



August 4th, 2023

Chinese antitrust.

Review #25 (2023)

August 1st marks the **15th anniversary** of the entry into force of the **Antimonopoly Law** of the People's Republic of China, which emerged in the process of China's transition to a market economy. The document was approved back in 2007 and entered into force on August 1st, 2008, becoming a reliable legal basis for protecting fair competition and the decisive role of the market in the allocation of resources.

At the same time, **the first anniversary** of the entry into force of the first **amendments to this Law** is also celebrated — the new edition was developed as a response to the new requirements of high-quality development and the challenges of the digital economy.

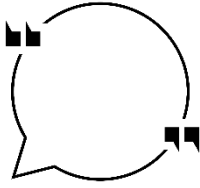
Over the 15 years of the existence of the Antimonopoly Law of the PRC, **340 cases of anti-competitive agreements and abuse of dominance** have been considered, fines and confiscations amounting to **more than \$5 billion** have been received. , consumer goods, building materials, etc.

The system for reviewing applications for economic concentration transactions has been significantly developed: a simplified review system and an electronic filing system are currently in place, and some cases are delegated for review on the spot. Over 15 years, **more than 5,400 transactions** have been considered - of which 3 have been blocked, and 59 have been approved with additional conditions.

As part of the fight against abuse of power, **more than 430 cases of “administrative monopoly”** were also considered — cases of the use of administrative power to the detriment of competition ¹.

¹ Source: https://www.samr.gov.cn/xw/mtjj/art/2023/art_ff459669ba724c39b48dff5144c7057f.html

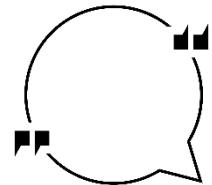
QUOTES



In 15 years, China's anti-monopoly law has come a long way: formed, improved, tempered, matured, continuously energizing the high-quality development of the economy, accumulating new forces <...> in the world, antitrust guidelines for the digital economy <...> have become one of the top three antitrust jurisdictions, along with the US and the EU.

Xu Xinjian, Anti-monopoly Director of China's General Administration of State Administration for Market Regulation

Source: https://www.samr.gov.cn/xw/mtjj/art/2023/art_ff459669ba724c39b48dff5144c7057f.html



The just-published measures to support private business emphasize: [it is necessary] to fully engage the institution of a fair competition policy. Strengthen the fundamental position of competition policy, strengthen the institutional framework and mechanisms for its implementation, adhere to the principle of equal treatment of enterprises of any form of ownership.

Southern Metropolis

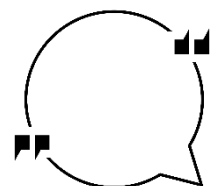
Source: <https://new.qq.com/rain/a/20230801A095VV00>



The more stressful times come, the more persistently it is necessary to adhere to a fair competition policy - this is a development policy that creates a stable, fair, transparent and predictable investment environment.

Lu Yan, Director of the Development Research Center of China's State Administration for Market Regulation

Source: <https://new.qq.com/rain/a/20230801A095VV00>



Understanding the original purpose of the Antitrust Law is relevant today. And its purpose is described in the first article: to protect fair competition in the market, to

encourage innovation, to improve the efficiency of economic activity, in order to ultimately protect the rights of consumers and the public interest of society. <...> In all sectors without exception with full-fledged competition, people have greater and better welfare. And the increase in this general welfare is achieved through fair competition in the market, and not through planned distribution or government intervention.

Huang Yong, Director of the Competition Law Centre of the International Business and Economics (UIBE)

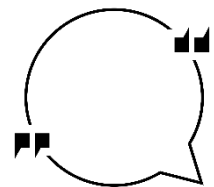
Source: <https://baijiahao.baidu.com/s?id=1773171179503415936&wfr=spider&for=pc>



Strengthening law enforcement in socially significant areas is a key step in realizing “development for the people.” And people-centered development is not an empty slogan, it cannot remain only in words, in ideological reflections: it must be translated into real actions, implemented at all stages of socio-economic development. There is no end point in the way of realizing people-centred development, and there can be no pause in antitrust regulation.

Shi Jianzhong, Vice President of China University of Political Science and Law (CUPL)

Source: http://www.ce.cn/cysc/ztpd/2023/zgsyw_340814/bc/202308/01/t20230801_38654177.shtml



Antimonopoly law is the “escort” of high-quality competition on the ground. For a long time, competition between territories was an important driving force for the accelerated development of the economy, but <...> in the absence of sufficient rules and restrictions, it sometimes became blind, redundant, disorderly <...> competition, which, in turn, is a fundamental prerequisite for achieving high-quality development.

Kai Zhibin, Associate Professor at the Teaching Department of Economic Research of the Central Party School (State Administrative Institute)

Source: https://www.samr.gov.cn/xw/mtjj/art/2023/art_1569b7a0241b40afa0e86c4301d9f9ef.html



The competitive policy covers both the authorities and the subjects of the market; covers all stages of regulation from ex ante to ex post, and its goal is to remove all barriers to entry into the market, crush regional monopoly and territorial barriers, and promote the free circulation of goods, factors of production and resources.

Wang Yiming, Vice Chairman of China Center for International Economic Exchanges (CCIEE)

Source: https://www.samr.gov.cn/xw/mtjj/art/2023/art_f8d74962c6504b4ba11d4af04aa64f3e.html



The fair competition review system is a tool for the implementation of competition policy, which not only strengthens its fundamental position, but also removes the source of competition restriction. It was finally formed by 2016, and since then more than 4 million new and existing documents have been checked in China, and more than 50,000 have been edited or canceled.

Huang Yong, Director of the Competition Law Centre of the University of International Business and Economics (UIBE)

Source: https://www.samr.gov.cn/xw/mtjj/art/2023/art_e9205409d06e4f8d904124844450da4d.html



The role of industry associations and chambers of commerce should be fully recognized as an integral factor in a more equitable distribution of market resources and an important driving force for the protection of competition in the market, as well as a bridge between government and business in the process of economic development. At the same time, some of them <...>, under the pretext of protecting the interests of the industry or strengthening self-discipline, organize anti-competitive agreements, violate the competitive order in the market - and antitrust law is necessary to eliminate these violations. Antitrust guidelines for industry associations, now under consideration, are designed to close gaps in the law, and the recent voluntary commitment to protect fair competition in the automotive industry shows an increase in awareness of antitrust.

Prof. Sun Jin, Director of the Competition Law and Policy Research Center at Wuhan University

Source: https://www.samr.gov.cn/xw/mtjj/art/2023/art_ccb57a3a41d0419bb40e816256de0b85.html