

Fine imposed by the GVH for restrictive agreement

The Gazdasági Versenyhivatal (GVH – the Hungarian Competition Authority) stated that Samsung SDI (Samsung SDI Co. Ltd. in joint and several liability with SAMSUNG SDI Germany GmbH and SAMSUNG SDI Magyarország Gyártó és Értékesítő Zrt.), LG Philips Displays Holding B.V. and Technicolor SA had violated the Hungarian Competition Act when they directly and indirectly fixed the prices of colour television tubes, shared buyers and markets, limited capacities and shared non-public strategic information relating to prices, production and sales. Due to the violation of the law the GVH imposed a fine of 303,000,000 HUF (1,000,000 EUR).

The proceeding was initiated by the GVH in 2008 as a result of a leniency application, in order to investigate the alleged cartel, operating between 1 January 1997 – 30 April 2004, among producers of TV and computer monitor tubes. Moreover, the GVH investigated whether the conduct of the undertakings also extended to include the following: the exchange of sensitive business information concerning data on prices, quantities sold, demand and capacity utilisation; price fixing, including the setting of prices based on types of consumers and geographical characteristics; furthermore the sharing of consumers, quantities sold and market shares; limitation of output, coordination and limitation of production and capacities. Following the start of the proceeding, two further groups of undertakings submitted leniency applications. Since the European Commission also proceeded in the case, the Hungarian proceeding covered only the effects in Hungary during the Hungarian pre-accession period.

The leniency applicants provided the GVH with numerous pieces of documental evidence of meetings taking place in Europe and Asia (mainly reports and notes about the meetings, calendar entries and documents proving the travels), the processing of which was exceptionally time-consuming, which is in part responsible for the proceeding going on for so long. Based on the evidence and the descriptions of the leniency applicants, it could be established that at regular bilateral and multilateral meetings the producers coordinated the prices of the television tubes, the degree of price increases, the sharing of the markets and certain customers, the restriction of the output, and that they also exchanged information on all of these matters. However, the GVH could only consider those meetings that demonstrably concerned European markets – and, within those markets, Hungary –, since the jurisdiction of the GVH only covers the investigation of conducts that also affect the Hungarian market.

Based on the above, the GVH established that through their competition restrictive conducts the undertakings were engaged in a single, continuous and complex

infringement, the aim of which was to maintain and increase the profitability of the participants and to restrict and exclude price competition.

Because of the above-mentioned unlawful conduct the GVH imposed a fine of 303 million HUF (1,000,000 EUR). With respect to the leniency application submitted by the undertaking, a fine was not imposed against Samsung SDI and a fine was also not imposed against LG Philips Displays Holding B.V., due to a lack of information pertaining to its net turnover.

The proceeding was terminated against other producers for the following reasons:

- the limitation period elapsed, since evidence of their involvement in the cartel was provided only for a shorter past period,
- direct engagement in the single, continuous and complex infringement and the liability of the parent company and/or subsidiaries under the proceeding was not proved,
- the business entity most probably terminated without a legal successor.

The GVH terminated the proceeding in connection with conduct related to colour television monitor tubes because of a lack of evidence – in particular as regards to the amount of time that had passed since the conduct.

Case number: **Vj-45/2008.**

04 August 2014, Budapest

Hungarian Competition Authority

Further information:

Katalin GONDOLOVICS

spokeswomen

Hungarian Competition Authority

Mail: 1054 Budapest, V. ker. Alkotmány u.5.

Postal address: 1245 Budapest, 5. POB 1036

Tel: (+36-1) 472-8902

Email: press@gvh.hu

<http://www.gvh.hu>