

# Competition: Commission and China start new dialogue on State aid control and discuss competition policy

Commissioner **Vestager**, responsible for competition policy, said: *“It is in our mutual interest to work together to promote fair global competition. Antitrust, merger review and State aid control are important tools in ensuring that consumers can benefit from competitive markets and companies can compete on their merits. Both the European Commission and the Chinese competition agencies will work closely together for a coherent and efficient competition enforcement.”*

## **Dialogue on State aid control**

In the context of the cooperation on competition matters, on 2 June 2017 the EU and China signed a [Memorandum of Understanding to start a dialogue on State aid control](#), creating a mechanism for consultation, cooperation and transparency in this field. The agreement complements the [existing cooperation framework](#) between the EU and China in the field of competition policy and enforcement.

At the first meeting held today under this new framework, the Commission and China’s National Development and Reform Commission reaffirmed the importance of cooperation on competition policy to ensure good economic relations between China and the EU.

In particular, co-operation on State aid control is important to prevent public policies from distorting or restricting competition, or from harming an internal market.

Both sides acknowledged the mutual benefit of exchanging experiences on how to optimise and steer the use of State resources to promote efficient and sustainable economic development. In this context, the EU welcomed China’s adoption of a Fair Competition Review System designed to ensure State measures do not adversely affect market entry and exit and the free movement of goods.

As part of this new dialogue, the Commission also met at technical level the 28 ministries in charge of implementing the Fair Competition Review System in China. This cooperation between the EU and China will continue and both sides agreed to take stock of the dialogue at the next EU-China Summit in 2018.

## **EU-China competition policy dialogue**

The 10<sup>th</sup> meeting under the EU-China competition policy dialogue on antitrust and merger issues took place on 15 November. At the event, Commissioner Vestager met Zhong Shan, China’s Minister of Commerce.

Separately, Commissioner Vestager also met State Administration of Industry and Commerce (SAIC) Minister Zhang Mao and the Chairman of China's State-owned Assets Supervision and Administration Commission of the State Council (SASAC) Xiao Yaqing.

The European Commission and the three Chinese competition agencies confirmed their readiness to develop closer cooperation on the enforcement of their respective competition laws in the fields of antitrust, mergers and State aid enforcement.

## **Background**

China is the world's third largest economy and the EU's second trading partner. The EU is China's biggest trading partner.

The European Commission has been cooperating closely with competition authorities of countries outside the EU for many years.

At [bilateral level](#), the Commission has engaged in a wide range of cooperation activities with competition authorities in a number of non-EU countries on the basis of agreements or memoranda of understanding. Moreover, in its Free Trade Agreement negotiations with non-EU countries, the Commission also negotiates a Competition Chapter which provides rules and disciplines on both antitrust, mergers and subsidies.

In addition, the Commission participates actively in the competition-related activities of a number of [multilateral organisations](#) such as the [International Competition Network](#) (ICN), the [Organisation for Economic Cooperation and Development](#) (OECD), the United Nations Conference on Trade and Development ([UNCTAD](#)) and the [World Trade Organisation](#) (WTO).

The main objective of this bilateral and multilateral cooperation is to promote convergence of competition policy instruments and practices across jurisdictions, encourage the exchange of views on broader policy and enforcement issues and to facilitate cooperation with competition authorities in other jurisdictions on enforcement activities.

More information is available on the Commission's [website](#).