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### QUOTES

“We call on the EU to refrain from discrimination in subsidy investigations and to ensure a fair business environment for Chinese companies. <...> The EU's accusations of China's overcapacity are unfair and dishonest.”

Director of the Center for European Studies, Fudan University Ding Chun <sup>1</sup>

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<sup>1</sup> Source: [Wechat](#)

## **SAMR has published a list of “key measures” to optimize the business environment**

SAMR has published for public consultation a draft of key measures to optimize China's business environment in 2024. The document consists of 10 parts and proposes 40 specific measures. A whole part of them is devoted to creating a fair competitive environment in the market. This includes, among other things:

- equal treatment of all companies participating in the market;
- strengthening the institutional foundations of fair competition;
- increasing the intensity of antimonopoly enforcement;
- eliminating hidden barriers to entry into the market and obstacles to the free circulation of factors of production;
- revision of the “Guide to Antimonopoly Compliance for Business Entities”, development of “Antitrust Guidelines for the Pharmaceutical Sector”;
- development and publication of guidelines for the consideration of applications for horizontal transactions of economic concentration, as well as preparation of a draft of a similar document for non-horizontal transactions;
- deepening international exchanges and cooperation in the field of competition and antitrust regulation.

Sources: [SAMR 1](#), [SAMR 2](#)

## **Reducing costs in the real sector of the economy**

The China Development and Reform Committee issued a notice in which it ordered all executive authorities to work to reduce the production and operating costs of enterprises in the real sector of the economy. By 2024, this interdepartmental work will be aimed at implementing 22 tasks in seven areas:

- development of tax incentive policies;
- increasing the efficiency of financial services;
- reducing the burden of maintaining labor resources;
- reducing costs associated with raw materials and land use;
- improving the quality of logistics services;
- stimulating the realization of the internal potential of enterprises;
- reduction of institutional transaction costs.

An important aspect of the latter direction is the creation of a competitive market environment: improving the market access system, strengthening antimonopoly regulation and law enforcement in socially significant markets.

Source [Wechat](#)

## **Antimonopoly control in the pharmaceutical industry of the People's Republic of China**

In recent years, the pharmaceutical industry has become one of the key areas of antitrust enforcement by Chinese authorities. This is due to the importance of the industry for people's lives and the prevalence of monopolies in it.

Among the ten companies with the highest number of antitrust fines imposed, three

were in the pharmaceutical industry, according to individual operator data. Judicial practice focuses on maintaining fair competition and protecting intellectual property rights.

A total of 33 cases were filed in this area, 85% of which relate to APIs. 52% of investigations relate to abuse of dominance, 27% to horizontal anti-competitive agreements and 15% to vertical ones. In recent years, there has been a tendency towards an increase in the number of cases related to medical equipment and finished drugs.

Source: [Wechat](#)

### **Chinese version of ePing launched**

On May 23<sup>rd</sup>, SAMR, together with the WTO, launched the Chinese version of the ePing online system, designed to send notifications of trade control measures taken and track information on product requirements. This system will play an important role in reducing technical barriers to trade between China and other WTO member countries. The platform will help businesses receive timely information on the introduction of trade standards, technical regulations and conformity assessment procedures, as well as other WTO measures.

Source: [SAMR](#)

### **Apple wins antitrust lawsuit against Chinese user**

Apple has won an antitrust lawsuit that a Chinese customer filed against the company over its requirement to use Apple Pay for purchases on the App Store. The Shanghai Intellectual Property Court of First Instance ruled that although Apple has a dominant position in the Chinese software market, it does not abuse it.

In January 2021, a Chinese consumer sued Apple, accusing it of charging an unreasonable 30% transaction fee for App Store purchases that could only be made through Apple Pay. The Chinese demanded compensation in the amount of \$13,790 and a public apology.

Source: [Yicai Global](#)

### **Countermeasures due to inspections of domestic companies in the EU**

The EU's China Chamber of Commerce said recent inspections of Chinese companies' subsidiaries located in European countries violated WTO rules and China would be forced to respond with "sufficient countermeasures." The audits were aimed at identifying government subsidies in Chinese companies involved in the production of wind turbines.

Also, preliminary results of a counter-sanction investigation related to Chinese-made electric vehicles are expected in the near future.

Source: [Wechat](#)

### **The appeal to overturn the TikTok ban will be considered in September**

The US Court of Appeals has scheduled the hearing of the case to overturn the TikTok blocking law in the States for September. Requests for an expedited hearing came from representatives of TikTok, the company that owns ByteDance, the Department of Justice and a group of bloggers. The platform administration is trying to speed up the consideration of the case, which may end up in the Supreme Court.

Earlier, a group of American bloggers filed a separate lawsuit to block the law, arguing that the application has a "profound impact on the lives of Americans."

Source: [SCMP](#), [Reuters](#)

### **Price wars of Chinese companies in the field of AI**

High competition in the field of AI prompted several Chinese companies to reduce

prices. The first was ByteDance, which announced that the cost of its new Doubao business model is 99.8% lower than OpenAI's GPT-4 model. Tencent Holdings then sharply reduced the prices of its products. A version of Tencent's Hunyuan language model, similar to ChatGPT, is now available for free. iFlyTek has also significantly reduced the cost of some versions of its Spark LLM model.

Source: [SCMP](#)