

A quarter of a century supporting fair competition – GVH Jubilee Conference

The OECD is eager to further strengthen its cooperation with the GVH in order to ensure that competition law and competition policy play an important role in achieving comprehensive and sustainable development in Hungary – as stated at the international competition law conference organised for the 25th anniversary of the establishment of the Gazdasági Versenyhivatal (GVH – the Hungarian Competition Authority) and the passing of the first Competition Act.

Competition is an essential public interest as it contributes to the development of consumer welfare, in other words, competition results in welfare for consumers – **Miklós Juhász, President of the GVH** emphasised at the conference. The protection of competition is not an end purpose in itself, we protect competition for consumers. He also added that the past 25 years could be divided into three major periods: the beginning and evolution period, the period of Hungary’s accession to European Union law and finally the period of strengthening the law enforcement role of the GVH.

Pierre Poret, Deputy Director for Financial and Enterprise Affairs of the OECD highlighted that the GVH has not only been a strong promoter of competition law and policy in Hungary, it has also been a key partner of the OECD in developing sound competition policies and institutions in Eastern Europe through the [OECD-GVH Regional Centre for Competition in Budapest](#). He considered it significant that the GVH was one of the first competition authorities globally.

Competition authorities in transition economies evolve as their markets’ mature – **Adam Jasser, President of the UOKiK, the Polish competition authority** pointed out. In connection with the importance of ensuring consumer rights enforcement, he underlined that consumer abuses were often the first manifestation of anti-competitive behaviour and enable a reaction by a competition agency even in situations where traditional enforcement tools fall short, for example, owing to a lack of a dominant position on the market.

Egon Dienes Oehm, judge of the Constitutional Court praised the role that the GVH has played in the last quarter of a century in establishing and consolidating the competitive conditions in Hungary. In this relatively short period of time the country has transformed from a planned economy based on state property into a market economy. He emphasised that the GVH plays an important role in addition to its competition supervision activities, in the development of competition culture and also as an “applier” of EU law, ensuring that the principles of the market economy prevail in our country in accordance with the known and usual conditions in Europe.

The idea for the need for modernised competition rules emerged in the early 1980s, under special circumstances. On the one hand, there was a demand to drastically

increase the role of competition and markets. On the other hand, contrary to this demand, the existing order was based on a command economy which would have required more regulatory restrictions. The necessity of a modernised competition regime emerged under these conditions and Hungary committed itself to the elaboration of regulatory and institutional proposals. At the same time we decided to prepare proposals for both the regulation and institutional setup of an authority – **Ferenc Vissi** remembered, **the former president of the GVH**. He said that the GVH had two functions as an institution in its first 7-8 years. While its main tasks were to implement the competition act and to prepare for the Association Agreement with the EU, it also played a significant role in improving government competition policy.

The second half of the nineties and the first decade of 2000 were characterised by a certain maturity in the application of competition law, said **Márta Nagy, the former Vice-President of the GVH**. Since 1997, the GVH has applied a developed competition act, reflecting both the experiences of the GVH gained in a half of a decade and the conditions of the application of EU law. The two former Vice Presidents emphasised two developments in their speeches that significantly determined this period: one was the accession to the European Union and the other one was the series of regulatory reforms. She talked about the difficulties and results of the accession and about the market restructuring of sectors with non-competitive structures.

The main themes of the anniversary conference covered the important questions of the past 25 years. The former presidents of the GVH and the current **president, Miklós Juhász**, talked about the initial, current and future challenges faced by the competition authority. The high-level national and international competition law experts and regulatory officials also discussed the role of competition policy in the transitional economies, the consumer protection role of competition authorities and the nowadays increasingly emerging issue, namely the competition concerns relating to the exchange of information and the creation of information databases.

During the conference's breaks participants were able to view the exhibition of the legal history research that was commissioned by the GVH on Act XX of 1931, which contained the early competition law rules and institutional design. Together with the materials of the conference, the documents of the exhibition will be available later on the website of the GVH.

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