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Long live the PRC! 中华人民共和国万岁!

QUOTES

Stepping towards digital civilization in a new era - building a community of shared destiny in cyberspace.

The theme of the World Internet Conference 2021 (Wuzhen, China)

One person can go fast, but only a group can go far.

Lei Jun ¹

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¹ Source: <https://baijiahao.baidu.com/s?id=1705126939610150084&wfr=spider&for=pc>

Wuzhen World Internet Conference 2021

The World Internet Conference 2021 was held in Wuzhen, eastern China, on the theme "Stepping towards digital civilization in a new era - building a community of shared destiny in cyberspace."

At the World Internet Conference, held in Wuzhen, the China Institute for the Study of Cyberspace presented reports on the development of the Internet in the world and in China. According to the report, China's digital economy reached 39.2 trillion yuan (\approx \$ 6 trillion) in 2020, accounting for 38.6% of GDP. It is noted that new directions and business models are constantly emerging in it. For example, the volume of e-commerce reached 37.21 billion yuan (\approx \$ 5.76 billion). Following rural infrastructure development, the gap in the digitalization of cities and villages also narrowed: the Internet penetration rate in rural areas was 59.2%. Tsifra is actively being introduced into consumer services: for example, the health code has been used 40 billion times, and 350 million people have received an electronic insurance card.

At the conference, Deputy Head of the Chinese Cyberspace Administration Sheng Ronghua noted the importance of "order" in the Internet environment. He gave Internet companies four recommendations: to broadcast correct ideas and values to society, to reveal their innovative potential and viability, to take care of the "cleanness" of the Internet space, and to increase self-discipline in the industry.

Sources:

<https://new.qq.com/omn/20210926/20210926A0F79N00.html>

<http://finance.eastmoney.com/a/202109282122819683.html>

<https://baijiahao.baidu.com/s?id=1712109476644544859&wfr=spider&for=pc>

The column on antitrust in People's Daily

China's main news outlet People's Daily, has launched a special column entitled "Strengthen Antitrust Regulation. Promote fair competition." It will highlight relevant measures taken by various departments in different regions of China and progress in improving the market system. The article in the September 29th issue is an introductory article on the direction of antitrust policy in China. It also praised the measures being taken by representatives of digital companies and other Chinese citizens.

Source: http://paper.people.com.cn/rmrb/html/2021-09/29/nw.D110000renmrb_20210929_1-07.htm

Xi Jinping: Innovation with the help of specialists

At the Central Meeting on Personnel Work, the Chairman of the PRC noted that the development of the state is based on qualified specialists. He emphasized the need to implement a strategy of training strong personnel focused on advanced scientific technologies, key aspects of the economic agenda and the country's needs - they will become the key to turning China into a significant world centre of skilled personnel and a "platform" for innovation.

Source: <http://politics.people.com.cn/n1/2021/0929/c1001-32242235.html>

Consideration of a new edition of AML

The next session of the Standing Committee of China's highest legislative body, the National People's Congress, will be held from October 19th to 23rd. Among other things, it will consider the draft of the new edition of the Antimonopoly Law of the PRC proposed by the State Council. It is expected to include articles on the digital economy. The antimonopoly law of the PRC was adopted in 2008 and has not been revised since then

Source http://www.news.cn/politics/leaders/2021-09/28/c_1127913361.htm

"Socialist" algorithms

The Cyberspace Administration of China has published Guidelines on Strengthening Comprehensive Algorithm Regulation. They state that the incorrect use of algorithms affects the market and social order, and therefore it is necessary to ensure proper control over their application. The goal is to form a whole system of control over the safety of algorithms with a full-fledged mechanism for eliminating violations, an improved regulation procedure and a regulated environment within ~ 3 years. The key ideology in the course of such activities should be Xi Jinping's ideas about socialism with Chinese characteristics and, in particular, about China as a great cyber power.

Source: http://www.cac.gov.cn/2021-09/29/c_1634507915623047.htm

SAMR prepares for VII BRICS ICC

On September 27th, a plenary meeting of the organizing committee of the forthcoming 7th International Conference on Competition under the auspices of BRICS was held in Chengdu (Sichuan Province). The event was chaired by the deputy head of the market department, Ms Gan Lin, and the vice-governor of Sichuan Province Li Yunze also attended the meeting. The meeting discussed such aspects of the Conference as the agenda, information coverage, the procedure for receiving guests, measures to prevent coronavirus and ensure security.

Source: http://www.samr.gov.cn/xw/zj/202109/t20210930_335326.html

Order in food markets

SAMR hosted a food market order conference on September 24th. The obligation of all market authorities in the field to carry out verification activities to ensure China's food security was emphasized. Such activities include, among other things, checking the procurement and storage process of the crop, as well as controlling the prices and quality of products.

Source: http://www.samr.gov.cn/xw/zj/202109/t20210924_335074.html

Platforms "open borders"

WeChat Pay, Tencent's mobile payment system, has finally arrived on various Alibaba platforms, according to media reports. In addition, Alibaba has applied to register its apps as mini-programs in the WeChat ecosystem - applications are currently pending. The corporation reportedly confirmed the availability of the WeChat payment option: "Alibaba is convinced that sharing, connectedness and openness are the foundation of a healthy digital environment."

On September 13, the Ministry of Industry and Informatization called on the platforms to ensure connectivity and stop blocking each other's services.

Source: https://m.thepaper.cn/baijiahao_14699760

Antitrust measures for payment systems

On September 24th, the deputy head of the People's Bank of China Fan Yifei spoke about strengthening antimonopoly measures against payment systems - the Central Bank will optimize the elimination of violations by payment systems to further improve the "ecology" of this sector. He pointed out that some of these systems unreasonably lower prices and use blended financing and other unfair competitive practices to capture the market and monopolize users, traffic, and data. Regulators must improve their ability to anticipate and prevent violations.

Source: <http://finance.sina.com.cn/tech/2021-09-26/doc-iktzqtyt8266571.shtml?cref=cj>

Penalty Bull Group

The Bull Group was fined 295 million yuan (≈ \$ 45.6 million) for an anti-competitive price-fixing agreement, 3% of its 2020 turnover in China. The Bull Group is one of the largest Chinese manufacturers of electrical and electronic products. It is noted that from the moment of receiving notification of the start of the investigation, the company formed a team to eliminate violations, led by the president of the company, and took active measures to self-check and ensure compliance.

Source: http://www.samr.gov.cn/fldj/tzgg/xzcf/202109/t20210927_335175.html

Model Antitrust Litigation Cases

The Supreme People's Court has published model antitrust cases: seven cases of unfair competition and 3 cases of anti-competitive practices. Statistics show that from 2008 (the year of the adoption of the Antimonopoly Law of the PRC) to 2020, 897 cases in this area of law were received by Chinese courts of all levels - 844 of them were issued a court decision. At the same time, consideration speed has increased significantly: from 6 cases per year at the beginning of the period to 107 cases annually by 2020. The court expressed its intention to issue judicial interpretations of the Unfair Competition Law in the near future (public consultations are currently underway). In interpretations, the judiciary speaks out on issues such as commercial ethics in the digital economy, traffic capture, practices of interference in the Internet environment, intentional incompatibilities, etc.

Source: <https://baijiahao.baidu.com/s?id=1712025198021126881&wfr=spider&for=pc>

Alibaba will give up its stake in Mango TV

In November last year, the corporation acquired a 5.01% stake in this media outlet. Mango TV is a major Chinese video platform. In addition to her, Alibaba also owns various media services, including microblogging Weibo and video streaming service Bilibili, and owns Alibaba Pictures Group and video hosting Youkou Tudou Inc. It is assumed that this step will be followed by the abandonment of stakes in other media companies - against the backdrop of increased regulation, tech giants may decide to focus on the main areas of their business.

Sources:

<https://baijiahao.baidu.com/s?id=1711740772940355162&wfr=spider&for=pc>

<https://www.scmp.com/tech/big-tech/article/3150002/alibaba-sell-stake-chinese-tv-network-estimated-us350-million-loss>

Cleaning up cyberspace

In the course of the 17th national campaign to protect copyright on the Internet, the responsible authorities managed to close 245 websites and mobile applications that were operating in violation of the law, as well as to remove 618.3 thousand Internet links with illegal content. The Internet platforms themselves took part in the campaign - they removed more than 8.46 million links, the content of which violated the rules related to copyright. The objects of the checks were video, audio and photo content, games and other works.

Source: <http://russian.people.com.cn/n3/2021/0929/c31516-9902262.html>

Protecting young people from smoking

As part of a campaign to protect youth health, the market authority has strengthened controls over the distribution of tobacco products and e-cigarettes. As part of tightening oversight of advertising and proper labelling, selected regions held meetings with marketplaces

- Alibaba, Tencent, Pinduoduo, JD.com, etc. They were urged to monitor compliance with the law, and if violations are found, to remove such advertisements, block sellers and links to goods. Specifically, Tencent has already blocked 2,898 rogue accounts on its platforms.

Source: http://www.samr.gov.cn/xw/zj/202109/t20210930_335311.html

Administrative monopoly in Heilongjiang province

In Heilongjiang Province, two cases of misuse of administrative powers were identified to eliminate or restrict competition. Jixi Gas Company entered into separate agreements with the People's Government and the Department of Urban and Rural Housing in Jiguan District of Jixi City to delegate exclusive authority to install gas equipment within the area. The market regulator found these actions to be in violation of Article 32 of the Antimonopoly Law of the PRC. After notification, the relevant departments cancelled the above agreements and gave developers the right to choose the designer of gas systems freely.

Sources:

http://www.samr.gov.cn/fldj/tzgg/qlpc/202109/t20210929_335258.html

http://www.samr.gov.cn/fldj/tzgg/qlpc/202109/t20210929_335259.html

Digitalization of classic taxis in Beijing

On September 26th, a new online taxi ordering service, Beijing Taxi, was launched. Since then, more than 100 small and medium-sized taxi companies have already connected to it. The service will help digitalize cars that are still looking for customers in the traditional offline format - there are about 60 thousand of them. Beijing Taxi is powered by AutoNavi (Alibaba Group) navigation platform and is also available on WeChat and Alipay cards. The service is said to screen both drivers and vehicles for compliance with applicable standards, while DiDi had only 40% of its fleet licensed as of August.

Source: <https://www.scmp.com/tech/tech-trends/article/3150290/beijing-taxi-takes-didi-alibabas-autonavi-mapping-service>

A civil lawsuit against Apple

The Supreme People's Court dismissed Apple's Shanghai Office objection. Earlier this year, a user sued Apple for a higher price of applications than those offered on the Android platform and a lack of choice of payment method: Apple only offers Apple Pay, while Alipay and WeChat are not available. He demanded that the company stop charging a 30 per cent commission from application developers, expand the choice of payment instruments and pay compensation in the amount of 100 thousand yuan (\$ 15.5 thousand). According to Southern Metropolis, the case will be heard by the court in January next year.

Source: <https://www.163.com/dy/article/GL7FBA4P05129QAF.html>