

The GVH suspects new cartel activity

On 20 October 2010 the Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) held unannounced inspections (dawn raids) at the headquarters of TECHEM Szolgáltató és Kereskedelmi Korlátolt Felelősségű Társaság and DH-SZERVIZ Debreceni Hőszolgáltató Szerviz, Kereskedelmi és Szolgáltató Korlátolt Felelősségű Társaság.

FŐTÁV Art. issued public procurement tenders in 2009 in order to modernise the heating systems of those flats that operate with distance heating. The first tender aimed at establishing measurable secondary heating systems for the flats, which could decrease their heat consumption; also to incorporate individual meters into the buildings by entering into framework agreements with the flats concerned. The second tender invited bidders, who would be able to enhance the operational works of the first tender with regard to the above-mentioned framework agreements.

According to the data available, TECHEM Kft. and DH-SZERVÍZ Kft. participated in these public procurement procedures as bidders, and as it is presumed by the GVH the undertakings under investigation colluded and agreed on the prospective winners and the prices included in the bids. As the facts found so far indicate, it cannot be excluded either that the undertakings have pursued the same restrictive activity with regard to other public procurement tenders issued by FŐTÁV Art. in 2009.

The GVH suspects that the undertakings under investigation have violated the provisions of the prohibition of restrictive agreements of the Hungarian Competition Act.

The Competition Act allows the GVH to conduct on spot inspections without any preliminary notification. Pursuant to the provisions of the Competition Act, the inspections are subject to the attainment of a judicial authorisation in advance.

The initiation of the competition supervision proceeding does not mean that the undertakings in question have actually committed the infringement. The proceeding targets the clarification of the facts and thus to prove that the infringement assumed has been committed. According to the Act such proceedings must be closed within 6 months, however this time limit can be extended two times by further 6 months each, depending on the complexity of the case.

Case Number: **Vj-95/2010.**

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