



July 21<sup>st</sup>, 2023

## Chinese antitrust.

### Review #23 (2023)

#### QUOTES

In striving for technological hegemony, a certain developed country tries to create closed clubs for a narrow circle <...>, deliberately hinders the technological development of other countries and artificially creates technological barriers. China firmly opposes such actions.

Permanent Representative of the People's Republic of China to the UN Zhang Jun  
at the UN Security Council Meeting on Artificial Intelligence <sup>1</sup>

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<sup>1</sup> Source: [http://un.china-mission.gov.cn/eng/hyyfy/202307/t20230719\\_11114947.htm](http://un.china-mission.gov.cn/eng/hyyfy/202307/t20230719_11114947.htm)

## Antimonopoly regulation as a measure to support private business

The CPC Central Committee and the State Council jointly issued 31 measures to support the development and strengthening of the private sector of the economy. Separately, the need to implement competition laws is noted: adhere to equal treatment of all companies, strengthen antitrust enforcement aimed at curbing abuses of dominant position, do not force cooperation with selected suppliers of goods and services, regularly publish “negative” lists of actions to interfere in market activity, combat local protectionism, market division, forced transactions, etc. One of the measures involves supporting the participation of prominent business representatives in the work of the legislator and advisory bodies of all levels.

The document also talks about supporting the platform economy and the positive role of platforms in stimulating employment and consumption. In response, support for the announced measures and the desire to develop the private sector and help SMEs was expressed by many heads of large companies, including Tencent, Pinduoduo, Xiaomi, Wahaha Group, and others.

### Sources:

<https://mp.weixin.qq.com/s/M7RyukdTUsNEiWEWIVmSuw>

<https://baijiahao.baidu.com/s?id=1771901814585005213&wfr=spider&for=pc>

<https://www.globaltimes.cn/page/202307/1294778.shtml>

## NDRC will continue to hold regular business meetings

The National Development and Reform Commission (NDRC) of the People's Republic of China said it will continue to meet regularly with private entrepreneurs to help them solve problems and improve the business environment. Three such meetings have already taken place recently. At the first of them, the leaders of five private companies (Sany Heavy Industry, AUX Group, Bosideng, Nongfu Spring, YTO express) outlined the difficulties they face in the course of their business activities and put forward specific proposals for further optimizing the legal and institutional environment. “Private enterprises that participated in the previous three such events are of different sizes and represent different industries and regions. We just want to learn as much as possible about the real state of affairs in all industries,” said Li Hui, a spokeswoman for the department.

Then, at a meeting with representatives of China's largest digital platforms (Alibaba Cloud, Meituan, Xiaohongshu, Douyin, JD.com, Pinduoduo, etc.), Premier of the State Council Li Qiang demanded the creation of a similar channel for the authorities to interact with digital platforms.

Source: <http://russian.people.com.cn/n3/2023/0719/c31518-20046075.html>

## Online retailer Temu files antitrust lawsuit against rival Shein

Chinese retailer Temu has accused Shein of violating U.S. antitrust laws. The lawsuit alleges that Shein is using threats, fines, and bogus infringement lawsuits to coerce clothing manufacturers into exclusive partnerships, thereby increasing its dominance in the US ultra-fast fashion market. The purpose and effect of these anti-competitive actions is to keep Temu out of the market so that Shein can raise prices while offering less choice and lower quality than it would in a competitive environment.

Source: <https://fingfx.thomsonreuters.com/gfx/legaldocs/egpbmnoomvq/Temu%20v%20Shein%20-%20DMass%20-%2020230714.pdf>

## Tencent's largest shareholder expresses commitment to China

Dutch investment group Prosus is Tencent's largest shareholder ( $\approx 26\%$ ) and is one of the last foreign members of Tencent to still retain a significant stake. Prosus CEO said the company is confident in Tencent's business and plans to remain a long-term shareholder. He noted that the activity of the Chinese digital giant is focused on the domestic market, and therefore it is less subject to foreign inspections: "It's not like selling equipment to the States."

**Source:** [https://www.wsj.com/articles/prosus-tencents-biggest-shareholder-is-sticking-to-china-18a39779?mod=Searchresults\\_pos6&page=1](https://www.wsj.com/articles/prosus-tencents-biggest-shareholder-is-sticking-to-china-18a39779?mod=Searchresults_pos6&page=1)

## MIIT met with American business

The Chinese Ministry of Industry and Information Technology (MIIT) held a series of meetings with US business representatives to discuss Sino-US trade and economic ties, as well as how foreign companies can more effectively participate in China's scientific and technological development. Vice Minister Zhang Guangjun noted that the doors of the Chinese science and technology sector will be opened more and more, and China is ready to deepen and expand exchanges and cooperation in this field. The meetings were attended by employees of leading US companies, including IBM, Microsoft and Pfizer, as well as members of the American Chamber of Commerce in China (AmCham China).

**Source:** <https://www.globaltimes.cn/page/202307/1294564.shtml>

## TikTok fails EU 'stress test'

TikTok is not fully compliant with content regulation, according to a "stress test" against the provisions of the EU Digital Services Act. During testing, child protection systems, recommendations and moderation of content, access to data and their transparency were tested. Thierry Breton, European Commissioner for the Internal Market, noted that over a quarter of Europe's population uses TikTok, and most of them are teenagers: "If their systems fail, the scale of the consequences will be enormous." However, he appreciated TikTok's willingness to participate in the review and the amount of resources dedicated to compliance. The deadline for ensuring compliance will come at the end of August.

As a proactive measure, TikTok also opened up its research API to European scientists, even before the relevant technical standards were issued by European authorities.

**Sources:**

<https://www.bloomberg.com/news/articles/2023-07-18/tiktok-stress-test-shows-app-doesn-t-comply-with-new-eu-rules>

<https://www.reuters.com/technology/tiktok-allows-europe-access-research-software-with-eye-eu-online-content-rules-2023-07-20/>

## Officially opened the first 13 zones of "exemplary" regulation of Internet markets

On July 19<sup>th</sup>, a Seminar on Exemplary Zones for Regulating and Servicing Internet Markets was held, where the first 13 such zones were officially opened. Their key goals will be to promote development, create an innovative environment, strengthen regulation and provide superior service. Last year, in order to promote the healthy development of

the platform economy, SAMR published Pilot Methods for the Establishment of Showcase Zones for Regulating the Internet Sector, as well as related benchmarks.

**Source:** [https://www.samr.gov.cn/xw/zj/art/2023/art\\_cf9dd4e76cc34861881cfeeb79f16e3c.html](https://www.samr.gov.cn/xw/zj/art/2023/art_cf9dd4e76cc34861881cfeeb79f16e3c.html)

### **Progress in delegating consideration of M&A deals**

Starting August 1<sup>st</sup>, 2022, SAMR is piloting five local departments (Beijing, Shanghai, Chongqing and Guangdong, Shaanxi) to review economic concentration transactions. During this time, local departments received 287 transactions for simplified consideration, which is 40.7% of all submitted during this period. On average, an application was accepted for consideration within 23.8 days, and a decision on it was made in 18.5 days. The shortest time from admission to decision was achieved in Beijing and Shanghai - 11 days.

**Source:** [https://www.samr.gov.cn/xw/zj/art/2023/art\\_d06b006b14574934a9c9eaf0917de6c4.html](https://www.samr.gov.cn/xw/zj/art/2023/art_d06b006b14574934a9c9eaf0917de6c4.html)

### **Media: China Unicom boss will become the head of data bureau**

Liu Liehong, chairman of state-owned telecommunications company China Unicom, will become the first head of the newly established State Data Administration, according to some media reports. China Unicom declined to comment and urged to be guided by official information. Previously, Liu Liehong served as Deputy Head of the Cyberspace Administration and Vice Minister of Industry and Informatization.

The creation of a new department was approved in March this year as part of the restructuring of the state apparatus. The office will report to the National Development and Reform Committee and will take over the functions of coordinating the creation of data infrastructure, planning the implementation of digital China and digital society strategies, etc.

**Sources:**

<https://baijiahao.baidu.com/s?id=1771644211683578881&wfr=spider&for=pc>

<https://baike.baidu.com/item/%E5%88%98%E7%83%88%E5%AE%8F/6768089?fr=aladdin>

### **Competition for the best industrial projects related to big data**

The Ministry of Industry and Informatization has announced a competition for the best industrial projects on the use and management of big data. The competition is held in 13 areas in four areas: the use of big data in key industries, the digitalization of public administration and public services, data management and circulation, data security control. The best projects will be recognized as exemplary and will help improve the quality of big data application in industrial development. Enterprises, associations and research institutes that are engaged in or serve the collection, storage, processing, analysis, application, security and circulation of big data can submit their projects for the competition.

**Source:** <https://www.stcn.com/article/detail/923918.html>

### **China's credit rating index published for the first time**

SAMR has published credit scores for Chinese companies for the first time, with a score of 158.36 in 2022, up 24.14 points from the previous year. The index has been calculated since 2014: the level of creditworthiness at that time was taken as 100 points. The dynamics of the index for 9 years is described by the formula "low volatility and steady growth".

**Source:** [https://www.samr.gov.cn/xw/zj/art/2023/art\\_6c954a59a94e4a0f8642a158be0a5678.html](https://www.samr.gov.cn/xw/zj/art/2023/art_6c954a59a94e4a0f8642a158be0a5678.html)

## **17,000 trademark infringement cases reviewed**

China hosted the China-ASEAN Summit to promote cooperation to combat IP infringement and counterfeiting. The Chinese side said that from January to June of this year, 17,000 trademark and patent infringement cases were considered. As stated in the related 2022 White Paper, the public satisfaction rate for IP protection was 81.25.

**Source:** [https://www.samr.gov.cn/xw/mtjj/art/2023/art\\_463a186b709a4636b29a5c250482a6fa.html](https://www.samr.gov.cn/xw/mtjj/art/2023/art_463a186b709a4636b29a5c250482a6fa.html)