

The GVH imposed fines for sharing the market for mosquito control

The Hungarian Competition Authority (Gazdasági Versenyhivatal, GVH) found that the leading players of the mosquito control market concluded restrictive agreements which affected all of the three verticals of the market (i.e. the manufacturing and distribution of concentrates of mosquito insecticides, the manufacturing and distribution of mosquito insecticides as well as mosquito control and lessening). The GVH imposed a total fine of approximately HUF 80 million on seven undertakings.

The GVH established in the competition supervision proceeding that

1. **Bayer Hungária Kft.** (Bayer) and **Corax-Bioner Környezetvédelmi Zrt.** (Corax-Bioner) agreed in 2010 and 2011 that **Corax-Bioner would not start manufacturing its own mosquito insecticide substance**, rather it would continue to purchase the *K-Othrin* concentrate of Bayer in return for significant discounts. The agreement concluded for 2011 also encompassed that **Corax-Bioner would refrain from purchasing Bábolna Bio Kft.’s own-manufactured similar product**. Two foreign subsidiaries of Bayer AG group also took part in the conclusion of those agreements;
2. **Corax-Bioner and Farmmix Kft.** agreed on the market for *mosquito insecticides* produced through the dilution of mosquito insecticide substances that **Corax-Bioner would resell the mosquito insecticide substance purchased from Bayer to Farmmix Kft. on the condition** that in 2010 the latter would not present offers to key clients of Corax-Bioner, i.e. to a specified group of undertakings dealing with lessening mosquitos;
3. **Corax-Bioner and Gergely Air Kft.** – in the framework of a meeting with an anticompetitive object on 3 July 2010 which took place with the collaboration of **Szemp Air Kft.** – **shared the market for lessening mosquitos among themselves**; this market sharing covered the tender procedures – announced partly as public procurements – in the regions of Lake Velence, Lake Tisza and Szigetköz.

With their conduct the undertakings infringed the prohibition of restrictive agreements and as a result the GVH imposed the following fines on them:

Bayer Hungária Kft.	HUF 18.000.000
Bayer CropScience Limited	HUF 22.150.000
Bayer Sp. z.o.o.	HUF 22.150.000
Corax-Bioner Környezetvédelmi Zrt.	HUF 11.385.000
Farmmix Kft.	HUF 495.000
Gergely Air Kft.	HUF 3.900.000

Szemp Air Kft.

HUF 500.000

In determining the amount of the fine the GVH – [in accordance with the antitrust fine setting notice](#) – increased the amount of the fine imposed on the three Bayer-undertakings in order to ensure that the fines exerted an appropriate deterrent effect, having regard to the fact that otherwise the fine calculated on the basis of the relevant turnover achieved on the market affected by the infringement would not have resulted in an appreciable burden being placed on these undertakings.

The GVH decided to increase the amount of the fine despite of the fact that – following the initiation of the competition supervision proceeding and the unannounced inspection at Bayer Hungária Kft. – the undertakings of the Bayer-group under investigation applied for leniency, which was accepted by the GVH as an application qualifying for a reduction of the fine. When delivering its decision the GVH took into consideration these circumstances, too.

Due to a lack of sufficient evidence to establish an infringement, the GVH terminated the proceedings against Komplex Air Kft., KOBÓ-COOP-'96 Kft., RSZ-COOP Kft., and Bayer S.A.S.

Case number: **Vj/73/2011.**

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Hungarian Competition Authority

Further information:

Andrea BASA

Spokesperson

H-1054 Budapest, Alkotmány u. 5.

Tel: +36 1 4728902

Mobile: +36 30 6186618

Email: basa.andrea@gvh.hu , press@gvh.hu

<http://www.gvh.hu>