



April 28<sup>th</sup>, 2023

## Chinese antitrust.

### Review #14 (2023)

#### QUOTES

“We [advocate] risk reduction and diversification, not a break [with China] <...> We only ensure that the technologies of the United States and our allies are not used against us. We do not stop trade <...> If we shift the focus from the economy to the big picture, we compete with China in many dimensions, but do not seek confrontation or conflict. We want to manage competition responsibly and try to cooperate with China where possible.”

National Security Adviser to the President Jake Sullivan<sup>1</sup>

“Using administrative tools and forbidding regular business decisions of enterprises is behavior that is contrary to the principles of the free market. Discriminatory bans against individual countries violate the basic principles of international economics and trade. And at the same time, the United States constantly declares that they do not seek to separate from the Chinese economy, they want to conduct peaceful competition with China. We hope that the American side will ensure that the words match the deeds.”

Speaker of the Ministry of Commerce of China Shu Jueting<sup>2</sup>

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<sup>1</sup> Source: <https://www.whitehouse.gov/briefing-room/speeches-remarks/2023/04/27/remarks-by-national-security-advisor-jake-sullivan-on-renewing-american-economic-leadership-at-the-brookings-institution/>

<sup>2</sup> Source: <https://news.cgtn.com/news/2023-04-27/MOFCOM-Resolutely-oppose-U-S-s-new-policy-to-curb-China-1jIFeVnIefS/index.html>

## China unveils measures to stabilize foreign trade

According to the Ministry of Commerce, China will introduce a series of measures to stabilize the volume of foreign trade and improve its structure in the face of uncertain external demand, trade risks and other challenges. Specific measures include:

- publication of guidelines on trade with specific countries;
- assistance to car manufacturers in creating their own international marketing and service systems;
- improving financial services for micro, small and medium-sized enterprises;
- transfer of external purchases of raw materials for further processing to the central, western and north-eastern regions;
- accelerated revision of the list of technologies and products encouraged to import;
- development of "green" and low-carbon standards for certain categories of traded products;
- improving the efficiency of customs clearance, etc.

Sources:

<https://english.news.cn/20230423/6c42dfcdd53a444fb6ad0d7451e223b7/c.html>

<http://www.chinadaily.com.cn/a/202304/24/WS64455ae7a310b6054facf484.html>

## SAMR has published a plan for training qualified professionals

Plan is created for 3 years (2023-2025) and focuses on impacting capable and professional regulators with morale enhancement. Five major thematic projects will be implemented: (1) Formation of an expert "troop", (2) Specialized technologies, (3) Integrated enforcement, (4) Regulation at the basic level and (5) International outlook. As part of the plan, specialists will be trained in the quality of infrastructure, intellectual rights, legal regulation, creditworthiness and the smart sector, the quality of fruits and industrial products, as well as the security control of specialized equipment.

Source: [https://www.samr.gov.cn/xw/zj/202304/t20230426\\_354877.html](https://www.samr.gov.cn/xw/zj/202304/t20230426_354877.html)

## Chinese Vice Premier: Data management is essential for sustainable development

Chinese Vice Premier Ding Xuexiang spoke at the 4th UN World Data Forum in Hangzhou, where he noted China's outstanding progress in the development of the digital economy. He proposed a 4-point data management strategy:

- Adhere to true multilateralism and deepen global digital governance (eliminate digital barriers, deepen data connectivity, strive for equal and open digital partnership);
- actively apply digital innovation, accelerate digital transformation, promote the introduction of digital technologies in all areas and the comprehensive process of socio-economic development;
- promote equitable development, "build bridges" across the "digital divide", increase the accessibility of the digital economy;
- work together to implement the 2030 Agenda for Sustainable Development.

Source: <https://english.news.cn/20230424/802bf3f160dd408483729518c697221a/c.html>

## US plans sanctions against Chinese cloud service providers

Some US politicians are pushing the Biden administration to impose sanctions on Chinese cloud service providers — Huawei Cloud and others — by politicizing the business under the pretext of a national security threat. The letter from nine Republican senators asserts that Chinese cloud operators are "increasingly expanding their cooperation with foreign companies - sometimes sanctioned - that pose a direct challenge to the national and economic security of the United States, its allies and partners." The authors also demand that Alibaba Cloud be listed for restricted exports, citing its ties to the Chinese military. In addition, they are calling for investigations against other providers, including Baidu Cloud and Tencent Cloud.

Chinese analysts say that such sanctions will be difficult to manage given the US government's limited control over the cloud computing sector and the potential damage to US companies.

Source: <https://www.globaltimes.cn/page/202304/1289850.shtml>

## **Beijing releases Compliance Guidelines for Algorithm Operators**

The Metropolitan Internet Association and the Institute of Information Engineering of the Chinese Academy of Sciences, under the leadership of the Beijing Cyberspace Administration, have developed the Beijing City Compliance Guidelines for algorithmic recommendations in the provision of information services on the Internet. Other scientific organizations, government think tanks and digital companies were also involved in the development. Depending on aspects such as the life cycle of the algorithm, its type and scope, information service providers are required to ensure their safe operation, improve operating rules and strengthen technical support.

Sources:

<https://news.cnstock.com/news,bwqx-202304-5053199.htm>

<https://news.sina.com.cn/gov/2023-04-27/doc-imyrvfyq1533195.shtml>

## **The authorities demanded that taxi aggregators regulate their activities**

SAMR, the Ministry of Transportation, the Ministry of Industry and Informatization, the Ministry of Public Security and the Cyberspace Administration jointly issued a notice to taxi aggregators to regulate their activities. In particular, it is forbidden to connect drivers and cars without a proper license, as well as display taxi ordering platforms that have not received a business license in the relevant territory. The aggregator service is obliged to display in a conspicuous place the names of partner companies and channels for complaints and appeals. The aggregator cannot interfere with the pricing policy of partner platforms or directly participate in the distribution of cars and driver management. Based on the latter requirement, industry experts conclude that then the aggregator acts only as an information service provider, and the corresponding partner taxi booking platform is responsible for the transportation.

Source: [http://gd.news.cn/newscenter/2023-04/27/c\\_1129569406.htm](http://gd.news.cn/newscenter/2023-04/27/c_1129569406.htm)

## **AmCham China White Paper on Business in China 2023**

The American Chamber of Commerce in China (AmCham China) has published a white paper on business in China and the results of a survey conducted on April 18-20<sup>th</sup>, 2023. The key topics covered in the white paper were the impact of three years of "zero tolerance" policy towards COVID-19, which is still being felt despite the lifted restrictions, uncertainty about the future of Sino-US relations and the focus of China's state policy on

economic self-sufficiency. As the flash survey showed, the share of those who are pessimistic about relations between China and the United States increased from 73% to 87%. At the same time, the majority of AmCham China members (73%) do not plan to transfer supply chains outside of China, while 23% are considering such a possibility or have already begun the relocation process. Since December 2022, top management of 43% of respondents have already visited China, and another 31% have planned such a visit in the coming months.

Source: <https://www.amchamchina.org/25th-annual-american-business-in-china-white-paper-business-sentiment-flash-survey-released/>

## **The Minister of Commerce met with the EU Commissioner for Trade**

Chinese Minister of Commerce Wang Wentao met with Vice President of the European Commission and EU Commissioner for Trade Valdis Dombrovkis. Dombrovkis stressed the need to reconfigure bilateral trade relations. Chinese market-disrupting policy measures and the growing politicization of the business environment are causing doubts among European investors and reducing their interest. In particular, the need to resolve issues related to supply chains within the framework of existing formats was discussed. Regarding market access issues, Dombrovkis noted concerns about regulatory pressure, for example, in the agricultural products, medical equipment and cosmetics sectors. He also mentioned restrictions on cross-border data transfer. Dombrovkis urged China not to restrict trade in technology essential to combating climate change.

Source: [https://policy.trade.ec.europa.eu/news/read-out-bilateral-meeting-between-executive-vice-president-valdis-dombrovkis-and-minister-wang-2023-04-24\\_en](https://policy.trade.ec.europa.eu/news/read-out-bilateral-meeting-between-executive-vice-president-valdis-dombrovkis-and-minister-wang-2023-04-24_en)

## **SAMR Training on Public Resonance Management**

SAMR held a public opinion management event where it reviewed high profile cases. The case of the Shaanxi Cement Producers Association and 13 cement companies that received a fine of ≈\$65 million for an anti-competitive agreement was chosen as the most representative case. Invited experts from the Administration Council of the CPC Central Committee for Cyber Security and Informatization, Renmin University of China and Fudan University gave their instructions and comments. The organizers stressed the importance of paying sufficient attention to and preventing incidents that occur easily or frequently but have a significant impact. It is necessary to learn to control the public reaction to events in conditions of increased media activity and to eliminate the associated risks in advance.

Source: <https://mp.weixin.qq.com/s/AU7xQmMQ12Q-fiN4so66Qg>

## **Tencent supports the development of Heilongjiang province**

Tencent CEO Pony Ma spoke at the business forum on industrial cooperation, openness and interaction, jointly organized by the provincial governments of Guangdong (southern China) and Heilongjiang (northeast China). “So far, we have deployed industrial cooperation projects in four locations [Heilongjiang] and eight industries, and they have already shown outstanding results,” said Ma. He said Tencent plans to further promote innovative cooperation in Heilongjiang, accelerate the development of rural areas, digital economy and digitalization of the real economy in the region. Tencent's coworking space has already become the cradle of development for more than 100 Heilongjiang startups. The corporate activism in Heilongjiang is yet another manifestation of China's technology

companies' efforts to comply with the authorities' directive to fully realize their potential to stimulate economic growth and create jobs in the country after the pandemic.

Sources:

<https://m.yunnan.cn/system/2023/04/23/032559402.shtml>

[https://www.hljnews.cn/ljxw/content/2023-04/22/content\\_688200.html](https://www.hljnews.cn/ljxw/content/2023-04/22/content_688200.html)

<https://www.scmp.com/tech/big-tech/article/3218307/tencent-ceo-pony-ma-pledges-support-northeastern-heilongjiang-provinces-development-big-tech-firms>

## Hotels began to inflate prices on the eve of the May holidays

Online users complained that many hotels, under various pretexts (for example, unscheduled repairs), require the cancellation of a pre-booked reservation for the May holidays or cancel it unilaterally, after which they offer it again on aggregator platforms at an inflated price. Hotels return the booking fee in full and sometimes even pay a small compensation, but in the face of a massive increase in prices for tourist accommodation, it is no longer possible to book a property of the same level for this money. A similar phenomenon was also observed during the New Year holidays. At the moment, market regulators help users to receive decent compensation.

Source: <https://mp.weixin.qq.com/s/dflynCkCdB4Bblq8ikJ5gg>

## China deepens cooperation with WIPO

The State Copyright Administration of China and the World Intellectual Property Organization (WIPO) signed a revised memorandum of understanding on Tuesday.

The updated document is aimed at strengthening cooperation in the field of copyright and expanding cooperation in the development and implementation of international treaties on copyright, discussing the protection of digital copyright, improving the ability to prevent and control risks in the field of copyright, sharing copyright to encourage creativity and innovation of small and medium-sized enterprises, as well as in the field of promoting the inheritance and development of folk literature and art.

This year marks the 50<sup>th</sup> anniversary of the beginning of cooperation between China and WIPO.

Source: <http://russian.people.com.cn/n3/2023/0426/c31521-20011292.html>

## NetEase launched a chatbot for generating applications

Gaming giant NetEase has unveiled its ChatGPT counterpart, CodeWave, an application development program based on a unique large language model. The CodeWave low-code platform is designed to create simple software without complex programming skills. Users enter a description of the desired features, and the platform generates code for the application.

Chinese digital companies are actively engaged in the development of generative AI. For example, Alibaba Cloud launched an affiliate program using its Tongyi Qianwen chatbot: together with representatives of the industrial sector, it will develop large language models for various industries. The first phase will cover petrochemicals, electricity, transportation, hospitality, corporate services, telecommunications and finance.

State-owned telecommunications company China Telecom has also entered the generative AI race, with its cloud division saying a pre-trained model of its own design is now undergoing internal testing and will be released "in due time."

Sources:

<https://www.scmp.com/tech/big-tech/article/3218406/no-advanced-coding-skills-required-netease-launches-its-chatgpt-rival-enterprises-build-apps-text>

<https://www.scmp.com/tech/big-tech/article/3218425/alibaba-seeks-growth-ai-co-development-programme-targeting-industrial-clients-cuts-prices-cloud>

<https://www.nbd.com.cn/articles/2023-04-26/2786811.html>

## **Alibaba Cloud launches cooperation with Shenzhen Data Exchange**

Alibaba Cloud and Shenzhen Data Exchange have signed a framework agreement to cooperate in areas such as infrastructure construction, data ecosystems, large model application studies, and more. The cooperation will be broad and will cover many areas from big data and cloud computing to AI services. Even before the deal with the Shenzhen Exchange, Alibaba Cloud began working with other players in the sector, including the Hangzhou International Digital Trade Center and the Guiyang Big Data Exchange. In total, more than 40 data exchanges are already operating or planned to open in China.

Source: <https://www.scmp.com/tech/big-tech/article/3218164/alibabas-cloud-services-unit-expands-business-chinas-data-exchanges-under-major-new-deal-southern>