

# Review and Prospect of Merger Control Law Enforcement in China

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Anti-Monopoly Bureau  
Ministry of Commerce  
28th November, 2011  
Beijing, China**

# Overview

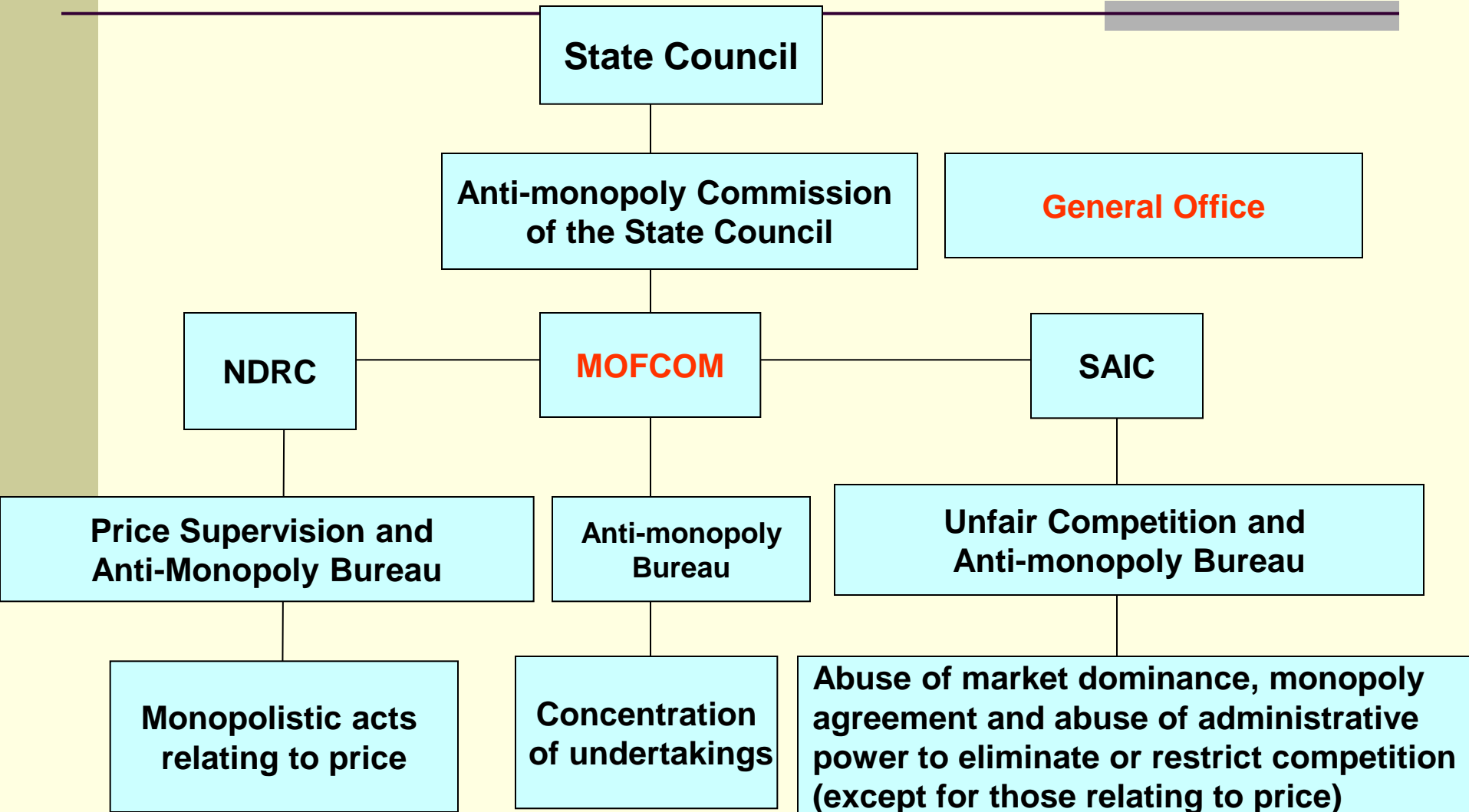
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**Part 1 Enforcement Agencies for Merger Review**

**Part 2 Complementary Legislation for the Merger Control Law**

**Part 3 Enforcement of Merger Review**

# Part 1 Powers and Responsibilities



**Powers and Responsibilities  
Anti-Monopoly Commission**

**Formulate  
Competition  
Policy**

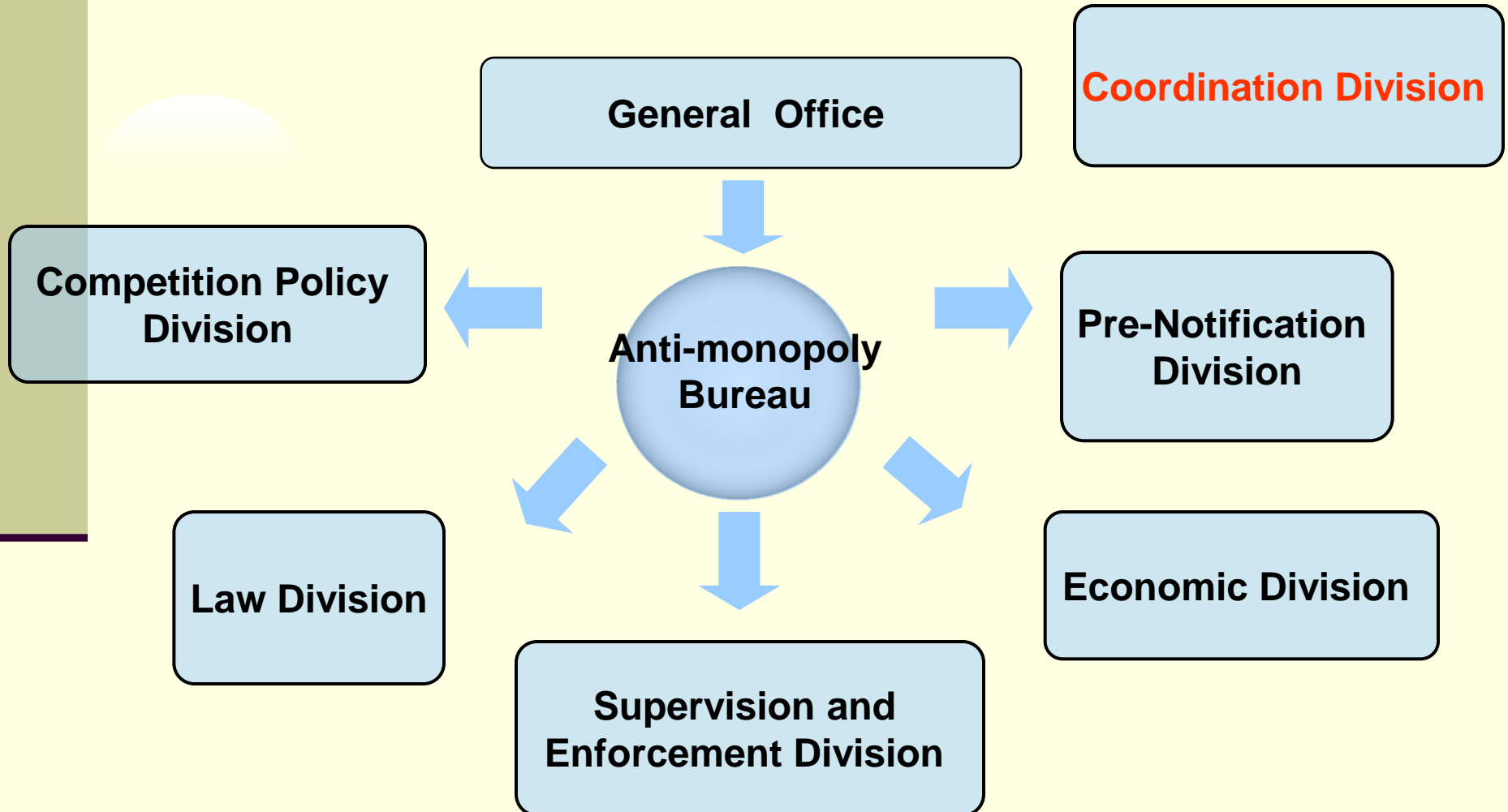
**Organize  
Investigation  
、 Assess  
Overall  
Competitive  
Situation**

**Formulate  
and Publish  
anti-  
Monopoly  
Guidelines**

**Coordinate  
and Guide the  
Enforcement  
Agencies**

# Anti-monopoly Bureau

## Institutional Setup

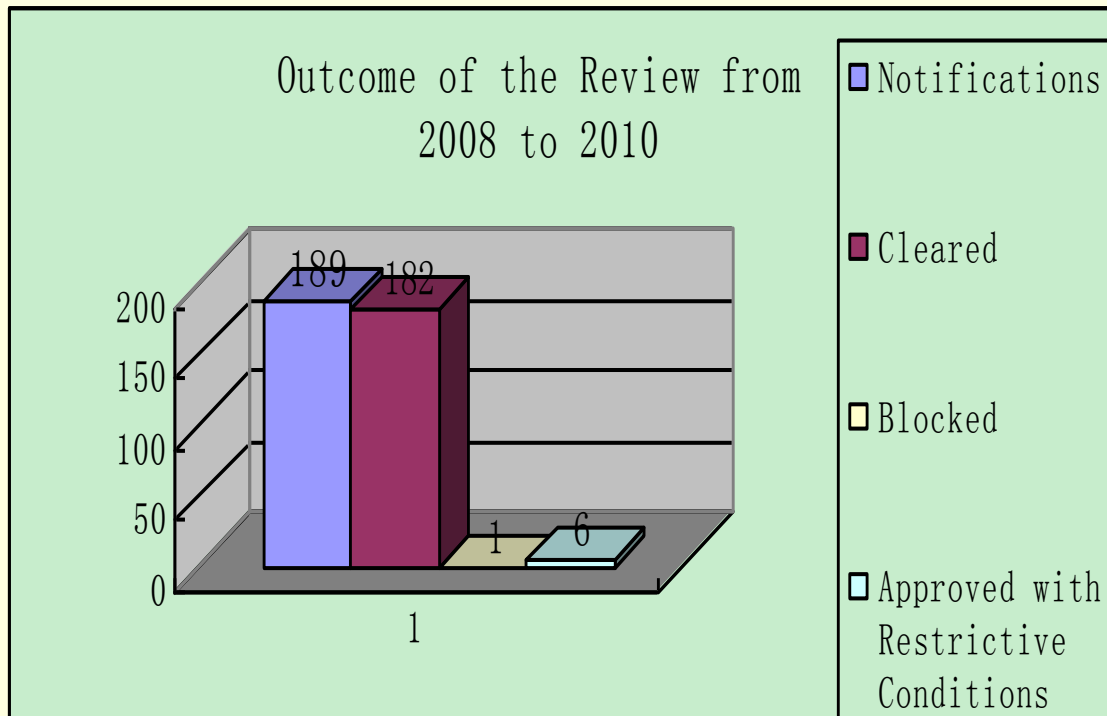


## Part 2 Complementary Legislation for the Merger Control Law

<i>Year</i>	<i>Complementary Legislation</i>
<i>2008</i>	<i>The Provision on the Notification Threshold of the Concentration of Undertakings issued by the State Council (the "Provision")</i>
<i>2009</i>	<i>The Measures for the Calculation of Business Turnovers for the Notification of Concentration of Undertakings in the Financial Sector</i>
	<i>The Guidelines on the Definition of Relevant Market (the "Guidelines")</i>
<i>2010</i>	<i>The Measures on Notification of Concentration of Undertakings</i>
	<i>The Measures on Merger Review of Concentration of Undertakings</i>
	<i>The Interim Provision on the Implementation of Assets or Business Divestment</i>
<i>2011</i>	<i>The Interim Provision on Assessment of Competitive Effects of Concentration of Undertakings</i>

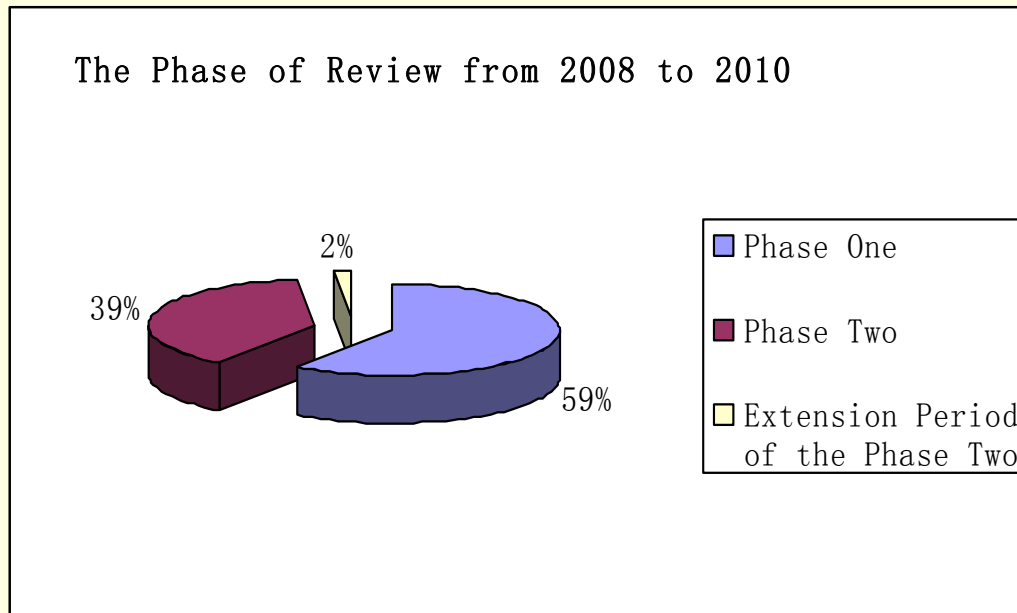
## Part 3 Enforcement of Merger Review 案件审查

### 1. Overview: Decisions 决定类型



## Part 3 Enforcement of Merger Review

### 1. Overview: Review Process 审查程序

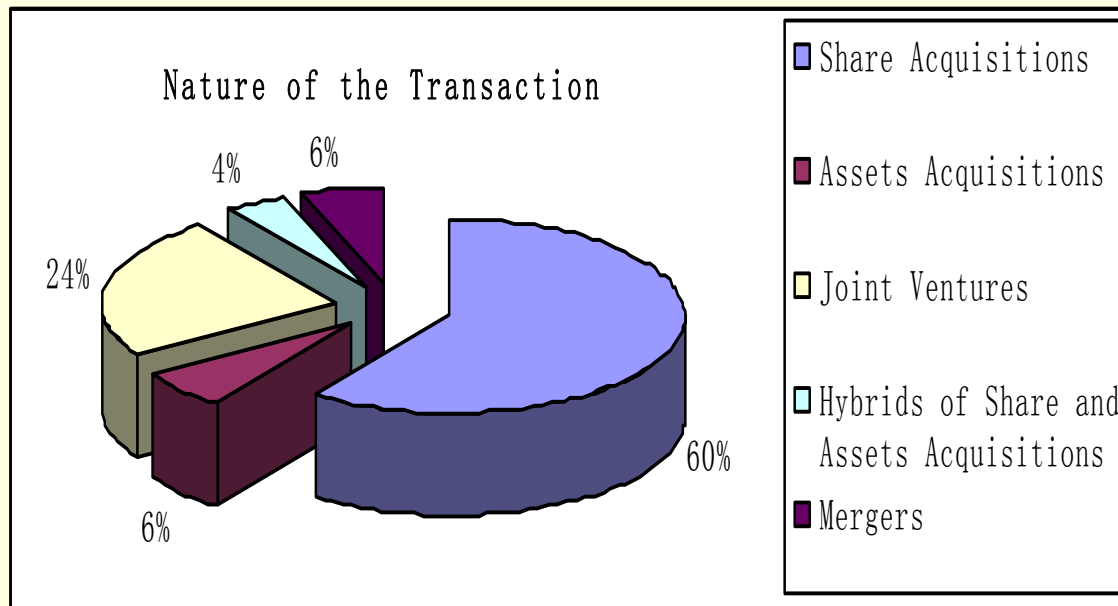




## Part 3 Enforcement of Merger Review

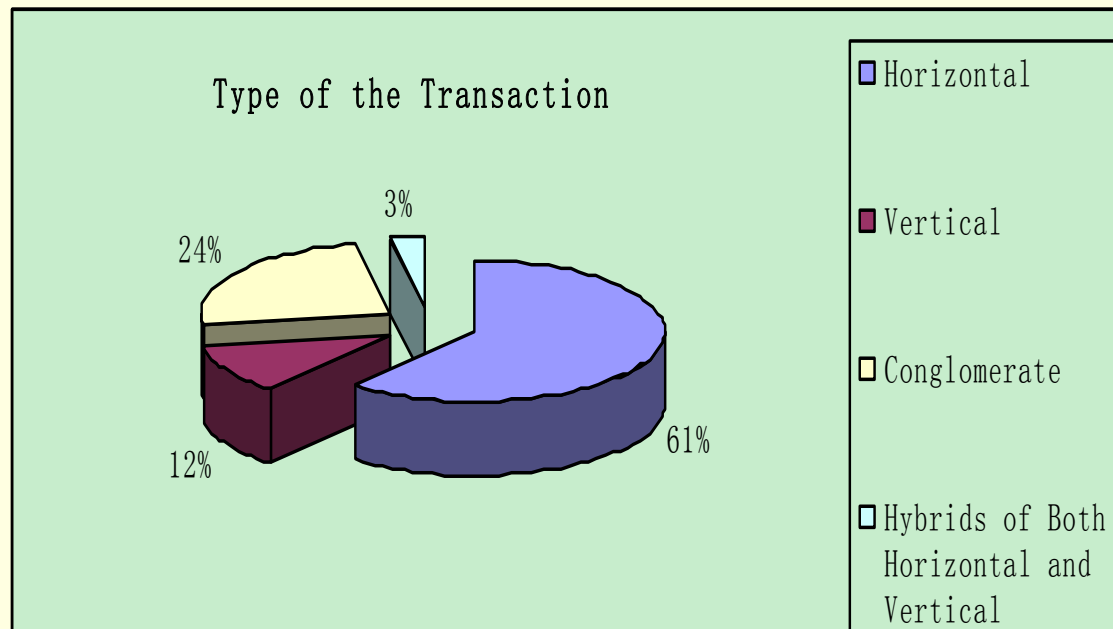
### 2.1 Features of Concentration Cases Between 2008--2010

#### 案件特点



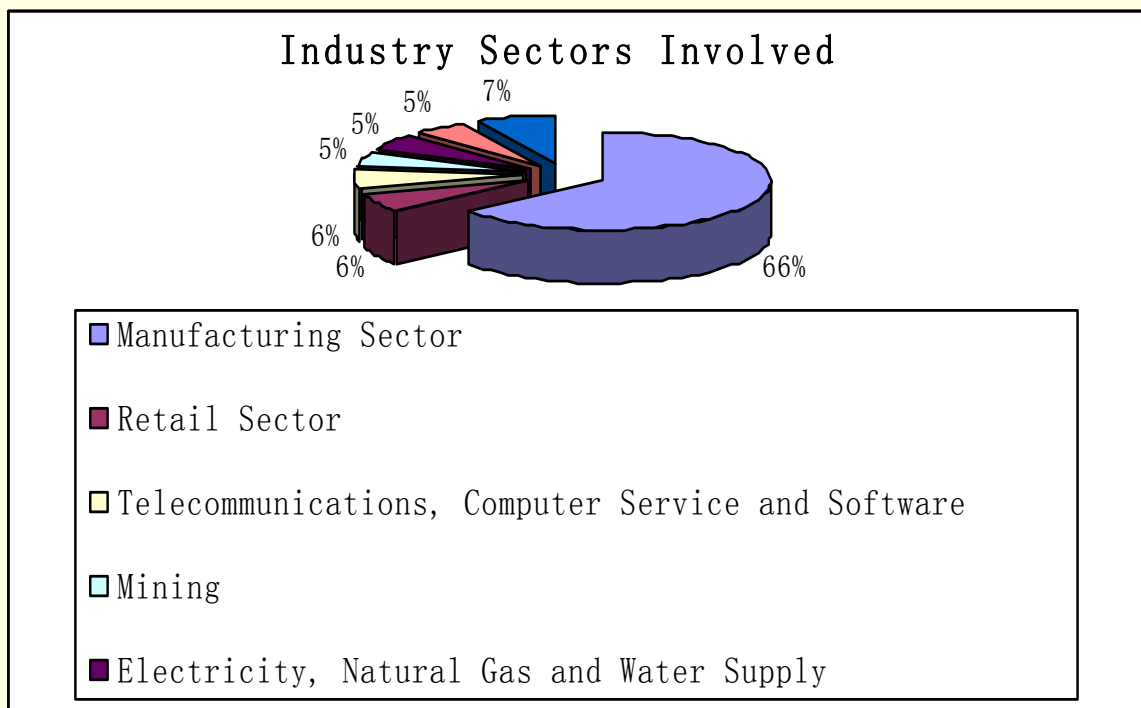
## Part 3 Enforcement of Merger Review

### 2.2 Features of Concentration Cases: Type of Transaction 交易类型



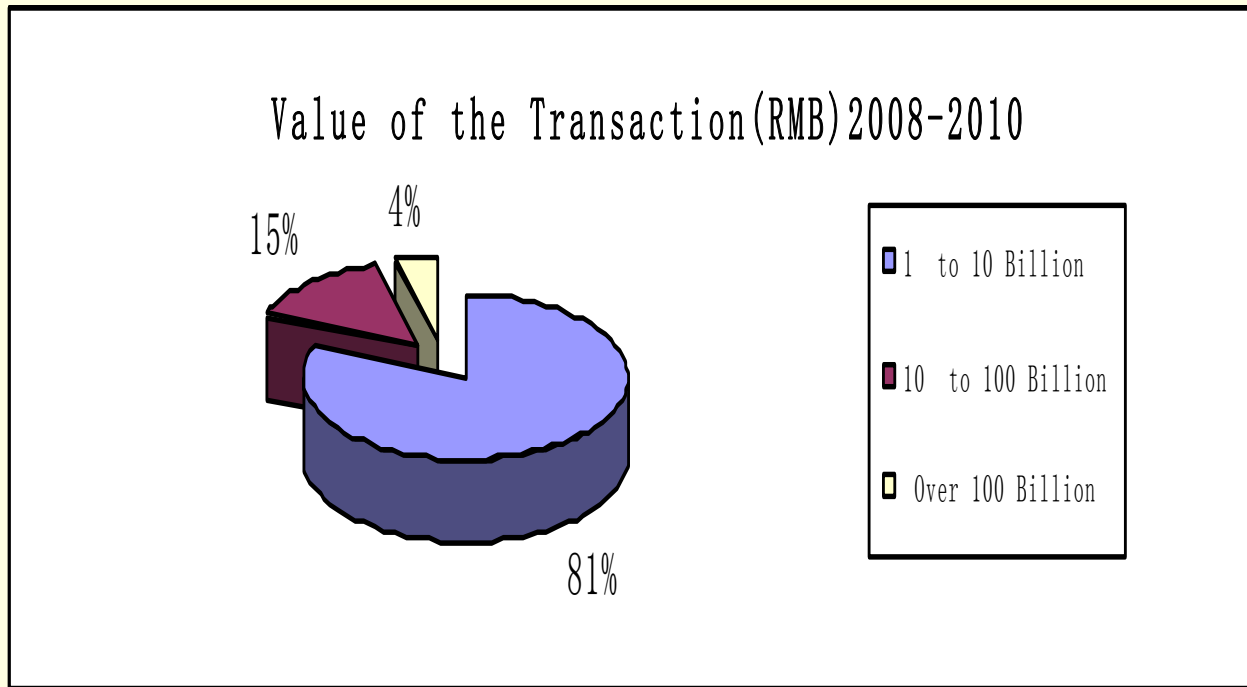
## Part 3 Enforcement of Merger Review

### 2.3 Features of Concentration Cases Between 2008—2010 所涉行业



## Part 3 Enforcement of Merger Review

### 2.4 Overall Features: Scale of Transaction 交易规模



## 3.1 Features of the Leading Cases – InBEV's acquisition of AB



### 英博-AB及SAB 在华主要控股情况

英博系 雪津100% 金狮100%  
          龙泉60% 珠江24%



AB系 哈尔滨100% 青岛27%



SAB系 雪花49%

- It is the first public announcement imposing conditions with behavioral remedies .
- Parties: InBev (the second largest producer in the world beer market ) , AB (the largest producer in the US beer market ).
- Nature of the transaction: Share acquisition ; Type of the transaction: Horizontal acquisition.
- Related product market: beer( divided into high and low classes), Related area markets are local markets which are different according to the sales areas.
- Phase review: Phase one.

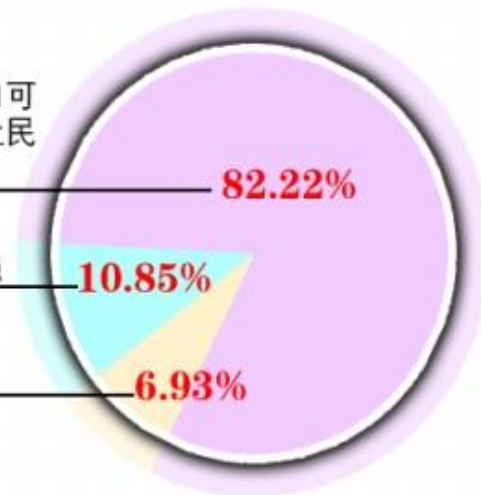
## 3.2 Features of the Leading Cases –Coca-Cola's proposed acquisition of Chinese fruit juice producer Huiyuan



理由充分合理，可口可乐涉嫌垄断，不能让民族品牌无活路

能理解，但理由牵强

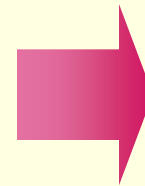
不合理，理由完全站不住脚



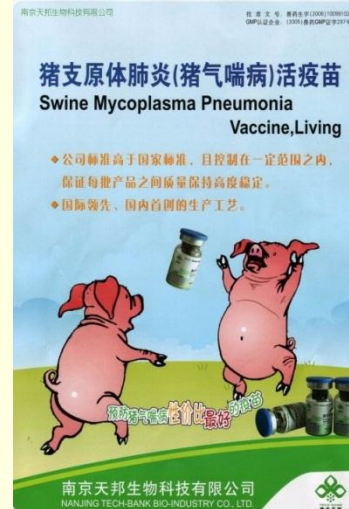
- This is the only case of prohibition against concentration .
- Nature of the transaction: Share acquisition ;Type of the transaction: Horizontal +Vertical
- Related product market :Juice drinks and Carbonated drinks; Related area market :Chinese market
- Damage theory: Combined Effect +Leverage Effect
- Phase review: Phase two.

### 3.3 Features of the Leading Cases –Mitsubishi Rayon's acquisition of Lucite International

- Overseas M&A between Japanese and British companies, and MOFCOM decision required Lucite (China) to divest 50% of its manufacturing capacity.
- This case applies both behavioral remedy and structural remedy when imposing the conditions.



### 3.4 Features of the Leading Cases – Pfizer's acquisition of Wyeth



- Nature of the transaction: Share acquisition ; Type of the transaction: Horizontal acquisition.
- Transaction value: 680 billion dollars.
- Damage theory: Unilateral Effect.
- Related product market :Swine Vaccine,
- Remedy: Business Divesture (including intellectual property)
- Phase review: Phase two.



## 3.5 Features of the Leading Cases – Panasonic's acquisition of Sanyo



- Nature of the transaction: Share acquisition ; Type of the transaction: Horizontal acquisition.
- Damage theory: Unilateral Effect. Related product market :lithium battery .
- Related area market :Japanese market.
- Phase review: Extension of Phase two.
- Remedy: Structural Divestiture , abandon rights and interests in the JV, Crown stripping .

### 3.6 Features of the Leading Cases – Novartis's acquisition of Alcon



- Nature of the transaction: Nature of the transaction: Share acquisition ; Type of the transaction: Horizontal acquisition.
- Related product market : Eye anti-inflammatory/anti-infection compounds, Contact lens care products .
- Damage theory: Unilateral Effect.
- Phase review: Phase two.
- Remedy: Structural Divestiture , Behavioral restrictions .

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Thank You