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## Chinese antitrust.

### Review No.5 (2024)

#### QUOTES

Amway has faith in China's development prospects and will expand its investment in the Chinese market.

Qualcomm highly values the Chinese market and also hopes to strengthen engagement with regulators and deepen innovation cooperation with Chinese partners.

OTIS thanks the department for its support and notes that it plans to integrate deeper into the Chinese market.

Nestlé thanks the regulator for supporting the development of the brand in China, expresses a positive assessment of the prospects for the development of the large-scale Chinese market and hopes to “take root” in it.

Statements by heads of foreign companies at a meeting with SAMR management<sup>1</sup>

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<sup>1</sup>Sources: [SAMR 1](#), [SAMR 2](#), [SAMR 3](#), [SAMR 4](#)

## Progress and plans of the campaign to remove obstacles to competition

SAMR said that for more than six months the agency has been conducting a large-scale campaign to eliminate program and regulatory documents that impede the development of fair competition. In total, almost 700 thousand documents were checked. Of these, more than 4 thousand were canceled as creating obstacles (1,917 documents on barriers to entry or exit to the market, 568 on obstacles to the free circulation of goods and factors of production, 1,462 on unlawful influence on production and operating costs, 121 on improper influence on production and economic activities).

Next, SAMR plans to continue working in four areas:

- 1) improve the fair competition review system;
- 2) ensure that local market regulators fulfill their responsibility for reviewing relevant legislation;
- 3) conduct targeted campaigns to eliminate problems associated with market competition;
- 4) increase the awareness of local authorities towards fair competition and their ability to implement fair competition policies.

Source: [WeChat 1](#), [WeChat 2](#)

## ByteDance is not going to sell TikTok in the US

ByteDance founder Zhang Yiming said the company is not looking for potential buyers despite the threat of a ban if the platform is not taken out of the control of its Chinese owner. The corresponding bill is currently being considered by the Senate. ByteDance previously commented that the terms essentially amount to a ban on the app in the US and violate the First Amendment rights of American citizens. In 2023, TikTok won a lawsuit against the state of Montana, where the application was first banned - the main argument was a possible restriction of freedom of speech.

Source: [Caixinglobal](#)

## SAMR received the USCBC delegation

Deputy head of the Chinese department Pu Chun met with a delegation of the US-China Business Council (USCBC). The parties exchanged views on topics such as intellectual property protection, antitrust enforcement and fair competition. Pu Chun said that the Office will continue to promote the creation of a market-oriented, legal and internationalized business environment, and support the operation and development of enterprises from all countries in China. In turn, USCBC Chairman Allen Craig expressed hope that the organization will continue to play an active role in promoting mutual exchanges and contributing to China's economic prosperity and development.

Source: [SAMR](#)

## China improves conditions for foreign investors

At the annual forum "China's Development", Premier of the State Council of the People's Republic of China Li Qiang made a number of statements for foreign entrepreneurs. The Chinese government is committed to creating a favorable economic environment for foreign businesses and is closely studying issues such as market access, public tenders and cross-border data exchange, he said. China will make every effort to

uphold fair market competition and the rule of law in international economic cooperation. Li Qiang also noted that China is integrated into the world economy and the reliability of its economy should not raise doubts among investors.

Source: [SCMP](#)

## Revision of Antitrust Compliance Guidance

SAMR has published draft updated antitrust compliance guidance for business entities. The first edition was published back in 2020, and now the authorities have decided to update the document in accordance with new realities. The content of the manual has increased by almost a third. One of the key changes is the addition of 23 cases that can serve as reference, and the inclusion of a chapter on encouraging the creation of compliance systems. Public consultations on the project will last until April 4.

Source: [SAMR](#), [Southern Metropolis](#)

## Antimonopoly collection “One Belt, One Road”

Against the backdrop of increasing anti-monopoly inspections and growing volumes of Chinese capital abroad, SAMR conducted a comprehensive analysis of the anti-monopoly practices of participating and like-minded countries of the Belt and Road Initiative: as a result, a collection of anti-monopoly laws of 30 countries was published, including Russia, Singapore, Poland, Czech Republic, Philippines, Egypt, Pakistan, etc. A number of guidelines have also been published: for example, Opinions on the regulation of business activities of enterprises abroad and Guidance on antitrust compliance management abroad. The documents are intended to help Chinese companies better comply with the laws of host countries and ensure a higher level of compliance.

Source: [SAMR](#)

## Cooperation between China and the EU in the field of competition

On March 18<sup>th</sup>, SAMR received a delegation from the European Commission's Directorate General for Competition. The parties exchanged views on the development of anti-monopoly legislation and agreed to deepen cooperation between China and the EU to jointly ensure a fair competitive order in international markets.

At the meeting, SAMR Director Meng Yang said that China will continue to strengthen anti-monopoly supervision and promote the accelerated implementation of fair competition review provisions. He also expressed his intention to strengthen competition legislation and actively create conditions for the development of fair competition.

For his part, the head of the EC's Directorate General for Competition, Olivier Gersen, emphasized the importance of cooperation between China and Europe for the development of economic and trade relations. He expressed hope for strengthened cooperation between the two sides and coordination of competition law.

Source: [SAMR](#)

## ByteDance enters the online shopping market

Douyin (the Chinese version of TikTok) has released a separate application for online shopping - Douyin Mall. The platform combines shopping service with videos and live broadcasts, which is in line with the current trend in China to develop sales through popular video content. The new platform could become a competitor to such large Chinese

marketplaces as Taobao, JD.com and Pinduoduo.

Source: [SCMP](#)

## **China files complaint to WTO over US subsidies for electric vehicles**

Amid growing tensions in the electric vehicle sector, China has filed a complaint with the World Trade Organization over US subsidies for domestic vehicles. The American Inflation Reduction Act of 2022 provides a \$7.5 thousand subsidy to manufacturers of electric vehicles with American components. For cars produced with foreign components, benefits were canceled.

China's Ministry of Commerce argues that the law's EV subsidy rules discriminate against foreign companies, distort the global EV supply chain and undermine fair competition. The PRC intends to protect the interests of Chinese automakers and ensure a level playing field for the global electric vehicle industry.

In response, US Trade Representative Katherine Tai said it was Beijing that "continues to use unfair, non-market policies and practices" to undermine fair competition and dominate global markets.

Source: [Bloomberg](#)