

**Speech of Mr. Igor Artemiev, the Head of the FAS Russia, on the Opening  
Ceremony of 15<sup>th</sup> session of Group of Experts on Competition Law and Policy  
of UNCTAD**

First of all let me thank you Mr Valles and you Mr Reiter for the invitation and opportunity to deliver my speech here, at the Opening Ceremony of the fifteenth session of the Intergovernmental Group of Experts on Competition Law and Policy of UNCTAD. We appreciate a lot our long cooperation and we are always pleased to return back here, to this global platform to discuss the issues that have a huge importance for development of national and international competition systems, to exchange views, to learn from our foreign colleagues.

We think that UNCTAD as an international organisation has done a lot and continues to do for the development of competition authorities all over the world, and Russia is not an exception in this regard.

25 years ago Russia stepped on the way of transition from the centralised planned economy to the market economy. At that difficult time for Russia we did not have neither competition legislation nor understanding of how to regulate our economy at the time of the greatest transformations. An absolutely prioritised task for us was elaboration of antimonopoly legislation for resisting the economic chaos that has been ruling in our country for several years.

It became clear that we should rely on some key principles that at that moment had been established at the international level and that we were lacking so much. The most important document that became a base for the Russian antimonopoly legislation at that time and for the following years of its constant amendment and improvement was the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices elaborated at UNCTAD in 1980. Another document which we relied on was the UNCTAD Model Law on Competition.

It is the principles established by this Set that have been fundamental for the Russian antimonopoly regulation up to this moment, i.e. equality of all the ownership forms under the law, effective regulation, independence of competition authority, fair punishment for violation of antimonopoly legislation, respect of commercial secret, strengthening international cooperation.

We have always expressed our commitment to these principles elaborated at the UNCTAD and we will continue following them in the future while further improving our national competition legislation for the sake of all our country's citizens.

In its turn, the Russian Federico has become an active participant of the process of enhancing UNCTAD Rules on competition in the framework of Groups of Experts and regular Conferences. We hope, that our experience and knowledge are useful for achievement of our common goal.

We are also aware that UNCTAD in the course of its whole existence pays a great attention to the work with regional groups. In accordance with point 1.1 of Section C of the Set "appropriate action in a mutually reinforcing manner to eliminate, or effectively deal with, restrictive business practices, including those of transnational corporations, adversely affecting international trade, particularly that of developing countries and the economic development of these countries" should be taken at a regional level.

Indeed, today we may proudly say that these rules and principles are applied by regional groups, and the Russian Federation has always encouraged regional integration in this direction. At the level of the Eurasian Economic Union, recently the Treaty was adopted; one of its chapters is entirely devoted to competition policy and enforcement rules. This document is a practical example of implementation of the principles of information exchange between competition authorities of different countries adopted by the UN more than 30 years ago, but which today gives us a real opportunity of exchanging confidential information between the Union's member

countries in order to combat restrictive business practices on the territories of our states.

An important work was done in the CIS countries as well, and I hope that my colleagues from the competition authorities of CIS countries will support me. In the frame of our Commonwealth the Intergovernmental Council on Antimonopoly Policy was established, the main goal of which is to enhance cooperation of our countries' competition authorities in elaboration of common approaches to combating restrictive business practices.

This work results' include practical examples of efficient cooperation between the competition authorities in the frame of the existing Headquarters of Joint Investigations of Violation of Antimonopoly Legislation in the CIS Member States. Such examples are joint investigations of cases on the markets of telecommunications and air transport. As a result, consumers in the CIS countries have received absolutely tangible benefits: the prices on telephone calls were reduced multiply, and the passenger flow between the countries was increased due to lower prices.

The said bodies over a long period of time have been proving their effectiveness and have even already celebrated their anniversaries: in 2016, the CIS has its 25<sup>th</sup> anniversary, the Interstate Council celebrated its 20 years in 2013, and the Headquarters of Joint Investigations this year became 10 years old.

Today we are also actively working in the BRICS format. In 2009 in Kazan the First BRICS Competition Conference took place in Kazan (the Russian Federation). Now this event became regular. In May this year in St. Petersburg all heads of our countries' competition authorities signed the Memorandum on Cooperation, which establishes principles, directions and mechanisms of our joint work on combating anticompetitive practices. We have created Working Groups on pharmaceuticals, food, automobile industry, where we in cooperation, in an open and fair format assess the situations on those socially important markets and try to

find solutions to the problems that, as we can see, all of our countries face. We have discussed these problems just recently, at the end of September, in the frame of the annual international event “Russian Competition Week”, and we are very glad that many of our colleagues from foreign competition authorities, as well as international organisations including UNCTAD, have joined us.

We consider this work at the regional level to be a big step forward for national competition authorities, which would not be possible if general principles of combating anticompetitive practices were not established in a single and truly system-forming document elaborated here, on this same platform many years ago.

However, the world does not stay the same and our economies are developing. Together with our economies, large corporations entering the new markets are developing as well. And we treat it as a great achievement, since it gives to all our countries a chance to get goods and services of a good quality.

At the same time, we can not deny the existence of a large amount of problems that are related to those unfair practices that as we see those large transnational corporations use. Those practices are familiar to all of us: markets’ monopolisation, prices’ dictate, imposing disadvantageous conditions on both consumers and contractors.

National competition authorities, including the FAS Russia, undertake huge efforts to combat those unfair practices. And we see how difficult it is to control the transnational corporations.

A particular concern in this context is related to transborder cartels, because real mechanisms of fighting against such practices at the international level do not exist, but their activity causes colossal harm to national economies, and the developing countries suffer from that most of all.

These are the problems caused by the imperfection of the current system of antimonopoly regulation. We have learned how to effectively fight the antimonopoly

law violations on our national markets. We can establish a dialogue between the competition authorities of neighboring countries and bring violators to responsibility. But what if we deal with global giants? What can we really do?

And here, just as 35 years ago we should again turn back to the platform where we have already elaborated a document setting common principles and rules of control over restrictive business practices, i.e. UNCTAD. After 35 years have passed, the Russian Federation suggests, taking into consideration the new economic reality and new challenges the existence of which none of us can deny, to unite altogether and to create a new enhanced document – the updated Set of rules that will help us to cooperate in controlling restrictive practices of transnational corporations and international cartels not declaratively, but practically.

The Set's Section F Preamble states that “collaboration at the international level should aim at eliminating or effectively dealing with restrictive business practices, including those of transnational corporations ,through strengthening and improving controls over restrictive business practices adversely affecting international trade, particularly that of developing countries, and the economic development of these countries”.

We are convinced that the new document should be elaborated for implementing this and for establishing real mechanisms of interaction between different countries' competition authorities, directions of our cooperation and a universal system of sanctions for the companies committing the antimonopoly legislation's violations.

We sincerely think that now is the moment for us to unite in order to correct seriously the transnational companies' behavior, which violates competition law all over the world and which brings harm to the world trade and limits national markets' development, and for fighting decisively against international cartels.

We are ready to take on the work on elaboration of this document's draft text, but we hope a lot to receive the support of representatives of those countries that suffer from anticompetitive actions on the global market.

We are open for dialogue and are ready to listen to and take into account all the ideas and comments from every single country.

We cordially thank UNCTAD for its support and the opportunity to present this daring but such a necessary idea for us and for that long-lasting job you are doing every day for the sake of development and for the sake of a move forward for all the countries of our world.

Thank you.