

GVH uncovered an anaesthesia and ventilator cartel

Budapest, June 30, 2022 - The Hungarian Competition Authority (GVH) has imposed a competition supervision fine of almost HUF 670 million for the allocation of a public tender for anaesthesia and ventilation equipment among four major market players even before the tender was published.

The investigation by the GVH revealed that the major players in the Hungarian market for anaesthesia and ventilation equipment, Dräger Medical Kft, GE Hungary Kft (and its distributor Aladdin Medical Kft) and HOGE Orvosi Műszer Kft, agreed in 2015, long before the epidemic to restrict competition in connection with the central procurement of equipment worth HUF6 billion planned by the Ministry of Human Resources.

It was stated in the competition authority's investigation that the lobbying activities of the companies - initially conducted separately - in connection with the planned tender led to illegal collusion over time. During these negotiations, the companies agreed on a procurement share of around 40%-40%-20% and also on detailed bid prices, evidence of which was found by the competition authority in several participants' files during on-site investigations. The companies planned to implement their agreement in such a way as to influence the tender in favour of the allocation.

The GVH's Competition Council imposed fines totalling HUF 669 million on the undertakings for the infringement. The decision took into account the financial performance of the companies and the fact that many of them are small and medium-sized enterprises. The GVH reduced the fine of one of the companies concerned, Dräger Medical Kft., taking into account the fact that the undertaking admitted the infringement in a settlement procedure, waived its right to appeal and undertook to introduce an internal company programme to avoid similar cases in the future.

"We put special emphasis on the elimination of public procurement cartels, in order to protect the resources of the central budget and the money of the Hungarian people. Our experience has shown that public procurement cartels can increase the price of contracts by up to 30-40 percent, which is why we take strict action against illegal cooperation. In addition to the competition fines imposed on the colluding companies, there can be serious criminal and civil (damages) consequences for such actions." - said Balázs Csaba Rigó, President of the GVH.

Case registration number: **VJ/47/2016.**

Press Office of the GVH