

GVH makes competition-boosting recommendations to remedy the high prices of COVID rapid tests

25 January 2022, Budapest - The Hungarian Competition Authority (GVH) has completed its accelerated sector inquiry into the domestic market for coronavirus rapid tests. In addition to high prices, the experts of the national competition authority also revealed a number of other problems, for the solution of which the GVH made several recommendations to the co-authorities, the legislator and market players to enhance competition. Industry stakeholders have eight days to submit comments about the results of the inquiry.

The Hungarian Competition Authority [launched an accelerated sector inquiry into the domestic market for COVID-19 antigen rapid tests on 23 December last year](#), following concerns that Hungarian consumers have encountered higher prices compared to neighbouring countries and other EU Member States. In the last 30 days, the GVH has not been idle: in the framework of the comprehensive investigation provided by the Competition Act, the experts reviewed not only the distribution chains and competition conditions of the COVID rapid tests, but also the adequacy of consumer information related to the product range. The Competition Authority conducted unannounced inspections with judicial warrant, requested a number of market players for the provision of data, held consultations with the National Institute of Pharmacy and Nutrition ('OGYÉI'), and requested information from all EU competition authorities and the European Commission's Directorate-General for Competition. The GVH also conducted an online consumer inquiry (so-called sweep) to obtain a more accurate picture of commercial practices in the online sale of antigen rapid tests.

The GVH has identified a number of problems that could prevent more favourable consumer price levels. According to the draft report, retail price competition in connection with the sale of COVID-19 antigen rapid tests is not intense enough in Hungary, therefore, the GVH recommends temporarily allowing the sale of rapid tests at retail chains, drugstores and petrol stations for a period related to the development of the pandemic. The inquiry also revealed that the value chains of these products are long and that new margins appear in the consumer price at all levels of the value chain. The GVH therefore encourages market players to develop shorter value chains, such as supplying directly from domestic importers. If the proposals are not implemented, the GVH recommends that the Government should consider intervening to determine the maximum price level for the rapid tests. All this is proposed in the draft report in a way that does not restrict supply in terms of quantity or quality, so that market players' interest in selling antigen tests to the public is not reduced.

The rapid analysis from a consumer protection point of view found that in many cases consumers were not properly informed about COVID test served for self-testing. The GVH therefore recommends that OGYÉI publish the product summaries of the tests on the market for consumers and allow market players to receive guidance. In addition to

informing the partner authorities, the GVH also informed the parties concerned about the specifically identified, objectionable practices, which it requests to be terminated by 14 February 2022. Following this date, the GVH will monitor the online trade and, if the problems persist, then it will initiate coordinated administrative action with the involvement of OGYÉI and Ministry for Innovation and Technology.

A draft report based on the results of the inquiry was made available by the Authority for public consultation on its website. Market players have 8 days to submit comments about its content. After the deadline, the GVH will publish a report on the results of the accelerated sector inquiry, a summary of the comments received and, if requested, substantive comments from undertakings in the sector. The draft report of the accelerated sector inquiry is available here (only in Hungarian):

https://gvh.hu/en/press_room/press_releases/press-releases-2021/accelerated-sector-inquiry-into-the-market-of-coronavirus-rapid-tests-

GVH Press Office