



**SUPPORT OF SMEs and COMPETITION POLICY
DURING OF COVID-19**
Highlights from Uzbekistan

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1. ANTICRISIS MEASURES DURING PANDEMIC

taken by GOVERNMENT

ACTIONS: 20 Presidential Decrees

TOTAL SUPPORT: 6,1 BLN USD

COVERAGE: 400K business entities, 10M consumers

tax vacation & reliefs,
credit deferrals, interest
subsidies & guarantees,
interest-free loans, transport
subsidies for exporters, funds
for wages of employed
workers

**SUPPORT FOR
BUSINESS**

credit deferrals &
guarantees, cancellation of
credit fines

**SUPPORT FOR
CONSUMERS**

Infrastructure projects,
suspension of accrual of
rental payments for the use
of state property

**SUPPORT FOR
REGIONS**

2. ANTICRISIS MEASURES FOR SUPPORT OF BUSINESS ENTITIES 1st STAGE:

provision of guarantees and compensations for interest rates on loans issued for the production of socially significant goods- **USD 47,7 M**;

implementation of infrastructure projects in the regions – **USD 477,3 M**;

granting an interest-free budget loans to strategic enterprises for loan redemption - **USD 76,4 M**

compensation of transportation costs for exporters and importers - **USD 19,4 M**;

reimbursement of interest payments for loans of agricultural clusters - **USD 76,4 M**

3. ANTICRISIS MEASURES FOR SUPPORT OF SMEs

2nd STAGE:

tax and customs benefits

USD 161 M

loan deferrals and cancelation of
fines **USD 246 M**

moratorium on initiating
bankruptcy procedures, tax audit

real sector of economy
USD 160 M

granting loans for SMEs
USD 382 M

EFFECTS:

activity of **16,6K** manufacturing
enterprises resumed

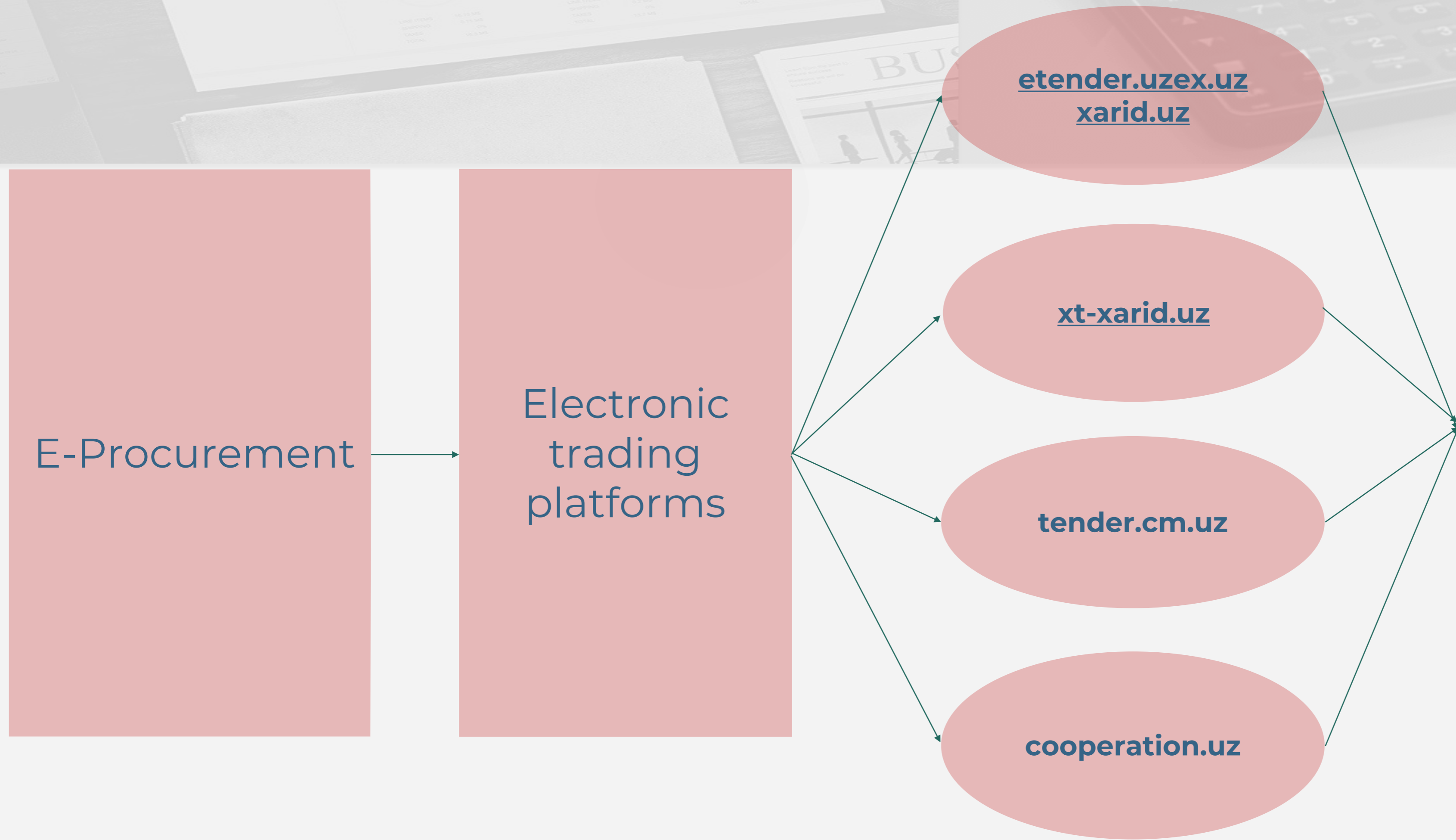
94,4K
new jobs were created by SMEs

4. ANTICRISIS MEASURES FOR SUPPORT OF SMEs

3rd STAGE:

- ❑ suspension of personal income tax and social tax for **95K** micro entrepreneurs
- ❑ abolition of increased rates of property tax and land tax for **20K** SMEs
- ❑ transfer of VAT payment deadline from monthly to quarterly for VAT payers - **25K** SMEs;
- ❑ deferred tax payment – **3,2 K** SMEs;
- ❑ cancellation of penalties for overdue receivables -**25.4K** SMEs;
- ❑ exemption of air carriers, travel companies, hotels from paying taxes on property and land, while reducing the social tax rate from **12% to 1%**;
- ❑ deferral of payments on loans to individual entrepreneurs and business entities that have encountered difficulties
- ❑ suspension of the accrual and collection of lease payments for the use of state property by business entities
- ❑ reduction to **30%** of the amount of mandatory prepayment by SMEs for gas and electricity.

9. PUBLIC PROCUREMENT DURING PANDEMIC



10. MAIN FIGURES of PUBLIC PROCUREMENT

USD 3,8B

total volume of public procurement through competitive bidding process

20 %

share of e-procurement

33K

number of business entities including SMEs granted access to public

6. MEASURES DURING PANDEMIC

taken by ANTIMONOPOLY COMMITTEE

COVERAGE: 124 product markets, 20K business entities, 2M consumers

competition & business rights protection against unfair practices and government bodies actions, creating information infrastructures for SME (digital platform)

SUPPORT FOR BUSINESS

consumer rights protection and advocacy

SUPPORT FOR CONSUMERS

drafting 5 regional competition development & consumer welfare programs

SUPPORT FOR REGIONS

7. MAIN FIGURES & RESULTS OF ACTIONS

taken by ANTIMONOLY COMMITTEE

Actions **against price gouging** for **35** types of significant consumer goods (FMCG)

37 % of draft legal acts (of 753) and local government decisions (of 120) cancelled due to anticompetitive effects

3 BLN USD sectoral and individual tax benefits impacts assessed on effects for competition

measures taken to reimburse **5M USD** to consumers

3,200 anticompetitive and abusive actions, including price gouging suppressed **16M USD reimbursed to business entities**

Intervention mechanism proposed for **15** types of socially significant products to prevent price shocks during pandemic

2,200 anti-competitive actions including bid-rigging and collusions during public procurement **500M USD** worthing tenders cancelled due to collusions

competition diagnostics conducted on **72** product markets **15** dominant position revealed **153** prior consents given for M&A worth **328M USD**

8. MAIN FIGURES & RESULTS OF ACTIONS

taken by ANTIMONOLY COMMITTEE

proposals to abolish
97 types
of licenses and
permits were
submitted

proposals to abolish
privileges and exclusive
rights, distorting
competition of **38**
entities was submitted

38 types
of highly liquid and
monopoly products
mandatory sold at
Commodity Exchange for
equal access of SMEs

excessively high
prices of decreased for
5 types to **15-40 %**
monopolistic goods
and services

State –owned Railway
Company’s service tying
practice was cancelled

Non-tariff barriers
removed for **5** types
products, including
cement, masks and
protective products

11. RESPONSE ACTIONS EXAMPLE

taken by ANTIMONOPOLY COMMITTEE

Analysis of the existing barriers and problems in the production of drugs and medical products against viral infections

February 2020

Development and approval of the standard of personal protective equipment, cancellation of licensing requirements for their production and sale

March 2020

Daily monitoring of supply the population with personal protective equipment at 2,300 retail outlets

March-December 2020

12. RESPONSE ACTIONS EXAMPLE

taken by ANTIMONOPOLY COMMITTEE

Commodity exchange



On a daily basis during a pandemic, the Committee monitors and controls the bidding of **38** types of monopoly and highly liquid products by **87** enterprises, including control over socially significant goods

State reserve



- Proposal for introduction of a “risk level analysis” system based on the level of seasonal fluctuations in prices for essential consumer goods;
- Accumulate at least **30%** of the volume of “high risk” products

13. MAIN CHALLENGES

for competition policy enforcement during COVID-19

Dilemma of competitive neutrality

Should “crisis cartels” (coordination) be exempted?

Adapting public procurement rules to crisis challenges

How to combat effectively with price gouging without risk of distortion of free market principles

14. POSSIBLE SOLUTIONS

to prevent competition distortion during COVID-19

support measures **should be limited** in time, transparent and foreseeable, anti-price gouging measures should be focused on making market intervention to increase supply rather than price control and regulation

joint actions with for industry associations to issue specific guidelines, which are then "voluntarily" implemented by companies and resulting in coordination of conduct.

competition authorities should advice governments while implementing state support strategies to maximum ensuring competitive neutrality with transparent rules

competition authorities should coordinate actions with consumer protection agencies, or use their own consumer protection powers to protect consumers from unfair pricing practices

Thank you!



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