



Federal Antimonopoly Service

Competition Policy and Globalization

Stats-Secretary-Deputy Head of the FAS Russia

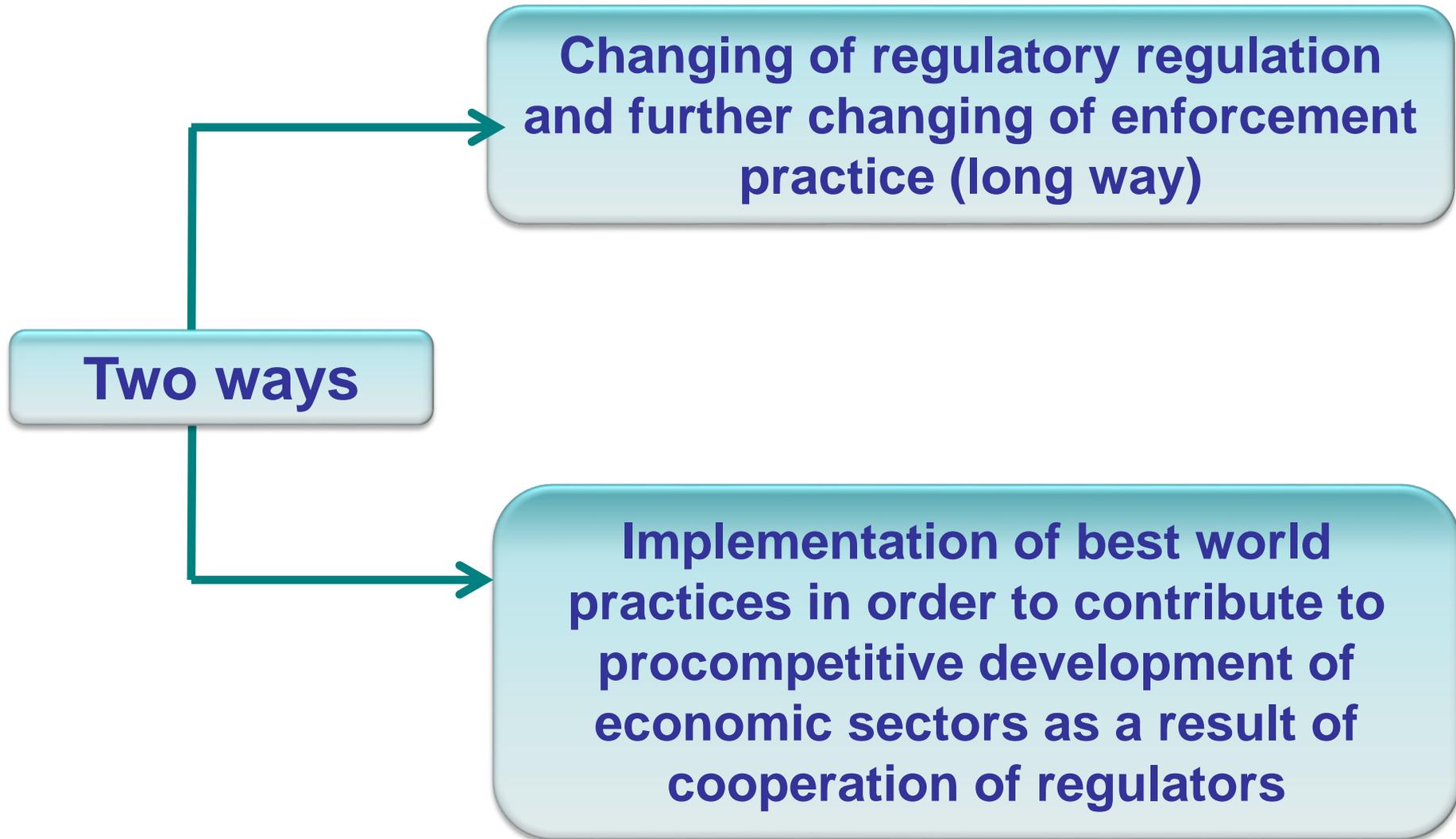
Andrey Tsarikovskiy

Cape Town, 6 October 2016

The FAS Russia works actively on realization of the key decisions, which change production relations in entire economic sectors.

The FAS Russia made decisions, which changed situation on the oil products, air transport, telecommunicative and metallurgy markets and on many others.

However, there are still sectors, which require further procompetitive development



Codes of Good Practices (Russian experience)

2012

**Code of good business practices
between retail chains and consumer
product suppliers**

2013

**Code of Conduct of Automobile
Manufacturers**

2016

**Code of Good Practice in the
Pharmaceutical Industry**

Code's aims:

- ✓ Formation of practices of cooperation, based on the fair principles, while concluding and fulfilling the contracts between the suppliers and retail chains;
- ✓ Increase of efficiency of cooperation between the retail chains and suppliers and optimizing of expenses on entire supply chain;
- ✓ Creation of conditions for respecting the ethic rules of usage of the market power;
- ✓ Cooperation in meeting the requirements of buyers considering high-quality products;

Competitive food policy in Europe is conducted in accordance with the statements of the White paper of food security and Guidelines 2001/95/EU

Implementation of the Code led to:

- ✓ Provision of non-discriminatory access to the automobiles and spare parts;
- ✓ Strengthening of competition between suppliers of special equipment and materials for dealers;
- ✓ Reduction of barriers to access the market by the means of formation of transparent procedures of the dealers' choosing;
- ✓ Strengthening of competition between authorized and non-authorized service centers;
- ✓ Decreasing of numbers of violations of the antimonopoly legislation.

The competitive behavior of the automobile manufacturers in Europe is conducted in accordance with the order of the European Commission No.330/2010 and No. 1400/2002.

Code of Good Practice in the Pharmaceutical Industry

April 19, 2016 the Code of Good Practice in the Pharmaceutical Industry was signed.

The implementation of the Code is aimed to:

- ✓ Provide nondiscriminatory access to the drugs;
- ✓ Strengthen the competition between the pharmaceutical manufacturers;
- ✓ Decrease the number of the violations of the antimonopoly legislation.



The FAS Russia proposes to distribute the positive experience on implementation of the best world practices on procompetitive development of the sectors within the framework of the integration associations.

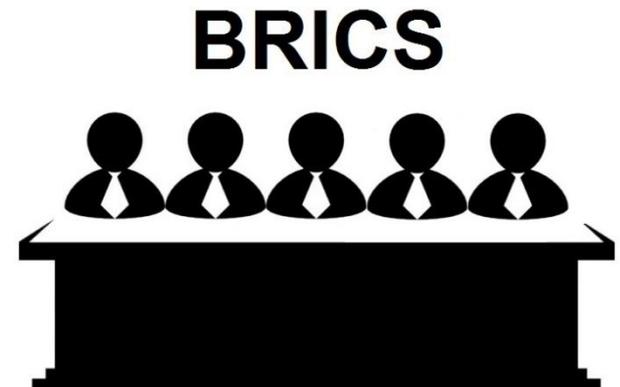
May 19, 2016 in Saint-Petersburg within the Saint-Petersburg Legal Forum the Memorandum on Cooperation between the BRICS countries was signed.

The Document foresees the opportunity of:

- ✓ Organization of coordinative work in the format of the Working Groups on Research of different competition issues in economic sectors;
- ✓ Interaction of countries on exchange of legal and enforcement experience in the competition field;
- ✓ Organization of joint investigations;
- ✓ Participation in joint international events.

The BRICS countries' and antimonopoly Authorities' representatives invite to attend the meetings the Heads of the largest transnational corporations to limit the unfair practices and to develop the best practices for the convenience of the countries' interests.

- ✓ WG on Automotive Sector
- ✓ WG on Pharmaceuticals
- ✓ WG on Energy Suppliers
- ✓ WG on Food



Aim: *To encourage foreign companies to comply with fair rules of the game on the both BRICS and national markets.*



FAS Russia initiated the development of the international Convention on the fight against cartels and the International Organization for combating cartels (alternative to Interpol)

Discussion of the Convention in the BRICS

B R I C S



Entrance to the UN

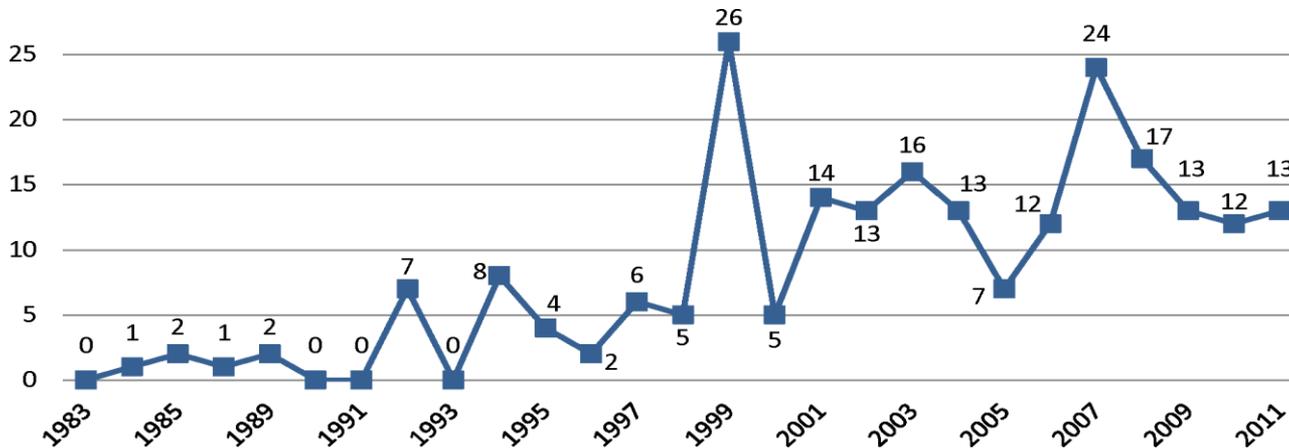


- Cartels are recognized as the most serious violations of competition law in most jurisdictions worldwide and, as a rule, cartels are to be prosecuted criminally;
- Due to the globalization of economic processes, the cartels frequently go international and have a negative impact on the development of the economies in several countries.

Cartel - a dangerous economic crime

An international cartel is an anticompetitive agreement between competing companies that carry out their illegal activities in at least two countries.

Since 1990, the total number of cross-border cartels discovered in the world has increased significantly*.



* *The Private International Cartels (PIC) Data Set: Guide and Summary Statistics, 1990-2013.* John M. Connor, Professor Emeritus, Purdue University, W. Lafayette.

FAS Russia has experience in the investigation of anti-competitive agreements and actions, including the experience of international cooperation in the investigation of:

- ✓ Cartel of Norwegian fish suppliers;
- ✓ Cartel of Vietnamese fish suppliers.

LINER SHIPPING

In 2015, FAS Russia found the world's largest liner shipping companies guilty of concerted action

On September 7, 2016, Russian court approved the decision of the FAS Russia



- defendants in the case - 10 companies from a variety of jurisdictions, including Russia, Asia and Europe;
- the geographic boundaries of the market cover the administrative borders of the 12 states;
- a wide range of consumers, whose activity is related to the import and export of goods (consumer goods, raw materials, equipment, containers, etc.);
- the harmful effect of anti-competitive behavior on macro-economics.

Effective investigation and information collection on such a global market is challenging without coordinated actions of antitrust authorities from several countries.

A similar investigation was carried out by the European Commission and the Chinese competition authority. However, it is impossible to establish effective exchange of information and coordination of activities due to the lack of an international legal framework.

FAS Russia has revealed gaps in the international legal regulation of the relations connected with counteraction to international cartels:

- unresolved issues of cooperation between the states in the investigation of international cartels;
- unresolved questions of bringing members of international cartels to justice.

- ✓ Development of international legal instruments to combat the cartels;
- ✓ Harmonization of legal terms, in particular, the definition of "cartel";
- ✓ Determination of common mechanisms for cartel punishment;
- ✓ The improvement / creation of new mechanisms of cooperation in cartel investigations, including joint audits and exchange of confidential information;
- ✓ Delimitation of the territorial national jurisdictions;
- ✓ The balance of global and national interests

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