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**CENTRE FOR CO-OPERATION WITH NON-MEMBERS
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OECD Global Forum on Competition

CONTRIBUTION FROM UKRAINE

-- Anticompetitive concerted actions (Session IV) --

This contribution was submitted by Ukraine as a background material under Session IV for the first meeting of the Global Forum on Competition to be held on 17 and 18 October 2001.

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**ANTICOMPETITIVE CONCERTED ACTIONS WITH WHICH THE ANTIMONOPOLY
COMMITTEE OF UKRAINE
DEALT IN 2000 THROUGH THE FIRST HALF OF 2001**

1. Anticompetitive concerted actions of the Public Company *Dnipronaftoprodukt* and the Limited-Liability Company *Avias* which resulted in setting monopoly prices.

The participants operate on markets of retail trade in petrol and diesel oil in Dnipropetrovska region.

The actions took place in the second quarter of 1999.

Available evidence to prove the existence of collusion: documents (letters, orders) concerning the simultaneous raising of retail prices of oil products to a uniform level.

Detected harmful outcomes: the removal of competition between the mentioned economic entities resulted in a rise in prices of petrol and diesel oil in Dnipropetrovska region.

Penalties: the fine equal to 28,000 hryvnias was imposed on the participants in the concerted actions.

2. Anticompetitive concerted actions of the Limited-Liability Companies *Poshuk-Service*, *Delta-Azov*, *Interkvant*, and *Interkvant-Service* which resulted in setting monopoly tariffs.

The participants operate on the market of servicing electronic cash-machines in the city of Mariupol, in Pershotravnevy, Novoazovsky, and Volodarsky districts of Donetsk region, with the Limited-Liability Companies *Poshuk-Service* and *Delta-Azov* occupying a monopoly position on the mentioned market.

The actions took place in 1999 through the first quarter of 2000.

Available evidence to prove the existence of collusion: a meeting and a written agreement between servicing centres on raising tariffs and setting uniform tariffs of servicing electronic cash-machines.

Detected harmful outcomes: the servicing centres, setting uniform prices, removed competition among themselves, which relieved them of taking measures to raise the quality of their services. In addition, anticompetitive concerted actions of the Limited-Liability Companies *Poshuk-Service*, *Delta-Azov*, *Interkvant*, and *Interkvant-Service* enabled them to raise their tariffs of their services in 1.5 times.

Penalties: the fine equal to 12,900 hryvnias was imposed on the participants in the concerted actions.

3. Anticompetitive concerted actions of the Private Enterprise *S. I. M.* and the Donetsk City Special Medical Association *Narkologichny Tsent*r which resulted in setting monopoly tariffs.

The participants in the actions operate on the market of rendering services in the sphere of the compulsory preventive narcotic examination of the population of the city of Donetsk, with the Donetsk City Special Medical Association *Narkologichny Tsent*r occupying a monopoly position on the mentioned market.

The concerted actions took place in February 1999 through June 2000.

Available evidence to prove the existence of collusion: the agreement between the Donetsk City Special Medical Association *Narkologichny Tsent*r and the Private Enterprise *S. I. M.* on joint activities of 8 February 1999 No 1.

Detected harmful outcomes: the Donetsk City Special Medical Association *Narkologichny Tsent*r and the Private Enterprise *S. I. M.* are potential competitors, but as a result of the conclusion of the agreement the possibility of competition between them was removed and tariffs of rendering services in the sphere of the compulsory preventive narcotic examination of the population of the city of Donetsk increased in 1.74 times.

Penalties: the fine equal to 1,400 hryvnias was imposed on the participants in the concerted actions.

4. Anticompetitive concerted actions of the Collective Enterprise *Kvarts* and the Limited-Liability Production and Commercial Company *Planeta* (the city of Yenakiyev) which resulted in setting monopoly tariffs.

The concerted actions took place in 1999 and 2000.

The participants in the concerted actions operate on the market of rendering services in the sphere of servicing electronic cash-machines in the territory of the cities of Yenakiyev, Svitlodarsk, Vuglegirsk, and Yunokomunarsk and in the territory of the town of Myronivske. The Limited-Liability Production and Commercial Company *Planeta* occupied a monopoly position on the mentioned market in 1998 and 1999.

Available evidence to prove the existence of collusion: in 1999 the Collective Enterprise *Kvarts* set tariffs which were equal to those set by the Limited-Liability Production and Commercial Company *Planeta* and which did not compensate for its expenses, that is the Collective Enterprise *Kvarts* acted contrary to common economic motivation. Calculations show that expenses of the participants differed significantly, but uniform tariffs had been established and maintained simultaneously for 2.5 years. In addition, the participants in the actions, having established the uniform tariffs, significantly reduced their expenditures on advertising.

Detected harmful outcomes: concerted actions of the Collective Enterprise *Kvarts* and the Limited-Liability Production and Commercial Company *Planeta* removed competition from the market.

Penalties: the fine equal to 400 hryvnias was imposed on the participants in the concerted actions.

5. Anticompetitive concerted actions of the *Self-Supporting Association of Markets of the City of Vinnytsia*, the Limited-Liability Company *AMiK*, and the Private Enterprise *Yunist*.

The participants in the actions operated on the market of rendering complex services in the sphere of allocating places for trading in both industrial and food products within the city of Vinnytsia, with their joint market share being able to ensure a monopoly position on the market.

The actions took place in June 1998 through 1999.

Available evidence to prove the existence of collusion: a document (agreement) about agreed uniform tariffs of services to be rendered on markets of the city of Vinnytsia.

Detected harmful outcomes: coming to an agreement, by the participants in the actions, about tariffs of the complex services in the sphere of allocating places for trading in both industrial and food products on markets of the city of Vinnytsia and the actual application of the agreed tariffs resulted in the removal of competition from the market.

Penalties: the fine equal to 7,000 hryvnias was imposed on the participants in the concerted actions.

6. Anticompetitive concerted actions of the Closed Company *Volynsky Remontno-Montazhny Kombinat*, the Collective Enterprise *Impuls*, the Limited-Liability Company *Agrovest* which resulted in setting monopoly prices.

The concerted actions of the participants took place in 1996 through 1997.

The participants operate on markets of servicing electronic cash-machines in the territory of Volynska region, with the Collective Enterprise *Impuls* occupying a monopoly position on markets within the towns of Novovolynsk and Volodymyr-Volynsky and within Gorokhivsky, Ivanychivsky, and Lokachynsky districts and with the Closed Company *Volynsky Remontno-Montazhny Kombinat* occupying a monopoly position within Manevytsky and Liubeshivsky districts.

Available evidence to prove the existence of collusion: minutes of meetings which confirm that decisions to approve uniform (for all the participants in the market) norms of time necessary for repairing units and blocks of electronic cash-machines and decisions to set the uniform cost of servicing electronic cash-machines were taken.

Detected harmful outcomes: setting uniform prices of servicing electronic cash-machines, with the participation of the Closed Company *RMK*, the Collective Enterprise *Impuls*, the Limited-Liability Company *Agrovest*, resulted in setting monopoly tariffs, in dividing the market in accordance with the territory principle, and in monopolising the market.

Penalties: the fine equal to 400 hryvnias was imposed on the participants in the concerted actions.

7. Anticompetitive concerted actions of the Zaporizhia Production Association for Rendering Agricultural and Chemical Services to Agriculture *Agros* and 17 district agricultural and chemical enterprises which resulted in setting monopoly tariffs.

The concerted actions of the participants took place in 1997 through 1999.

The participants operated on the market of intermediary (organisation) services to be rendered in the course of supplying mineral fertilisers and means of plant protection within Zaporizka region, with the Zaporizhia Production Association for Rendering Agricultural and Chemical Services to Agriculture *Agros* occupying a monopoly position on the mentioned market within Zaporizka region.

Available evidence to prove the existence of collusion: joint agreements.

Detected harmful outcomes: setting uniform prices of the organisation services to be rendered in the course of supplying mineral fertilisers resulted in weakening competition on the market of agricultural products.

Penalties: the fine equal to 4,570 hryvnias was imposed on the participants in the concerted actions.