

The Turkish Competition Board Decided to Launch a Full-Fledged Investigation against 29 Undertakings Active in the Production and Trade of Food And Cleaning/Hygiene Products

Authors: Gönenç Gürkaynak, Esq., Öznur İnanılır, Esen Ergül and Cansen Erensoy of ELIG Gürkaynak Attorneys-at-Law

As the Covid-19 pandemic continues its effects around the world, in line with the Turkish Competition Authority's ("**Authority**") previous public announcement and the press release of the President of the Turkish Competition Board ("**Board**") signalling that the Authority has been monitoring and prioritizing the anti-competitive conducts, specifically the price increases in the food markets, particularly fresh fruits and vegetables market during the Covid-19 outbreak, it has been announced at the Authority's official website that the Board has decided to launch an investigation against 29 undertakings, including chain markets on May 7, 2020 following an analysis carried out for approximately one month.¹

To provide a brief background, the Authority had published an announcement related to the excessive price practises in the food markets, particularly fresh fruits and vegetables market during the Covid-19 outbreak on its official website on March 23, 2020 and indicated that the Authority will continue to monitor these price increases by also pointing out to the maximum administrative monetary fines for any conduct that distorts competition, especially in these tough times.² Subsequently, the press release of the President of the Board, Mr. Birol Kule had been also published at the official website of the Authority on March 25, 2020.³ The press release refers to the previous public announcement by indicating the concerns that it has not been well-adopted by the actors in the food market and the Authority's scrutiny over the market where it has been observed that there are no price increases on the production level (*i.e.* farms and greenhouses), no decrease in demand, no increase in the costs including the fuel, storage and labour, which would require such price increases in the food markets. The press signalled that these practices will be prioritized and sanctioned and indicated that the

¹ See, <https://www.rekabet.gov.tr/tr/Guncel/aralarinda-zincir-marketlerin-de-bulundu-8828c79f5f90ea11811a00505694b4c6>.

² See, <https://www.rekabet.gov.tr/tr/Guncel/kamuoyuna-duyuru-3b18d865266dea11811700505694b4c6>

³ See, <https://www.rekabet.gov.tr/tr/Guncel/rekabet-kurumu-baskani-birol-kule-nin-ya-19def560896eea11811700505694b4c6>

Board will adopt a zero-tolerance policy for the ones who take advantage of such crisis in an effort to maintain the competitive landscape.

Approximately a month later than the relevant press release, it has been announced at the Authority's official website on May 7, 2020 that the Board decided to launch a full-fledged investigation against 29 undertakings, including chain markets, in order to determine whether they have violated the Law No. 4054 on the Protection of Competition ("**Law No. 4054**"). The investigated undertakings are active in the production and trade of food and cleaning/hygiene products. A full list of those is as follows:

- A.S. Watson Güzellik ve Bakım Ürünleri Tic. A.Ş.
- Banvit Bandırma Vitaminli Yem San. A.Ş.
- BİM Birleşik Mağazalar A.Ş.
- Beypi Beypazarı Tar. Ür. Paz. San. Tic. A.Ş.
- CarrefourSA Carrefour Sabancı Ticaret Merkezi A.Ş.
- Colgate-Palmolive Temizlik Ürün. San. ve Tic. A.Ş.
- Çağrı Gıda Temizlik Maddeleri İnşaat Sanayi ve Ticaret A.Ş.
- Dalan Kimya End. A.Ş.
- Dentavit Sağlık Ürünleri Tic. Ltd. Şti.
- Eczacıbaşı Tüketim Ürün. San. ve Tic. A.Ş.
- Evpaş Evyap Paz. ve Tic. A.Ş.
- Gratis İç ve Dış Tic. A.Ş.
- Johnson and Johnson Sıhhi Malzeme San. ve Tic. Ltd. Şti.
- Karizma Beşler Et Gıda Sanayi Ve Tic. A.Ş.
- Katmer Un İrmik San. ve Tic. A.Ş.
- Küçükbay Yağ ve Deterjan Sanayi A.Ş.
- Migros Ticaret A.Ş.
- Metro Grosmarket Bakırköy Alışveriş Hizmetleri Tic. Ltd. Şti.
- Nestle Waters Gıda ve Meşrubat San. ve Tic. A.Ş.
- Nivea Beiersdorf Kozmetik San. ve Tic. A.Ş.
- Procter & Gamble Tüketim Malları San. A.Ş.
- Savola Gıda ve San. Tic. A.Ş.

- Söke Değirmencilik San. ve Tic. A.Ş.
- Şok Marketler Ticaret A.Ş.
- Türk Henkel Kimya San. Ve Tic. A.Ş.
- Unilever Sanayi ve Ticaret Türk A.Ş.
- Yeni Çağdaş İhtiyaç ve Gıda Maddeleri İnş. Tic. Ltd. Şti.
- Yeni Mağazacılık A.Ş.
- Yunus Market İşletmeleri Ticaret A.Ş.

By referring to the previous announcements of the Authority regarding the price increases and certain market distortions within the supply chain since the beginning of the Covid-19 outbreak, further to an analysis carried out for approximately one month, the Board's decision has been rendered based on the fact that particularly excessive pricing conducts of some of the undertakings engaged in the production and trade of food and cleaning/hygiene products could be significantly in the nature of violating the competition law. The announcement also indicates that the pandemic process being coinciding with Ramadan is highly likely to be one of the factors triggering the Board's decision

The announcement also takes note that considering the Board's approach within this process, it could be expected that the investigation will progress relatively quicker than the usual investigation process.

Article contact: Gönenç Gürkaynak, Esq.

Email: gonenc.gurkaynak@elig.com

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