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Chinese antitrust.

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QUOTES

“In the era of artificial intelligence, Alibaba would like to act as an open technology platform, providing services to the entire society in the field of innovative development and AI transformation in line with its original mission: “making it possible to do business anywhere.”

New Alibaba CEO Eddie Wu at the World Internet Conference in Wuzhen ¹

EVENTS

- **Gan Lin resigned as head of the State Antimonopoly Bureau**
- **Xi Jinping called for improving the mechanism for regulating natural monopolies**
- **China launched PubScholar public database**
- **Statistics on M&A transactions agreed without prescriptions**
- **Ministry of Commerce will eliminate discrimination against foreign capital**
- **China has put forward an initiative for international scientific and technological cooperation**

¹ **Source:** <https://www.gov.uk/government/news/countries-agree-to-safe-and-responsible-development-of-frontier-ai-in-landmark-bletchley-declaration>

Gan Lin resigned as head of the State Antimonopoly Bureau

By decision of the State Council of the People's Republic of China, Gan Lin no longer holds the posts of deputy head of the General Administration of Market Regulation of China and head of the State Anti-Monopoly Bureau. She will now serve as permanent vice chairman of the China Consumers Association.

Gan Lin has held both posts since the founding of the departments - market regulator in 2018 and antimonopoly in 2021. Information about her successor is not yet available.

Sources:

https://www.gov.cn/gwyzjjg/renmian/202311/content_6914555.htm

https://mp.weixin.qq.com/s/OKGYqREbmbtI_o6RFI9w

Xi Jinping called for improving the mechanism for regulating natural monopolies

The Chairman of the People's Republic of China made this statement at a meeting of the Central Commission for the Comprehensive Deepening of Reforms, where he approved a series of guiding documents, including "Opinions on the implementation of strengthening systems and mechanisms for the supervision and regulation of natural monopolies." Industries such as electricity supply, gas and oil production or rail transport are monopolies by nature due to their network structure, but also play a key role in the country's economy. It is necessary to strengthen public sector control over natural monopolies, increase public investment in network infrastructure, improve the security and reliability of networks, and motivate companies to fulfill their corporate responsibilities. Their monopolistic and competitive practices must also be closely monitored to ensure that the benefits of monopoly power do not spill over to other parts of the chain.

Sources:

<https://english.news.cn/20231107/ac5be99afec74ddc9a6ba7fe67904c0d/c.html>

<https://mp.weixin.qq.com/s/rKrFLWmFUs7T3gYmZIXVcA>

China launched PubScholar public database

The National Science Library of the Chinese Academy of Sciences launched the academic platform PubScholar - it currently hosts about 170 million materials, of which the full text of 80 million (including journals, dissertations, patent literature and scientific data) is available to users for free. The platform provides services such as searching academic resources, purchasing, exchanging and sharing content. The purpose of its creation is to form a domestic hub of high-quality publicly available materials.

The launch occurs against the backdrop of significant violations in the activities of the largest Chinese database of scientific articles, China National Knowledge Infrastructure (CNKI): based on the results of investigations, fines amounted to ≈\$6.8 million for cybersecurity violations and ≈\$13 million for abuse of a dominant position.

Sources:

<https://english.news.cn/20231102/427f110dde0df489186a99d5ae7d39c6f/c.html>

<https://pubscholar.cn/>

Statistics on M&A transactions agreed without prescriptions

In the first 10 months of 2023, SAMR approved 605 economic concentration transactions without a prescription. The department notes five main features:

1) 547 transactions (90%) were considered under a simplified procedure;

2) most often (344 cases, 57%) the parties to the transaction were Chinese companies; followed by mergers and acquisitions between foreign companies (193 cases), while there are only 68 transactions between Chinese and foreign companies;

3) the majority (236 cases, 39%) occurred in the manufacturing sector of the real economy. Next in the ranking are retail trade, transport, electricity, gas and water supply, real estate, information technology services;

4) 312 transactions are horizontal (with industry competitors), 248 are vertical (suppliers with consumers);

5) the place of registration of Chinese companies was most often the cities of Shanghai and Beijing, as well as the provinces of Guangdong and Zhejiang, and the places of registration of foreign companies were the USA, France and Japan.

The agency states that in regulating economic concentration transactions it adheres to the principle of “compliance ex ante, verification at the moment, prosecution of liability ex post.”

Source:

https://www.samr.gov.cn/xw/zj/art/2023/art_56f6adbc7524b7ab4ff514e4a8f2642.html

Ministry of Commerce will eliminate discrimination against foreign capital

The Commerce Ministry said it would campaign to revise rules on unfair differential treatment of Chinese and foreign capital. It will eliminate various regulations and policies that contain provisions that may discriminate against foreign-invested enterprises, so as to stabilize foreign investors' confidence in long-term investments in China. Applying a differentiated approach means, among other things, limiting access to certain industries, creating obstacles to doing business, introducing restrictions on foreign brands, subsidizing the purchase of goods of your own brand, setting a lower score for foreign companies when evaluating tender projects, and providing targeted grants and subsidies to Chinese companies, etc.

Source:

<https://www.chinanews.com.cn/cj/2023/11-08/10108470.shtml>

China has put forward an initiative for international scientific and technological cooperation

For the first time, China took the initiative for international scientific and technological cooperation, calling on countries around the world to engage in open, fair, impartial and non-discriminatory cooperation. It is proposed to follow the principle “Science knows no state borders and serves the benefit of all mankind” and to form a scientific and technical “community of a common destiny.” The initiative implies improving global governance in the scientific and technological field, strengthening the protection of intellectual property, strengthening cooperation in the field of scientific and technological innovation, free circulation of innovative personnel and resources on a global scale, supporting the equal right of all countries to participate in international scientific and

technological cooperation.

Source: https://www.gov.cn/yaowen/liebiao/202311/content_6914071.htm