

## **The number of informal complaints received by the GVH about the construction industry is increasing**

**30 June 2021, Budapest – The Hungarian Competition Authority (GVH) is receiving an increasing number of informal complaints in relation to the construction industry, drawing attention to worrying phenomena. The GVH continues to treat these complaints concerning drastic price increases and other harmful market processes as a priority.**

Over the course of the past month, an increase could be observed in the number of market signals received by the GVH in connection with the construction industry, which suggest serious issues in the sector in question. Based on these market signals, consumers and undertakings are experiencing these issues primarily on the retail market, that is on the level of construction material vendors and building yards, which are related to the price increases observed recently. Based on the informal complaints, shortages might have developed in certain products in some places and retailers are attempting to pass on the risks arising from the rapid changes of procurement costs to customers. Based on the market signals, the price increase might have reduced the number of complaint submission options available to customers as well; the pre-payment of the purchase price and defective performance have become commonplace.

The evaluation of the informal complaints received by the GVH is currently in progress; however, it is already apparent that the trends that have emerged in the construction industry are causing issues for a large number of consumers and undertakings.

*“Clean and fair competition is especially important on the market of construction industry raw materials. The prices, which have increased by an unjustified in certain places, cannot be allowed to influence consumer welfare on a national level, prevent Hungarian citizens from completing their home-building or renovation projects, or inhibit investment in Hungary. The construction industry is a key driver of the Hungarian economy; all abnormalities must be investigated as quickly and as thoroughly as possible since they can have an enormous effect on the momentum of the country”* said Csaba Balázs RIGÓ, President of the Hungarian Competition Authority.

The GVH has [initiated a consultation with the National Federation of Hungarian Building Contractors](#) on this topic at the end of May, after which the Authority established a separate investigation team to reveal the causes of the drastic increases in the prices of construction industry materials. The working group created from the experts of the GVH is prioritising the analysis of [formal and informal complaints received in connection with alleged cartel activities](#) on this market. In addition, a [proceeding initiated due to the alleged infringement of the prohibition on the abuse of dominant position](#) in October 2020 is still in progress against the three most significant players of the Hungarian cement market.

GVH Press Office