



GAZDASÁGI
VERSENYHIVATAL

The GVH suspects that there is a cartel on the domestic pipe market

On 16 December 2011, the Gazdasági Versenyhivatal (GVH - Hungarian Competition Authority) launched an investigation against BTH Fitting Gyártó és Forgalmazó Kft., PIPELIFE HUNGÁRIA Műanyagipari Kft. and WAVIN Hungary Ipari, Kereskedelmi és Szolgáltató Kft. As one of the first formal steps in the procedure, the GVH held unannounced inspections on the premises of the abovementioned undertakings.

According to the available data, the GVH presumes that the undertakings under investigation concluded agreements in 2006 in relation to plastic pipes which contained stipulations that aimed to restrict competition and fix prices among themselves. In order to uphold or to increase the average price-level, the undertakings under investigation allegedly carried out several price increases with aligned timing and for an agreed extent. In accordance with these agreements, the parties mutually undertook not to enter into each other's regional markets. It is to be presumed that this restriction not only concerned the undertakings themselves, but also certain wholesalers and several projects related to public procurement procedures, where the undertakings supposedly agreed on the prices of the products and the tender in advance. The abovementioned undertakings are the most significant market participants on the national market for producing and distributing pipes.

The GVH suspects that the undertakings under investigation have presumably violated, by this conduct, the provisions of the Hungarian Competition Act with regard to the prohibition of restrictive agreements.

The GVH is empowered by the Competition Act to inspect premises without any preliminary notification. Pursuant to the provisions of the Competition Act, the inspection of premises is subject to the attainment in advance of judicial authorisation.

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

Case number: **Vj-50/2011**

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Hungarian Competition Authority
Communication Group

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