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**DIRECTORATE FOR FINANCIAL AND ENTERPRISE AFFAIRS  
COMPETITION COMMITTEE**

**Working Party No. 3 on Co-operation and Enforcement**

**Data Screening Tools for Competition Investigations – Note by Kazakhstan**

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This document reproduces a written contribution from Kazakhstan submitted for Item 3 of the 136th OECD Working Party 3 meeting on 28 November 2022.

More documents related to this discussion can be found at  
[www.oecd.org/daf/competition/data-screening-tools-for-competition-investigations.htm](http://www.oecd.org/daf/competition/data-screening-tools-for-competition-investigations.htm)

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## *Kazakhstan*

### 1. Introduction

1. One of the main tasks of the Agency for Protection and Development of Competition of the Republic of Kazakhstan<sup>1</sup> (APDC, antimonopoly authority) is the prevention, detection and, investigation, suppression of violations of the legislation of the Republic of Kazakhstan in the field of competition protection. At the same time, the fundamental tool of the APDC in the implementation of the task is the collection of the necessary information and evidence base confirming or refuting the commission of a violation.

2. In practice, the analyses carried out according to the old scheme have a number of drawbacks associated with a lengthy procedure for information withdrawal (sending and processing numerous requests to market participants, authorized agencies, etc.), forming conclusions, and, as a result, making decisions after the fact, when the effect of such actions lose their relevance (individual cases reach 2-3 years). Today, the antimonopoly authority of Kazakhstan is focused on reengineering its activities with an emphasis on automating the processes of monitoring and analyzing commodity markets, including using Big Data.

### 2. Creating an analytical map of the state of competition

3. APDC, together with the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan<sup>2</sup> (BNS), has begun work on creating an analytical map of the state of competition. The analytical map of the state of competition is an information panel (dashboard).

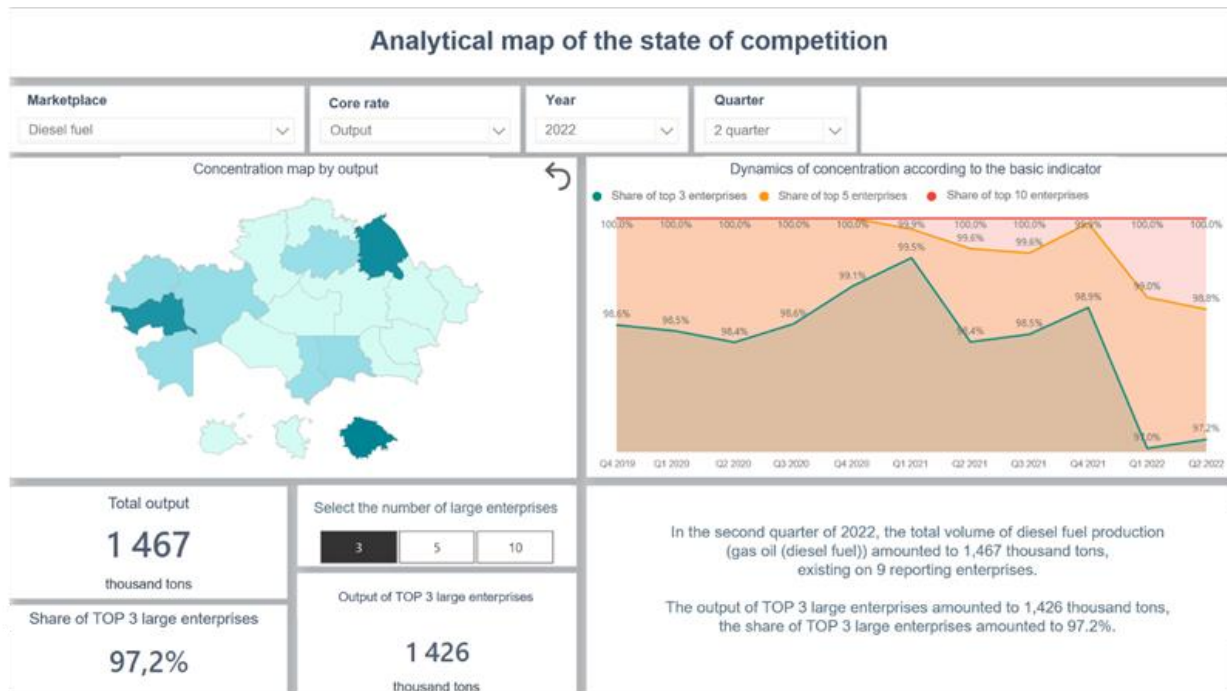
4. At the moment, the dashboard is in the testing stage. It includes three commodity markets in the “pilot” mode: diesel fuel, fittings, and chicken eggs. The dashboard interface is shown in Figure 1 (in the Russian version).

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<sup>1</sup> Official website of the Agency for Protection and Development of Competition of the Republic of Kazakhstan // <https://www.gov.kz/memleket/entities/zk?lang=en>

<sup>2</sup> Official website of the Bureau of National Statistics of the Agency for Strategic Planning and Reforms of the Republic of Kazakhstan // <https://www.gov.kz/memleket/entities/zk?lang=en>

Figure 1. The interface of the dashboard of the analytical map of the state of competition



5. To be included in the dashboard at the initial stage of the APDC, together with the BNS, a list of 16 commodity markets has been worked out where historically problematic issues arise. The markets will be quoted according to 15 basic indicators.

Table 1. The list of commodity markets and basic indicators to be included in the dashboard at the launch stage of the system

Commodity markets	Basic indicators
1. AI-92, 95 (96) gasoline	1. List of market entities
2. Diesel fuel	2. The volume of production of goods (works, services) in kind and value terms
3. Liquefied petroleum gas	3. The volume of wholesale and retail sales of goods/services rendered in kind and value terms
4. Electricity	4. List of market entities with state participation, the share of state participation
5. Jet fuel	5. Producer prices
6. Coal	6. Prices of wholesale and retail sale of goods
7. Bitumen	7. Average prices
8. Cellular communication services	8. The volume of export of goods
9. Passenger transportation services by air	9. The volume of import of goods
10. Passenger transportation services by railway transport	10. The share of the three largest entities (in relation to the total volume)
11. Housing construction	

12. Cement	in the market in the Republic of Kazakhstan and by region
13. Armature	11. Herfindahl–Hirschman Index
14. Concrete	12. Weighted average Lerner coefficient
15. Socially significant food products, except for fruit and vegetable products	13. Investment volume
16. Production (domestic manufacturers), wholesale and retail sale of medicines	14. Average level of profitability
	15. Average salary level

6. The list indicated in the table will be constantly expanded and scaled. Additionally, the possibility of integrating information from other sources of information into the dashboard, including data on export-import operations, information on economic activity based on transactional data, and data from mobile operators, service aggregators, and marketplaces, is being worked out.

7. As a result, the dashboard will become an effective tool for structuring, analyzing, and representing indicators, which will allow you to quickly assess the situation on commodity markets, identify potential problems, and take preventive measures in a timely manner. The system is scheduled to be launched in December this year.

### 3. Implementation of an information system for identifying cartels at auctions

8. APDC introduced the “Ormek” search information system in November 2021. This system was created on the platform of the “Single Window of Procurement” of the National Chamber of Entrepreneurs of the Republic of Kazakhstan “Atameken” (a non-profit organization representing the union of business entities created in order to ensure favorable legal, economic, and social conditions for the implementation of entrepreneurial initiatives and the development of mutually beneficial partnership between the business community and public authorities of the Republic of Kazakhstan)<sup>3</sup> and allows to identify signs of cartel collusion at auctions.

9. A similar system, which automatically generates summary data from trading platforms with the establishment of signs of collusion, operates in the Russian Federation under the name “Big Digital Cat.” A significant difference between the Kazakh analytical system “Ormek” is the analysis of behavior and the establishment of indirect links between bidders with automatic notification of possible signs of collusion at the auction.

10. The scope of the system covers public procurement, starting in 2019. For example, using the system, it was revealed that in 2019, in tenders for 7 purchases for the repair of highways, the customers of which are local executive bodies, two companies jointly participated and alternately won almost without reducing the price, creating an imaginary competition for each other. Savings on purchases amounted to 0.01%. Signs of cartel collusion are also confirmed by the circumstances that these enterprises acted for each other as contractors and subcontractors for the execution of public procurement contracts.

<sup>3</sup> Official website of the National Chamber of Entrepreneurs of the Republic of Kazakhstan «Atameken» // <https://atameken.kz>

#### 4. Conclusions

11. Automation of individual processes, which allows monitoring and analysis of commodity markets in online mode, is already showing its effectiveness in practice. Thus, after the introduction of the “Ormek” search information system, the APDC initiated 19 investigations against 38 market entities on the grounds of cartel collusion in public procurement.

12. Automation of monitoring and analysis of commodity markets is currently one of the main priorities of the APDC. So, on the basis of the information panel (dashboard) of the analytical map of the state of competition in the future, it is planned to create a comprehensive system of economic trackers in real time to track turning points in the economy and make timely decisions. This will make it possible to prioritize the main activities of the gas station in specific commodity markets and more effectively implement its functionality.