



## **The GVH used an improved methodology to quantify the benefits of its activities**

**Consumers saved at least 97 billion HUF (cca 307 million Euro) in the last 6 years, thanks to the competition supervision proceedings of the GVH (Gazdasági Versenyhivatal - the Hungarian Competition Authority).**

In the period between 2009-2014 the detection of agreements restricting competition, abuse of dominance and merger control resulted in consumer welfare increase that were four times higher than the total budget of the GVH (for the same period and calculated using the same method).

The calculation is based on the **price constraining effect of competition**: the intervention of the GVH in thwarting anticompetitive conducts and mergers saves consumers the additional expenditure that they would otherwise face in the absence of such intervention. The above sum is the result of a conservative estimation which assumes that without the proceedings of the GVH, the goods and services would have been “only” 5-10 per cent more expensive than otherwise and “only” for two years, as a consequence of cartels and other anticompetitive conducts and mergers leading to a significant lessening of competition.

The quantification is in line with the best practices of **leading competition authorities**, and relies on the **OECD guide on ex-ante impact assessment and on the recommendations of the independent experts** who evaluated the methodology of the previous assessment.

Due to methodological restraints the approximation does not take into account the full range of the GVH’s activities – such as the gains achieved from consumer protection proceedings, the deterrence effect of proceedings – consequently, the actual amount saved exceeds the figure shown here, and may even be several times higher. **All in all, the results suggest that the taxpayers’ money devoted to the operating expenses of the GVH has paid off.**

The use of this analysis for comparison may, however, be misleading due to methodological reasons. The present calculation uses – partially on the advice of independent experts – an improved methodology; therefore, its result cannot be directly compared to that of the previous analysis. Nevertheless, according to the results of both assessments the consumer benefits through the activity of the GVH are considerable, and they substantially exceed the social expense of the GVH.

The full analysis of the GVH and further information can be found on the following link (in Hungarian): [http://www.gvh.hu/gvh/elemzesek/tarsadalmi\\_hazon](http://www.gvh.hu/gvh/elemzesek/tarsadalmi_hazon) (the English version is under preparation).

Budapest, 17 June 2015

Hungarian Competition Authority

**Further information:**  
Andrea BASA

**Spokesperson**

Mail: 1054 Budapest, V. ker. Alkotmány u. 5.

Postal address: 1391 Budapest, 62. POB 211

Tel: (+36-1) 472-8902

Email: [basa.andrea@gvh.hu](mailto:basa.andrea@gvh.hu), [press@gvh.hu](mailto:press@gvh.hu)

<http://www.gvh.hu>