

Comments on
Economic Analysis Methodologies Applied in
Merger Investigations in the EU and China:
Comparative Case Studies
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Discussant: Lingbing Feng

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- Well written and easy to read.
- Very comprehensive comparative study (63 pages)
- Intuitive and useful for Chinese authorities.
- Very descriptive
- More in-depth extensions are expected.

- ① Antitrust enforcement agencies have reached a consensus on the importance of using economic analysis methods in the enforcement process. However, there is a scarcity of comparative research on the use of economic analysis methods in **merger reviews** between China and Europe's antitrust enforcement processes.
- ② Methodologically, this study conducted a comprehensive analysis of 33 merger review cases that were reviewed by both Chinese and European authorities, focusing on the similarities and differences in the use of economic analysis methods in the two countries. Particularly, three specific cases were examined in detail, making the findings of this case study particularly compelling.
- ③ The conclusions drawn are highly relevant, particularly in terms of providing insights for the ongoing development of antitrust practices in China.

Remark I: Insufficient enforcement capacity in China

- In China's decision reports, the application of this method is summarized in one sentence.
- However, the EU's decision reports disclose detailed information on how the methods were applied during investigations.
- Unequal workforce resources possessed by the antitrust authorities in the EU and China.

Remark II: Chinese enforcement personnel need more knowledge of economics.

- Advanced knowledge of economics among Chinese antitrust enforcers was lacking.
- In some cases, they still hired third-party economists for help with investigations.
- The application of economic analysis methods in Chinese merger review reports is not described in detail, as in the reports from the EU.

Remarks III: insufficient transparency motivation in China.

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- when providing investigation reports: data were only published for the product markets that had been or could have become affected by competition concerns,
- whereas, in the EU, the data and analysis were reviewed for all the relevant markets.
- The reason for this situation, may also stem from distinctions in the willingness to be transparent among the antitrust authorities in the EU and China when providing investigation reports.

- There is a lack of a description of temporal trends:
 - China has been enforcing antitrust laws for more than ten years, so how has the use of economic analysis evolved over time?
 - How have the differences between China and the European Union changed over time?
 - Is China's antitrust enforcement making progress?
 - Is the gap between China and the European Union narrowing?

- Is there a difference in the use of economic analysis between China and the European Union in different industries and when dealing with businesses of different natures?
- Can patterns be discovered from this and can theoretical questions be extracted, such as whether industrial policy affects the employment of economic analysis methods?