UZ AUTO MOTORS JSC v. Competition Promotion and Consumer Protection

Committee





Competition Promotion and Consumer Protection Committee

i) making proposals on strengthening the field of competition development, consumer protection and advertising.

a) ensuring competition;

 b) ensuring a competitive environment in commodity, financial and digital markets, identifying and suppressing "cartel" agreements and collusions, practices of unfair competition;

h) development of comprehensive sectoral programs, support of non-governmental non-profit organizations and other civil society institutions operating in the field of competition development, consumer protection and advertising;

Committee functions

c) fighting against monopolies;

j) taking measures against unreasonable increase in prices for basic consumer;

d) assessment of the legal documents on competition;

f) regulation of the activities of commodity exchanges and their members, as well as trading in commodity derivatives;

e) antimonopoly regulation of economic concentration and state assistance in competitive (tender) bidding;

UzAutoMotors

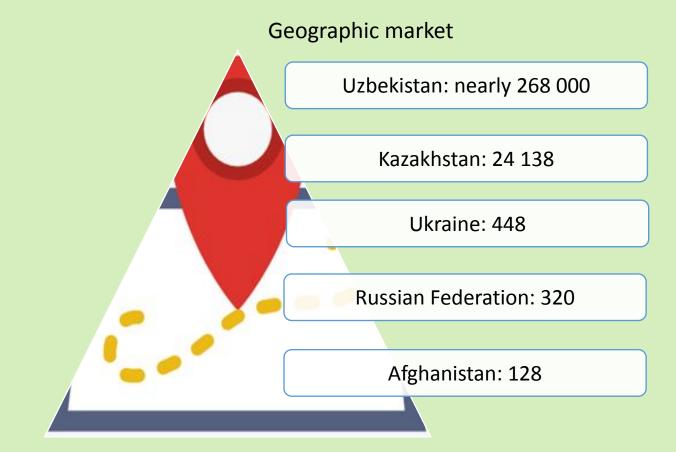
- monopoly company
- mainly oriented on car manufacturing
- used to be protected from foreign competition by 100% custom cost



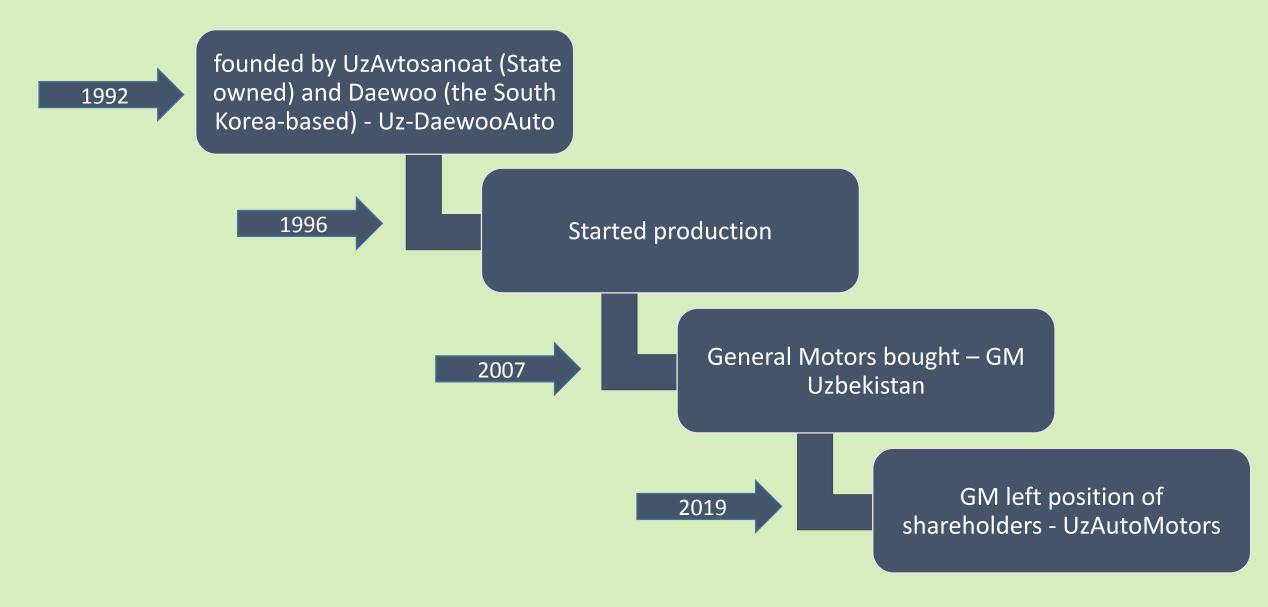








FORMATION



DISPUTE FACTS: Investigation & Court Proceeding



Antimonopoly Committee initiated a case against UzAuto Motors



Administrative Court of the Republic of Uzbekistar

Stop the production of new cars & decrease the prices by 10,29%



Because of dominant position of manufacturer, the price for popular models of cars increased during the period of 3 years almost twice

The manufacturer used its
dominant position in
discriminating the dealers,
particularly Azimavtomotive,
which was required to provide
deposit of 10 billion uzbek soums

Uzautomotors claims in the court to cancel the Committee's decision

Committee did not follow procedural rules during investigation

Court decides in favour of Uzautomotors

The Committee appeals and loses again the case

RCM No. 249 from 30 March 2018.

Committee based on resolution investigates the monopoly prices;

Uzautomotors claims that Committee can not apply this resolution as the list of prices of products subject to regulation of the Government do not include the cars + as per Resolution No. 537 of 16 July 2018 the price control was given to Supervisory Board of the company.

RCM No. 249 from 30 March 2018

Resolution of the Cabinet of Ministers RUz

Issues

RCM No. 249 from 30 March

Committee based on resolution investigates the abuse of dominant position towards the suppliers;

Uzautomotors claims that Committee can not claim so as the agreement between supplier and company was not signed yes, consequently it was not legally binding.

Supply (dealer) agreement

Monopoly high prices