

The Unfair Competition Regulating Authority of Mongolia

1. Does the size of the economy affect application of competition law, and if so how?

Yes. The size of the economy affects application of competition law. The size of most undertakings in a small economy is small and medium which requires specific competition law and policy enabling them to compete fairly and to grow up to the global market player.

2. The notion of a “Small Economy”

We would define our economy “small” by following criteria:

- In terms of GDP- 4557,5 tugrug as of 2006 (1 USD= 1174.1tugrug)
- Population of Mongolia is 2.6 million, whereas the population of the neighboring economies: Russia 142.200 million and China 1.3 billion.
- Size of the undertakings in our country are quite small and almost none of global players exists in our territory.

3. Anticompetitive agreements

As the newly established and little experienced competition authority, UCRA finds difficulties in analyzing and dealing with the particular competition issues such as vertical restraints, resale price maintenance and parallel import bans. Regarding the oligopolies in small economies sanctions should be harsher to halt their anticompetitive conducts.

4. Abuse of dominance

Our law on prohibiting unfair competition was adopted in 1993, but the authority was established in 2005. The law on prohibiting unfair competition is mostly based on the experiences of the developed market economies and it makes difficulties in enforcement of the law. Therefore we should review the law and specifically focus on the state monopolies and abuse of dominance.

5. Mergers

For small economies, merger regulation regimes should be considered differently. Because the competition policy in small economies tends to support and develop undertakings to have more competitive advantage.