

Action by the GVH! Competition Authority investigates food retail chains

Aiming to protect Hungarian consumers

18 January 2023, Budapest – The Hungarian Competition Authority (GVH) is investigating the food retail market sector in an official procedure and assessing market signals to check whether competition law infringements or distortions of competition may be contributing to the sharp increase in food prices. The GVH will inform the public of the outcome of each procedure as soon as it is completed.

The Hungarian Competition Authority is investigating business practices in the domestic trade of several food products (with particular reference to substitutes for products with an official price cap, such as certain dairy products), following the recent significant price increases in a number of food segments, which are increasingly burdening Hungarian consumers. Comprehensive investigations will explore whether competition may have been distorted or restricted in the retail markets for these products or at other levels of the value chain, or whether any infringements may have occurred that could give rise to competition enforcement action against any of the players in the sector.

In its investigations, the Hungarian Competition Authority will, among other things, analyse the information collected from market players to identify the detailed reasons for the price increases, so that it can take the necessary steps to remedy any competition problems. The investigation will cover, inter alia, the pricing and sales practices of the largest domestic food retail chains. In addition, the GVH is investigating individual complaints and market signals.

Food inflation is a priority for the Hungarian Competition Authority because it affects society as a whole. <u>At the end of November last year, the GVH launched a series of consultations</u> to gather information on the most affected markets and to raise awareness among economic operators of the importance of respecting competition law. This priority area is dealt with by a dedicated analytical team at the Authority. The GVH has also started to monitor the international food inflation environment and to examine the competition authority practices of other EU countries.

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