



The GVH has imposed fines of over HUF 1 billion on eleven undertakings engaged in a cartel on the stationary products market

The Hungarian Competition Authority (Gazdasági Versenyhivatal – GVH) found in its decision of 12 December 2013 that six stationary distributor undertakings had concluded strategic cooperation agreements and that eleven undertakings had taken part in discussions in which they agreed to share the market and concert their prices in relation to tenders for supplying stationaries. The GVH imposed fines amounting to a total of HUF 1 003 600 000 (EUR 3 345 300) on eleven undertakings.

In the course of its proceedings the GVH established that between 2008 and 2011 eleven stationary distributor undertakings had taken part in discussions in which they agreed to share the market and concert their prices in relation to a total of 19 tenders (including several public procurements); this is primarily supported by written evidence, especially in the form of e-mails, which came into the possession of the GVH in the course of its dawn raids.

In addition to the collusive behaviour concerning the single tenders, the (primarily written) evidence (strategic documents, e-mails) in the possession of the GVH also revealed that in 2008 Budapiért Zrt., Gyárt-ker Kft., I-COM Iroda-Kommunikáció Kft., ITV Albatech Kft., Papirosz Kft. and Medi-Print Kft. had concluded a strategic cooperation agreement aimed at coordinating prices, market-sharing and exchanging information qualifying as business secrets. According to the agreement the aim of the undertakings was to uphold the status quo in relation to the public procurements and tenders and to increase their market shares. To realise this latter aim, namely, to increase their market shares, the undertakings in question discussed whether they should enter into certain tenders; furthermore they also exchanged information on the details of the tenders they entered into.

In 2009 Budapiért Zrt., Gyárt-ker Kft. and ITV Albatech Kft. also took part in trilateral discussions aimed at market-sharing.

The following fines were imposed on the single stationary distributors:

- Budapiért Zrt. HUF 274 200 000 (EUR 914 000);
- Gyárt-ker Kft. (under liquidation) HUF 600 000 000 (EUR 2 000 000);
- I-COM Iroda-Kommunikáció Kft. HUF 33 000 000 (EUR 110 000);
- Papírbázis Kft. HUF 25 900 000 (EUR 86 300);
- Papirosz Kft. HUF 33 500 000 (EUR 111 600);
- ITV Albatech Kft. HUF 16 200 000 (EUR 54 000);
- REGÁL Kft. HUF 1 800 000 (EUR 6 000);
- Medi-Print Kft. HUF 9 200 000 (EUR 30 600);
- Active Office Kft. HUF 1 000 000 (EUR 3 300);

- Leporelló-3D Termelő és Szolgáltató Kft. HUF 2 500 000 (EUR 8 300);
- SCHWABO Zrt. HUF 6 300 000 (EUR 21 000).

In setting the level of the fines it was determinant that price-fixing and market-sharing qualify as hard-core cartels and that by their illegal conduct the undertakings had restricted competition to a considerable extent. When assessing the single illegal tenders the GVH took into account the joint market shares of the undertakings; furthermore the GVH considered it an aggravating factor if the conduct of the undertakings related to public procurement and if the illegal collusion resulted in actual effects on the market.

The so-called hard-core restrictions which are performed in secret are considered to be the most serious forms of agreements restricting competition. These agreements concern the direct or indirect fixing of purchase or selling prices between competitors, market-sharing by competitors (including collusions on tenders) or the setting of production or selling quotas. Consequently, such agreements are not subject to exceptions and cannot be exempted. Agreements and concerted practices relating to public procurement or concession procedures also qualify as such hard-core restrictions.

The GVH terminated its proceedings against BARÁT Papír Kft., PAPIR-PONT Kft., Irodatechnika Kulcs Kft. and SHV Holding Zrt. because the evidence obtained in the course of the proceedings did not allow the existence of an infringement of the Competition Act to be found. Furthermore, the GVH also terminated its proceedings in relation to the conducts committed before 2008.

The public version of the decision is available on the website of the GVH in Hungarian.

Case number: **Vj-43/2011.**

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Hungarian Competition Authority

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