

State aid: Commission and China start dialogue on state aid control

Commissioner **Vestager**, responsible for competition policy, commented: *“Decisions by one country to grant a subsidy to a company that operates globally may affect competition elsewhere. The European Commission is pleased to start a discussion with China on how to best handle state intervention in the economy.”*

The State aid dialogue creates a mechanism of consultation, cooperation and transparency between China and the EU in the field of state aid control.

The dialogue will be used to share with China the European experience in enforcing state aid control. It will also be used to learn more about the implementation of the newly adopted Fair Competition Review in China, which is designed to prevent public policies from distorting and restricting competition while maintaining fair market competition and promoting a unified market.

This new State aid cooperation dialogue will further the EU’s and China’s mutual interest and joint work to promote fair global competition. It is part of the Commission’s broader strategy to address the distortion that national subsidies policies put on the promotion of a global level playing field where companies can compete on their merits.

The European Union has a strong interest in promoting fair and competitive markets globally and to this end, it welcomes the adoption of the Fair Competition Review System and looks forward to working with China in this context.

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

The dialogue will be supported by cooperation with working groups at technical level and is due to take place at least once a year, alternating between Brussels and Beijing.

Background

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 third countries on the basis of agreements or memoranda of understanding. Moreover, in its Free Trade Agreements negotiations, the Commission is also negotiating 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), [UNCTAD](#), the [World Trade Organisation](#) (WTO).

The main objective of this cooperation at both levels is to promote convergence of competition policy instruments and practices across jurisdictions, with the exchange of views on broader policy and enforcement issues and the facilitation of cooperation with competition authorities in other jurisdictions in enforcement activities.

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