

The GVH is launching accelerated sectoral inquiries to investigate the causes of single-bid public procurements

The Hungarian Competition Authority investigates the market for diagnostic medical imaging equipment first

Budapest, 26 September 2024 – In support of the commitments made by the Government of Hungary to the European Commission and to promote the efficient use of public funds, the Hungarian Competition Authority (GVH) has identified three public procurement markets where it will investigate the causes of single-bid tenders. The GVH began by looking at the market for diagnostic medical imaging equipment, which has seen a high proportion of single-bid procurements in recent years. The GVH will launch accelerated sectoral inquiries in other markets in the coming months.

The mandate of the Hungarian Competition Authority means that it is particularly attentive to public procurement procedures. One of the most important tasks of the GVH is to ensure the transparent use of public funds by detecting, eliminating and preventing public procurement cartels. In addition to cartels, single-bid public procurement can also be a major problem. Intense competition between several players leads to lower prices in all cases, including public procurement. 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 fiscal resources and thus harms the public interest.

In early 2023, the Government of Hungary adopted an action plan on measures to increase the level of competition in public procurement (2023-2026). One of the main objectives of the action plan is to significantly reduce the share of single-bid public procurements in Hungary, thereby fulfilling the commitments made to the European Commission by the Government. In Government Decision No 1082/2024 (III. 28.) on the revision of the action plan, the Government requested the President of the GVH to ensure that three sectoral inquiries are carried out to identify the causes of single-bid public procurements.

[In line with its previous notification](#), the GVH has identified three public procurement markets where it considers the initiation of investigations to be warranted. **First, on the 24th of September 2024, the Hungarian Competition Authority launched an investigation into the medical equipment market, focusing on the procurement of imaging equipment, such as MRI, CT, ultrasound and radiology equipment.** Available data shows that the proportion of single-bid procedures for the procurement of these products was particularly high between 2019 and 2023.

The Hungarian Competition Authority's investigators have also **carried out unannounced inspections - subject to prior judicial authorisation - at several premises** in the last few days, during which they collected a significant amount of data and information.

An accelerated sector inquiry is a procedure under the Competition Act to identify market problems in cases where the circumstances indicate a distortion or restriction of competition and urgent intervention is needed in the sector concerned. During the investigation, the competition authority will, among other things, analyse the information collected from market players - based on mandatory responses - to identify the detailed causes of distortions of competition in order to take the necessary steps to remedy them. **Once, the information gathering and analysis of the data is completed, the GVH will summarise the results of the sector inquiry in a public report. The deadline to finish this report is 30 days, which may be extended twice by 30 days under justified circumstances.**

Diagnostic medical imaging equipment are a key element of modern healthcare services. This type of equipment allows healthcare professionals to examine internal organs, bones, tissues and aids in the diagnosis of certain diseases and conditions. Another important aspect is that the purchase price of state-of-the-art diagnostic medical imaging equipment can be exceptionally high. In the light of the above, the GVH considers it of the utmost importance to ensure intense and fair competition in the procurement of such equipment in order to keep procurement prices low and guarantee high-quality healthcare services.

It is important to note that [according to the Public Procurement Authority of Hungary](#), the number of single-bid public procurement contracts in Hungary is steadily decreasing, which indicates that competition in the market is intensifying. While the number of this type of contracts in the national procedural system decreased from 24.8 percent (first half of 2022) to 11.7 percent in 2024, their share in the EU procedural system decreased from 38 percent to 27.9 percent in the same period.

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