



**OBSERVATÓRIO DA
APLICAÇÃO DO DIREITO
DA CONCORRÊNCIA**

THE EUROPEAN COMMISSION AND CHINA START NEW DIALOGUE ON STATE AID CONTROL AND DISCUSS COMPETITION POLICY

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The Commission and members of China's National Development and Reform Commission held a meeting in Beijing in order to establish cooperation mechanisms regarding State aid control and fair competition between the EU and China.

In the context of cooperation concerning competition issues, in June 2017 the EU and China signed a Memorandum of Understanding to start a dialogue on the matter, creating a "mechanism for consultation, cooperation and transparency in this field". This agreement complements the already existing cooperation framework between China and the EU in the scopes of competition policy and enforcement.

This cooperation is very important as it assures good economic relations between the parties involved, and promotes efficient and sustainable economic development. State aid control is particularly important, since it prevents public policies from distorting or restricting competition and avoids possible damages to the internal market.

In practical terms, the EU is in charge of implementing the Fair Competition Review System in China, created to ensure that State measures do not harm neither market entry and exit nor the free movement of goods.

Beware that this is not the first case where the EU settles agreements on bi-/multilateral cooperation. Yet, it makes sense that the EU signs them with China, as the latter is the world's third largest economy and EU's second trading partner. These multilateral agreements seek to "promote convergence of competition policy instruments and practices across jurisdictions, to encourage the exchange of views on broader policy and enforcement issues and to facilitate cooperation with competition authorities in other jurisdictions on enforcement activities".

It was on the 15th of November that the 10th meeting on the EU-China competition policy dialogue took place, also with a view to establishing cooperation mechanisms on antitrust and merging issues. This cooperation will continue and both parties agreed to take stock of the dialogue at the next EU-China Summit, in 2018.