

The Russian Federation
Competition advocacy during and in the aftermath of the COVID-19 crisis
19th Intergovernmental Group of Experts on Competition Law and Policy
July 7-9, 2021

Many countries around the world against the backdrop of the pandemic of the new coronavirus infection COVID-19 took preventive measures, which significantly affected the economy. The states closed borders, stopped air traffic, introduced self-isolation and quarantine regimes.

Restrictive measures taken to contain the spread of the coronavirus infection have resulted in a temporary but significant decline in economic activity.

In the short term, the main problem that all market participants had to face was the rupture of supply chains, the suspension of a significant number of markets, especially service markets, and the termination of international transport communications.

It is obvious that the world has changed and the scale of the shock is so great that the economy requires comprehensive measures that should have a stimulating effect in the long term, with an emphasis on sectors whose situation has deteriorated critically.

In order to adapt during the pandemic, the FAS Russia identified the priority areas of its activities: it quickly managed to focus its work on the analysis of markets for socially significant goods, essential goods, medicines and other goods, the demand for which has increased due to the current circumstances.

During the crisis, on the one hand, the FAS Russia strived to comply with a soft regulatory regime for respectable market participants, and, on the other hand, to prevent violations, especially in socially significant markets.

We created an operational headquarters, which monitors prices and the absence or presence of a shortage of goods. On a day-to-day basis, the experts of central office and 84 regional offices have been monitoring prices for socially significant goods, the latest data on cartels, unreasonable price rises, deficit in such commodity markets, as well as alleged concerted actions.

We monitor prices of the same goods from different suppliers or regions and publish these price comparisons. Thereafter, the prices of the goods are being adjusted in a proper manner.

When we identify or receive information about violation of antimonopoly legislation, we immediately take response measures. One of the effective measures has become the issuance of warnings, which made it possible to suppress the uncontrolled rise in prices for a number of food and other goods. We believe that the institution of warning, which we can issue not only to business, but also to public authorities, is one of the most effective tools in this regard.

The FAS Russia also launched a special hotline that can be used by any resident of the country or enterprise. Having received information about a possible violation or the existing shortage of any product, the FAS Russia immediately takes control of the situation.

Comprehensive information about activities of the FAS Russia during the pandemic is published on our official website (a special section "Measures of the FAS Russia in connection with the COVID-19 pandemic" has been created) and in social networks, while employees of the agency hold numerous briefings, press conferences and meetings with business representatives, drawing public attention to the importance of competition and unacceptability of violations of antimonopoly legislation.

In order to achieve uniformity in antimonopoly response measures, the FAS Russia is liberalizing its procurement system. In all regions of the Russian Federation recommendations for the heads of regional offices of the FAS Russia, in which COVID-19 is recognized as unforeseen circumstances, were adopted. It is proposed to take these recommendations into account when considering complaints, cases of administrative offences, appeals on inclusion in the register of unfair suppliers, and conducting inspections. For example, public procurement participants who have not fulfilled their obligations due to the coronavirus may refer to it as force majeure. The FAS Russia will take this into account when making decisions, for example, on inclusion in the register of unscrupulous customers or suppliers.

It is important to note that the FAS Russia responded promptly to the crisis challenges and took a number of actions to remove the administrative burden on business and form a set of supportive institutional measures in addition to those announced by the President and the Government of the Russian Federation¹.

These include the deferrals and installments announced by the FAS Russia for the payment of imposed fines to temporarily ease the financial burden on entrepreneurs,

¹ Federal Law No. 124-FZ dated April 24, 2020 "On Amendments to Certain Legislative Acts of the Russian Federation on Ensuring Sustainable Development of the Economy in the Context of Deteriorating Situation Due to the Spread of a New Coronavirus Infection": <http://www.kremlin.ru/acts/news/63261> (Russian version only)

proposals to temporarily freeze the indexation of wholesale gas prices for the population, approaches to the consideration of complaints about public procurement and procurement of state-owned companies, and initiation of cases of administrative offences.

For a while, we suspended the appointments and inspections to ease the precarious situation in which enterprises found itself. The only exception are inspections and dawn raids initiated on the signs of violations of laws related to protecting the life and health of citizens, legislation on public procurement and legislation on state defense orders.

The FAS Russia, as a guarantor of compliance with antimonopoly legislation, protects not only the economic structure of markets that find themselves in a difficult situation during a pandemic, but also stimulates measures that allow less painful recovery of the economy.

The main activity of the FAS Russia, both during the crisis caused by the COVID-19 pandemic and after it, is the implementation of powers related to the prevention and suppression of actions restricting competition on the part of economic entities, natural monopolies and authorities.

On September 23, 2020, the Government of the Russian Federation approved the National Action Plan to ensure the restoration of employment and incomes of the population, economic growth and long-term structural changes in the economy.

The goal of the National Plan is to enter a sustainable economic growth and growth of incomes of the population, ensuring the implementation of national goals of economic development based on the use of new technologies, including digitalization, new opportunities for the labor market and education, fast and high-quality housing construction, export orientation and active import substitution, and also ensuring a high degree of resilience of the economy and health care system to possible shocks in the future.

According to this Plan, the FAS Russia is responsible for the implementation of one of the key initiatives to accelerate the technological development of the economy and increase labor productivity, including on the basis of digitalization, namely, for the definition of antimonopoly requirements for the activities of digital platforms, rules for controlling transactions of economic concentration in the context of digitalization of markets, peculiarities of suppression of anticompetitive agreements concluded and implemented using digital technologies.

Moreover, the FAS Russia is a member of the Governmental Subcommittee on Protective Measures in Foreign Trade and Customs and Tariff Policy, which was

formed in 2004 with the aim of ensuring coordinated actions of interested federal executive bodies in resolving issues of customs and tariff regulation of the import of goods into the customs territory of the Russian Federation and export of goods from this territory, as well as the introduction and application of special protective, anti-dumping and countervailing measures when importing goods.

Within the framework of the functioning of this Commission, the tasks of the FAS Russia are:

- preservation and maintenance of a normal competitive environment in the domestic market of the Russian Federation;
- assistance in increasing the competitiveness of Russian goods both in domestic and foreign markets, while preventing unjustified protectionism;
- ensuring the protection of consumer interests;
- assessment of the consequences of the measures taken for competition in order to timely raise the issue of changing the protective measures of the internal market.

Maintaining competition over the long term is essential for the functioning of markets, consumer welfare, innovation, employment and economic growth. As in previous economic crises, the efforts of competition authorities to promote and protect competition will play a critical role in managing the impact of the crisis and creating the best conditions for economic recovery.

We are convinced that the measures taken today will allow the consumers, businesses and the economy as a whole to recover as quickly as possible.