Interview with Wu Zhenguo, Director General of China’s State Administration for Market Regulation (SAMR)

Editor’s Note: China’s new antitrust agency, the SAMR, formed earlier this year, merged three former Chinese antitrust agencies into one. In this interview, Mr. Wu Zhenguo, the Director General of this newly formed agency, discusses the progress of the restructuring and consolidation of the agencies, the future legislation plan and enforcement focus of the new agency, the impact of the U.S.-China trade relationship on antitrust enforcement, and other hot topics. DG Wu was formerly the Director General of the Anti-Monopoly Bureau under the Ministry of Commerce. He has written extensively on China’s anti-monopoly law, including an article published in the 2008 China symposium issue of the Antitrust Law Journal, entitled Perspectives on the Chinese Anti-Monopoly Law, 75 Antitrust L.J. 73 (2008). This interview was conducted in writing by Antitrust Source editor Fei Deng and Yizhe Zhang.

The Antitrust Source: Why did China go through a restructuring and consolidation of the Chinese antitrust agencies?

Director General Wu Zhenguo: Since the Anti-Monopoly Law (AML) came into force in 2008, the three anti-monopoly enforcement agencies have fulfilled different responsibilities during the AML enforcement based on their respective duties and functions, with the National Development and Reform Commission (NDRC) in charge of price-related conduct, the Ministry of Commerce (MOFCOM) responsible for reviewing concentrations of undertakings, and the State Administration of Industry and Commerce (SAIC) handling non-price-related conduct, including monopoly agreements, abuse of market dominance, and abuse of administrative power to restrict or eliminate competition. These three agencies have carried out effective work, but in the process of law enforcement, some inherent problems, such as function overlap and enforcement inconsistence occurred, which adversely influenced the uniformity and authoritativeness of antitrust enforcement, and was not conducive to the maintenance of fair market competition nor to the safeguarding of consumers’ interests.

In accordance with the Decision of the CPC Central Committee on Deepening the Reform of the Party and State Institutions, and the Plan on Deepening the Reform of the Party and State Institutions adopted at the Third Plenary Session of the 19th Central Committee of the Communist Party of China, as well as the Plan for the Institutional Restructuring of the State Council adopted at the First Meeting of the Thirteenth National People’s Congress, the Chinese government decided to set up the State Administration of Market Regulation (SAMR) to consolidate the antitrust enforcement duties originally performed respectively by the three agencies mentioned above, as well as the functions of the Anti-Monopoly Commission Office under the State Council. SAMR now is the sole antitrust enforcement agency and will undertake the general operation of the Anti-Monopoly Commission of the State Council, which will overcome the previous issue of function overlap and increase the efficiency of AML enforcement.

Antitrust Source: What is the current status of the restructuring and consolidation? What are
the functions and organizations of the anti-monopoly Bureau (AMB) of SAMR and the specific duties of different divisions under the AMB?

DG WU ZHENGUO: Pursuant to the SAMR’s “three provisions” (Provisions on the Functions, Structure and Staffing of the State Administration for Market Regulation), SAMR set up the anti-monopoly bureau (AMB) to take charge of AML enforcement. At present, the institutional reform at the national level of the SAMR has been completed, and the local AML enforcement agencies’ reformation and consolidation is in progress. The main functions of the AMB are as follows: (1) to coordinate the implementation of competition policies; (2) to draft anti-monopoly rules and guidelines; (3) to organize the anti-monopoly law enforcement, including anti-monopoly reviews of undertaking concentrations, enforcement concerning restrictions or eliminations of competition through monopoly agreements, abuse of market dominance, or abuse of administrative power; (4) to provide guidance for enterprises in response to overseas anti-monopoly litigation; (5) to handle international cooperation of antitrust enforcement and information exchange; and (6) to undertake the daily operation of the Anti-Monopoly Commission of the State Council.

At present, there are ten divisions under the AMB, seven of which are responsible for case handling, with functions spanning ex ante prevention and interim and ex post supervision. The table below lays out the specific functions and duties of each division. With this setup, we will strive to optimize the functionality, improve the law enforcement and authorization mechanism, improve the consistency of antitrust enforcement, and achieve a consistent, unified, authoritative, and efficient antitrust enforcement system.

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<th>Divisions</th>
<th>Functions and Duties</th>
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<td>Competition Policy and International Cooperation Division</td>
<td>Supporting legislation, publicity, training and international cooperation affairs.</td>
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<tr>
<td>Monopoly Agreement Investigation Division</td>
<td>Investigating and handling monopoly agreement cases.</td>
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<tr>
<td>Abuse of Dominance Investigation Division</td>
<td>Investigating and handling cases involving abuse of market dominance.</td>
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<td>Administrative Monopoly Investigation Division</td>
<td>Investigating and handling cases involving abuse of administrative power to restrict or eliminate competition.</td>
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<tr>
<td>Merger Control Divisions</td>
<td>Consisting of three divisions—Division 1, Division 2 and Division 3—respectively in charge of reviewing mergers of different industries.</td>
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<td>Law Enforcement Supervision Division</td>
<td>Investigating illegally implemented mergers and supervising the enforcement of merger remedies.</td>
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<td>Anti-Monopoly Coordination Division</td>
<td>Undertaking the daily work of the Anti-monopoly Commission Office of the State Council.</td>
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ANTITRUST SOURCE: Please describe the impact of the reform of the antitrust enforcement agencies on the actual practice of antitrust enforcement.

DG WU ZHENGUO: The enforcement of the Anti-Monopoly Law is now under the sole responsibility of the SAMR, eliminating the previous issue of overlapping functions among the three former antitrust enforcement agencies, and is therefore conducive to building a unified, authoritative, and efficient antitrust enforcement system.
According to China's AML, the power of enforcement of the AML is reserved to the anti-monopoly enforcement agency under the State Council. This serves to ensure the consistency of the enforcement of the AML and to build a unified, open, competitive and orderly market system throughout China.

Meanwhile, under Article 10(2) of the AML, the anti-monopoly enforcement agency under the State Council may, when needed, delegate work to the corresponding agencies at the provinces, autonomous regions, or municipalities to conduct relevant antitrust enforcement. In order to make up for the lack of staff at the national level, we are drawing on experiences concerning the setup of law enforcement agencies from jurisdictions such as Europe and the United States, to construct an appropriate mechanism for delegation with proper guidance and supervision, and consistent enforcement standards, and to formulate fair, open, and transparent market rules while resolutely preventing and overcoming local protectionism and market segmentation. By further improving the system and mechanism of antitrust enforcement, we can promote the comprehensive and effective implementation of the AML.

Since its establishment, the AMB has engaged in various efforts to protect fair market competition, strengthen the implementation of competition policies, put a fair competition review system in place, and has made further progress in antitrust enforcement, breaking regional blockades and industry monopolies, maintaining a fair competition market environment, and protecting consumers’ welfare. This year, up to the present time, a total of 14 cases of suspected monopoly agreements and 17 cases of suspected abuse of market dominance have been filed, spanning industries such as pharmaceuticals, automobiles, electronics, semiconductors, materials, and public utilities; 20 cases of abuse of administrative power have been handled and concluded; 412 notifications of undertaking concentrations have been received, of which 363 cases have been filed and 355 cases have been concluded; and 12 cases of failure to notify have been penalized and disclosed.

**ANTITRUST SOURCE:** Is there any plan for new legislation after the consolidation is finalized? We understand that in the area of mergers, the rules established by MOFCOM have already been updated, but with minor changes. Is there any plan to integrate and update the rules related to monopoly agreements and abuse of dominance previously established by the NDRC and the SAIC? Will the AMB or the Anti-Monopoly Commission introduce new rules and guidelines?

**DG WU ZHENGUO:** With respect to legislation, we are going to further improve the AML enforcement mechanism and fully bring the anti-monopoly work in line with the rule of law. We will push forward the amending of the AML and the enactment of implementing legislation, completing the enactment, amendment, and abolition of the implementing laws and rules of the three former anti-monopoly enforcement agencies, and further improving the transparency and predictability of law enforcement.

Specifically, first, in the areas of regulating monopoly agreements, abuse of market dominance and administrative monopolies, we will develop uniform substantive rules and procedural requirements. We will integrate the *Provisions Against Price Fixing of the NDRC with the Provisions for the Industry and Commerce Administrations on the Prohibition of Monopoly Agreements* and the *Provisions for the Industry and Commerce Administrations on the Prohibition of Abuse of Dominant Market Position* of the SAIC, integrate the *Provisions on the Administrative Procedures for Law Enforcement Against Price Fixing of the NDRC* with the *Provisions on the Procedures for the Administrative Departments for Industry and Commerce to Investigate and Handle Cases of*
Monopoly Agreements and Abuse of Dominant Market Position of the SAIC, as well as formulate the Provisions on the Administrative Procedures for the Prohibition of Abuse of Administrative Power for the Purpose of Eliminating or Restricting Competition, the Provisions on the Prohibition of Abuse of Administrative Power for the Purpose of Eliminating or Restricting Competition and other new provisions, so as to unify the enforcement standards and procedures, resolve the problem of overlapping functions among the former anti-monopoly enforcement agencies, and provide clearer guidance.

Second, the Anti-Monopoly Commission will publish four guidelines as soon as possible, namely the Anti-Monopoly Guidelines for Intellectual Property Rights, the Anti-Monopoly Guidelines for the Automobile Industry, the Guidelines for Application of the Leniency Regime to Cases of Horizontal Monopoly Agreements and the Guidelines for Undertakings’ Commitments in Antimonopoly Cases, in an effort to share our law enforcement ideas and experience with business operators, stabilize their expectations, and improve the transparency of law enforcement.

Third, we will focus on promoting the amendment of the AML, taking all considerations in mind, in order to improve the existing legal provisions so they may be adapted to the development and changes of both the national and global economic environments.

ANTITRUST SOURCE: In terms of mergers, how would you summarize the experience that China’s antitrust agencies have gained over the past ten years? What further developments will be expected in the future?

DG WU ZHENGUO: This year marks the 10th anniversary of the enforcement of the AML. As of October this year, China’s antitrust agencies have handled and concluded 2,420 notifications of concentration of undertakings in total, among which 2,380 were unconditionally approved, two were forbidden, and 38 were conditionally approved. Some high-profile cases have attracted widespread attention both within China and globally, including prohibitions against Coca Cola’s acquisition of Huiyuan Company, and against the establishment of NetworkCenter by Maersk, MSC and Dafei Group, as well as conditional approvals on Microsoft’s acquisition of Nokia’s equipment and service business, Dow’s merger with DuPont, and Google’s acquisition of Motorola Mobility, LLC. The enforcement of such cases is beneficial to the maintenance of an effective competition pattern and fair market competition. In terms of the process of concentration reviews, the enforcement agencies have continuously reformed and improved the review mechanism, strictly adhered to fair and civilized enforcement, constantly streamlined the concentration notification filing procedure, strengthened the implementation of the simple case review system, established a routine for handling cases electronically, and refined the mechanism of identifying and categorizing more complicated cases from less complicated ones. Consequently, enforcement efficiency has been significantly enhanced and enforcement transparency has been greatly improved.

Over the past decade, the antitrust review of concentrations of undertakings in China has come a long way in terms of forming a sophisticated conceptual framework, choosing appropriate enforcement approaches, and developing mature enforcement skills. The following experiences deserve continuing adherence in our future enforcement and will lead and guide our anti-monopoly enforcement work.

First is to abide by the principles of fairness and justice, which are essential to the maintenance of a fair competition environment. In the course of anti-monopoly enforcement, we treat all entities of all types equally, ensure the fair participation of all entities in market competition, and protect
the legal rights and interests of the parties according to the law. We carry out an information disclosure system to guarantee the fairness and transparency of anti-monopoly enforcement.

Second is to strive for professionalism and efficiency. This is also the key to earning reputation and respect from our international colleagues. We put great emphasis on strengthening theoretical support, and routinely adopt economic analysis tools to improve the professionalism and scientific nature of our enforcement work. We also make substantial efforts to optimize case handling mechanisms and consistently improve enforcement efficiency, which resulted in an increase of more than 85 percent in review efficiency over the past ten years. After the introduction of the notification system for simple cases, over 97 percent of simple cases have been concluded within 30 days.

Third is to maintain an open mind and be cooperative. This has helped us cope with challenges arising from globalization and improved our own capabilities and enforcement expertise. We have signed antitrust cooperation memoranda with around 28 jurisdictions, including the European Union, the United States, Canada, Japan, Russia, and South Africa, and have carried out enforcement cooperation in dozens of major cross-border merger and acquisition cases to jointly maintain fair competition in the global market. Furthermore, we have also included a special chapter concerning competition policy and antitrust enforcement in free trade treaties and economic and commercial cooperation agreements to promote investment and trade liberalization.

As the next step, we will further strengthen the streamlined merger review process. We shall not only ensure that major cases in key areas are properly handled, but also adhere to due process during antitrust enforcement in general. First of all, we should handle cases in a lawful, fair, and civilized manner according to laws to maintain fair market competition. Second, we must persist in protecting consumer welfare, and in strengthening enforcement in areas relating to people’s livelihood, including education, medical care, and public utilities, to satisfy the growing needs of the people for better quality of life. Third, we must further improve the efficiency and professionalism of concentration review and apply economic analysis tools more widely so as to improve the scientific and objective nature of antitrust enforcement and to make sure the enforcement is appropriate, reasonable, and justified. Fourth, we should strengthen competition supervision in the area of newly emerging markets, adhere to the principles of tolerance and prudence, properly handle the relationship between innovation stimulation and fair competition maintenance, follow the market rules, and avoid casual and excessive intervention, so as to create a fair competition market environment for the sustainable and healthy growth of the newly emerging markets.

**ANTITRUST SOURCE:** Please brief us on the cooperation between Chinese antitrust enforcement agencies and foreign competition authorities during the review of significant cross-border merger transactions.

**DG WU ZHENGUO:** In recent years, along with the increasing globalization of economies and competition among businesses, anti-monopoly enforcement has become a common presence in countries with established market economies, and development of international competition rules has gained increasingly wide attention. Conflicts arising from inconsistency among the development of national economies, individual businesses’ goals, and the legislation, enforcement, and judicial practices in various countries, become the key driving force facilitating cooperation among various jurisdictions in antitrust enforcement and international competition regulation.

China’s anti-monopoly enforcement agencies have given high priority to the international exchanges on and cooperation in competition policies and anti-monopoly enforcement. We have
negotiated and entered into more than 50 cooperation documents with competition authorities across nearly 30 countries and regions, such as the United States, the European Union, and Australia. We have worked with the antitrust enforcement agencies in various jurisdictions, including the United States and the European Union, in dozens of actual cases of merger antitrust review. We have set up arrangements for competition policy and antitrust enforcement cooperation in eight free-trade agreements (FTAs), including the China-Switzerland FTA, and are in the process of setting competition policies in several other FTAs, to promote the alignment of competition regulations around the world.

When working jointly with foreign enforcement agencies in the antitrust review of significant merger transactions, we have always operated under the framework established by the memorandum of understanding (MOU) signed with the respective foreign agency, and obtained in advance a waiver from the parties concerned. This is in line with international practice, and protects the privileged information of transaction parties, and such cooperation so far has operated smoothly, effectively, and efficiently. After ten years of enforcement, cooperation on individual cases has improved both in depth and in frequency, and mechanisms for routine exchange have been put in place. Take the example of the Dow-DuPont merger: we conducted altogether over 30 exchange sessions with our EU and U.S. counterparts during the review process, and held such exchange sessions nearly every week in the later stages to communicate the review progress and coordinate the review efforts and corresponding remedies, ensuring and facilitating the successful closing of the merger. The cooperation on Dow-DuPont was recognized as a “bilateral cooperation model” by the EU.

ANTITRUST SOURCE: What’s your opinion on the impact of the current Sino-U.S. trade relations on antitrust merger review?

DG WU ZHENGUO: I have heard rumors saying that, due to the Sino-U.S. trade war, China’s antitrust enforcement agencies have been extremely harsh on antitrust review of mergers involving U.S. companies, even willfully delaying or withholding the clearances. These remarks are irresponsible and not true. As can be observed from our quarterly release of statistics on transactions cleared unconditionally, a large number of transactions involving U.S. enterprises have been approved in a fast manner, some of which were even approved ahead of other jurisdictions, such as the European Union and the United States. In fact, the review approach taken by China is consistent with other jurisdictions, where only those transactions that have or may have the effect of eliminating or restraining competition require a longer review period. Meanwhile, the market circumstances may vary greatly across different countries, and antitrust enforcement agencies of different jurisdictions may focus on different competition issues. These factors could also impact the duration of review. Therefore, China’s anti-monopoly enforcement practice would never take the China-U.S. trade relation as a starting point, but would only consider the market competition conditions, the potential impact of the transaction on market competition, and safeguarding consumers’ interests.

China, as a major country in the world economy, takes its responsibilities seriously to safeguard enterprises of all types to compete on an even playing field, and create a rule of law, and a convenient and international business environment. China has always abided by the principle of fairness and justice in our antitrust reviews and concentrations. Looking ahead, we will continue to follow through on this principle and continue to treat all enterprises, including American companies, equally, so as to protect fair market competition, safeguard consumer interests, and promote the healthy development of a market economy.
ANTITRUST SOURCE: We have noticed that there is a divergence between the standards adopted in administrative and judicial enforcement with respect to vertical monopoly agreements. What is the AMB’s opinion on this?

DG WU ZHENGUO: Article 14 of the AML expressly prohibits undertakings from entering into monopoly agreements maintaining resale prices or setting minimum resale prices. As seen from the text of the provision, the above mentioned two behaviors are treated as per se illegal by the AML. In addition, according to Article 15 of the AML, the provisions of Article 14 are not applicable to certain resale price maintenance (RPM) agreements that satisfy the conditions listed in Article 15.

From an international perspective, nearly all the countries over the world have consistently adopted the approach of strictly prohibiting RPMs over the last 100 years since establishment of antitrust laws and regulations. In 2007, U.S. courts began to adopt a rule of reason approach in certain individual RPM cases. However, to date, RPMs are still deemed as per se illegal by many state courts in the United States. On the other hand, other major jurisdictions, including the European Union and Germany, all expressly prohibit RPM, with exemptions provided that certain conditions are met. In recent years, antitrust enforcement activities aimed at regulating RPM have been actively implemented in multiple jurisdictions, such as the European Union and Germany. Ever since the promulgation of the AML in China, the Chinese anti-monopoly enforcement agencies have prosecuted dozens of RPM cases in a variety of industries and sectors, such as premium liquor, infant milk powder, branded cars, home appliances, medical devices, and auto parts and components, and have effectively safeguarded fair market competition and consumer welfare. As demonstrated in the enforcement practices, RPM severely impeded the independent pricing activities of vendors, eliminated or restrained competition among distributors, drove up product prices, and prevented consumers from benefiting from effective competition, thus impairing social welfare. Meanwhile, the enforcement agencies also have taken into full consideration the justification of vertical price restraints based on evidence produced by undertakings involved in each specific case.

As for the next steps forward, the SAMR will continue to implement enforcement activities in accordance with the AML. For RPM, the enforcement agencies will grant exemptions thereto according to the AML, provided that the undertakings concerned can prove that the agreement falls within the scope of Article 15 of the AML and that the agreement will not significantly restrain competition in the relevant market but will enable consumers to benefit from it.

ANTITRUST SOURCE: Are there any enforcement precedents where exemptions of certain monopoly agreements were applied? Will the AMB propose to promulgate any further rules or guidance on the assessment of monopoly agreement exemptions?

DG WU ZHENGUO: As one of the most frequent and common monopolistic conducts, monopoly agreements could eliminate or restrain market competition, and impair consumers’ interests and social welfare. Like other major jurisdictions around the world, monopoly agreement has been a focus of anti-monopoly enforcement in China. Over the last ten years, China’s anti-monopoly enforcement agencies have prosecuted a large number of cases involving monopoly agreements in a variety of industries, such as power supply, chemicals, automobiles, electronics, and maritime transportation. Based on information collected in individual cases, China’s anti-monopoly enforcement agencies would not pursue further investigation and prosecution once they confirm that the
alleged monopoly agreement met the requirements set forth in the exemptions in Article 15 of the AML. In a case where the investigated parties failed to prove that their conduct fell within the scope of Article 15, the antitrust enforcement agencies would pursue prosecution in order to safeguard fair market competition and consumer interests. To guide and facilitate the lawful business operation of undertakings, we are now studying the enforcement procedures and factors to be considered in the granting of exemptions, to further clarify the specific requirements to qualify for exemptions.

**ANTITRUST SOURCE:** Will the AMB promulgate further guidance or regulations on standard-essential patents?

**DG WU ZHENGUO:** In recent years, there have been a considerable number of complaints on alleged monopolistic conducts involving standard-essential patents (SEPs), as some patentees of SEPs have allegedly abused their dominant market positions through conduct, such as charging unfairly high royalties, restricting dealings, and imposing unreasonable terms, which may impair fair market competition and consumer interests. Based on previous enforcement experiences, China’s anti-monopoly enforcement agencies drafted the *Guidelines on Anti-Monopoly Law Enforcement in Areas Involving Intellectual Property*. Factors laid out in the Guidelines to be considered in determining market dominance, relating to conduct, such as charging unfairly high prices, refusing to license, tying or bundling, and imposing unreasonable trading conditions, also apply to SEPs. Meanwhile, due to the unique characteristics of SEPs, distinct from other IP rights, competition issues related to SEPs in practice are more complicated. Along with jurisdictions such as the European Union and the United States, China pays great attention to antitrust regulation of SEPs. Based on previous enforcement experiences and extensive advice sought from all sectors, we will further strengthen investigation and research efforts to provide more specific guidelines for players in the relevant markets, in order to protect fair competition in SEPs.

**ANTITRUST SOURCE:** What are the priorities of the AMB in the foreseeable future? Are there certain industries that China’s antitrust enforcement will be particularly focused on?

**DG WU ZHENGUO:** In the next stage, the AMB will mainly focus its antitrust enforcement efforts in the following areas.

First is to establish a unified, authoritative, and efficient AML enforcement system. We will build up both the central and local enforcement forces, continue to rationalize the law enforcement system and mechanisms, and enhance the capacity building of antitrust enforcement teams to ensure efficient AML enforcement. We will dedicate and allocate more resources to the local enforcement forces and form an optimized, coordinated, and highly efficient system. We will also bolster the building of the cooperation mechanism, by, on one side, further improving the internal working mechanism of the Anti-Monopoly Commission (AMC), as well as the communication and exchanges between the member agencies of the AMC to foster synergy effects and, on the other side, intensifying cooperation with other ministries and departments and efficiently utilizing the “external wisdom” to give full play to the roles of experts and think tanks.

Second is to proceed with antitrust enforcement in a routine, professional, and standardized manner. The antitrust enforcement agencies will maintain a tough stance towards law enforcement in all areas. Key areas of enforcement will be emphasized, especially in major industries and segments that impact fair competition and economic development. Such enforcement will set up role
models in driving and promoting the overall antitrust enforcement. In particular, we will strengthen enforcement efforts in areas such as education, medical, and public services, which are closely related to people’s daily lives. We will improve professionalism and standardization of enforcement by increasingly adopting economic analyses to improve the scientific foundations of our analyses. We will further standardize the enforcement procedures, limit the discretion of and inconsistency among enforcers, treat all entities of all types with fairness and justice, and strive to build an even playing field for market competition.

Third is to build a comprehensive, scientific, and efficient system. We will push forward in an expeditious way the amendment of the AML and its supporting legislation by taking into consideration our own national conditions as well as the extensive foreign experiences. We will continue the promulgation, revision, and annulment of the supporting regulations and rules of the three former anti-monopoly enforcement agencies and will promulgate and implement more anti-monopoly guidelines so as to further improve the transparency and predictability of enforcement and provide a regulatory framework for anti-monopoly enforcement. In addition, we will develop more diversified enforcement tools of competition policies.

Fourth is to protect, encourage, and promote innovation. An era of innovation-driven economy requires us to pay more attention to the innovation environment and digital economy. It is these businesses that play a key role in innovation. To enable innovation to become the primary driving force behind development, competition policies shall facilitate the fostering of an innovation-friendly environment and the protection of intellectual property in a balanced way, and shall adapt to developments in the economic environment and business models. We must resolutely break up the pattern of territorial fragmentation and industry monopolies to open up market space for innovation and entrepreneurship. Moreover, endeavors shall be made in the field of IP antitrust enforcement to guide the proper exercise of IP rights by business operators. In the supervision of the Internet industry, we should strive to build a fair competition market enabling sustainable and sound development of emerging economic industries.

Fifth is to deepen international exchanges and cooperation in competition policies and antitrust enforcement. We will continue to expand international antitrust cooperation in order to keep pace with the economic globalization and adapt to the growing trend of China’s opening-up to the world. We will not only cooperate with developed countries but also with the developing countries, especially the “Belt and Road Initiative”* countries, so as to jointly address the competition risks and challenges in the world. Meanwhile, we will deepen cooperation with the countries with established market economies by further bolstering the building of cooperation mechanisms and expanding the scope of enforcement cooperation in specific cases based on current experience. In addition, we will also focus more on the joint development of bilateral and multilateral systems of international competition regulation by strengthening consultations, dialogues, and mutual learning with foreign counterparts, so as to align and coordinate international competition regulations.

Sixth is to facilitate the prevalence of a competition advocacy approach and competition culture. We will proceed with the establishment of enterprise compliance systems, continue to advocate industry competition, and facilitate the prevalence of competition culture. Specifically, we will advance the construction of new AML think tanks with Chinese characteristics to create a signif-

* Editor’s note: The Belt and Road Initiative (BRI) (Chinese: 一带一路) is a development strategy adopted by the Chinese government involving infrastructure development and investments in countries in Europe, Asia, and Africa. See more details at http://english.gov.cn/beltAndRoad/.
icant platform with international influence. We will also continue to enhance the competition law awareness of market players and the public and to promote the recognition of the whole society towards fair competition and the concept of innovation and development, so as to provide a sound external environment for AML enforcement.

**ANTITRUST SOURCE**: As amendment of the AML has been on the agenda, can you tell us more about the progress to date?

**DG WU ZHENGUO**: Being the fundamental law designed to protect fair market competition, safeguard consumer interests, and promote the development of a market economy, the AML has been playing a significant role in preventing and restraining monopolistic conduct, protecting fair market competition, enhancing economic efficiency, safeguarding consumer welfare and public interest, and promoting the healthy development of the socialist market economy since its implementation in 2008. Due to developments in both the global economic environment and the Chinese economy, amendment to the AML is required as the current version cannot reflect these changes. For example, certain provisions are so general that they do not provide actual guidance in practice, thus triggering controversies in their application during actual enforcement; certain clauses are not well designed, limiting their legal effects; and certain liabilities are exceedingly heavy or exceedingly light, thus detrimental to the authority of law. Good law is the prerequisite for good governance. As the underlying law in a market economy, anti-monopoly law shall adapt to new situations, new changes, and new requirements.

The Anti-monopoly Commission of the State Council attaches great importance to the amendment of China’s AML and has included it in its work plan. We have developed four working principles to guarantee the solid implementation of amendment: first, to refine the legislative policies based on the rule of law, the latest law enforcement experiences, and competition policy; second, to conform to China’s own national conditions and current stage of economic development while referring to the established practices and experiences in developed countries; third, taking into full consideration the uncertainty of anti-monopoly laws, to maintain flexibility while regulating the discretion of law enforcement authorities; and fourth, to focus on the most pressing issues encountered during the enforcement practices.

In the early stage, according to the plans of the Anti-monopoly Commission of the State Council, we have organized an expert advisory group to conduct studies, extensively consulted with member entities of the Committee, and with relevant ministries, and departments, experts, enterprises, and legal attorneys, and have the research report and draft proposals in place. Based on the current studies, the most urgently needed amendments to the AML include areas such as further clarification on regulations of monopoly agreements, abuse of market dominance positions, the review procedure of concentration of undertakings, system design aimed at regulating administrative monopolistic conduct, and refinement of legal liabilities. At present, the AML amendments have been scheduled as the second priority of legislation items on the legislative agenda of the Standing Committee of the thirteenth National People’s Congress. For the next step, we will, based on the results achieved from the earlier stage, take into consideration China’s own national conditions, draw extensively on successful experiences from other jurisdictions, and focus on the primary complicated issues in practice, so as to push forward the AML amendments in an expeditious way.