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QUOTES

Algorithms are used in the name of people, user experience, courier safety throughout the delivery process, and businesses and restaurants. Caring for couriers, customers and businesses at the same time is our long-term mission. It is not easy, but we are doing our best to study the issue. After all, this is the basis of our existence.

Meituan on delivery time calculation algorithms ¹

Following the national economy, which moved from the stage of high-speed growth to the stage of high-quality development, the digital economy shifted from the consumer Internet to the industrial Internet. In contrast to the former consumer Internet, where "traffic is at the forefront, and the winner takes it all," the Industrial Internet is more focused on "co-building, co-winning and sharing."

Li Sanxi, Head of the Center for Digital Economy Research, People's University of China ²

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¹ Source: https://mp.weixin.qq.com/s/pS_X6bgvnCTIRw2DhHrumQ

² Source: http://www.samr.gov.cn/jjj/fbzdjz/202109/t20210906_334407.html

Antimonopoly “traffic light”

On August the 30th, at a meeting of the Central Committee's Committee on Comprehensive Reform Deepening, chaired by Xi Jinping, the importance of applying antitrust measures was emphasised. At the same time, the need to "clarify the rules, draw a threshold line and install a traffic light" was emphasised. "Setting up a traffic light means improving the legal governance system, clarifying the rules of market competition, telling businesses which practices are not allowed and which borders must not be crossed," explains Li Mingtao, head of the China Center for the Study of International Electronic Commerce at the PRC Ministry of Commerce. Li Sanxi, head of the Digital Economy Research Center of China People's University, notes that in the future, the creation of "social value" will become increasingly important in the development of digital companies, and political support from innovative business models will be redirected to encouraging capital inflows in the field of technical innovation.

Sources:

http://www.xinhuanet.com/politics/2021-08/30/c_1127810407.htm

http://www.samr.gov.cn/jjj/fbzdzjz/202109/t20210906_334407.html

Platforms will stop blocking third party's links

On September the 13th, at a State Council press conference, Ministry of Industry and Informatization spokesman Zhao Zhiguo called on digital platforms to stop incorrectly displaying links to products and services of their competitors. He noted that the interconnectedness of platforms is a necessary choice in the pursuit of high-quality development of the Internet industry and allows users to spend time on the Internet comfortably and safely. Those who fail to comply with this requirement face penalties. In response, Tencent, Bytedance and Alibaba, whose services are mutually blocking each other, have already announced their commitment to digital openness.

Sources:

<https://baijiahao.baidu.com/s?id=1710768707621550863&wfr=spider&for=pc>

<https://www.yicai.com/news/101170494.html>

“Clean” Internet space

The CPC Central Committee and the State Council of the People's Republic of China jointly published Opinions on the Enhanced Formation of a Civilized Internet. The document requires fostering a culture of behaviour in cyberspace, regulating actions carried out on the network, and eliminating existing violations and fighting online crime. At the same time, online platforms are required to observe self-discipline and develop internal self-regulation mechanisms effectively.

Under the auspices of the Performing Arts Association of China, information platforms (Weibo, Kuaishou, Douyin, Tencent Video, QQ Music, etc.) have also signed the "Convention on Self-Discipline to Create a Clean Cultural Environment on the Internet." They jointly pledged to provide a platform for disseminating the best aspects of Chinese culture, and vice versa - to contain "perverse trends" and deny placement to "immoral people."

These measures are being introduced against the backdrop of a large-scale campaign to regulate the media space: several Chinese celebrities have already been banned on video platforms for involvement in tax evasion, accusations of harassment, signs of respect for Japanese militarism, etc. "Xinhua", etc. - Its author calls what is happening in the policy of regulation "monumental change" and "profound transformation", which mark a return to the original values of the CCP and the transition from "capitalocentrism" to focus on people. Text of the article (in English):<https://chinadigitaltimes.net/2021/08/translation-everyone-can-sense-that-a-profound-transformation-is-underway/>

Sources:

https://m.thepaper.cn/baijiahao_14525907

https://m.thepaper.cn/baijiahao_14489778

Meituan disclosed timing algorithms

Meituan, the largest food delivery service in China, said that the algorithms calculate not one but four different delivery times for the order: a simulated preliminary time and three backups (based on three parameters: city characteristics, a set of delivery stages and distance) - based on the calculation of four the maximum is selected, and it is it that is displayed in the application. However, since the displayed preliminary time is by no means perfectly accurate, the company proposes the following changes:

1) in the event of an emergency situation (the restaurant is slowly issuing an order, check-in to the campus is difficult, bad weather, traffic jams, etc.), add extra time for the courier;

2) in some cases, display not the exact time but the time interval. As a result of testing the function, the number of negative reviews decreased by 50.7%.

The list of problems has also been supplemented with the item "customer refused order". If the reason for the refusal is indicated by slow delivery, the application will automatically or manually check whether the supplier has actually exceeded the specified time.

Sources:

https://mp.weixin.qq.com/s/pS_X6bgvnCTIRw2DhHrumQ

<https://mp.weixin.qq.com/s/75usMsU3efSOBihjTZBJAw>

Disciplinary body for the Purposes of Antitrust

The National Oversight Committee of the CCP's Central Commission for Discipline Inspection has published an article with expert opinions on the current antitrust campaign against digital giants. The article says that due to the complex structure of the platform economy and the risks it forms, it can be assumed that, for a certain time, the strengthening of antimonopoly regulation of this sector will be normal for the main countries and regions of the world. The authors argue that the goal of creating antitrust rules for the Internet is not only to put pressure on large businesses "for the sake of fairness" and not at all to harm small and medium-sized businesses "for the sake of efficiency." These measures are an inevitable choice in the name of social welfare when socio-economic development reaches a certain stage. Only by levying the monopoly can the potential of market actors in innovation and development be fully unleashed, and the overall competitiveness of Chinese companies can be increased. At the moment, the emergence of new antitrust measures affects the Internet giants, but this is the best choice in the long term.

Source: <https://mp.weixin.qq.com/s/3lu2d0JdZw6NoFBcjiT4Cw>

Cybersecurity Platform was Launched

On September the 1st, an information platform about cybersecurity gaps and threats was launched (<https://www.nvdb.org.cn>). Suppliers of network products are required to post security gaps on the platform in a timely manner. A similar informational contribution from individuals and legal entities who discovered gaps is also encouraged. The platform was developed by the Chinese Academy of Information and Communication Technology in cooperation with specialized structures dealing with national cybersecurity: the National Research Center for the Development of Industrial Information Security, the China Software Assessment Center and the China Center for the Study of Automotive Technology.

Source: <http://news.cctv.com/2021/09/01/ARTIhnhjCUwr11Yncjm14pC6210901.shtml>

Protecting workers of the "new economy"

On September 10, the Ministry of Labor and Social Security and the Ministry of Transport, SAMR and the All-China Federation of Trade Unions held an administrative seminar for digital platforms. They discussed the protection of workers' rights in new sectors of the economy. Ten digital companies attended the workshop, including Meituan, Ele.me, DiDi, Alibaba and Tencent.

At the workshop, the platforms were required to adhere to the "Guiding Opinions on the Protection of New Sectors Workers' Rights to Employment". Opinions call on the platforms, among other things, to adjust the rules and algorithms that directly affect workers' rights: rules for entering and exiting the platform, distribution of income, the size of commissions, the formation of wages, hours of work, bonuses and fines. Compliance with the rest regime and an increased rate when working on weekends and holidays are also encouraged. In addition, it is necessary to create an effective channel for complaints and appeals.

In addition to the above "Opinions", this year, the competent authorities also issued separate documents on protecting the rights of food delivery service providers, couriers of logistics services and taxi drivers of online services.

Source:

http://www.mohrss.gov.cn/SYrlzyhshbzb/dongtaixinwen/buneyaowen/rsxw/202109/t20210910_422831.html

Guangdong Province stimulates the digital economy

On September the 1st, the Guangdong Regulations for the Promotion of the Digital Economy entered into force. This is the first local document on the digital economy in China, published since the adoption of the 14th five-year plan and the categorization of statistical data on the development of the digital economy by the Ministry of Statistics. The regulations define the powers and tasks of local administrations to develop the digital economy and specify support measures. The province intends to engage in "industrialization of digital" and "digitalization of industries" and focus on developing new types of industries: AI, big data, blockchain, cloud computing, cybersecurity. It will also support the modernization of enterprises and the development of internal and external industrial Internet networks.

Source: <https://baijiahao.baidu.com/s?id=1709771578774848887&wfr=spider&for=pc>

Advertisement Ethics Committee

In order to improve advertising morality, SAMR, the Central Committee's Propaganda Division, the State Council Press Office, and the General Directorate of Radio, Film and Television, as a joint administration, assisted the China Advertising Association in establishing an Advertising Ethics Committee. The committee is a special advisory structure: its main tasks include actively promoting social advertising, studying and developing ethical standards in advertising, conducting an ethical assessment of advertising, helping with self-discipline, and promoting key social values.

Source: http://www.samr.gov.cn/xw/zj/202109/t20210910_334642.html

Authorities will monitor ticket prices

The State Committee for Reforms and Development will control the prices of tickets to the key tourist areas of the country during the autumn holidays (Mid-Autumn Festival and Founding Day of the PRC). The committee demanded to adjust the inflated prices and return the cost of "package" offers to a reasonable level.

Source: <http://finance.people.com.cn/n1/2021/0915/c1004-32227632.html>

"Smart" tracking decisions against the competition

In Lishui, Zhejiang province, a smart competition review system was launched - checking administrative decisions for the absence of provisions that impede the development of competition. The system builds in the document flow mechanism of party and administrative bodies a link for checking this parameter. It has automatic notification, smart search and scientific validation functions. The system by keywords checks the documents planned for release and conducts an audit of those already accepted.

Source: http://www.samr.gov.cn/fldj/tzgg/gpizsc/202109/t20210914_334740.html

Delivery giants will compensate each other

Earlier, China's most extensive food delivery services Meituan and Ele.me filed lawsuits against each other in different courts with charges of unfair competition, namely, forcing them to choose one of two things, that is, to exclusive cooperation: the platforms mutually prohibited registered restaurants from offering your menu on a competitor's platform. Meituan was ordered to pay \approx \$ 155 thousand - the plaintiff Ele.me, independently communicated with businesses, collected the necessary confirmations and proved the competitor's guilt in applying punitive measures to restaurants: changing delivery zones, reducing visibility, refusing to conduct promotions for posting on Ele.me. Ele.me itself, in turn, will pay compensation in the amount of \approx \$ 12 thousand for a similar violation. China's market regulator is also currently investigating suspicion of a "one-of-the-two" practice against Meituan.

Source: <https://finance.china.com/stock/13003071/20210914/37260489.html>

Violations of software developers

The Jiangsu Provincial Consumer Protection Committee held a meeting with 14 personal computer software developers (360 SE, Kuwo, iQiyi, Baofeng, etc.). Users have long been preoccupied with the problem of pop-ups, which 80% of them encounter. Moreover, such windows contain illegal content; they cannot be closed with one mouse click, or the "close" button is difficult to find. Also, additional products are often downloaded with the programs by default. The developers stated that some of the violations have already been eliminated, and further work is underway to ensure compliance with all applicable regulations.

Source: <https://t.cj.sina.com.cn/articles/view/3686739204/dbbf2d04019010q6s>