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Russian Antitrust Watchdog Blasts State Capitalism, Calls Economy 'Semi-Feudal'

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Mikhail Metsel / TASS

The Russian economy remains inefficient because of the state's grip on major sectors, Russia's Federal Anti-Monopoly Service (FAS) watchdog has said.

Last year, FAS chief Igor Artemyev identified "universal cartelization" as one of the factors that endanger the Russian economy. President Vladimir Putin, who signed a 2018-2020 plan to promote competition late last year, has also railed against state-run companies for monopolizing markets.

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"Our economy remains in many effects semi-feudal, especially in underdeveloped regions where there's no trace of competition," Artemyev told the Kommersant business daily on Tuesday.

He called “state-monopoly capitalism” and a “merging of business and power” a common ailment that afflicted the Russian economy since Western sanctions were introduced in 2014.

State monopolies have become entrenched in the banking and industrial production sectors, he said, while telecom offered a rare bright spot.

“Four years of lobbying have blocked amendments that transfer absolutely all purchases into electronic form,” Artemyev said.

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