

The actions against price increase of groceries continue, the GVH involved new product categories into its investigation

9 February 2023, Budapest - The Hungarian Competition Authority (GVH) launched new accelerated sector inquiry with dawn raids as targeted measures to identify the distortion of competition in the domestic food supply chains. The Hungarian Competition Authority carried out dawn raids at various market players of the food market.

On 8 February 2023, the Hungarian Competition Authority launched a new accelerated sector inquiry into the market of preserved food products. The reason for the investigation is that the retail price of numerous preserved food products (e.g., canned food and quick-frozen products) have increased sharply, furthermore temporary deficit situations existed. The supply chains of the concerned groceries due to the variety of product groups may differ, however they are multileveled and both domestic and foreign undertakings form part of them. The investigation of the GVH in regards of preserved food products, just as in the case of dairy products, extends to all levels of the distribution chains of the relevant markets and to its competition relations to map whether the competition was distorted or restricted on the retail market of the product scope concerned or on any other level of the value chain.

As the first action to facilitate the decrease of retail prices, an accelerated sector inquiry was launched into the market of milk and dairy products under which collection of data is underway. Since the significant food inflation effects the whole society, the Hungarian Competition Authority [started a series of consultation](#) to be well informed about the processes of the concerned markets and to draw attention of the economic operators to the importance of being compliant with competition law. The phase of information gathering turned into administrative procedures at the begging this year to control whether competition infringement or distortion of competition contributed to the sharp price increases of certain food categories.

During the accelerated sector inquiries, the GVH is empowered by the Competition Act, after receiving a prior judicial warrant, to carry out onsite investigations. The Hungarian Competition Authority needs effective and timely instruments that allows interference to gather the information necessary to identify and handle market concerns. This instrument was granted to the GVH by the legislator as of 7 July 2021. **In the last two days, the Hungarian Competition Authority carried out on-site investigations without prior notification** to gather data from different levels of the distribution chain (from producers, distributors, wholesale, and retail market players).

After the collection of information and the analysis of data, the Hungarian Competition Authority will summarize in its final report the outcome of the accelerated sector inquiries. The Authority has a month time frame to prepare with it, which may be extended in justified cases with a maximum of two months.

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