

SceMaps reports high levels of monopolisation pressure in the Construction, Wholesale of Fuels and Pharmaceuticals sectors

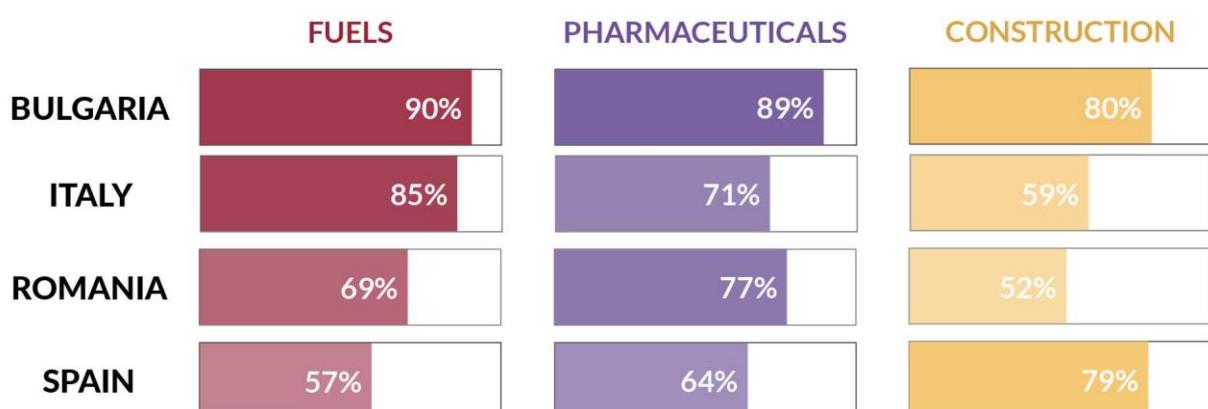
- *Monopolisation pressure in economic sectors, both through legislation and policy implementation, is one of the elements of state capture analysed by SceMaps.*
- *In 2020, SceMaps has surveyed professionals, research experts and public employees from Italy, Spain, Bulgaria and Romania to verify the existence of state capture practices.*

[03 Dec 2020] – High levels of monopolisation pressure are found in the Construction, Wholesale of Fuels and Pharmaceuticals sectors, according to a survey on state capture conducted by SceMaps among professionals and public employees. These are some of the preliminary results of the *State Capture Assessment Diagnostics* (SCAD) tool that SceMaps has deployed this year in Italy, Spain, Bulgaria and Romania to verify the existence of practices linked to state capture in three economic sectors, as well as the role of public institutions in dealing with this form of corruption.

Of the four countries analysed, Bulgaria is in the worst position: around 90% of the experts consulted note signs of monopoly, oligopoly or cartel in these sectors (with a slightly lower percentage in Construction). Bulgaria's results are higher in these three sectors than in Romania, Italy or Spain.

Monopolisation pressure

% of surveyed experts who believe there are indications of monopoly/oligopoly/cartel



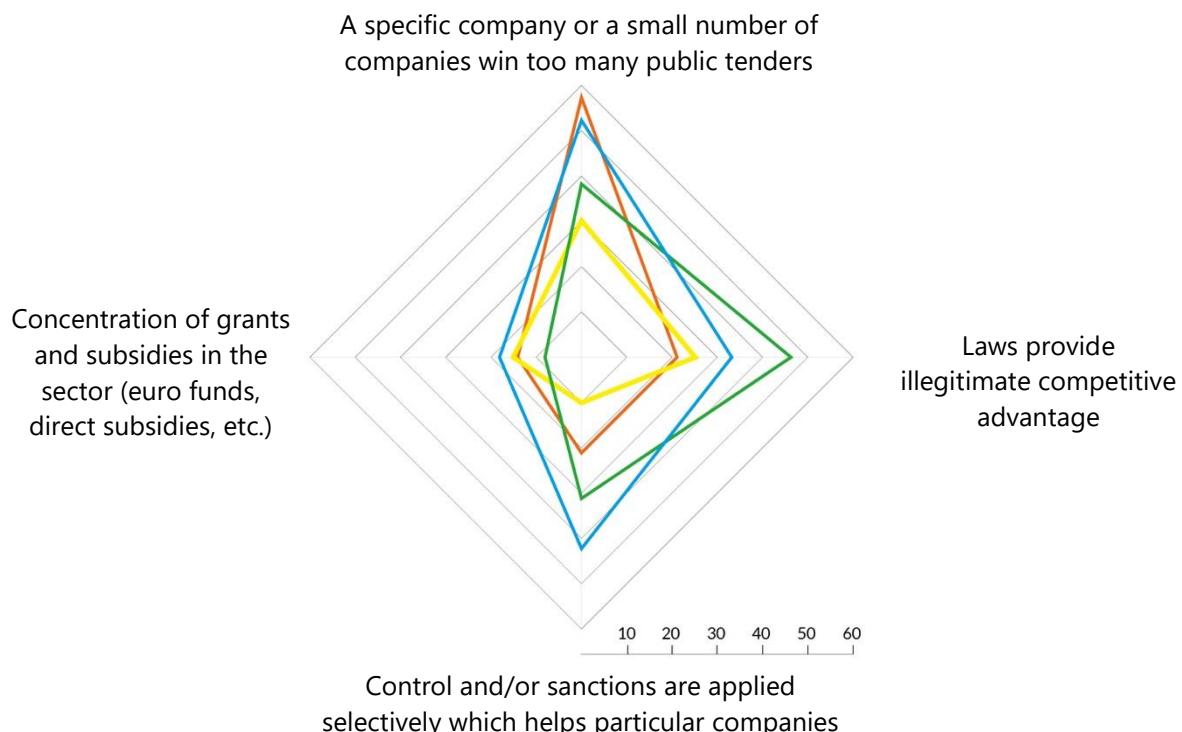
Source: State Capture Assessment Diagnostics 2020 (SceMaps)

The monopolisation pressure analysed by SceMaps is one element of state capture. Besides natural monopolies—i.e. those that occur in certain industries or regions where, due to their characteristics, competition is not possible or increases costs, such as in the case of electricity distribution networks—SceMaps assesses monopolies that are artificial or favoured through the concentration of public aid, subsidies or public contracts through the selective application of sanctions and controls, or through targeted legislation and non-legitimate lobbying activity.

By sectors, the **wholesale of solid, liquid and gaseous fuels** is associated with a high procurement concentration (one specific company or a small number of companies win too many public tenders) in Bulgaria and Spain; illegitimate lobbying (laws provide an illegitimate competitive advantage) is a common practice in Romania; and finally, institutional bias in control/sanctioning functions can be observed in Bulgaria and Romanian (controls and/or sanctions are applied selectively, which helps particular companies).

Wholesale of solid, liquid and gaseous fuels

% of red flags related to monopolisation pressure observed by experts from Bulgaria, Romania, Italy and Spain

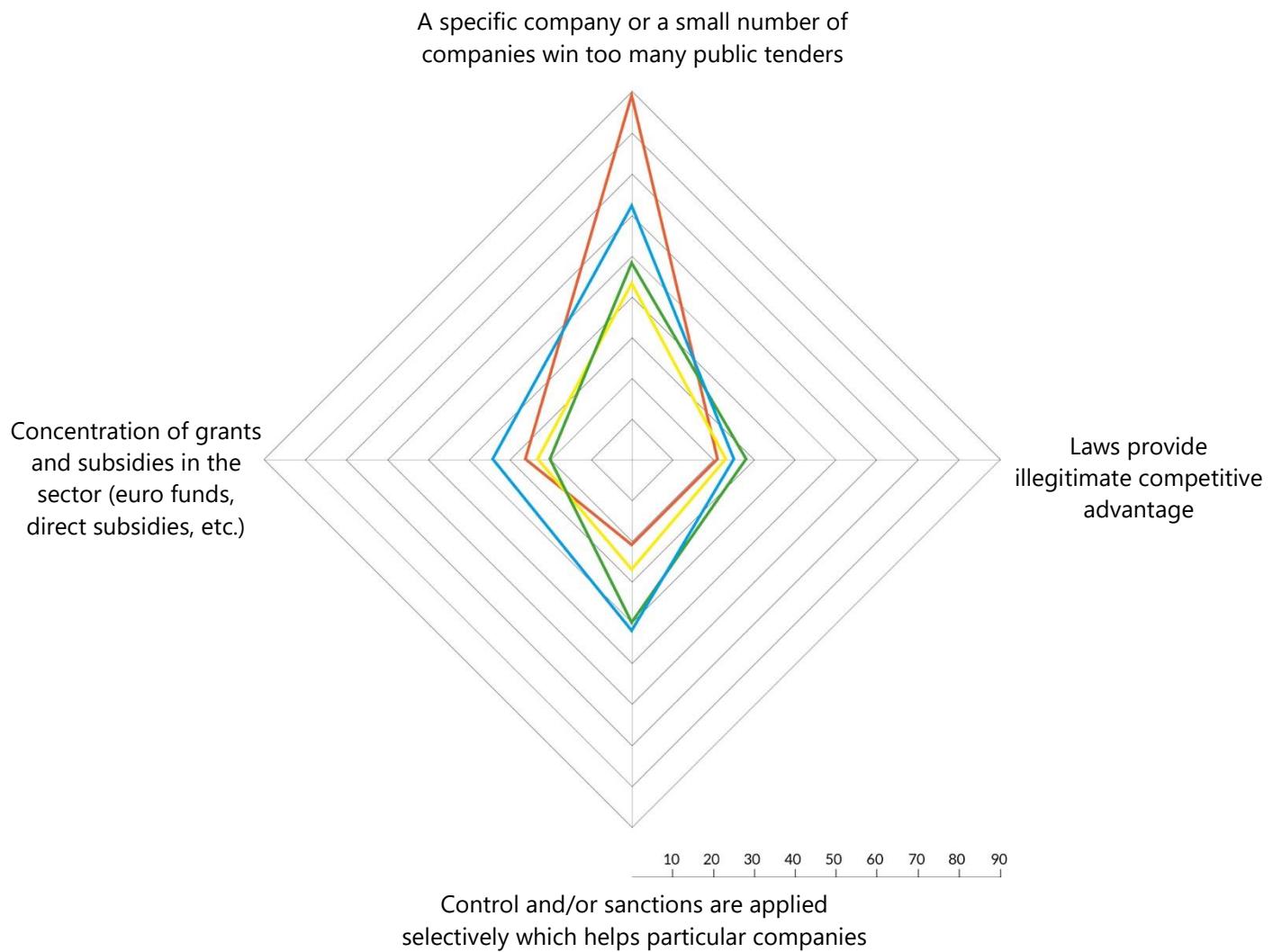


Source: State Capture Assessment Diagnostics 2020 (SceMaps)

The construction sector is the most vulnerable to procurement concentration as a symptom of state capture in all four countries, followed by institutional state capture practices of selectively applied control and sanctioning activities—a particularly common problem in Bulgaria and Romania, where these options benefit the “capturing” businesses both by exempting them from control and sanctions, and by acting against their competitors.

Construction

% of red flags related to monopolisation pressure observed by experts from Bulgaria, Romania, Italy and Spain

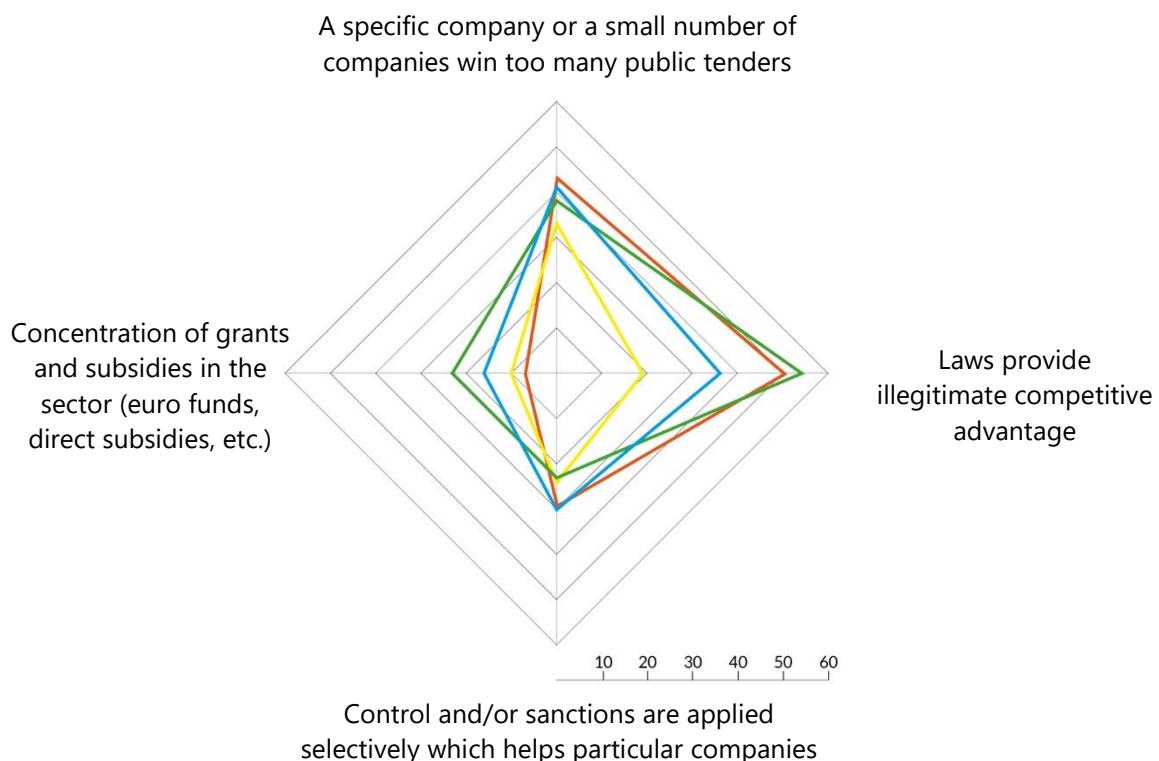


Source: State Capture Assessment Diagnostics 2020 (SceMaps)

Finally, the **wholesale of pharmaceutical goods** is the sector most influenced by illegitimate lobbying, according to more than half of the experts in Romania and Spain and more than one third of those in Bulgaria.

Wholesale of Pharmaceutical goods

% of red flags related to monopolisation pressure observed by experts from Bulgaria, Romania, Italy and Spain



Source: State Capture Assessment Diagnostics 2020 (SceMaps)

For further information visit scemaps.eu or contact us:

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