

GVH decision is made in the car refinishing paints agreement

In its proceeding the GVH investigated whether domestic importers of car refinishing paints and undertakings operating damage calculation software for car repair coordinated the price increases of car paints and auxiliary materials and the fee which may be accountable by repair services working under insurance contract. The GVH investigated also whether the Board of Car Polishers (an ad-hoc organisation of the undertakings whose activities is connected to car refinishing works and in which in addition to importers of car refinishing paints also other undertakings like insurers, professional interest organs and settling agents have themselves represented) influenced the level of the average price used for damage calculation software, or limited market access of new potential entrants.

Based on the available information the GVH found that several importer of paints – e.g. ALAMI Kereskedelmi és Ipari Kft., AUTOCOLOR Festégyártó és Forgalmazó Kft, AUTO FINISH Kereskedelmi Kft., Duplakk Kereskedelmi Kft., ERGOLAKK Kereskedelmi Kft., KAMÉLEON MIX Kereskedelmi és Szolgáltató Kft. and SERVIND BUDAPEST Kereskedelmi, Ipari és Szolgáltató Kft. "f. a. " – moreover EUROTAX GLASS'S MAGYARORSZÁG Autóinformatikai Kft. operating the EUROTAX damage calculation software, at least for six years violated the Competition Act by fixing the average price of car refinishing paints for the purpose of damage calculation software higher than the real level.

For most motor vehicle repair works, done under Casco or third-party liability insurances insurance companies and repair shops use “vehicle repair estimating systems” between each other to determine the price of repairs. These systems are developed to calculate the cost of repairing the damages of motor vehicles. Part of the cost of car repairs is the cost of polishing. The average cost of polishing in the repair estimating systems is calculated on the basis of polishing paint-importer’s list prices, that are given to EUROTAX GLASS HUNGARY by the importing companies, and then EUROTAX forwards them to an independent company which estimates the average cost of polishing. However, refinishing-paint importers reduced their prices , in more than 90% of completed sales, by 35-45% compared to the retail price list that they had given to EUROTAX. This means that the list prices provided by importers - to favour repair shops connected to them - were significantly higher than real prices, which distorted the average cost of polishing which was the basis of calculating the cost of repair jobs.

Since the coordinated conducts described above had both anticompetitive objects and effects, the GVH imposed fines as follows:

- ALAMI Kereskedelmi és Ipari Kft.: 17,300,000 HUF (57,700 EUR)
- AUTOCOLOR Festégyártó és Forgalmazó Kft.: 71,200,000 HUF (237,300 EUR)
- AUTO FINISH Kereskedelmi Kft.: 32,700,000 HUF (109,000 EUR)

- Duplakk Kereskedelmi Kft.: 2,100,000 HUF (7,000 EUR)
- ERGOLAKK Kereskedelmi Kft.: 14,300,000 HUF (47.700 EUR)
- EUROTAX GLASS'S MAGYARORSZÁG Autóinformatikai Kft.: 2,800,000 HUF (9,300 EUR)
- KAMÉLEON MIX Kereskedelmi és Szolgáltató Kft.: 35,500,000 HUF (118,300 EUR))

The GVH, due to lack of evidence terminated its proceeding concerning conducts as follows:

- practice aiming to determine polishing price index;
- publication on the website of EUROTAX of price lists of importers supplying data, information on polishing price index for the members of the Board of Car Polishers;
- conduct aiming to coordinate price increases of importers of car refinishing paints;
- conduct aiming to limit the number of undertakings supplying data for calculation of refinishing average costs.