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Russian Government Named Biggest Threat to Competitive Economy

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Maxim Stulov / Vedomosti

Russia's Federal Antimonopoly Service (FAS) has named the state the biggest threat to healthy competition in the Russian economy.

The agency is now asking President Vladimir Putin to sign a presidential decree reducing the government's role in key economic sectors over the next two years, the Vedomosti newspaper reported Wednesday.

The decree would force state and municipal companies to reduce their market share and ban them from acquiring new assets, either directly or through subsidiaries.

Related article: Russian Anti-Monopoly Service: State Doubles Presence Over Past Decade

A separate FAS bill also sets forward a potential ban on the creation of unitary enterprises in competitive markets.

The state has rapidly increased its presence in the economy over the past decade, according to FAS data. State-owned companies controlled some 70 percent of the country's GDP in 2015, compared to 35 percent in 2005. The number of state and municipal unitary enterprises has tripled in the last three years alone, posing a particular threat to businesses on the regional level.

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