BRICS LAW&POLICY CENTRE
COMPETITION

July 21, 2024

Chinese antitrust.
Review No. 14 (2024)

QUOTES

"Mature automakers need to develop strategies to successfully compete with Chinese companies so as not to lose the electric vehicle market to Chinese brands, as happened to American automakers in the small car market in the 1980s. Traditional brands that fail to adapt and move away from their old ways of doing things could face the threat of being replaced by inexpensive, high-quality products."

Dr. Stephen Dyer, Co-Head of AlixPartners China [1]

EVENTS

- **SAMR conducted training on reviewing M&A applications**
- **The number of private business entities is growing progressively**
- **EU AI regulation could increase costs for Chinese companies**
- **8 out of 10 Chinese EV brands will disappear by 2030**
- **By 2030, Chinese manufacturers will occupy a third of the global car market**
- **China leads the adoption of generative artificial intelligence**
- **Summer campaign to protect minors on the Internet**

[1] Source: Yicaiglobal

SAMR conducted training on reviewing M&A applications

Recently, SAMR conducted a training course in Xiamen (southeastern China) aimed at developing a mechanism for reviewing applications for economic concentration transactions of operators in the market. It was attended by representatives from the five market bureaus already participating in the pilot program for delegated M&A review (Beijing, Shanghai, Guangdong, Chongqing and Shaanxi), as well as another 20 provincial bureaus that do not yet have such authority.

During the training, representatives of departments listened to lectures on conducting antimonopoly inspections of transactions of economic concentration of business entities from professors from Xiamen and Beijing universities, reviewed complex cases with experienced experts from the antimonopoly bureau, and also visited the Xiamen Antimonopoly Advisory Center to adopt methods for monitoring compliance with antimonopoly regulations. legislation by operators.

Source: Wechat

The number of private business entities is growing progressively

According to SAMR, at the end of May 2024, the total number of private business entities in China was 180 million: 55 million of them were private companies and 125 million were individual entrepreneurs. Thus, their share in the total number of economic entities increased from 95.5% in 2019 to 96.4%. “The percentage of private business entities is steadily growing. This confirms that the business environment in the country is improving, registration conditions are becoming more convenient, and market activity is increasing,” commented representatives of the department.

Source: SAMR

EU AI regulation could increase costs for Chinese companies

The world's first comprehensive rules on artificial intelligence technologies will lead to increased assessment and compliance costs for Chinese tech firms doing business in the 27 EU member states, industry experts predict.

Some Chinese companies working on artificial intelligence are already preparing to spend more time and money to comply with new EU rules, fearing over-regulation that could slow innovation.

The document was approved in May, it will come into force on August 1 and will be aimed at protecting fundamental rights, democracy, the rule of law and is based on an assessment of the risks in the use of AI. The rules also require compliance with EU copyright law and transparency in the model training process.

Source: SCMP

8 out of 10 Chinese EV brands will disappear by 2030

Eight out of 10 Chinese electric vehicle brands will disappear by 2030 due to rapid market consolidation, according to AlixPartners' Annual Global Automotive Market Outlook. Thus, out of 137 currently operating manufacturers, 19 will remain, which will dominate the market with annual sales of an average of 835 thousand units each. Already in 2024, several Chinese automakers ceased operations, unable to withstand the competition.

The consolidation is driven by a brutal price war, started by Tesla in 2023 and continued by major Chinese brands.

Source: Caixinglobal

By 2030, Chinese manufacturers will occupy a third of the global car market

According to the forecast of the American consulting company AlixPartners, by 2030

Chinese automakers will occupy a third of the world market. In the domestic market, Chinese brands will increase their share to more than 70%, up 5% from the current figure.

Chinese brands are on the rise, although they face stiff competition, with many cutting prices to gain market share, AlixPartners said. According to the analysis, by 2030 Chinese brands will sell 9 million cars abroad. They will control 12% of the market in Europe, as well as a significant portion of the markets in Southeast Asia, South Asia and South America. "Chinese automakers are now at the center of the global auto industry—setting standards in an industry that has historically been dominated by Western countries, Japan and South Korea […] [they] can teach world leaders a lesson that is not only relevant to China, but applicable in global markets," notes the AlixPartners expert.

Source: Yicaiglobal

China leads the adoption of generative artificial intelligence

According to a recent global study conducted by SAS and commissioned by Coleman Parkes Research Ltd., China is leading the way in the use of generative AI. The survey found that 83% of Chinese business managers use this technology, which is higher than the UK (70%), US (65%) and Australia (63%). The global average is 54%. 1.6 thousand executives from 17 countries and different industries took part in the survey.

Source: SAS

Summer campaign to protect minors on the Internet

During the summer holidays, the Cyberspace Administration of China launched a campaign to protect minors from harmful content on the Internet. The agency will verify that children and adolescents do not have access to content and functions that are dangerous to their physical and psychological health. The campaign covers:

1) short video platforms and streaming platforms;

2) social networks;

3) e-commerce platforms;

4) application stores;

5) smart gadgets for children;

6) "children's" modes in various applications.

Source: CAC