



**THE AGENCY FOR PROTECTION AND
DEVELOPMENT OF COMPETITION
REPUBLIC OF KAZAKHSTAN (APDC)**

Nur-Sultan, 2021

The History of Competition Authority



Instability of existing policies for development and protection of competition



Creation of a new Agency: 2020 year



Under the Government

Ministry of National Economy

1

2017: Committee for Regulation of Natural Monopolies, Protection of Competition and Consumer Rights

2

2019: Committee for the Protection and Development of Competition;
Committee for the Regulation of Natural Monopolies;
Committee for the Protection Consumer Rights



- ✓ **regulation of natural monopolies**
- ✓ **development of regulatory legal acts and methodology in the field of tariff regulation**
- ✓ **approval of tariffs of monopolists**
- ✓ **consumer rights Protection**

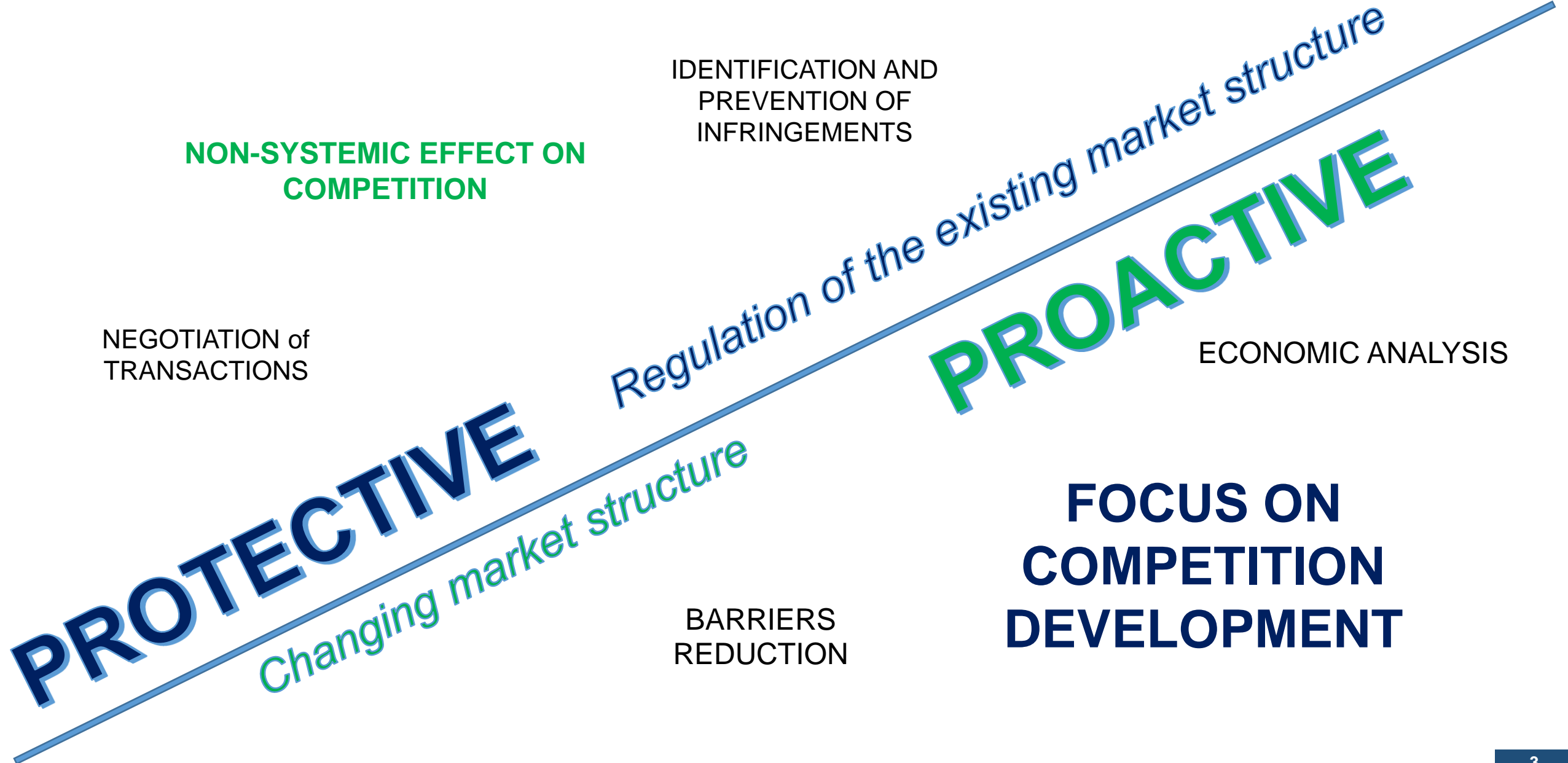
Under subordination of the President

2020: Agency for the Protection and Development of Competition (APDC)



- ✓ **antimonopoly regulation**
- ✓ **development of fair competition**
- ✓ **increasing incentives for entrepreneurship**
- ✓ **stock exchange activity control**

Changes in the concept of the competition authority





Antimonopoly and tariff regulation as separate agencies
(Austria, UK, Belgium, Germany, France)



A separate authority for the protection of consumer rights
(Germany, France, South Korea, Russia)

Result: Elimination of conflicts of interest

1 Development of competition - support for entrepreneurs

2 Consumer rights protection - control of the quality and safety of goods and services produced by entrepreneurs



CURRENT SITUATION

High level of concentration in key commodity markets



CR-3:
82-100%

RAILWAY PASSENGER
AND CARGO
TRANSPORTATION



CR-3:
> 91%

PASSENGER AIR
TRANSPORTATION



CR-3:
> 86%

OIL AND PETROLEUM
PRODUCTS



CR-3:
92-100%

LIQUEFIED AND
COMMERCIAL GAS



CR-3:
100%

ELECTRICITY
SUPPLY



CR-3:
> 78%

MUNICIPAL COAL

CR-3 > 80%

Share of 3 major suppliers

Note: CR (Concentration ratio) - market concentration ratio: calculated as the percentage of the supply of goods from the largest suppliers to the total supply of goods in this product market by all suppliers

Decree «On Main Directions of State Policy on Competition Development»



DIRECTIONS

- Reducing the level of **market concentration** in commodity markets
- Reducing **barriers to entry** into commodity markets
- **State support** for the emergence of new market participants
- Formation of markets for new types of goods
- Reducing **market share of entities** with state participation
- SME development, increasing its contribution to the country's economy
- Expansion of exchange trade
- Equal access of market entities to government support measures and government procurement
- Information transparency of dominants, and their implementation of a system of measures to prevent antimonopoly violations

PRINCIPLES

- The equality of business entities
- The measurability of the results of state policy on the development of competition
- The information transparency of antimonopoly regulation and control
- The priority of preventive measures of antimonopoly control
- Responsibility of Central State Bodies (CSB) and Local Executive Bodies (LEB) for the Implementation of the State Policy for the Development of Competition

INSTRUCTIONS

1 GOVERNMENT, APDC NATIONAL COMPETITION DEVELOPMENT PROJECT

2 Agency for Regulation and Development of the Financial Market of the Republic of Kazakhstan, APDC
Proactive competition policy in financial markets

3 Supreme Court
Uniformity of judicial practice

4 Law enforcement
Interaction with APDC to identify and suppress violations

5 Ministry of Information and Social Development of the Republic of Kazakhstan, APDC
Intolerance of unfair competition

6 Ministry of Education and Science of the Republic of Kazakhstan
Master's program "Competition Law"

7 APDC Implementation of an assessment of the impact of regulatory legal acts on competition





National project for the development of competition



BASIC DIRECTION 1

Providing access to key facilities








4 groups of projects **15** projects

- 1 Development of exchange trading (7 projects)  > 4,7 bln USD
- 2 Access to electricity (2 projects)  > 42 mln USD
- 3 Access to transport markets (3 projects)  > 109 mln USD
- 4 Access to communication markets (3 projects)  > 2,8 mln USD

BASIC DIRECTION 2

Reduction of barriers to entry into commodity markets

7 groups of projects **18** projects

- 1 Removing barriers to transport markets (1 project)  > 7,1 mln USD
- 2 Removing barriers in communication markets (1 project)  > 59,3 mln USD
- 3 Removing barriers in the agro-industrial complex markets (5 projects)  > 71,2 mln USD
- 4 Removing barriers in medical services market (5 projects)  > 92,6 mln USD
- 5 Removing barriers to transition to housing and communal services (2 projects)  > 109 mln USD
- 6 Denationalization (3 projects)  > 100 mln USD
- 7 Reduced share of single-source procurement (1 project)  > 104 mln USD

Achievement by 2025 **THE SHARE OF MEDIUM ENTREPRENEURSHIP - 15% of GVA in GDP** Aggregate economic effect in the amount of **more than 6.1 billion USD** (2,6 trillion. тенге)

THANK YOU FOR ATTENTION!