

Pro-active cartel detection: a Hungarian example

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Hungarian „inventory” of pro-active methods



- education and outreach (internal/external)
- liaison with other authorities (police, national customs organs, public procurement institutions & international relations – mainly via the ECN)
- analysis of previous cartel cases: construction industry, insurance sector, IT procurements
- analysis of other competition work: has not yet brought results
- monitoring of industry activity: SIs into certain sectors of the economy: resulted mainly in advocacy actions but not in cartels detected
- monitoring media, trade press and Internet: there is an internal press monitoring system, which has already resulted in cartel case initiations
- anonymous attendance: has been tested and resulted in one case so far
- use of economic analysis: the post of Chief Economist has been established, real work aiming at cartel detections by using economic tools has just begun
- follow-on investigations from leniency – does not work in practice in HUN
- tracking of individuals: via thorough analysis of the company registry

The Competition Culture Centre (CCC) at the GVH and its operation



- **Competition culture: 3rd pillar of the GVH's activity**
- **Established in 2005**
- **Role of the CCC**
 - to raise public awareness of competition,
 - dissemination of knowledge about competition policy,
 - contribution development of competition-related legal and economic activities
- **Institutionally: a specialised unit within the GVH**
- **Financed by a special fund**
(ten per cent as a maximum of the annual average of the total amount of fines collected in the previous two years)

The target audience: very broad

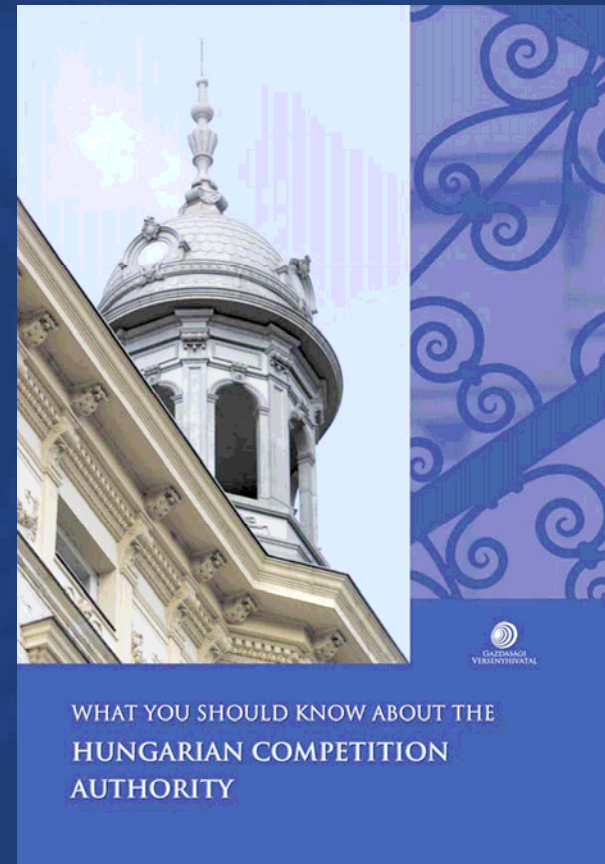
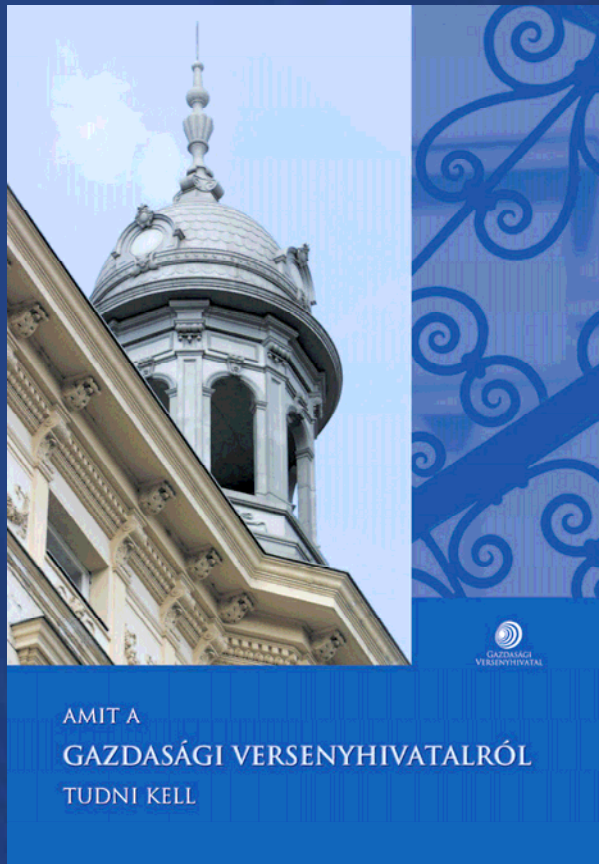


- decision-makers engaged (including MPs),
- public administration employees,
- theoretical experts and researchers,
- small and medium-sized enterprises,
- NGOs having role in the development of competition culture and information supply to consumers,
- tutors of higher education institutions, dealing with/interested in competition law or competition-related economic analysis;
- teachers and students in primary and secondary education,

How does the CCC participate in fight against cartels?

- organisation of professional events (Conference on Cartels),
- professional cooperation (e.g. discussion of leniency policy changes, informant award scheme with the Association of Hungarian Competition Lawyers),
- supporting the activity of civil consumer protection organisations aiming at development of a more awareness decision-making culture of consumers,
- supporting researches on cartel-related matters,
- thesis-competition for university students,
- ex-MP involvement into the education/outreach activity
- in 2010: focus on anti-cartel activities
 - international conference in the autumn of 2010,
 - series of professional meetings with CEOs, internal auditors, officials dealing with public procurement ...,
 - series of leaflets

What should you know about the Hungarian Competition Authority



9th Annual Conference of the International Competition Network – Cartel WG BOS 4
27-29 April 2010, Istanbul

Prohibition on restrictive agreements



Incriminating signs for bid-rigging



AZ AJÁNLATTEVŐK
VERSENYTÁRGYALÁSON VALÓ
ÖSSZEJÁTSZÁSA ÉS ANNAK
GYANÚT KELTŐ JELEI



9th Annual Conference of the International Competition Network – Cartel WG BOS 4
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Rights of the GVH in the case of un-announced inspections



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Police / GVH cooperation in the proceedings of the GVH



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Private enforcement of competition law



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A recent CCC action (plan)



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- information campaign towards businesses / interest groups about the harms of cartels in general, plus informants' award
- informants' award scheme (although reactive method):
 - from 1 April 2010
 - for natural persons
 - who provide written evidence
 - that qualifies as indispensable
 - for establishing price fixing, market sharing, collusive tendering, limiting/controlling production
 - amount: 1 percent of the fine imposed (max. HUF 50 million – Euro 185 thousand)
 - not available for leniency applicant's legal representatives



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**The GVH's website:
www.gvh.hu**

Thanks for your attention!