



## **More than 1 billion HUF fine on Auchan for abusing its significant market power**

**The Gazdasági Versenyhivatal (GVH - Hungarian Competition Authority) in its decision on 23 March 2015 imposed a total fine of 1.061.300.000 HUF (3.6 million Euro) on Auchan Magyarország Kft. for infringing Act CLXIV of 2005 on Trade by demanding after sale price discounts from its suppliers in order for the suppliers' products to be stocked, or continue to be stocked, by Auchan.**

The investigation of the GVH revealed that between 1 June 2006 and 31 December 2014 Auchan demanded after sale price discounts from three-fourths of its non-food product suppliers in order for the suppliers' products to begin to be stocked, or continue to be stocked, by Auchan. Each requested price discount was calculated on the basis of the entire net commodity value purchased from the supplier. The GVH was not able to identify any services for which the aforementioned after sale price discount may have served as compensation; it did not have any performance incentive function and in practice effectively operated as a fee.

The Act on Trade prohibits a dealer from imposing a unilateral charge on a supplier in order for a supplier to secure a place on a merchant supplier list and to be stocked by a retailer; furthermore, a dealer is not allowed to impose any fee for other services not required by a supplier.

When determining the fine, the GVH based its calculation on the net turnover achieved by Auchan from the after sale price discounts.

The GVH considered it a serious aggregating factor that Auchan continued its unlawful market behaviour even after the GVH published its SPAR decision ([Vj/47/2010](#)) in June 2012 in which it condemned similar behaviour.

A mitigating factor that was taken into account by the GVH was the fact that a proportion of (average 44%) the suppliers – small and medium-sized – were not considered to be vulnerable market participants.

Case number: **Vj/60/2012.**

Budapest, 23 March 2015.

Hungarian Competition Authority

### **Further information:**

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