including newsletters, educational videos and a total of seven international seminars.

In 2024, the GVH applied for and was awarded the European Commission's contribution to organise four training courses for judges in the period 2024-2026. This grant is an outstanding professional recognition not only for the GVH but also for Hungary.

The results of the training centre show that cooperation between competition authorities is a growing importance today, as competition law infringements typically affect the economies of many countries due to their cross-border nature. Accordingly, it is particularly beneficial to the Hungarian society and economy that the GVH has become a key player in sharing knowledge on competition law issues on the regional and international scene.

Consumer protection in the international arena

In 2024, the OECD Committee on Consumer Policy organised the first-ever so-called Ministerial Meeting. At the technical conference, participants discussed specific actions towards the digital and green transition from a consumer perspective. Csaba Balázs Rigó, President of the GVH, was an active participant of the event and presented in his speech the tools the Hungarian Competition Authority uses to help consumers and ensure that the measures are in their best interest.



Through its international activities, the GVH continued to actively contribute to the protection of Hungarian consumers in 2024 and represented the interests of Hungarian consumers. During the year, the staff of the Hungarian Competition Authority participated in numerous professional events, working group meetings, in-person and online workshops, knowledge sharing events and international networking events.

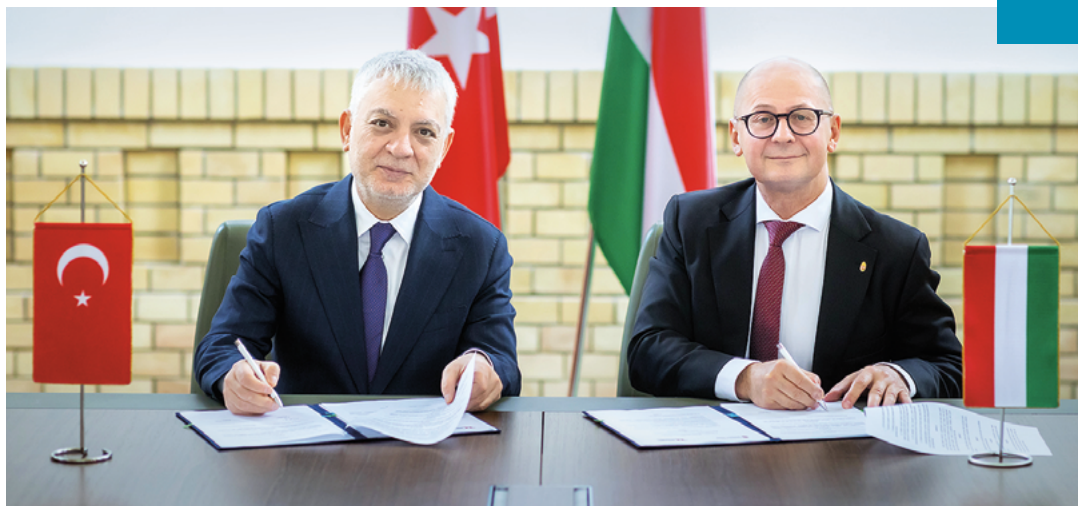
The GVH also participates as a member of 3 different working groups ("Finance of the Future", "Misleading green claims", "Online marketing") in the largest international organisation of consumer protection authorities, ICPEN (International Consumer Protection and Enforcement Network), which brings together consumer protection authorities from 64 countries.

We believe in connectivity - cooperation of the competition authorities of the Organisation of Turkic States (OTS)

On 23 January 2024, the cooperation of the competition authorities of the OTS was established in Istanbul on the initiative of the Turkish Competition Authority (TCA) to bring together the competition authorities of the member states of the Organization of Turkic States, create favourable conditions for the development of cooperation in competition policy and to enhance knowledge exchange, particularly in the areas of investigation, regulation and enforcement.

Similar to Hungary's status in the Organisation of Turkic States, the GVH joined the cooperation of the competition authorities of the OTS as an observer member and participated in the work during 2024.

With its observer membership in the cooperation of the competition authorities of the OTS, the GVH aims to act as a bridge between European and Asian countries in the field of competition law knowledge exchange and cooperation, in line with Hungary's foreign policy objectives and diplomatic role, thus strengthening mutual economic cooperation.



Signing of a cooperation agreement with the Turkish Competition Authority, April 2024

The RCC
20 years on:

more than

150

events

about

5 400

experts



The GVH has been in close contact with the competition authorities of the Turkish states for decades, including within the framework of the RCC.



The cooperation between the V4 countries was also symbolized by the fact that at the 50th European Competition Day in Hungary, the President of the GVH has formally announced that the 51st European Competition Day will be organised by the Polish Competition Authority, given that Poland will hold the Presidency of the EU Council in the first half of 2025.

V4 cooperation and bilateral relations

In 2024, the GVH maintained close international and expert-level relations with the competition authorities of the Visegrad countries (Czech Republic, Poland, Slovakia).

In 2024, the GVH continued its efforts to foster and expand bilateral relations. During the year, the Hungarian Competition Authority concluded bilateral cooperation agreements with the Turkish Competition Authority and the Azerbaijani Competition Authority.



Cooperation with the Academy of European Law (ERA)

The two-day seminar, held in Budapest in April 2024, focused on competition law updates and international experience on abuse of dominance cases. The event significantly supported the broad knowledge sharing activities of the GVH and contributed to the continuous training of the GVH's staff. As part of this, - after 2023 - the GVH, in collaboration with the ERA, organised a second international exchange of knowledge programme in Budapest in 2024.



? Did you know?

The Academy of European Law (Europäische Rechtsakademie - ERA), based in Germany, is a training institute that provides legal practitioners with practical training in EU law and a forum for exchanging experience.

It does so by organising courses, conferences, and seminars in a wide range of areas of law and by publishing reports and studies.





5.7.

Prevention, education, information: three pillars of our communication

Developing a competition culture and providing information to consumers is a key part of the GVH's work. Through its professional information and education campaigns, the Hungarian Competition Authority contributes to raising consumer's awareness of the most dangerous deceptive practices. Through the competition advocacy activities of the GVH, both consumers and businesses can gain insight into the collective benefits of intense competition in the market.



Think It Over Calmly

The Think It Over Calmly campaign was one of the GVH's flagship education campaigns in the run-up to the COVID-19 outbreak. In 2024, the GVH relaunched its long-standing educational exercise to raise consumers' awareness of the most deceptive practices and to inform them of the recommended steps to take, based on the latest procedural experience. In 2024, the Hungarian Competition Authority addressed 4 priority issues in its 'Think It Over Calmly' campaign.

4

education
campaigns



Tip or service charge?

There is often great uncertainty as to whether the service charge, which is now almost universally applied, is the same as a tip, or whether, if charged, it is appropriate to tip. The GVH has drawn the attention of consumers to the differences between the different payment methods.

4

priority
topics



Publication on the differences between service charges and tips

The dangers of video and mobile games

Video games, computer games and downloadable games for smart devices are becoming increasingly popular among children. However, parents are often unsure whether a game is appropriate for their child's age and what risks and harmful influences they should be aware of. The GVH has drawn parents' attention to the importance of age rating of games and has shown them possible misleading practices, especially in the area of free games.



Publication on the dangers of video and mobile games



Gondolja
Végig
Higgadtan

**PÉNZÜGYI TUDATOSSÁG:
ÚTMUTATÓ A
FINFLUENZEREKHEZ**



**GAZDASÁGI
VERSENYHIVATAL**

Finfluencers and financial awareness

Who are influencers and what do they do? How can they influence consumers and what risks do they pose? The Hungarian Competition Authority reminded consumers that financial influencers must also disclose if they receive remuneration for the content they produce. The GVH stressed that consumers should always seek information from multiple sources before making financial decisions.



Publication
on influencers



Publication on the dangers
of the Black Friday

BLACK FRIDAY OR BLACK NOVEMBER?

Every year, the Hungarian Competition Authority gives special attention to the Black Friday period, which in recent years has been starting earlier and earlier. For this

reason, the GVH launched a special campaign in 2024, with a press release, posters and several awareness-raising videos to reach the widest possible range of consumers.

In its guidelines, the GVH also drew consumers' attention to the most common types of misleading information and the ways to avoid them and seek redress.

Digital Awareness Programme

Among the GVH's consumer protection priorities, the protection of vulnerable consumer groups is a priority. Up-to-date information and education are key parts of this. The unquestionable dominance of the digital world opened the door to entirely new and unprecedented types of scams, which are more dangerous than ever, and experience shows that young people are particularly vulnerable to these risks.

The GVH launched the Digital Awareness Programme at the beginning of 2024 to help children and young people become more digitally aware, to encourage them to learn more about things and to increase their consumer protection knowledge in the digital space. Under the programme, colleagues from the GVH will visit schools to give presentations on key lessons learnt in recent years and ways in which young people can avoid risks. The programme had a successful spring semester and continued in the autumn semester.

In September, the programme reached a new level. The GVH has signed a cooperation agreement with the implementers of the Let's Teach for Hungary programme, the National Talent Centre and the Let's Teach for Hungary Foundation, in order to reach more children in school with important messages.

52
schools

205
lessons

>5 100
slides





125

press releases



201

press enquiries



309

interviews



453

social media posts



9

podcast episodes



11

professional
conferences



1 282

participants

Proactive communication

An important task of the GVH is to ensure that the experience and results of its activities - whether in competition enforcement or consumer protection - are disseminated to a broad cross-section of society. To this end, the GVH uses both traditional and modern communication channels to maintain public interest in its issues through continuous communication, which is an essential element of competition advocacy and consumer education.

In 2024, the GVH informed the press and the public about its most important news through more than 125 press releases. The media contacted the Hungarian Competition Authority more than 200 times on the most topical issues and news, all of which were answered by the GVH. In total, the GVH staff gave nearly 310 interviews on each of these issues.

In addition to the so-called classical communication channels, the GVH is also actively involved in the world of social media (Facebook, LinkedIn, X, YouTube, Spotify), and in 2024 it tried to reach younger citizens, who are no longer as engaged in classical media, through more than 450 posts. The GVH also continued its podcast series and a total of 9 episodes were published during the year.

The Hungarian Competition Authority organised a total of 11 professional conferences this year, bringing together nearly 1 300 participants to discuss the most topical issues.

Lurking for consumers

In its educational efforts and communication, the GVH regularly selects key focal points that are of priority based on its procedural experience and taking into account international trends. In 2024, the GVH consistently and repeatedly drew the attention of the Hungarian public to two main deceptive practices.

Misleading price indications

When shopping online, webshops often display prices in misleading ways designed to give consumers the impression that they are getting a product or service at a much lower price than they actually are.

It is a common way of manipulation to advertise a product as "free", "no charge", "free of charge" or similar, but it is also common to confuse consumers with a plethora of prices, with crossed-out prices. An original price, a discounted price, a promotional price, a discount coupon price are displayed at the same time, but in fact the lowest price applied in the 30 days or more preceding the promotion is concealed.

Dark patterns

Dark patterns often go "hand in hand" with misleading price labels and can be found not only in online stores, but also in video games and advertisements. They are designed to limit independent and informed decision-making, often to the benefit of business interests, in ways that are unnoticed or difficult for consumers to perceive.

Their supply is virtually inexhaustible: distorting the site with default settings/ false, misleading language/ manipulated consumer reviews/ withholding or hiding important information/ urging messages/ creating fear of missing out (FOMO)/ making it difficult to resist the temptation.

Questionable pricing practices
or dark patterns in

16

proceedings.

? Did you know?

Since 2022, shops have been obliged to display the lowest price of at least 30 days before the start of the current promotion next to the promotion price.





5.8.

MANAGING OUR RESOURCES WITH CARE AND STRATEGY

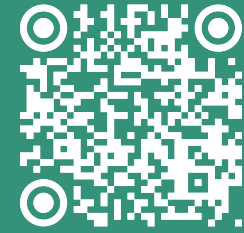
In 2024, the Hungarian Competition Authority continued to be a family-friendly workplace, supporting its staff with a range of measures to help families. The GVH received awards for its support programmes throughout the year. A strong emphasis is placed on supporting postgraduate studies and language skills, and 2024 was a special year in this respect. The GVH continues to be an attractive place to work for young employees. In 2024, the GVH continued to manage its resources with care and strategy, with no liquidity problems and timely payments.

Headcount data

In 2024, 24 new professionals joined the GVH, with 19 colleagues leaving. 58% of the new entrants were case handlers. The share of colleagues leaving was 14% of the average staff number. This turnover rate is 6 percentage points lower than in 2023. The share of case handlers among those leaving was similar to last year, with half of those leaving being case handlers.

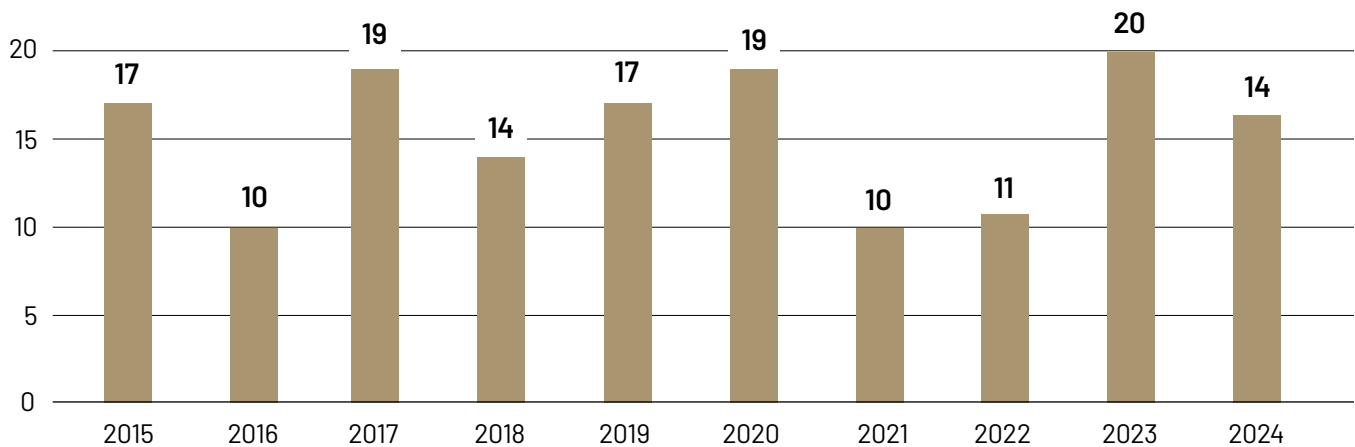
Due to stricter budgetary management, the number of authorised staff of the GVH was reduced by five (to 145) by 2024, with a corresponding reduction in the appropriations available for staff allowances. At the end of the year, 139 active colleagues were working to ensure fair domestic competition and to protect Hungarian consumers.

In 2024, 73 colleagues of the GVH had children under 18. The number of children reached 136 at the end of 2024, 3 more than in 2023. The number of staff with children was the same as at the end of 2023, 28% higher than in December 2021, so the number of staff with children in the GVH remains significant.

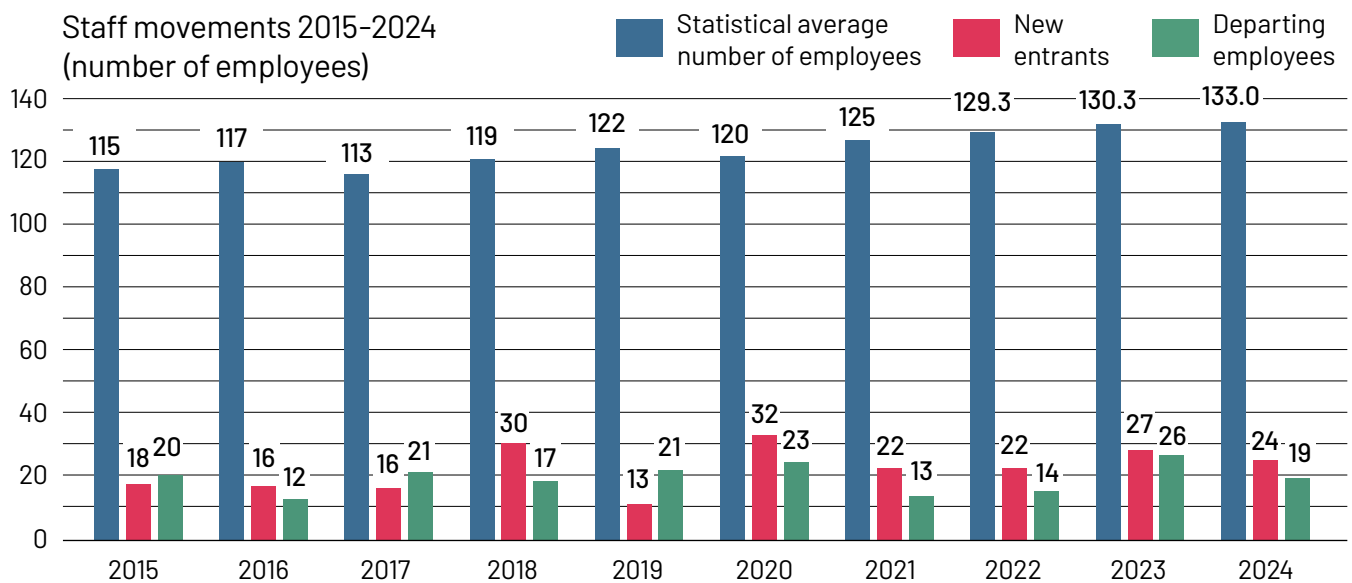


The 16th episode of the GVH Podcast series also looks in detail at how employees can develop their professional and personal skills at the Hungarian Competition Authority, and what opportunities the GVH offers to achieve career goals.

Staff turnover rate 2015-2024 (percent)



Staff movements 2015-2024 (number of employees)



TUDTA?

The GVH also has a child-friendly office workstation, where colleagues can work alongside their children in a calm, undisturbed, child-friendly office environment.

Family-friendly workplace culture

The GVH supports its staff with a range of measures to help families and pays great attention to the protection of children. Among other things, the GVH contributes to the financial burden of childbirth and helps families with children by providing back-to-school grants.

In 2024, the GVH also promoted the work-life balance by ensuring the choice of part-time employment and by offering flexible working hours. At the end of 2024, 10.5% of the 162 employees in the labour force worked part-time, a rate significantly higher than the national average of around 4% measured by the Hungarian Central Statistical Office in 2023.

► In recognition of the GVH's family-friendly organisational culture, the Hungarian Competition Authority received two awards in 2024:

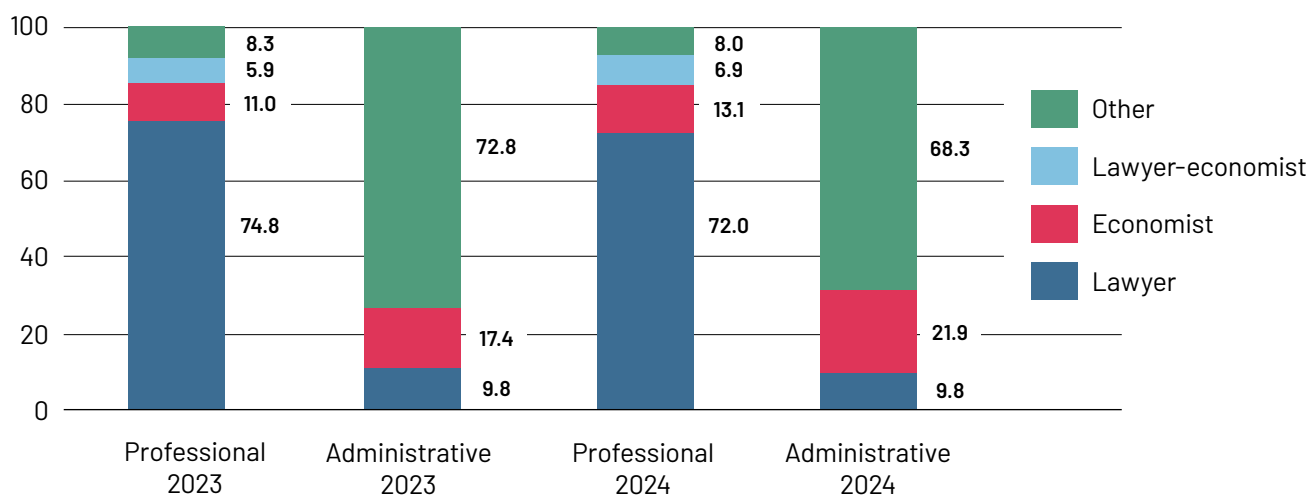


Family-Friendly Workplace Certification Mark



Family Friendly Workplace Award

Composition by education 2023, 2024 (percent)



Supporting the acquisition of knowledge is essential

The colleagues of the GVH are qualified professionals, with 72% of the professional staff being lawyers (a decrease of 2.8 percentage points), 13% economists (an increase of 2 percentage points) and 6% having both legal and economic degrees. Unlike in recent years, the share of professionals with an economics degree has risen this year.

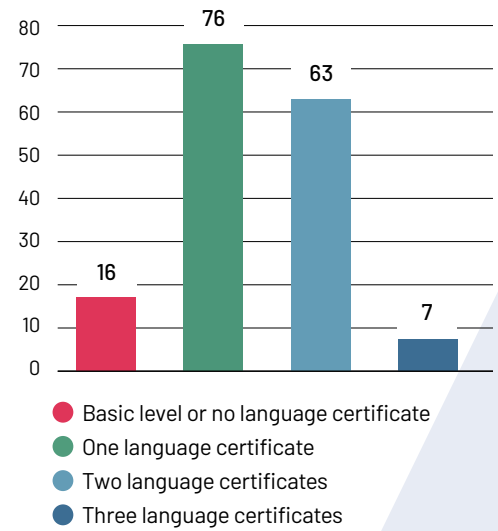
The GVH encourages and supports the self-training of its colleagues, and it is important for the organisation to expand its knowledge and acquire new skills. This year has been outstanding in supporting post-graduate and other specialised trainings, with 9 new study contracts signed in 2024, mostly in support of specialised legal training. In addition to this, a 7-week traineeship at the European Commission's Directorate-General for Competition (DG COMP) in the spring enabled one of the Hungarian Competition Authority's case handlers to participate in a full-expenses-paid traineeship.

90% of the colleagues of the GVH have a language certificate and 43% hold two or more of them. English is the most common language (62%), half of which are at advanced level. In addition to these, the number of German language certificates are also significant (25%).

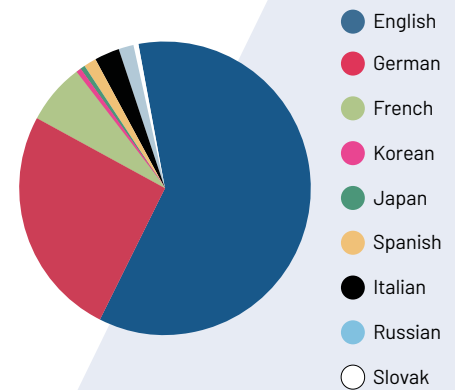
In 2024, the number of colleagues with English and German language skills increased (+5% and +8% respectively), and the number of colleagues with a higher level of English language skills also increased (+4%).

To develop the language skills required, the GVH runs annual in-house language courses in English, German and French, which are popular within the Hungarian Competition Authority. This year, a total of 43 colleagues (27%) took part in these free language courses.

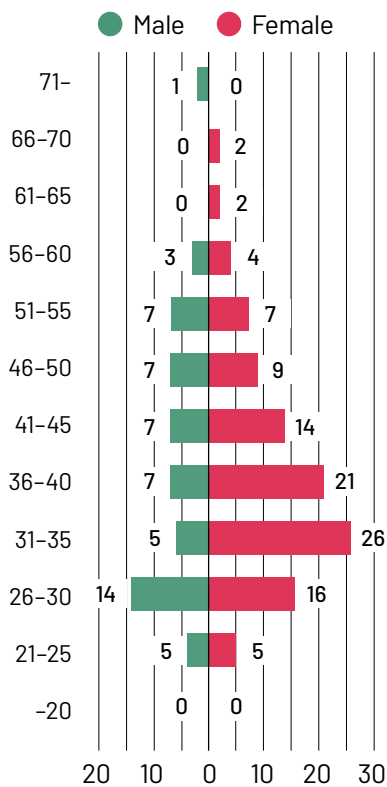
Staff language skills by number of certificates (number of employees)



Staff language skills by language



Age structure
(number of employees)



Age composition

The average age at the GVH was 39 years at the end of 2024, i.e. no significant change compared to previous years. 65% of the colleagues are female, a share which fell by 1% over the year. A significant number of the GVH's colleagues are made up of young professionals (44% under 36), with a higher share of women. In 2024, the share of colleagues aged 36-45 decreased (-4%), while the share of colleagues aged 31-35 and the more experienced over 50 increased (by 1.3% and 4% respectively).

Financial data

The Parliament approved the main expenditure and revenue of the 2024 budget of the Hungarian Competition Authority chapter with the amount of HUF 3 588.8 million (approx. EUR 8.751 million) under the following headings:

Administration of the Hungarian Competition Authority	HUF 3 354.3 million (approx. EUR 8.179 million)
Chapter reserve	HUF 45.8 million (approx. EUR 111.7 thousand)

The initial budget ceiling for Chapter XXX. appropriations, as defined in the Finance Act, for the year 2024 are as follows:

OECD RCC	HUF 188.7 million (approx. EUR 460.1 thousand)
Chapter reserve	HUF 45.8 million (approx. EUR 111.7 thousand)

On the revenue side, the planned own revenue of the Administration of the Hungarian Competition Authority was HUF 60 million (approx. EUR 146.3 thousand) from administrative service fees. The European Commission planned to contribute HUF 11.2 million (approx. EUR 27.3 thousand) to the OECD RCC tasks.

In accordance with the provisions of the Finance Act, the expenditure and revenue of the OECD Regional Centre for Competition in Budapest are entered in the budget during the year under the heading of the Authority's

Administration, and the appropriations allocated to this task are transferred to the GVH's Administration budget as an amendment to appropriations.

As in previous years, the amount of HUF 45.8 million (approx. EUR 111.7 thousand) of the Chapter reserve was not used by the GVH.

In 2024, the initial budget of the GVH's Administration of HUF 3 588.8 million (approx. EUR 8.751 million) was increased as follows:

under the government's powers	HUF 37.3 million (approx. EUR 91.0 thousand)
under the governing body's powers	HUF 140.2 million (approx. EUR 341.9 million)
under institutional powers	HUF 1 626.4 million (approx. EUR 3.966 million)

Following the changes in appropriations, a HUF 5 392.7 million (approx. EUR 13.150 million) source of funding was available in 2024 to cover the GVH's and the Regional Centre for Competition's activities, including the amount of the 2023 residual.

The initial appropriation of HUF 45.8 million (approx. EUR 111.7 thousand) for the chapter reserve was increased by HUF 45.8 million (approx. EUR 111.7 thousand) during the year by the amount of the unused chapter reserve from the previous year when the 2023 residual was accounted

for. Against the available appropriations of HUF 91.6 million (approx. EUR 223.4 thousand) in the amended budget, the amount of HUF 45.8 million (approx. EUR 111.7 thousand) of the previous year's unused balance was transferred by the GVH within the statutory deadline.

The chapter's annual management was balanced, there were no liquidity problems and the GVH met its payment obligations on time.

The budget of the GVH in 2024

(HUF million)

Serial number	Title	Initial appropriations	Adjusted appropriations	Accomplishment
1.	Personal allowances	2 114.1	2 720.9	2 292.3
2.	Employer contributions and social security contribution	288.6	340.1	329.1
3.	Expenditures on goods and services	866.6	1 758.0	1 225.3
4.	Amount of appropriations for chapter management	234.5	91.6	45.8
5.	Other operating expenditure	10.0	91.2	71.4
I.	Total operating expenditure	3 513.8	5 001.8	3 963.9
6.	Investments	75.0	390.9	301.6
7.	Renovations	0.0	0.0	0.0
8.	Other administrative expenditure	0.0	0.0	0.0
II.	Total accumulation expenditures	75.0	390.9	301.6
III.	Repayment of advances within general government	0.0	0.0	0.0
A.	Budgetary expenditures (I. + II. + III.)	3 588.8	5 392.7	4 265.5
9.	Operating grants from general government	0.0	0.0	0.0
10.	Subsidies from general government for budgetary purposes	0.0	0.0	0.0
11.	Revenue from public authorities	60.0	148.0	148.0
12.	Operating revenue	0.0	52.2	52.2
13.	Accumulation revenue	0.0	0.0	0.0
14.	Funds received for operating purposes	11.2	11.2	0.0
15.	Funds received for accumulation purposes	0.0	3.8	3.8
IV.	Total budget revenue	71.2	215.2	204.0
16.	Use of a residual	0.0	1 622.6	1 622.6
17.	Revenue from intra-governmental advances	0.0	0.0	0.0
18.	Central, managing body support	3 517.6	3 554.9	3 554.9
V.	Total financing revenue	3 517.6	5 177.5	5 177.5
B.	Total revenue (IV.+V.):	3 588.8	5 392.7	5 381.5



NEW POWERS, STRONG PROTECTIONS: SERVING CONSUMERS AND COMPETITION

The legal framework governing the professional activities of the Hungarian Competition Authority has been constantly expanding in recent years. As a result of these changes, which in some cases are initiated by the Hungarian Competition Authority itself in the form of competition advocacy proposals, the GVH is

able to protect consumers' interests and promote fair competition more effectively and with a wider range of tools. In the course of its 2024 competition activities, the GVH gave its opinion on six draft laws on request and in six cases it took its own initiative vis-à-vis the legislator. The GVH also received an exceptional number of amicus curiae requests in 2024.



Changing legislation, expanding powers

In 2024, the competences of the Hungarian Competition Authority have been extended on several occasions. With these new powers, the GVH will be able to better monitor the fairness of competition in the market and protect consumers' interests.

Website disabling

In its annual report for the year 2022, the Hungarian Competition Authority proposed legislation to block access to illegal content on the internet to protect consumers. The amendment¹ of Act XLVII of 2008 on the Prohibition of Unfair Commercial Practices against Consumers (Fttv.) adopted at the end of 2023 empowers the Hungarian Competition Authority, with effect from 1 March 2024, to order the blocking of data (such as a website) published via an electronic communications network, the publication of which has been the subject of competition supervision proceedings and the blocking of which is necessary to prevent the risk of serious harm in view of the extensive consumer exposure. The GVH has already used its new powers in its proceedings against the online gambling operator, Lottoland.

Monitoring compliance with the rules on price-fixing of books

The amendment of Act CXL of 1997 on Museums, Public Libraries and Public Culture (Kult.tv.) with effect from 1 October 2024 established the provisions on price restrictions of books. During the period provided for by the Act, discounts may be granted only to the extent and in the manner provided for by the Act for the sale of books newly published after 1 October 2024. The amendment² designated the Hungarian Competition Authority as the authority to act in the event of a breach of the new rules. The GVH may, if the protection of the public interest so requires, initiate competition supervision proceedings in the event of a probable infringement of the rules laid down in the Act, which may also result in the imposition of fines at the level specified in the Kult.tv.

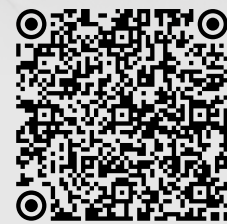
In 2024, the GVH received five informal complaints about the market conduct of publishers and booksellers, their investigation is still ongoing.

¹ Act XCVI of 2023 on the Amendment of Laws Related to Justice

² Act XIII of 2024 on the Amendment of Educational, Family, Cultural and Related Laws

Did you know?

The list of websites blocked by the Hungarian Competition Authority is available on the GVH's website:





Did you know?

In 2024, the GVH carried out a follow-up investigation to check whether Booking.com, the operator of a website for accommodation providers, had abandoned its previous infringing practices.

Read more about the results of the procedure on page 20.



Checking unfair General Terms and Conditions (GTCs) of accommodation intermediaries

Taking into account the recommendations of the Hungarian Competition Authority in the framework of the accelerated sector inquiry conducted in the online accommodation booking services and accommodation providers market, the Parliament established the rules related to the activities of online accommodation intermediaries with effect from 1 July 2024 by amending Act CVIII of 2001 on Electronic Commerce and on Information Society Services (Ekertv). The National Media and Infocommunications Authority and the Hungarian Competition Authority have been designated by the Act to monitor the obligations imposed on online accommodation intermediaries. Under the Ekertv., the Hungarian Competition Authority has the competence to investigate unfair contract terms used by online accommodation intermediaries.

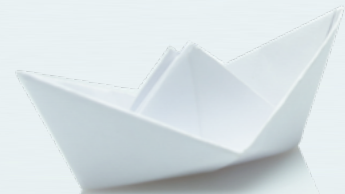
In 2024, the Hungarian Competition Authority received a total of seven informal complaints about the market conduct of an online accommodation intermediary with a significant market share.

Warning letter

The amendment to the Hungarian Competition Act, which entered into force on 1 January 2023, expanded the powers of the Hungarian Competition Authority with a new legal instrument, the warning letter, which allows the President of the GVH to directly notify concerns to businesses if he detects market trends that suggest an infringement. The warning letter provides an opportunity to remedy competition problems voluntarily and at an early stage, thereby avoiding the time and burden of competition supervision proceedings for both businesses and the GVH. In 2024, the GVH actively used the warning letter, with the GVH chairman having already notified his concerns about market trends to businesses on 53 occasions.

53

letters of formal notice in 2024



Designation as the contact authority under the FSR Regulation

According to the amendment to Act LVII of 1996 on the Prohibition of Unfair and Restrictive Market Practices (Tpvt.) adopted at the end of 2023, from 1 January 2024 the Hungarian Competition Authority will assume the tasks under the Foreign Subsidies Regulation (FSR) as the authority responsible for liaising with the European Commission. The GVH can open targeted investigations into foreign state aid that distorts the EU market, at the request of the European Commission. The FSR has introduced new control mechanisms for all companies receiving foreign subsidies to ensure that market players can compete on a level playing field.

Cooperation in the implementation of the DSA Regulation

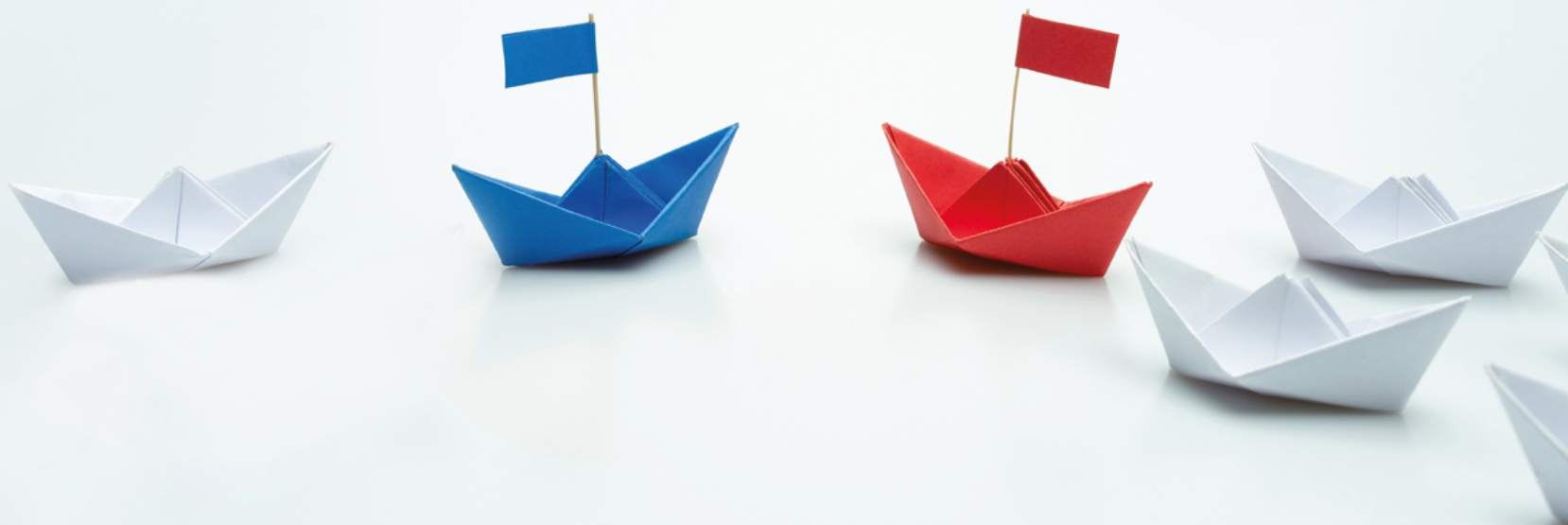
On February 17, 2024, Act CIV of 2023 on Certain Rules for Internet Intermediary Services entered into force, which lays down the provisions necessary for the implementation of the DSA (Digital Services Act) . Under the Act, the National Media and Infocommunications Authority, which is responsible for the domestic implementation of the DSA, cooperates with the Hungarian Competition Authority to ensure consistent enforcement of competition protection and promote uniform application of the law in matters affecting competition in the digital services market and in matters affecting users in the digital services market.

Increased competition fine cap

With effect from 1 August 2024, the Government Decree 184/2024 (8 July 2024) ordered the application of derogative rules regarding the fine cap that may be imposed on undertakings that violate the provisions of the Competition Act. In the Government Decree, the legislator increased the maximum fine that the Competition Council may impose to 15% of the annual group turnover of the infringing undertakings achieved in the financial year preceding the decision.

Competition advocacy to protect competition and consumers

In its competition policy activities, the GVH seeks to influence legislation and decisions of public authorities in order to promote competition in the market as an important public interest. The decisions taken in the context of competition advocacy include the formulation of public policies and their application, as well as individual administrative actions and interventions by the Government and other public authorities.



6

opinions on draft
legislation

The Hungarian Competition Authority submitted a competition proposal to the Ministry responsible for the codification of the Fttv. on the organisational arrangements for cooperation between all authorities acting within the system of competences established under the Act, on the procedures for the mandatory and immediate notification of other authorities, including the data necessary for the substantive identification of the case, and on the procedures for the initiation of proceedings by the authorities. In the light of the GVH's proposals, Act L. 2024 amending certain administrative acts will amend the Fttv. with effect from 1 January 2026. The amendment will establish an internal administrative interface that will allow the authorities competent under the Fttv. to cooperate, to eliminate possible parallel procedures and to better enforce the ne bis in idem principle.

In the course of 2024, the GVH made comments and proposals to the legislators on a total of six draft laws sent or made public in order to enforce competition aspects.

Did you know?

The GVH made several competition advocacy proposals based on the results of the AI market analysis.

Read more about the market analysis on page 25.



One of the most important forms of competition advocacy is legislative comment, but other options are also available, such as studying market signals or transmitting legislative anomalies identified in the course of accelerated sector inquiries to the competent legislative bodies, complemented by a competition policy opinion. In some cases, the GVH itself takes the initiative, i.e. its role is not limited to reacting to the behaviour of other organisations. In 2024, in addition to giving its opinion on draft legislation, the GVH took the initiative in six cases to make new proposals to the legislator, or to challenge parts of existing legislation or enforcement practices that were detrimental to competition or consumers, or to propose new, more competition- and/or consumer-friendly legal solutions.

Amicus curiae and judicial review

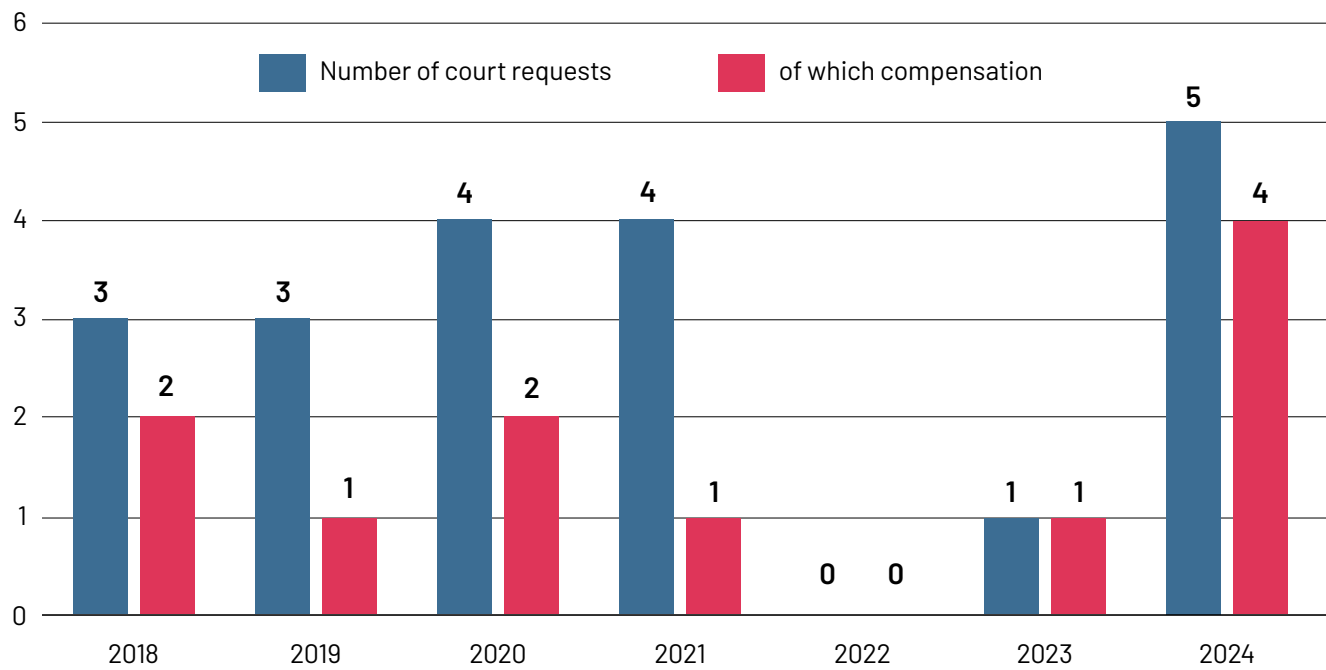
The provisions of the Tpv. allow claims arising from breaches of competition rules to be enforced directly before a court under private law. Under the Act, the courts must immediately notify the GVH of all cases pending before them in which a possible infringement of the provisions of the Tpv. and the Fttv. is raised. The GVH may comment on the specific case, give its detailed legal opinion and, where justified, initiate proceedings to assess the merits of the conduct concerned. In addition, in actions for damages arising from competition law infringements, the law also allows the court to address the GVH with regard to the competition law infringements on which the damages action is based in order to express its views on the occurrence of the damage, the extent of the damage and the existence of a causal link between the infringing conduct and the occurrence of the damage.

In 2024, the GVH intervened in support of the courts' enforcement activities on a total of five occasions. In four cases, the competition authority was requested to provide information on ongoing litigation seeking compensation for damages arising from competition law infringements, and in one case it provided detailed legal opinions on the scope of the Competition Act.

6

cases of
proactive
competition
proposals

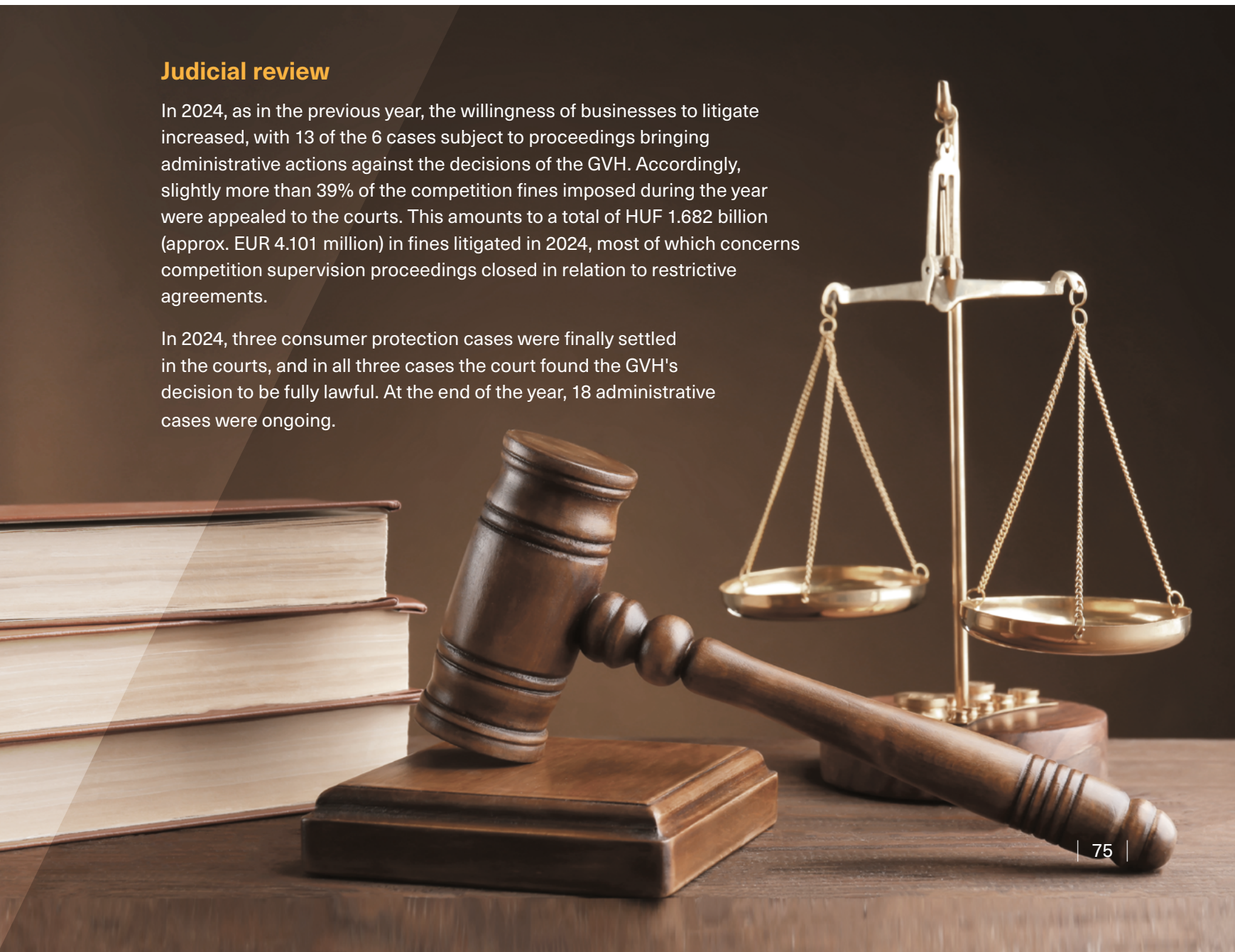
Number of amicus curiae requests received by the GVH



Judicial review

In 2024, as in the previous year, the willingness of businesses to litigate increased, with 13 of the 6 cases subject to proceedings bringing administrative actions against the decisions of the GVH. Accordingly, slightly more than 39% of the competition fines imposed during the year were appealed to the courts. This amounts to a total of HUF 1.682 billion (approx. EUR 4.101 million) in fines litigated in 2024, most of which concerns competition supervision proceedings closed in relation to restrictive agreements.

In 2024, three consumer protection cases were finally settled in the courts, and in all three cases the court found the GVH's decision to be fully lawful. At the end of the year, 18 administrative cases were ongoing.



MAKING A DIFFERENCE FOR EVERY HUNGARIAN

In addition to its core statutory tasks, the Hungarian Competition Authority took numerous innovative initiatives in recent years to protect consumers' interests and fair market competition. These include, for example, active action against inflation, including the creation and operation of the online Price Monitoring Database, which saved Hungarian households HUF 19.4 billion (approx. EUR 47.3 million) in three months between December 2023 and February 2024. Another project that demonstrates the usefulness of the GVH's professional activity is that the GVH carries out an ex-ante impact assessment every year to measure the social benefits of its activities. The analysis shows that the social benefits of the GVH's activities for 2019-2024 - nearly HUF 113 billion (approx. EUR 275.5 million) - are two and a half times the GVH's budget for the same period.



6

retail chains

78

product
categories

~ 1 200

businesses

> 2 000

various
food products

Online Price Monitoring Database at the service of Hungarian consumers in 2024

In the first half of 2023, the Hungarian Competition Authority, in close cooperation with the Government of Hungary, developed the online Price Monitoring Database with the aim of contributing to the reduction and maintenance of food inflation by facilitating the comparability of retail food prices. Thanks to the popularity of the system and its positive price suppressive effects, the Government maintained the Price Monitoring Database in 2024, and interest in it was sustained throughout the year.

The system operated by the GVH – available at www.arfigyelo.gvh.hu – currently (in January 2025) allows consumers to monitor the daily updated prices of more than 2 000 different food products in 78 product categories in approximately 1 200 stores of the six largest food retail chains nationwide.

The Macronome Institute quantified the impact of the online Price Monitoring Database on consumer prices in its research published in September 2024. The Institute’s modelling showed that the system reduced food inflation by 1.11 percentage points by February 2024 compared to a baseline of June 2023, with the largest monetary impact occurring during the winter months. According to the Macroeconomic Institute’s calculations, the Price Monitoring Database saved Hungarian households HUF 19.4 billion (approx. EUR 47.3 million) over the three winter months (December 2023 to February 2024).

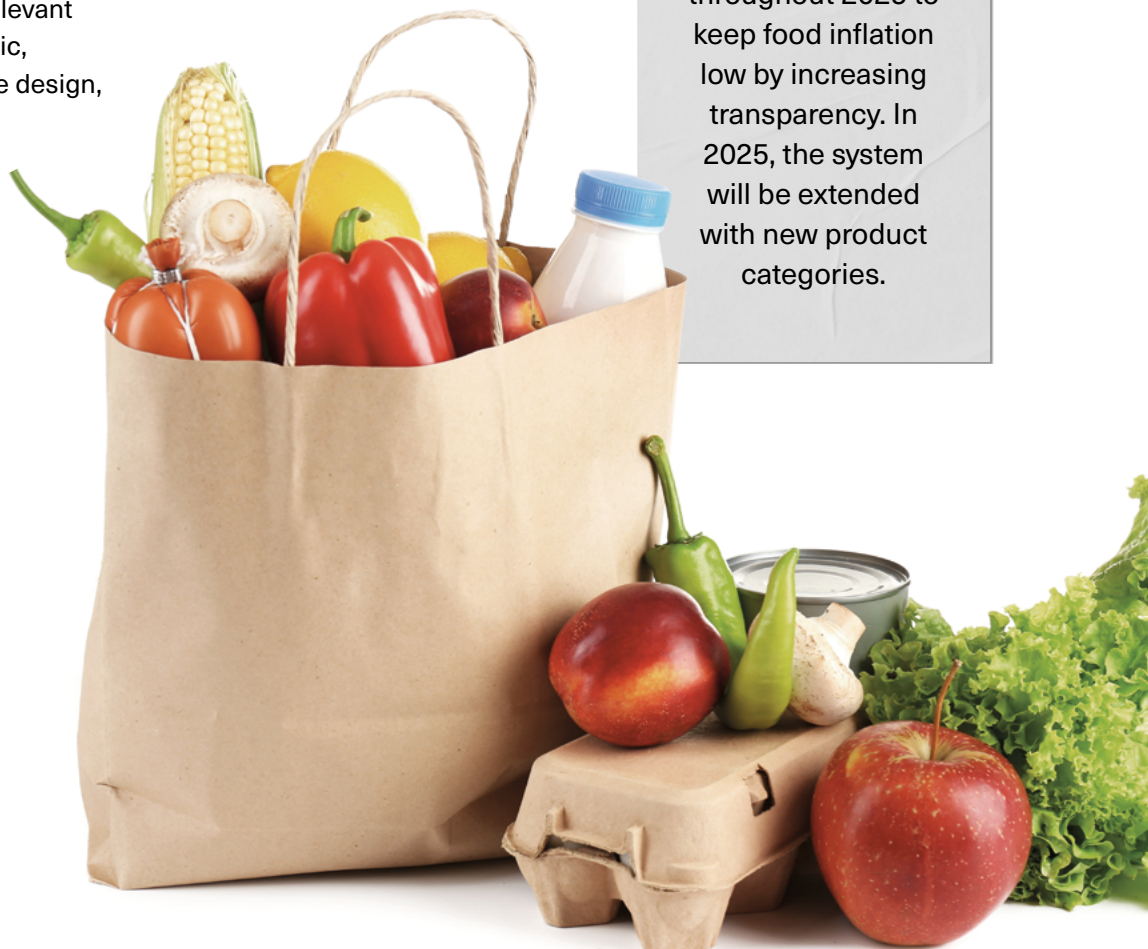
Interest in the Price Monitoring Database from abroad

There was considerable international interest in the scheme during 2024, particularly from the Slovakian state.

Following requests from the relevant organisations in Slovak Republic, the GVH consulted them on the design, implementation, operation and results of the system in several rounds. Based on the Price Monitoring Database, an online price comparison system will be introduced in Slovakia from mid-2025.



<https://arfigyelo.gvh.hu/>



AZ ÉV HONLAPJA

2023

At the beginning of 2024, the online Price Monitoring Database won the Quality Award in the “*Website of the Year 2023*” competition.

Did you know?

The online Price Monitoring Database will be at the service of Hungarian consumers throughout 2025 to keep food inflation low by increasing transparency. In 2025, the system will be extended with new product categories.



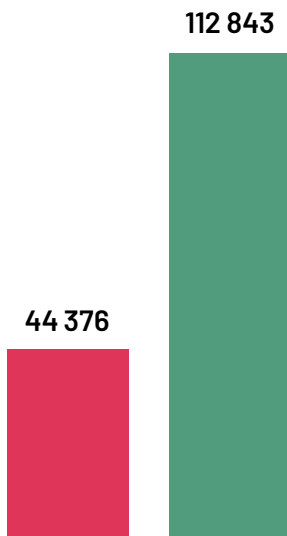
**HUF
112.8
billion**

demonstrated benefit
over 6 years

more than
**two and a half
times**

the budget of the GVH
for the same period

2019-2024
(HUF million)



- Budget of the GVH
- Demonstrated social benefits (conservative estimate)

Up to
**HUF 5 billion in
addition
consumer benefits**
based on the GVH's
pro-competitive
proposal.

Social benefits

The GVH's pro-competitive activities result in a financial benefit for consumers that can be quantified, at least in part. This is the purpose of ex-ante impact assessment, which uses methods that are simple to apply and provide a comprehensive picture, thereby giving results with a reasonable degree of accuracy. The GVH carries out the impact assessment annually.

The GVH's direct - partially quantified - reported benefits from procedures dealing with restrictive agreements, abuse of dominant position and mergers concluded between 2019 and 2024 amounted to HUF 112.843 billion (approx EUR 275.166 million). Accordingly, the amount saved by consumers as a result of the GVH's action is more than two and a half times the GVH's total budget adjusted for inflation over the same period.

The benefits shown are the result of a conservative estimate and, due to certain methodological limitations, the amount only takes into account certain activities of the GVH and only part of its benefits. The amount shown does not include, inter alia, the benefits from consumer protection procedures. The actual benefit may therefore be several times higher than the one shown in the impact assessment.

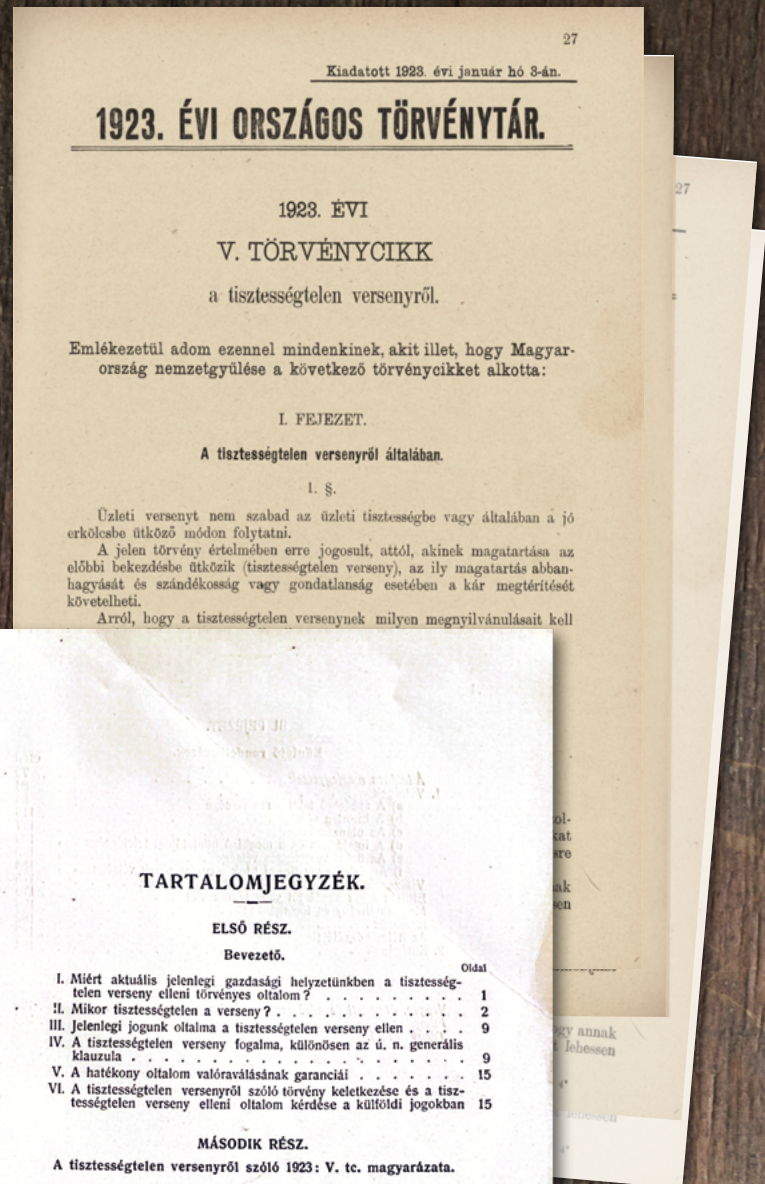
The GVH also quantified the consumer benefits of Covid's competition proposal in its accelerated sector inquiry into the market for rapid Covid-19 antigen tests in 2024, in addition to the annual impact assessment. Based on the results of the impact assessment, Hungarian consumers could save a significant amount of money, around HUF 2.3-4.9 billion, (approx. EUR 5.6-11.9 million) during the years of the Covid-19 pandemic, thanks to the GVH's proposal to allow the Government to authorize the sale of rapid Covid-19 antigen self-tests by businesses licensed to distribute medicines outside pharmacies, such as retail chains, drugstores and petrol stations.



100 years of regulation to protect fair market competition

More than a century ago, in 1924, Article V of Act V of 1923 on Unfair Competition, the first Hungarian Competition Act, came into force. The Act was preceded by decades of preparatory work, during which a total of three laws were drafted. The third draft, prepared by Ödön Kuncz, professor of commercial law, and Elemér P. Balás, then head of the Ministry of Justice, was adopted by the National Assembly on 6 December 1922 and promulgated in May 1923, after the Governor's signature. This first Hungarian Competition Act entered into force on 15 May 1924.

On the occasion of the centenary - in February 2024 - the Hungarian Competition Authority and the Hungarian Competition Law Association organised a joint professional conference, which was attended by the most prominent representatives of the competition law profession. The jubilee academic conference focused on the development of the field of law, with particular attention to Hungarian law, the international convention background and the impact of European Union law.





You can view the annexes to the 2024 Annual Report
of the Hungarian Competition Authority by scanning the QR code below.



The annex contains detailed statistics
on the GVH's procedural, remedies and competition statistics.



Impressum

Published by the Hungarian Competition Authority
H-1026, Budapest Riadó u. 1–3.

Responsible publisher: Csaba Balázs Rigó

Tel: +36 1 472-8851

E-mail: ugyfelszolgalat@gvh.hu

Website: www.gvh.hu

FB: <https://www.facebook.com/versenyhivatal/>

LinkedIn: <https://www.linkedin.com/company/hungarian-competition-authority>

X: https://x.com/GVH_hungary

YouTube: <https://www.youtube.com/@gazdasagiversenyhivatal>

This publication is available on the following website: https://gvh.hu/gvh/orszaggyulesi_beszamolok

Manuscript closed: 31 January 2025.

Copyright © GVH

www.gvh.hu

Hungarian Competition Authority

H-1026, Budapest Riadó u. 1–3.

Mailing address: H-1534 Budapest P.O.:958

tel.: +36 (1) 472-8900