



CRA Insights: China Highlights

CRA Charles River
Associates

January 2014

Charles River Associates publishes *CRA Insights: China Highlights*, a newsletter from the Competition Practice focusing on competition topics in China.

CRA economists provide expert testimony in first antitrust hearing in front of Chinese Supreme People's Court

CRA Senior Affiliated Consultant **David Stallibrass**, supported by CRA economists, including Principal **Sharon Pang**, provided expert testimony in the high-profile antitrust litigation between Tencent QQ and Qihoo 360. The case, heard by a three-judge panel in Beijing on November 24 and 25, 2013, concerns an allegation by Qihoo 360 that Tencent QQ abused their dominant position in the Chinese instant messaging market. Qihoo 360 alleged that Tencent QQ made it technically impossible for users to operate both Tencent and Qihoo software on the same computer, and thus constituted a restriction in trade and consumer choice.

This is the first antitrust case heard by the Chinese Supreme People's Court and involved detailed analysis of market definition in online markets, establishment of dominance on the internet, and the nature and impact of an online foreclosing abuse. CRA economists assessed the decision of the lower court, including conducting statistical analysis of revealed consumer preferences to determine likely market definition and the extent of Tencent QQ's market power.

An official transcript of the opening half day of the hearing (in Mandarin), along with a gallery of pictures, is available [here](#). A more detailed transcript, also in Mandarin, is available [here](#).

CRA supports Baxter's acquisition of Gambro

CRA economists advised US health care company Baxter International Inc. on the antitrust analysis of its US \$4 billion acquisition of Swedish dialysis equipment manufacturer Gambro AB in Europe and other jurisdictions. Similar to the European Commission decision, in China, the Ministry of Commerce People's Republic of China (MOFCOM) approved the acquisition subject to the divestment of Baxter's continuous renal replacement therapy (CRRT) business. In addition, MOFCOM stipulated that Baxter terminate its original equipment manufacturing agreement (OEM) with Nipro Corporation of Japan to address concerns about competitive effects on hemodialysis product sales in China. **Elizabeth Xiao-Ru Wang**, **Professor Steven Salop**, and **Robert Stillman** led the team that advised counsel to Baxter in proceedings with MOFCOM. Professor Salop, Dr. Stillman, and **Chip Hunter** advised counsel in Australia and New Zealand. **Cristina Caffarra** led the team in Europe.

Recent events

Conference in Zhuhai, China

Elizabeth Wang gave a speech entitled “Economic issues in Internet-based competition” at the Competition Issues in the Internet Communications and Technology Industry conference in Zhuhai, China that took place on January 7 and 8, 2014.

Seminar at the University of Hong Kong, Asian Institute of International Financial Law

On January 7, 2014, Sharon Pang gave a seminar entitled “The Use of Economics in Antitrust Litigation: Qihoo 360 v. Tencent QQ” at the University of Hong Kong on the high-profile litigation between Qihoo 360 and Tencent QQ. She discussed the economic issues of the case and the respective arguments presented by Qihoo 360 and Tencent QQ.

Chinese Industrial Organisation and Management Science conference

David Stallibrass was on the organizing committee of the annual Chinese Industrial Organisation and Management Science conference held in December 16–17, 2013 at Tsinghua University in Beijing. The two-day conference focused on the application of practical economic analysis to Chinese business and public policy decisions. David organized and chaired a “policy round-table,” bringing together private sector lawyers, legal academics, economists, and government officials to discuss the research challenges faced in Chinese industrial organisation.

Presentation to DG Competition economists in Brussels

On December 13, 2013, Elizabeth Wang and Professor Yong Huang, a law professor at the University of International Business and Economics (UIBE) and deputy head of the advisory committee of Anti-Monopoly Commission under State Council, spoke to DG Competition economists in Brussels on “Current Hot Topics in China’s Anti-Monopoly Law.” Blanca Rodriguez-Galindo, Head of Unit for International Relations in DG Competition of the European Commission, moderated.

The 9th Annual Asian Competition Conference - “Regional and Domestic Economic Integration: The Role of Competition”

On December 8–10, 2013 in Hong Kong, the Asian Competition Forum hosted its 9th Annual Competition Conference. This three-day event addressed the impact of changes in competition policy on government, businesses, professional service providers, and consumers in the region, with a special focus on the recently enacted Hong Kong Competition Ordinance. At the conference, Sharon Pang gave a presentation entitled “Using the Second Conduct Rule to Support Market Entry: A Case Study” and David Stallibrass presented “Extraterritoriality and the HK Competition Ordinance.” The conference also addressed legal, economic, and policy issues surrounding economic integration among countries in the region and educated corporations as to how new competition laws and enforcement practices will affect their business.

CRA and our China expertise

CRA combines deep knowledge of local laws and regulations with extensive experience in merger reviews

in all major jurisdictions, including Asia, Europe, and North America. Many CRA economists have held leading positions in European, American, or Canadian government regulatory agencies. We offer firms with multinational interests a specialized point of contact in each region to coordinate the work of tightly integrated transnational teams. Read more about our China expertise [here](#).

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