



The GVH imposes a fine of HUF 100 million on Husqvarna Magyarország Kft. for fixing the online retail prices of its products

The Gazdasági Versenyhivatal (the Hungarian Competition Authority, GVH) imposed a fine of HUF 111 million (approx. EUR 330 thousand) on Husqvarna Magyarország Kft. because the undertaking, in collaboration with a number of its distributors, unlawfully set the online retail prices of Husqvarna, Gardena and McCulloch brands. No fines were imposed on the concerned online distributors. However, all of the undertakings involved in the proceeding were obliged to adopt measures aimed at preventing similar infringements from occurring in the future.

During its proceeding the GVH established that Husqvarna Magyarország Kft. had provided, in line with the practice prevailing in the concerned industry, the recommended retail prices of its Husqvarna, Gardena and McCulloch brands between 2013 and 2016. This conduct in itself did not constitute a competition law infringement. However, in collaboration with the distributors, the undertaking concerned indirectly set the minimum online prices of its products by also fixing the maximum level of discount that distributors could grant from the recommended prices. These kinds of clauses are considered as particularly serious restrictions of competition, as they ultimately result in increased consumer prices given the fact that retailers are prevented from competing with each other by lowering prices. The prevention of such conducts is considered by the GVH as a priority objective in all sectors of the economy.

Having regard to the role of Husqvarna Magyarország Kft. in the infringement, the size of the group of undertakings, its ownership background, international presence and the level of competition awareness that could be expected based on the foregoing, the GVH considered it necessary to impose a fine on the undertaking. However, taking into account the undertaking's application for leniency and settlement submission, by which it contributed to the rapid conclusion of the GVH's investigation, the level of the fine was reduced significantly (by 75%) compared to the amount that could have been imposed.

While the GVH did not impose any fines on the concerned online distributors, it obliged them to adopt measures in order to ensure compliance with competition rules. Husqvarna Magyarország Kft. also agreed to further develop its compliance programme that it not only contained measures relating to its own organisation, but in the future it also promoted its distributors' compliant behaviour.

Case number: **Vj/103/2014.**

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Hungarian Competition Authority

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