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QUOTES

"China has taken note of the publication of the European Commission's legislative proposal [for the Public Procurement Act]. The document contains provisions that give priority to European interests and requires non-market factors, such as security considerations, to be taken into account when evaluating bids. This effectively results in the exclusion of, or restrictions on, companies from third countries that do not meet the prescribed requirements. China therefore expresses serious concern."

He Yadong, spokesperson for China's Ministry of Commerce,

commenting on the draft of the EU's new public procurement rules[1]

EVENTS

- **Personnel Changes at SAMR**
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[1] Source: WeChat

Personnel Changes at SAMR

As part of a planned personnel rotation, Liu Guiping has been appointed head of SAMR. Shu Wei has replaced Meng Yang as deputy head of the agency. Meng Yang previously oversaw the antitrust portfolio.

The new deputy head holds a Doctor of Engineering degree and graduated from the Department of Automation at Tsinghua University. He has previously held various senior positions at the Beijing Municipal Commission of Commerce, the China Science and Technology Museum, and the China Association for Science and Technology.

Sources: SAMR 1, SAMR 2, Baidu Baike

China Fair Competition Policy Publicity Week 2026

From September 7 to 11, China held a series of events as part of Fair Competition Policy Publicity Week ("Competition Week"). The week was launched at the opening of the National Fair Competition Conference of China 2026, which was attended by senior officials from market regulation authorities, including SAMR's new Deputy Head Shu Wei, Shaanxi Vice Governor Wu Wengang, and SAMR Antitrust Commissioner Wang Tiehan, among others.

The conference brought together representatives of antitrust authorities, businesses, and academia from various countries and regions, including Brazil, France, Georgia, Hungary, Myanmar, Oman, Pakistan, South Korea, Russia, Singapore, South Africa, Uzbekistan, and Vietnam. The program included sessions on supporting business development, merger control, and combating harmful competition, local protectionism, and other issues. At SAMR's invitation, Alexey Ivanov, Director of the International BRICS Competition Law and Policy Centre, spoke at Session II, "Strengthening the Anti-Monopoly Review of Concentrations of Undertakings to Empower High-Quality Development of the Unified National Market," on "The BRICS Competition Policy Response in the Age of AI."

On the sidelines of the conference, Shu Wei held bilateral meetings with Ruslan Dzhaliukov, Deputy Head of the Federal Antimonopoly Service of Russia; Benoît Cœuré, President of the French Competition Authority; and Farid Ahmad Tarrar, Chairman of the Competition Commission of Pakistan. The parties confirmed their readiness to improve cooperation mechanisms and discussed deepening practical cooperation in the field of competition.

A total of 95 events of various scales were held as part of Competition Week 2026, including lectures, the publication of representative cases, and the release of the 2025 Antitrust Enforcement Report in Chinese and English.

Sources: SAMR 1, SAMR 2, SAMR 3, SAMR 4

Rules for Calculating Industrial Production Costs

The National Development and Reform Commission (NDRC), together with SAMR, issued a Notice on Methods for Calculating the Production Costs of Key Industrial Products in connection with unfair price competition, namely the sale of products at excessively low prices.

According to the document, production costs should be calculated based on the actual production costs incurred by an undertaking in manufacturing a specific product. Where it is impossible to calculate actual costs, the industry-wide average production cost for the relevant product, adjusted using a specified coefficient, is used as the basis. The determination of industry-wide average indicators is entrusted to relevant sectoral organizations (such as industry associations) operating under the guidance of the NDRC, SAMR, and other competent authorities.

Source: SAMR

China's Response to the Draft EU Public Procurement Act

The European Commission presented a draft of new public procurement rules, the Public Procurement Act. Commenting on the proposal, He Yadong, spokesperson for China's Ministry of Commerce, said that the document contains provisions that give priority to European interests and requires non-market factors, such as security considerations, to be taken into account when evaluating bids. This effectively results in the exclusion of, or restrictions on, companies from third countries that do not meet the prescribed requirements. China therefore expressed serious concern.

He Yadong noted that, under the pretext of ensuring cybersecurity and promoting industrial development, the EU has been introducing measures that in practice contribute to protectionism, including discriminatory provisions and stricter market-access requirements. China called on the EU to comply with WTO rules, maintain an open market, reconsider the discriminatory provisions of the proposal, and create a fair business environment for companies investing and operating in Europe.

Sources: WeChat, EC

Ministry of Commerce Responds to U.S. Accusations of "Knowledge Distillation"

China's Ministry of Commerce responded to U.S. accusations that Chinese companies had engaged in the "industrial-scale" distillation of U.S. AI models.

Previously, the NSA, CISA, and FBI stated that, since at least late 2024, six Chinese AI companies had systematically acquired unique capabilities of leading U.S. models through knowledge distillation, thereby significantly shortening their own research and development cycles and reducing training costs.

The Ministry of Commerce stated that the United States was politicizing and weaponizing "distillation," a standard technical and commercial practice used by AI companies worldwide, including in the United States itself. According to the Ministry, the U.S. warning was another indication of the country's efforts to pursue technological hegemony, monopolize computing capacity, and suppress competition in the AI sector — actions that China firmly opposes.

The Ministry further stated that, by tasking security agencies with issuing such warnings, the United States was equating the interests of individual companies and capital with national security and using government powers to interfere in normal commercial activities. It also alleged that some U.S. AI companies abuse their dominant market positions by imposing non-negotiable terms in user agreements.

The Ministry stressed that China and the United States, as leading powers, should address risks and challenges in the AI sector responsibly and proactively. China expressed hope that the United States would manage risks through dialogue and engagement and work toward ensuring that the AI industry benefits the world as a whole.

Source: WeChat

Overseas Antitrust Compliance Information Service Launched

SAMR has launched an information platform on overseas antitrust compliance for Chinese companies that already operate outside China or are planning to enter foreign markets. In addition to regular thematic lectures, companies will now have access to a "one-stop" information system where they can review the antitrust laws of various jurisdictions and examine examples from enforcement practice.

The initiative is intended to enhance the international competitiveness of Chinese companies and support their high-quality expansion into overseas markets.

SAMR has also published the Brief Overview of the Antitrust Legal Systems of Countries Participating in the Belt and Road Initiative. The publication follows an earlier overview of the antitrust legislation of OECD countries.

Sources: SAMR 1, SAMR 2

Administrative Guidance for Online Accommodation Booking Platforms

SAMR, together with the Ministry of Culture and Tourism, conducted an administrative guidance session for online hotel-booking platforms. The organizers emphasized that the platforms must strictly comply with applicable laws and regulations, uphold fair competition, strengthen their compliance management systems, and contribute to the orderly and healthy development of the industry.

Companies were required to strictly comply with China's Anti-Monopoly Law, as well as the Anti-Unfair Competition Law, the E-Commerce Law, and the Tourism Law. Businesses were advised to learn from previous incidents, including the antitrust fine imposed on Trip.com, and to take proactive measures to prevent risks and problems arising from aggressive competition.

The meeting was attended by executives from platforms including Meituan, Douyin, JD.com, Trip.com, Tongcheng, and Fliggy, as well as representatives of central and local market regulation authorities.

Source: SAMR

Progress of the Local Campaign to Combat Competition Discrimination

In May of this year, SAMR launched a campaign to address "bottlenecks" in the work of local government authorities that hinder fair competition and the development of a unified national market. On September 4, the agency published its second batch of cases reviewed as part of the campaign. The cases primarily concern sectors such as healthcare, energy, funeral services, waste collection, and Internet access. Key issues identified by the regulator include:

- **Discriminatory market-access conditions**, such as requiring companies to establish a local branch in order to participate in local tenders or creating lists of products recommended for local use. Such measures can exclude competitors from other regions and impair their market share.
- **Restrictions on the choice of trading partners and forced exclusive cooperation**, which can entrench the existing market structure.
- **Failure to implement required policy adjustments and delays in approval procedures**, which can hinder market entry

These and similar practices undermine fair market competition, increase companies' institutional transaction costs, and reduce business satisfaction with the operating environment. According to the interim results of the campaign, the relevant administrative authorities immediately ceased the unlawful practices, repealed or amended problematic regulatory documents, adopted proactive corrective measures, and restored fair competition in the affected markets.

Source: SAMR