

The GVH fines domestic wholesaler of Casio products for illegal price fixing

5 July 2022, Budapest – The GVH has imposed a fine of HUF 325 million on the domestic distributor of watch and musical instrument products Casio and its Czech parent undertaking for fixing the prices of their products to retailers via the internet, thereby eliminating competition for customers.

An investigation by the Hungarian Competition Authority (GVH) found that FAST Hungary Kereskedelmi Kft. (FAST Hungary Commercial Ltd.) and its Czech parent company, FAST ČR a.s., have for years unlawfully set minimum online retail prices for Casio watches and keyboard instruments sold by them. The investigation revealed that the undertakings had published lists of "recommended retail prices" for their distributors - but the application of these prices was not only recommended, but also constantly monitored and, in case of discrepancies, online traders were immediately warned. In one case, for example, the group of undertakings threatened a retailer that it would not receive any more goods if it continued to sell watches at a 10% discount. Undertakings mostly made the calls verbally, by telephone, so that no written record could be kept of them.

The GVH's Competition Council imposed a joint and several fine of HUF 325 million on the two undertakings for the single and continuous infringement of competition law. While imposing the fines, the GVH took into account that the fixing of resale prices is one of the most serious competition-threatening infringements, of which the undertakings themselves were well aware. However, the GVH also took into account the fact that the two undertakings admitted to the infringement, waived the possibility to appeal to the courts and undertook to implement a compliance programme to avoid similar infringements in the future.

„Illegal price-fixing results in Hungarian people facing higher prices and paying more for products and the GVH therefore condemns this form of profiteering in the strongest terms. We see tackling resale price maintenance as a priority, especially in inflationary periods like the current one. We urge market players to voluntarily stop such practices, as they could face fines of up to 10% of their net turnover in the previous year if they are found to have done so.” – said Csaba Balázs Rigó, President of the GVH.

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Press Office of the GVH