



GAZDASÁGI
VERSENYHIVATAL

The GVH launched a competition supervision procedure due to its suspicion of the existence of restrictive agreements

On 26 January 2012, the Gazdasági Versenyhivatal (GVH – Hungarian Competition Authority) initiated a competition supervision procedure against Corax-Bioner Környezetvédelmi Zrt., GERGELY AIR Légiszolgáltató és Export-Import Kft., KOMPLEX AIR Kereskedelmi és Szolgáltató Kft., KOBO-COOP-'96 Ipari, Szolgáltató és Kereskedelmi Kft., RSZ-COOP Légiszolgáltató és Kereskedelmi Kft. and SZEMP AIR Légiszolgáltató Kft. As a first step of the procedure, the GVH held unannounced inspections on the premises of the undertakings under investigation.

The GVH suspects that the undertakings – which are engaged in the provision of chemical and biological (taking place in the air and on the ground) mosquito control services –, have presumably shared the market among themselves within the framework of a restrictive agreement since 2007. The undertakings, which are significant market players on the Hungarian market, have presumably agreed on their level of participation in public procurement procedures issued on the mosquito control services. Moreover, their alleged agreement has also extended to the market sharing of the state-funded 'extraordinary control territories' established by the Directorate for Disaster Management due to the flood crisis in 2010.

According to the available data, the undertakings under investigation have also agreed on the increase of the price level and in addition to this, in return of the market sharing, Corax-Bioner Zrt. (hereinafter Corax) – which is a leading market player in mosquito control services and manufacturing pesticide – has entered into an agreement with the other undertakings. According to this, if the other undertakings undertake to purchase the pesticide solely from Corax, then it will restrain itself from operating on their territories as a mosquito control service provider and moreover, Corax will provide offer prices that will enable them to obtain the orders on higher prices.

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 a 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-73/2011**

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Hungarian Competition Authority
Communication Group

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