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Chinese antitrust.

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QUOTES

“Modernization is an inalienable right of all countries, and not a special privilege monopolized by a minority. Having achieved modernization, one must not tear down bridges behind oneself, put obstacles on this path for other countries, and even more so one must not put pressure, oppress or hinder those who choose their own path to modernization. China does not participate in the competition of powers: we only defend our own development interests, the right of the Chinese people to strive for a better life.

Chinese Foreign Affairs Minister Qin Gang at the forum "Chinese Modernization and the World"¹

“We will clearly convey to the Chinese Communist Party our concerns about its actions <... > Our purposeful actions may have economic consequences, [but] they are motivated solely by our concern for our security and values. We do not seek to use these tools to gain competitive advantage in the economy.”

US Treasury Secretary Janet Yellen on US-China economic relations at a speech at Johns Hopkins University²

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China will create a network of supercomputers

The Ministry of Science and Technology of China has launched the process of creating a national network of supercomputers - with the development of generative AI, the demand for computing power in the country has increased significantly.

¹ Source: <https://baijiahao.baidu.com/s?id=1763766692072335803&wfr=spider&for=pc>

² Source: <https://home.treasury.gov/news/press-releases/jy1425>

By 2025, China will have a comprehensive ecosystem of cutting-edge technologies, innovative models, and premium services that will become a "fast lane" on the road to a "digital China." The system will operate on the basis of supercomputing centers, united in a nationwide computing power platform. This will increase the efficiency of work in a variety of areas: from space and medicine to meteorology and finance. According to the academician of the Chinese Academy of Engineering Li Guojie, Chinese supercomputers are at the forefront of the world, but in their implementation and application - especially by industrial companies - China still lags behind foreign countries. It is necessary to eliminate this weak point, to make supercomputers as accessible to society as the Taobao platform.³

Sources:

<https://www.yicaiglobal.com/news/china-initiates-establishment-of-national-supercomputing-internet-consortium>

<http://m.stdaily.com/index/kejixinwen/202304/6d2842bf29e64ea096ff14dd85d66f7e.shtml>

<https://www.scmp.com/news/china/science/article/3217499/china-aims-build-supercomputer-internet-solve-industry-challenges>

Ministry of Transport urged platforms to reduce commissions

The Ministry of Transportation of China has published a plan to help reduce fees on online transport service platforms - this is done to guarantee decent wages for new forms of employment (in the Internet economy). According to the plan, local transportation departments are required to monitor the level of wages of those employed on the platform and can set the maximum level of fees charged by the platform at their discretion, and the provincial departments should coordinate and supervise such activities. Work to reduce inflated fees should be completed by the end of May on taxi ordering platforms and by the end of October on freight platforms. Drivers registered on the platforms welcomed the innovation: platforms often charge too high commissions (sometimes more than 30%), which reduces their motivation to take orders.

Sources:

http://www.news.cn/fortune/2023-04/17/c_1129531820.htm

<https://www.globaltimes.cn/page/202304/1289290.shtml>

Anti-Unfair Competition Campaign 2023

SAMR launched the Safeguard and Protect Enforcement Campaign to Combat Unfair Competition for 2023. The regulator will focus on:

- Investigation of unfair competitive practices on the Internet (strict fight against cheating purchases, gaining credibility by dishonest means, spreading false information on live broadcasts, etc.);
- regulation of marketing practices in socially significant sectors: pharmaceuticals, food, travel, etc. (combating commercial bribery, increasing consumer confidence, etc.);
- maintaining the competitiveness of companies (strengthening the protection of trade secrets, business reputation, etc.; stimulating the effective circulation of goods and factors of production; encouraging innovation).

Source: https://www.samr.gov.cn/xw/zj/202304/t20230418_354704.html

³ Одна из крупнейших в Китае платформ онлайн-шопинга.

US plans to limit investment in key sectors of the Chinese economy

According to media reports, in the coming weeks, Biden plans to sign an executive order that will limit US business investment in key sectors of the Chinese economy. The order will affect industries such as semiconductors, AI and investment-focused quantum computing, where US companies play an active role in governance.

Chinese experts say the US actions will disrupt the stability and security of global industrial chains. Chinese companies have already accelerated work on independent research, the production of vital electronic components, and the wider adoption of Chinese-made chips. The efforts of the US government to curb the development of the Chinese technology sector have a negative impact on the semiconductor industry on a global scale, making it difficult for international technology exchanges and economic cooperation. American companies themselves will be seriously affected by such unprecedented restrictions.

Sources:

<https://www.bloomberg.com/news/articles/2023-04-20/biden-to-unveil-china-investment-curbs-before-g7-summit-in-may>

<https://www.chinadaily.com.cn/a/202304/21/WS6441d8b4a310b6054facee17.html>

China condemns USCC report on online shopping platforms

The report of the US-China Economic and Security Monitoring Commission (USCC) describes the challenges associated with Chinese fast fashion platforms: Shein, Temu, and others. These include the abuse of gaps in trade laws, problems with production processes and product safety, use of forced labor, violation of intellectual property rights.

According to the Chinese Ministry of Commerce, China is seriously concerned about the allegations. The report is riddled with inaccurate language (such as “may”, “probably”, “seems”) and criticizes Chinese e-commerce platforms, citing unilateral statements by US companies that have neither the authority nor the legal right to do so. At the same time, the results of the investigation or verification of authenticity are not given. “Such actions can not be called professional or responsible,” the representative of the Ministry emphasized.

Source:

http://english.scio.gov.cn/pressroom/2023-04/21/content_85243648.htm

https://www.uscc.gov/sites/default/files/2023-04/Issue_Brief-Shein_Temu_and_Chinese_E-Commerce.pdf

Alibaba launches cloud computing course

Alibaba Cloud is partnering with the University of Hong Kong School of Business to launch a credit course on Fundamentals of Cloud Computing and its Application to Entrepreneurship. Alibaba Cloud is the first private company involved in the development and teaching of a credit course at this School. During the training period, students will be able to analyze real scenarios related to the use of cloud technologies, learn about technological resources and industry secrets. The partnership highlights Alibaba Cloud's commitment to nurturing talent for the digital economy. The first stream will start in September 2023, the number of the group will be 40-50 people. Upon completion of the course, each of the students will prepare their own business plan using cloud technologies.

Source:

https://www.alibabacloud.com/blog/alibaba-cloud-partners-with-hku-business-school-to-introduce-first-undergraduate-credit-course-in-cloud-computing_599900

SAMR met with ICC China

On April 14, the Competition Policy Coordination Department and the 1st and 2nd Antimonopoly Departments of SAMR held a meeting with the China National Committee of the International Chamber of Commerce (ICC China). The parties discussed the work plans for legislative and law enforcement activities in the field of antimonopoly policy for 2023, as well as the results of the recent work of ICC China employees.

Source: https://www.samr.gov.cn/jzxts/gjhz/202304/t20230417_354679.html

The movements of Beijing delivery workers will be tracked using chips

At a meeting of the Beijing Committee for Transportation, it was announced that starting this year, chips will be piloted on the electric mopeds of food deliveries and couriers - this is necessary to track their movements in real time in order to more effectively detect violations [of traffic rules]. Who will finance the implementation of the system is not specified. If this burden falls on the shoulders of the platforms, it may reduce their profitability.

The drive to complete more orders in less time often results in speeding or dangerous U-turns during delivery. The innovation will help improve traffic safety and protect the health of couriers. With the start of the big tech regulation campaign at the end of 2020, ensuring decent working conditions for workers in the gig economy remains one of the important requirements of regulators.

Sources:

<https://baijiahao.baidu.com/s?id=1763683350489771128&wfr=spider&for=pc>

<https://www.scmp.com/tech/policy/article/3217689/beijing-track-delivery-bikes-chips-crackdown-dangerous-driving-behaviour-meet-tight-deadlines>

Tesla puts sales growth ahead of profits

Elon Musk redoubles his efforts in an extended price war: in a weakened economy, Tesla will put sales growth over profits. The electric car maker is drastically cutting prices in markets including the US and China to spur demand and cope with growing competition. Musk has previously said he's willing to sacrifice some of the industry's biggest profits to stay competitive in China, where Tesla has to compete with popular local manufacturer BYD.

Source:

<https://www.scmp.com/business/companies/article/3217658/tesla-put-sales-growth-profit-fend-competition-carmakers-such-chinas-byd-says-musk>

Hainan published competition review methods

The Hainan Free Trade Port published Temporary Competitive Review Methods - checking administrative decisions for the absence of provisions that impede the development of competition. All people's governments at and above the county level are required to set up special commissions to coordinate such inspections. At the same time, senior staff are required to study competition policy, which should also become one of the key topics of professional training in administrative universities. Before making important

political decisions on economic activity, responsible persons are obliged to hear opinions on compliance with the requirements of the competition review system.

Source: https://www.samr.gov.cn/fldys/tzgg/gpjzsc/202204/t20220424_342471.html

Chinese smartphone makers start pre-installing RuStore

According to Kommersant, Chinese smartphone manufacturers, including Xiaomi, Tecno, Vivo, Realme, and others, have begun preinstalling the RuStore app on their products. This could result in a legal risk under licensing agreements with Google that could disconnect their devices from their services or stop sharing a portion of the revenue from Play Store transactions with manufacturers. Therefore, brands do not give the app store access to Android system settings: the first time you turn it on, the user must independently allow RuStore access to these functions.

Source: <https://www.kommersant.ru/doc/5941250>