

## **Competition authority investigating the gasoline market**

**The Hungarian Competition Authority (GVH) has launched a proceeding against MOL Hungarian Oil and Gas Company (MOL) for alleged abuse of dominant position.**

The GVH - proceeding within its competence of competition supervision - considers it important to investigate the market practices of the major players of the Hungarian market from time to time, for the public interest in the maintenance of market competition and for the protection of consumers, in case the market players might raise the suspicion of restricting competition.

According to the GVH, the development of fuel prices can be explained by the cumulative effect of several factors, it is influenced among others by the extent of the excise duties, the international market price of crude oil and also by the exchange rate fluctuation of the Hungarian Forint (HUF) to US Dollar (USD). However the significant fluctuation of fuel prices during the recent years raise the question to what extent it originates in the above mentioned factors and to what extent it is influenced by the excessive pricing practice of MOL which might be based on its dominant position. The GVH deemed it necessary to identify these factors in the course of a competition supervision proceeding, therefore it initiated a competition supervision proceeding against MOL on 11 May 2010 since it suspects - based on its observations and the information available on the market concerned - that the wholesale fuel prices applied by MOL since 1 January 2006 qualify as excessive, which might have a perceptible impact on fuel retail prices.

The initiation of the competition supervision proceeding does not mean that the undertaking in question has actually committed the infringement. The proceeding targets the clarification of the facts and thus to prove that the infringement assumed has been committed; it also implies the investigation of the fact whether the undertaking is in a dominant position on the market and whether it has abused it. According to the Competition Act such proceedings must be closed within 6 months, however this time limit can be extended two times by further 6 month each, depending on the complexity of the case.

Case number: **Vj- 50/2010**

Budapest, 12 May 2010

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