



**Asia-Pacific
Economic Cooperation**

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Agenda Item: 10

Competition Assessment in Russian Regions

Purpose: Information
Submitted by: Russia



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Competition assessment in Russian regions

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Outline

- Why we assess competition in Russian regions?
- How we assess it?
- Outcomes of assessment

Reasons for assessment

Encourage Russian regions' authorities to create favorable conditions for the stimulation of business activity



2009 – Federal Program on Competition Development in Russia 2009-2015 was adopted

2010 – Regional Programs on Competition Development were adopted in 83 Russian regions



Stimulate to carry out active competition policy (not only competition law enhancement)

Assessment system

Objective: To encourage Russian regions' authorities to create favorable conditions for the stimulation of business activity

Approach and policies:

1. To create the impartial assessment and monitoring system of competition in Russian regions
 - Conduct annual assessment by means of methodology worked out by the Russian Ministry of Economic Development
 - Conduct regular study EoDB for Russian regions
 - Conduct regular study BEEPS for Russian regions
2. Provide financial incentive to the Russian regions for the best results on creating favorable conditions for the stimulation of business activity

Competition intensity assessment (1)

Methodology is approved by MED's Order № 137 dated April 4, 2011

Purpose is to identify:

- ✓ Competition intensity between market participants
- ✓ Tools used by market participants to compete
- ✓ Market structure

Competition intensity assessment (2)

«Pilot study» was carried out in April-June 2011

Source of data - online market participants' opinion poll (by e-mail)

- ✓ E-mail database was provided by Russian business associations
- ✓ 16 000 requests were sent
- ✓ 846 responses (5%) were received - the study was not representative

Outcomes of «pilot study»

- ✓ 58% of respondents evaluated competition intensity on the markets as high
- ✓ 62% of respondents - competition intensity raised for the last year
- ✓ Competition intensity raised because of national big companies' activity
- ✓ Most respondents use price tools of competition (i.e. there is a competitive pressure)
- ✓ Few market participants with large market share on regional goods markets

EoDB and BEEPS studies for Russian regions

Purpose is to:

- ✓ Evaluate how favorable the conditions in Russian regions for business activity
- ✓ Reveal the difficulties for business activity in Russian regions
- ✓ Rank Russian regions

30 Russian regions were assessed in 2011

EoDB Study

4 indicators were chosen:

- ✓ Starting a business
- ✓ Dealing with construction permits
- ✓ Registering property
- ✓ Getting electricity

BEEPS Study

Poll is based on the assessment of market participants' costs to overcome institutional barriers related to government regulation and infrastructure access

Regions' rating will be available in June 2012

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