



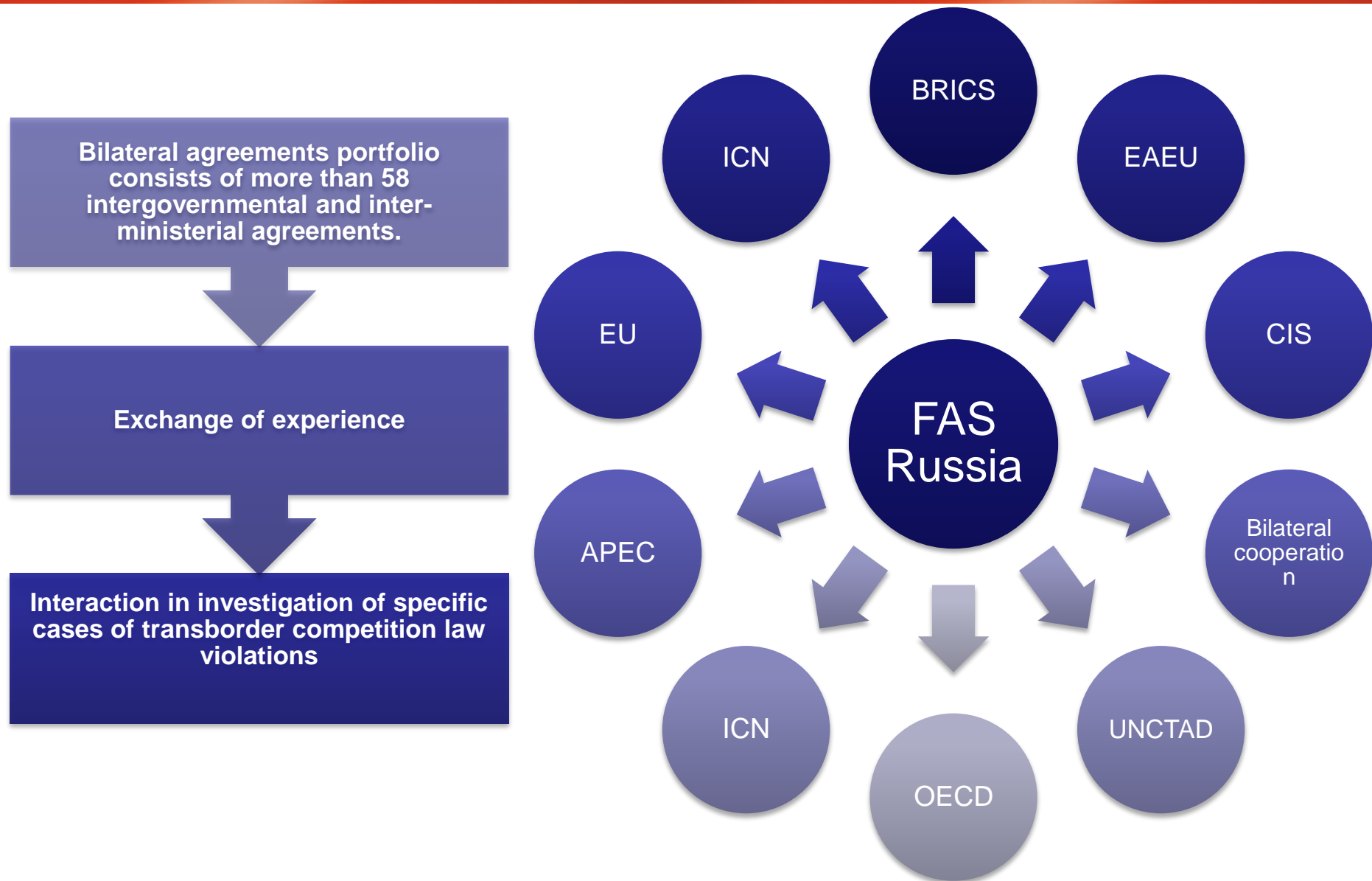
Federal Antimonopoly Service

Cooperation between Competition Authorities within the framework of the CIS and the Eurasian Economic Union

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*25 April 2017
Paris, France*

Direction of FAS Russia's International Activities



Cooperation within the framework of the CIS

The Interstate Council for Antimonopoly Policy (ICAP)

Headquarters for Joint Investigations of the Violations of the Antimonopoly Legislation in the CIS Countries

International Working Group for Research of Competition Issues in the Market of International Telecommunications (Roaming)

The Working Group on Investigating Issues on Pricing in the Oil and Oil Product Markets and Methods of their Functioning

The Working Group for Research on the Competition Issues in the Pharmaceutical Sector

The Headquarters – effective form of joint work

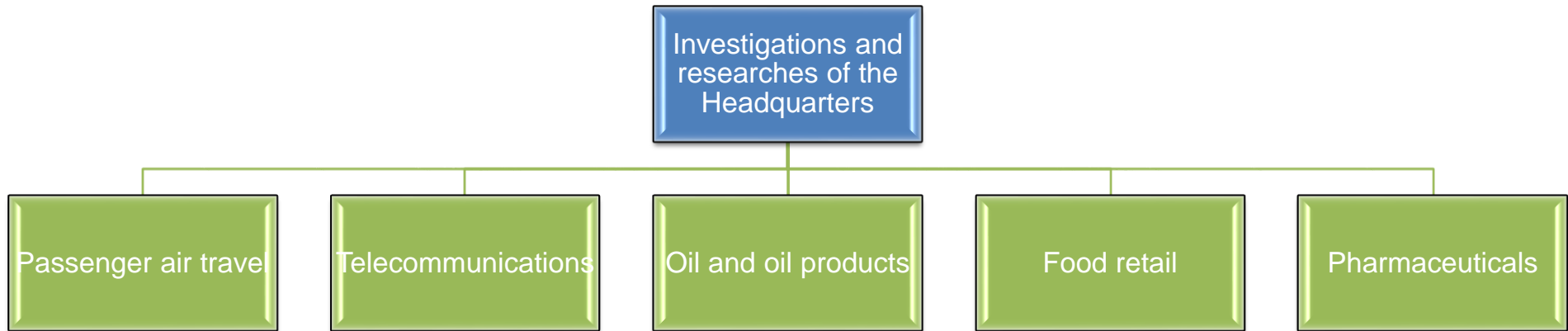
2006 – Establishment of the Headquarters for Joint Investigations of the Violations of the Antimonopoly Legislation in the CIS Countries

Main goal of the Headquarter – identification of competition issues on the markets of social importance and infrastructure, successful functioning of which ensures effectiveness of the CIS economic integration development



The Headquarters – effective form of joint work

- During the 10 years of work of the Headquarters , several researches on the markets of social importance (telecommunications, aviation, food retail, oil and oil products, pharmaceuticals, etc.) were conducted, the results of 5 researches were approved by the CIS Heads of Government Council.
- Findings and recommendations of all market researches are being used in practice of competition authorities of the CIS Member States.



Competition on air transportation

Further liberalization of domestic and international air transportation

Removal of restrictions, imposed by the agreement on air communication

The Rules on non-discriminatory access of natural monopolies to airports

Development of competition in ground handling operation

Setting of unified policy in the markets of aviation fuel and jet fuel distribution

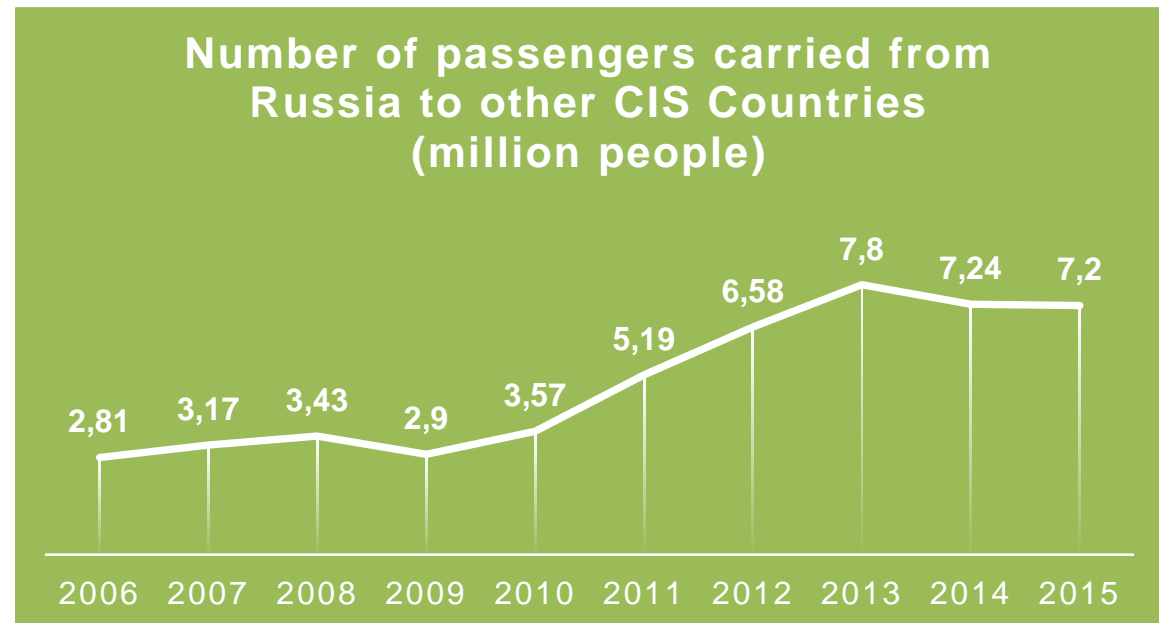
Provision of transport availability like to developed nations

Competition on the Air Passenger Markets, 2006-2008

Research Competition on the Air Passenger Markets on the State of in the CIS Member States was prepared. For the first time, the issue of coherent liberalization of international aviation was raised. **As a result, the Report on the State of Competition on the Air Passenger Markets in the CIS Member States was prepared.**

The report on the research results was approved by the CIS Heads of Government Council on 14 November 2008

Liberalization of air services and development of competition ensured the growth of air transport volume in the CIS Countries, that **reached 2.7 times for three next years only.**



On the basis of research, the Report «On the State of Competition on the Telecommunications Markets in the CIS Member States» was prepared and approved by the CIS Heads of Government Council on 19 November 2010 in Saint Petersburg (Russian Federation).

For the first time, within the framework of this research, **joint investigation** was introduced as a new form of cooperation between competition authorities, which led to markedly improved efficiency of competition law enforcement.

Work in this direction was continued within the framework of the International Working Group for Research of Competition Issues in the Market of International Telecommunications (Roaming) (co-chaired by the competition authorities of Turkey and Russia).

Within the framework of conducted analyses of market situation, evidences of antimonopoly law violation in setting tariffs for communications services in roaming were detected.

The competition authorities of Russia and Kazakhstan conducted joint investigations against dominant mobile operators within national legislation, that were completed in October 2010.

Results of measures taken for competition development on the market of telecommunications

The International Roaming Working Group (*co-chaired by CA of Turkey and Russia*) established:

- 🕒 **Interaction between regulators and operators, that determine The Fair Roaming Principles;**
- 🕒 **The “Road Map” for implementation of measures aimed at enhancing competition and lowering of tariffs in roaming.**

2010 – 2016

Reduction of inter-operator tariffs from 4 (voice) to 8 (data) times

Growth in service volumes (for the period 2010-2014)

Voice – to 322%

SMS – to 88%

Data – to 509%

Reduction of tariffs for subscribers:

Voice - to 9 times

SMS – to 3 times

Data – to 160 times

Effective interaction of regulators and businesses

The report «On the State of Competition on the Food Retail Market in the CIS Member States» was prepared and approved by the CIS Heads of Government Council on 28 September 2012.

The findings of the research, support the need for:

- ④ - achievement of a balance of retailers' and suppliers' interests;
- ④ - development of existing legislation;
- ④ - competition authorities to regulate the retail sector actively.



In 2011, the International Working Group on Investigating Issues on Pricing in the Oil and Oil Product Markets and Methods of their Functioning (co-chaired by CA of Austria and Russia; representatives of competition authorities from 20 countries) was established.

- ④ Issues of pricing on relative markets, including the relationship between the international and national market prices;
- ④ Methods of monitoring and analysis of wholesale and retail markets of oil and oil products;
- ④ The experience and methods of application of competition law on oil and oil products markets were studied;
- ④ The Russian experience of creation of commercial infrastructure on oil and oil products markets was studied; the development of spot exchange, as well as registration of actual off-exchange transactions at the exchange;
- ④ Recommendations for developing competition on oil and oil products markets were elaborated;
- ④ The report on the results of research was approved by the CIS Heads of Government Council.

OECD Committee session, February 2013, Paris



Joint report on results of activities and initiatives of the Oil Working Group was presented by the FAS Russia and the Austrian Federal Competition Authority

UNCTAD session, July 2013, Geneva



The results of the research were highly appreciated by the Organization for Economic Cooperation and Development (OECD) and UN Conference on Trade and Development (UNCTAD);



The booklet entitled «The International Working Group on Investigating Issues on Pricing in the Oil and Oil Product Markets and Methods of their Functioning: results, tasks and development strategy» was published in both Russian and English and included materials and documents accumulated as a result of the Working Groups' activity.

Международная рабочая группа
по исследованию вопросов ценообразования
на рынках нефти и нефтепродуктов
и способов их функционирования:
ИТОГИ, ЗАДАЧИ,
СТРАТЕГИЯ РАЗВИТИЯ

The International Working Group
on Investigating Issues on Pricing in the Oil
and Oil Product Markets
and Methods of their Functioning:
RESULTS, TASKS
AND DEVELOPMENT STRATEGY

The Working Group, October 2012, London, Great Britain



The Session was dedicated to the issues of pricing at the world markets and influence of world prices on the wholesale prices in the domestic markets of oil and oil products.

The Session was attended by the representatives of the Antimonopoly Authorities of Austria, Germany, Great Britain, Portugal, and Russia.



Russian crude oil futures

Implementation of Russian crude oil futures project will allow to create a transparent exchange mechanism for determining fair prices for Russian oil and to move away from current dependence on "assessments" practices, susceptible to price manipulation



- Detailed project implementation plan approved;
- Common General terms of delivery under the deliverable futures contract agreed with Russian oil companies;
- Rules of Trading and Access, Contract Specifications developed;
- Exchange, Clearing house and technical infrastructure in place;
- Start of trading – Q4 of 2016.

The research was undertaken with consideration of the findings acquired by the International Working Group for Research on the Competition Issues in the Pharmaceutical Sector (co-chaired by the competition authorities of Italy and Russia).

- ④ The state of pharmaceutical markets in the CIS member states was performed;
- ④ The problems of circulation of drugs in the CIS member states (the drug interchangeability, relationship between pharmaceutical companies and the medical community, public procurement of drugs, public access to drugs, etc.) were considered;
- ④ Issues of pricing for pharmaceuticals and state regulation of prices were examined;
- ④ Issues relating to the development of competition on the pharmaceuticals markets in the CIS member states (registration of drugs, licensing of pharmaceutical activity, standards of production, quality control, etc.) were analyzed;
- ④ International experience in developing competition on the pharmaceuticals markets was taken into account;
- ④ The report on the results of research was approved by the CIS Heads of Government Council.

Recent activities of the Headquarters



Research on Competition on the Markets of Housing Construction in the CIS Member States



Research on Competition on the Markets of Row Materials in the CIS Member States



Research on Competition in Granting the State Aid in Agriculture in the CIS Member States

Cooperation in conducting researches on markets

International Aviation Committee

(Memorandum on Cooperation between the International Aviation Committee and the Interstate Council for Antimonopoly Policy was signed on December 16, 2009)



Regional Commonwealth in the field of Communications

(Memorandum on Cooperation between the Regional Commonwealth in the field of Communications and the Interstate Council for Antimonopoly Policy (ICAP) was signed on April 12, 2017)

Non-Profit Partnership for Competition Support

(Cooperation agreement between the Interstate Council for Antimonopoly Policy and the Non-Profit Partnership for Competition Support was signed on 25 November 2010)

НЕКОММЕРЧЕСКОЕ ПАРТНЕРСТВО
СОДЕЙСТВИЕ РАЗВИТИЮ КОНКУРЕНЦИИ
В СТРАНАХ СНГ

The Treaty is signed on May 29, 2014 in Astana.

In the EAEU's framework, the freedom of movement of goods, services, capital and workforce is ensured together with carrying out a coordinated, consistent and united policy in the economic sectors.

EAEU Member States are the Republic of Armenia, Republic of Belarus, Republic of Kazakhstan, Republic of Kyrgyzstan and Russian Federation.

The EAEU is established for the purposes of comprehensive modernisation, co-operation and increase of competitiveness of national economies, as well as the creation of conditions for stable development to improve the level of life of the Member States citizens.



The Eurasian Economic Union started functioning in 2015!

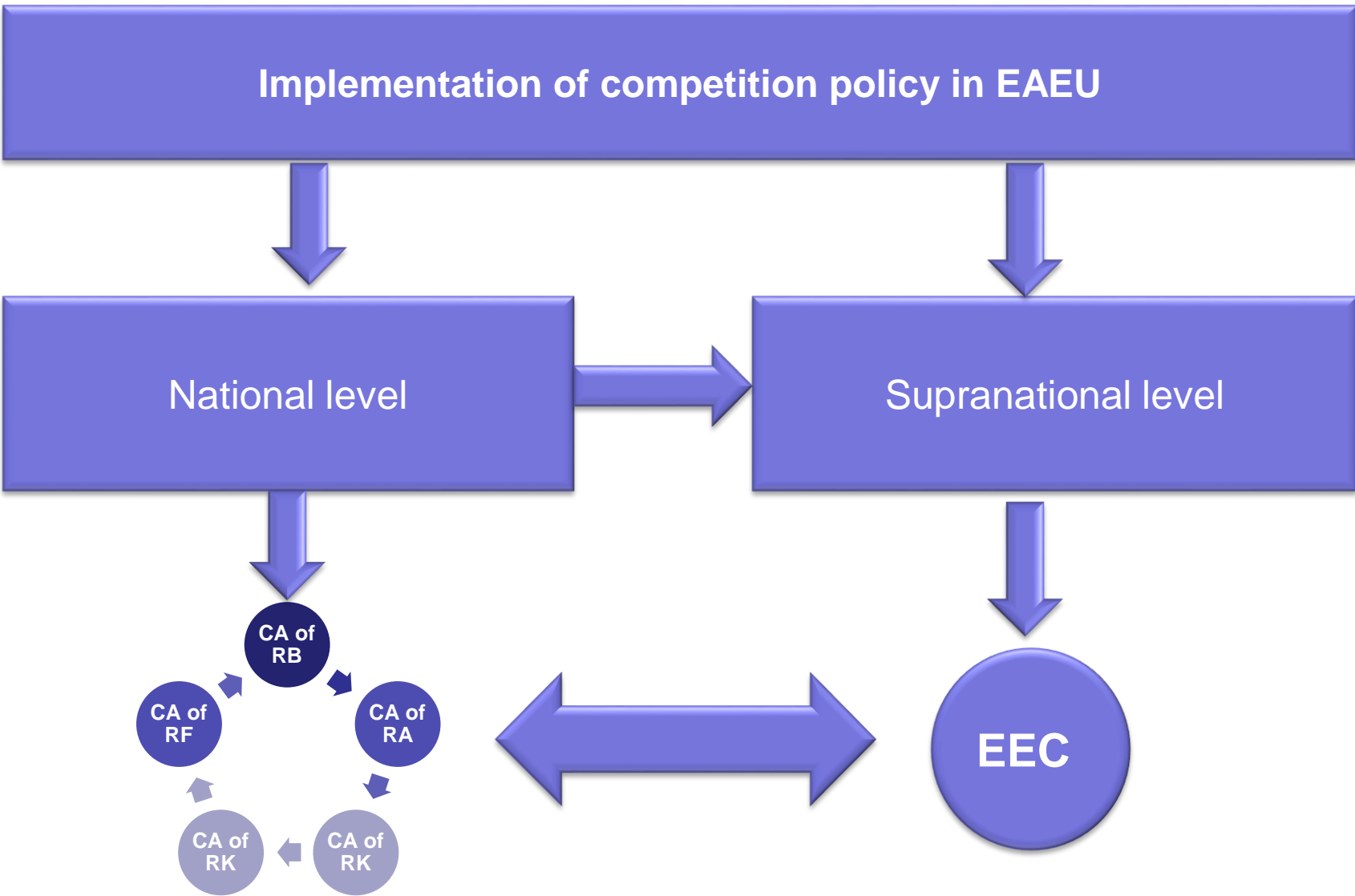
The Treaty has codified the agreements concluded earlier which included the issues of functioning of:

The Customs Union – customs regulation, trade policy vis-à-vis third countries, sanitary, veterinary and phytosanitary measures;

Single Economic Space – issues of competition policy and natural monopolies, state & municipal procurement, macroeconomy, monetary policy, currency policy, labor migration etc.



Competition Policy in EAEU



Delimitation of powers of Eurasian Economic Commission and national antimonopoly authorities



Eurasian Economic Commission

Violations on transborder markets
(excluding financial markets)

Actions on a transborder market – geographic boundaries cover the territory of two of more EAEU Member States; different criteria for unfair competition, anticompetitive agreements, abuse of dominance depending on the place of location of companies or a transborder market share

Criteria for defining markets as transborder

Approved by the Decision of the
Supreme Eurasian Economic Council of
December 19, 2012 No, 29

National antimonopoly agency

Violation on markets not falling under
the category of transborder

Direct influence of anticompetitive practices on a country's territory; complainant and violator are located on the territory of the same state; violator is a resident of a state out of the EAEU, antimonopoly control out of common competition rules (action of public authorities, M&A etc.)

Interaction of National Competition Authorities

Co-operation during enforcement presents the opportunity of using resources more efficiently.

The main condition is a mutual interest of competent authorities in their interaction.



The information and documents provided in the framework of the interaction are confidential and can be used uniquely for the purposes envisaged by the Agreement!

Use and transfer of the information to third parties for other purposes are possible only upon a written permission of the Member State competent authority who has provided it.

Interaction of Member States competent authorities is carried out by central bureaus of Member States competent authorities!

Thank you for your attention!



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