

COMPETITION POLICY IN UZBEKISTAN:

**MEASURES TO CREATE A LEVEL PLAYING FIELD,
PAVING THE WAY TO MARKET-BASED COMPETITION,
CARVING OUT EXCLUSIVENESS**

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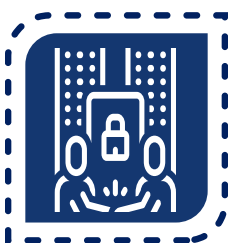
World Trade Organization

Geneva, Switzerland



RETHINKING OF COMPETITION POLICY

KEY PRINCIPLES OF COMPETITION POLICY REFORMS STARTED IN 2017 :



FAIR COMPETITION



LEGALITY



EQUALITY



TRANSPARENCY

REFORMS AIMED TO ELIMINATE DISTORTIONS, SUCH AS:

- ☐ excessive state intervention in economic activity;
- ☐ state regulation of prices;
- ☐ inefficient framework of granting state aid;
- ☐ excessive regulatory burden on businesses and legal barriers to access the markets;
- ☐ abuse of dominant position by state monopolies;
- ☐ “white spots” in competition law framework for effective preventing anti-competitive conduct.



REFORMS INTRODUCED

Competition Development Strategy for 2020-2024

Moratorium on establishing new SOEs until 2030

Independent Competition Authority

Market Surveillance Powers

- issuing **prior consent** to establishment of new SOEs;
- **ex-ante** competition impact assessment of **state aid, exclusive rights** and entry barriers;
- **ex-post** oversight over public authorities' anti-competitive decisions;
- prosecuting cartels, controlling abuse of dominant position, merger control;
- policy proposals to **unbundle natural monopoly sectors and price regulation**;
- public procurement oversight.

YELLOW PAGES RULE: prohibition to establish of new SOEs in industries where **5** private firms operate

Exclusive rights abolished across 24 markets. Examples:

- supply of **liquefied gas** to households
- Internet services
- medical examinations** for drivers
- compulsory **insurance**

WORLD TRADE ORGANIZATION

6 STEs exclusive rights abolished

- export of **flour** and **wheat**;
- export of **chemical products**;
- procurement and export of **scrap** of **non-ferrous metals** and **ferrous metals**;
- natural **gas imports** and **exports**;
- electricity exports** and **imports**.

REFORMS INTRODUCED

Competition Authority has been made **accountable** to the **President** and **Senate**.



introduction of **competition compliance tools** in **SOEs and public authorities**



Ex-ante Competition Impact Assessment
introduced

Measures to Eliminate Market Distortions

21 Individual tax/customs
sectors: benefits **eliminated**



New Law
“On Competition”
adopted in 2023

- **enhances cartels** and **abuse of dominance detection powers**;
- **strengthens** control over **STATE AID** and **SOE** market behavior & competitive neutrality;
- **enhances Mergers & Acquisitions** controls
- **improves public procurement oversight**
- **Introduces regulation** of **digital** markets

4 privileges extended to all
sectors: market participants

fishery, silk, leather, and liquorice processing



REFORMS INTRODUCED

UNBUNDLING HAS BEEN COMPLETED IN:

ENERGY



ONGOING IN **RAILWAYS** SECTOR

AVIATION



INDEPENDENT REGULATORS
established



Energy



Telecoms



“Open Sky” regime for **9** largest destinations of Uzbekistan

dominance of SOE in international flights significantly decreased

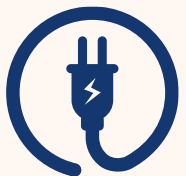
2017:

1 domestic carrier



2025:

15 carriers



41% growth in generated electricity
2016 → **2025**
reached **85,5 billion KWh**



3x rise in the number of generating entities, reached **112**



Renewable energy reached **30.5%** of aggregate installed capacity

RESULTS UP TO DATE



**REGULATORY
BURDEN
REDUCTION**



160

licenses &
permits
cancelled



42

licenses
replaced by
notification



Competition improved across **25 industries**

*cotton, wheat, civil aviation, electronic payments,
cement and construction materials, cables and metal
products etc.*

STATE PRICE REGULATION

eliminated on

28 goods and services

2019



2025

examples:

wheat
bread
cotton
fertilisers
fuels

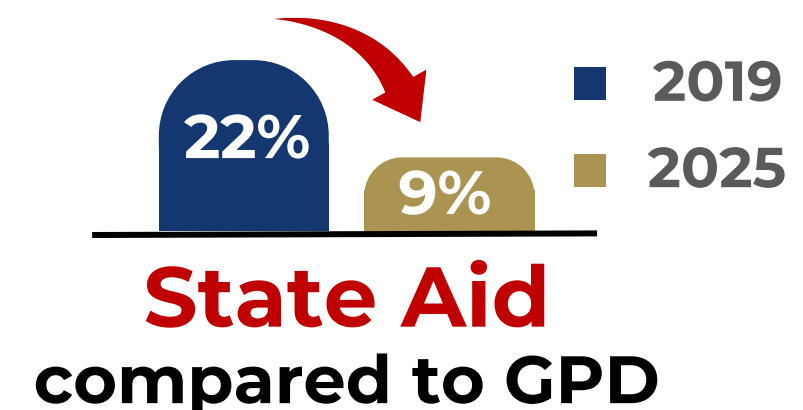
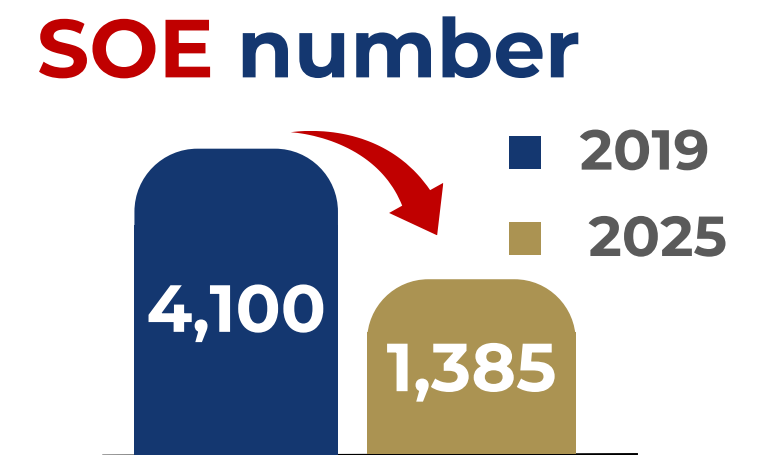
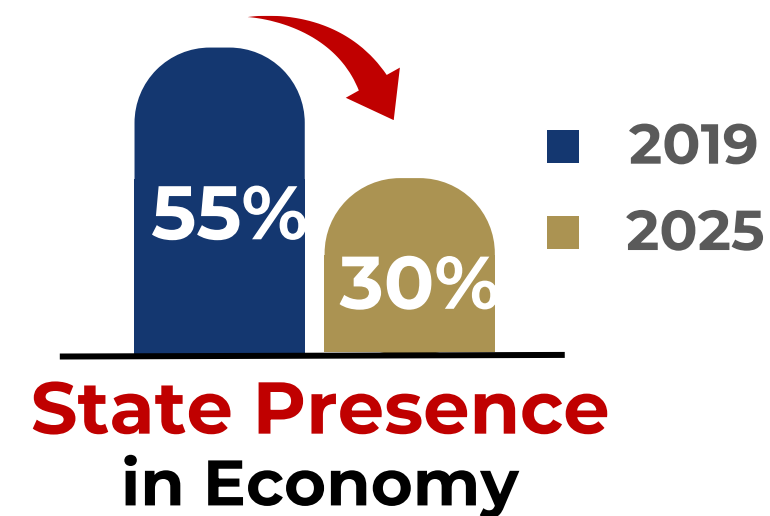
**From
October 1
2023**

Energy and railway tariffs subsidization eliminated
and gradually transitioned to **cost-reflective &
market-determined mechanism**

50%
growth in the
number of **small**
and **medium**
enterprises



**Reached
485,000**





NEXT PHASE OF REFORMS UNTIL 2030



Competition Development Strategy by 2030

17 service monopolies are to be abolished by 2030. In the sectors:



Energy



Oil & Gas



Water



Roads



Railways



Airport



Transition of the energy sector (electricity & gas) to a wholesale market



Liberalization in the civil aviation

expanding routes

increasing number of private actors



Elimination of exclusive rights in 10 remaining sectors



- Completion of unbundling in railways sector;
- Access for private operators

Independent regulators to be established



Water



Roads



Railways



Aviation



85%

increase in the share of the private sector in national GDP



2%

effective competition policy measures could add to GDP growth

Thank you for your attention!