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Chinese Antitrust. Review #15 (2024)



"The First National Competition on Antitrust Application and Market Supervision Case Handling

| fair competition |

| competing and training | 2024 | training and applying!¹

EVENTS

- **M&A statistics in the first half of 2024**
- **SAMR published the procedure for accepting requests for verification of the Regulations on the fair competition review system**
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¹ Source: [SAMR](#)

M&A statistics in the first half of 2024

SAMR has published its report on the first half of 2024: out of 297 cases of economic concentration of operators reviewed, 282 were approved without additional conditions. In addition, 14 applications were withdrawn by the submitting parties after being accepted for review, and 86% of the transactions were decided at the preliminary review stage.

Overall, M&A transactions have shown a trend towards increasing concentration in the domestic market, state-owned enterprises continue to play the role of market stabilizers, private enterprises have increased confidence in the institution of mergers and acquisitions, and the number of M&A transactions in the manufacturing sector of the real economy is also increasing. In 193 cases of operator concentration, the transaction amount was about \$14 million or more, with the maximum amount being \$15.4 billion.

In terms of transaction types, horizontal concentration was the most common (168 cases or 57%), mainly due to companies acquiring shares. Vertical concentration was less common (114 cases or about 38%). In the next half of the year, the regulator plans to improve the quality and effectiveness of inspections of the economic concentration of operators in order to create favorable conditions for fair competition between various economic entities.

Sources: [SAMR](#)

SAMR published the procedure for accepting requests for verification of the Regulations on the fair competition review system

In order to implement the Regulations on the fair competition review system, on August 1st, SAMR published the procedure for accepting requests for review of provisions that hinder the development of competition. Now any individual or legal entity can declare restrictive provisions. The regulator intends to process requests in a timely manner and strive to eliminate regional restrictions and industry monopolies in order to create favorable conditions for the participation of all types of operators in market competition. Requests are accepted by phone, email and in person.

Sources: [SAMR](#)

Lecture on antitrust compliance in the insurance industry

SAMR held its third antitrust compliance lecture in Beijing to promote insurance regulation. The agency emphasized the importance of the industry to the public. SAMR systematically analyzes the monopoly risks in the insurance industry and monitors the state of market competition in the insurance industry, raising awareness of antitrust regulation. The regulator called on insurance companies to develop and improve the antitrust control system, effectively preventing and suppressing monopolistic activities.

Source: [SAMR](#)

Interim results of the pilot project on antitrust control of operator concentration

A symposium on the midterm evaluation of the pilot project on antimonopoly control over economic concentration of operators was held in Shanghai. The participants of the symposium analyzed the results of the project, the essence of which is to partially delegate the consideration of applications for economic concentration transactions, and discussed further steps to continue the work. The meeting emphasized the need to firmly adhere to the current policy in checking the concentration of operators, continue to study and improve the pilot inspection system, strengthen the construction of local regulators implementing two-stage inspection, effectively ensure fair competition in the market, and

promote the high-quality development of key economic entities and the economy as a whole.

Source: [SAMR](#)

First competition on antitrust regulation

The first national competition on antimonopoly regulation enforcement and market supervision case handling was successfully held in Xiamen, Fujian Province. Representatives from market supervision departments from 31 provinces, autonomous regions and municipalities directly under the central government participated in the competition. The competition aimed to exchange practical experiences among participants and consisted of group and individual tasks. In teams, participants conducted antimonopoly investigations in the field (searched for evidence, conducted examination of electronic and financial data) and designed investigation programs. They conducted analysis and collected evidence for recognizing monopoly, compiled a preliminary report based on a template, and analyzed typical cases of monopolistic activities and regulatory principles. Individual tasks aimed to study the theoretical aspects of market analysis and procedural rules of antimonopoly enforcement, and tested analytical skills and financial knowledge.

Source: [Wechat](#), [SAMR](#)

China doubled subsidies for the purchase of electric vehicles

Chinese buyers can now replace their traditional cars with electric ones and get a subsidy of 20,000 yuan (\$2,770). The subsidy was 10,000 yuan from April 2024. The measures were taken to stimulate consumption as economic growth slowed in the second quarter. China's GDP grew 4.7% from a year earlier in the three months to June. The electric vehicle sector has been the engine of China's economic growth since 2020. Subsidies were first introduced in 2009 and peaked in 2014 at \$14,000.

Source: [SCMP](#)

Alibaba to invest almost \$700 million in an AI startup

Alibaba is investing 5 billion yuan (\$691 million) in successful Chinese startup Baichuan, which has released 12 large language models since 2023 and is the first to receive permission from Beijing to launch an AI assistant. This is Alibaba's third major AI deal this year. The company has already invested in AI companies MiniMax and Moonshot AI. Backed by the governments of Beijing, Shanghai, and Shenzhen, as well as investors Tencent and Xiaomi, Baichuan is valued at 20 billion yuan (\$2.8 billion). Baichuan is one of the most prominent Chinese startups that are actively investing in the development and training of AI models.

Sources: [Caixinglobal](#)