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PRESS RELEASE OF THE HUNGARIAN COMPETITION AUTHORITY

**WORKSHOP ON SALES BELOW COST AND BUYER POWER AT THE HUNGARIAN
COMPETITION AUTHORITY**

The topicality of the conference, held by the Hungarian Competition Authority on 21-22 April 2005, was provided by the legislative process linked to the preparation of the Hungarian Trade Act. The conference has enabled the foreign and national participants to become acquainted with the theoretical background of sales below cost and buyer power, to exchange views on this issue and to acquire in-depth knowledge about British experience the OFT has cumulated since the 1980's.

The keynote speech of the conference's first day was given by Professor Paul Dobson of Loughborough University. The reason the Hungarian Competition Authority has invited Professor Dobson was the valuable experience he gained in carrying out research for the European Commission as well as for other national competition authorities in the field of sales below cost and the buyer power of large supermarket chains. In his presentation Professor Dobson emphasized that the fierce competition between the supermarkets results in lower prices, wider product choice and better product quality for the consumers. Moreover, he pointed out that the problematic of sales below cost and buyer power can be treated with the consequent application of merger control over the concentrations of supermarkets and with the prohibiting unfair competition.

The second day of the conference was also held at the Hungarian Competition Authority, and was organised by the OECD Regional Centre for Competition in Budapest. Participants included members of the Hungarian public administrative bodies (Ministry of Economy and Transport, Ministry of Agriculture and Regional Development, Ministry of Justice, Ministry of Finance) as well as experts from the political groups of the parliamentary parties.

The Head of Competition Division of the OECD, Mr. Bernard Joe Phillips, reported in his speech on the wide-ranging study prepared by the OECD, the authors of which pointed out that the countries, that had introduced a ban on sales below cost had to face significant inflation rates, growing unemployment and declining macroeconomic indexes in a short time afterwards. On the other hand, in countries where fierce competition is present on the product markets, statistical figures prove the positive influence of this on the GDP and the employment market.

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Further information can be obtained from:

dr. Anita HORVÁTH
Press Officer of the Hungarian Competition Authority
address: Budapest, 1054 Alkotmány u. 5., Hungary
mailing address: 1245 Budapest 5. POB. 1036, Hungary
Tel: (+36-1)-4728966
Mobile: (+36-30)-9708191
email: HORVATH.Anita@gvh.hu