



GAZDASÁGI  
VERSENYHIVATAL

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THE HUNGARIAN COMPETITION AUTHORITY

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**PRESS RELEASE OF THE GAZDASÁGI VERSENYHIVATAL**

**MAGYAR TELEKOM ABUSED ITS DOMINANT POSITION**

**Magyar Telekom abused its dominant position by setting excessively high wholesale prices for its competitors in its contracts necessary for network access to provide services through the operation of blue and green dial numbers.**

The Competition Council of the Gazdasági Versenyhivatal (Hungarian competition authority) stated in its decision of 6 September 2005 that Magyar Telekom abused its dominant position in the period of 1 July 2004 to February 2005. The abuse consisted of the creation, by contracts entered into by Magyar Telekom as an upstream market player and the partner service providers PanTel and GTS. PanTel and GTS needed to conclude those contracts in order to have network access in connection with the use of the so called coloured dial numbers. The Competition Council ordered Magyar Telekom to negotiate new conditions for the shared financing of interconnection links and to find mutually acceptable solutions to remedy the unlawful situation. In addition to this, the Competition Council imposed a fine of HUF 35 million (Euro 140000) on Magyar Telekom.

Each fixed line service provider has to offer services through blue and green (coloured) numbers to its business subscribers, otherwise the providers would run the risk of losing their market presence. In order to provide this type of service they also have to grant consumers from other networks the possibility to get these coloured numbers which are used by their subscribers. This condition is particularly important as far as the subscribers of Magyar Telekom are concerned since the market share of Magyar Telekom (previously MATÁV) is 80%. Magyar Telekom used this situation to set asymmetric wholesale (access) fees in its contracts concluded with its two aforementioned competitors – in order to grant symmetrical (retail) call fees.

Magyar Telekom charged unilaterally the operating costs of the interconnections links (special devices) used by PanTel on PanTel though Magyar Telekom as a service provider also used these devices.

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