



GAZDASÁGI  
VERSENYHIVATAL

## **The decision of the Curia confirmed the cartel behaviour of road construction companies in Budapest**

**According to the decision of the Curia of Hungary (hereinafter: Curia, previously known as the Supreme Court of Hungary), the road construction undertakings concerned were cartelling with the aim of winning public procurement tenders issued in 2001 and in 2002 and published for road-construction works in Budapest. The Gazdasági Versenyhivatal (GVH - Hungarian Competition Authority) revealed the existence of the restrictive agreements concluded among the eight undertakings in 2005, and imposed a fine of HUF 594 million (approx. EUR 2 million) on them.**

On 25 March 2004, the GVH initiated - ex officio - a competition supervision procedure to clarify whether the undertakings concerned were involved in anti-competitive agreements regarding public procurement tenders (total of 33 projects) issued in 2001 and in 2002 by the Municipality of Budapest.

The GVH established that according to the personal notes and statements of the board members of the undertakings involved in the collusion, the undertakings under investigation had previously allocated the market in a manner which predetermined the tenderer who was to win the tender, and which also involved them agreeing among themselves that preference was to be given to the employment of each other as a subcontractor. Pursuant to the revealed state of affairs, the collusive behaviour of the undertakings in 2001 spread to all - with the exception of two - of the tenders, while in 2002 the undertakings were "only" cartelling in one third of the tenders published.

The GVH established in its decision that the practices of Betonút Rt, Strabag Rt., EGÚT Rt., Alterra Kft., Hídépítő Rt., Mélyépítő Kft., Mota Rt. and Swietelsky Kft were sufficient to restrict competition. The revealed cartel was active regarding the public tenders issued by the Municipality of Budapest in 2001 and in 2002, which were published for 19 road construction works.

According to the legal practice of the GVH, these types of cartels, which directly and fundamentally distort the efficient allocation of resources and which also have a price-raising effect, represent the most fined forms of competition restrictions.

The GVH established that the undertakings committed the infringement and therefore, imposed the following fines on them:

- ▣ Alterra Rt.: HUF 7.2 million (approx EUR 25 thousand)
- ▣ Betonút Rt.: HUF 68 million (approx EUR 233 thousand)
- ▣ EGÚT Rt.: HUF 74.7 million (approx EUR 257 thousand)
- ▣ Hídépítő Rt.: HUF 182.5 million (approx EUR 627 thousand)
- ▣ Mélyépítő Kft.: HUF 32.4 million (approx EUR 111 thousand)
- ▣ Mota Rt.: HUF 29.5 million (approx EUR 101 thousand)
- ▣ Strabag Rt.: HUF 182.6 million (approx EUR 630 thousand)
- ▣ Swietelsky Kft.: HUF 17 million (approx EUR 59 thousand)

In determining the amount of the fine imposed, the GVH took into consideration that the infringement concerned public funds, thus the infringement also affecting the interests of society.

The undertakings concerned brought an action against the GVH's decision but the Metropolitan Court of Budapest dismissed the claim in 2010. Afterwards, the Metropolitan Tribunal upheld the decision of first instance, which was confirmed by the Curia in its final judgement in 2012.

Case number: **Vj-25/2004.**

Budapest, 9 February 2012

Hungarian Competition Authority  
Communication Group

Further information:

Katalin GONDOLOVICS  
Hungarian Competition Authority  
Address: 1054 Budapest, V. ker. Alkotmány u.5.  
Postal address: 1245 Budapest, 5. POB. 1036  
Tel: (+36-1) 472-8902  
Email: [sajto@gvh.hu](mailto:sajto@gvh.hu)  
<http://www.gvh.hu>