

# B O O K R E V I E W

**Alexandr Svetlicinii,**  
*Chinese State Owned Enterprises and EU Merger Control,*  
**Routledge 2021**

This book written by Alexandr Svetlicinii is perfectly in the spirit of the times. Entitled *Chinese State Owned Enterprises and EU Merger Control*, and published by Routledge in 2021, it sets itself up as an enlightenment of a reality of which the Europeans can only glimpse the shadow.

The EU merger control seems to have reached a stalemate since the *Alstom/Siemens* decision. Faced with the growth of the Chinese state-owned companies, the Commission's power to control their concentrations effectively is strongly contested by the political class and part of the doctrine. It is in this atmosphere that this book comes in.

This book has come to shed light on the various issues at stake in the application of variable geometry competition rules, in the face of the tendency of certain countries to disregard all competition rules when it comes to a public operator. European practitioners, academics and authorities should read this book to put a name to their new apprehensions about the reverse discrimination in competition law enforcement. This book answers the questions that we, academics and practitioners, are asking ourselves: what is the nature of this danger that threatens the internal market, what is its origin, how the competitive assessment is made, and what the proposed solutions are.

The author plunges us into the workings of Chinese institutions dominated by the party grip on decision-making, and demonstrates in particular the predominant place of the Chinese state-owned enterprises in the legislative and the economic spheres. This immersion teaches us the reasons for such a construction based on state-owned enterprises and the legal-economic model that results from it. The author traces the evolution of the Chinese economy from an industrial tissue controlled by the Chinese Communist Party to a modern system favoring SOE-to-SOE mergers, set to create national champions.

On political control, the author demonstrates the specificity of Chinese state-owned enterprises and the influence of the Chinese Communist Party on major corporate governance decisions. The title of the respective chapter "Political control: from shadows to the front stage" describes an interventionist policy that marginalizes the rules of market competition.

On the assessment of the SOE-related mergers in the EU, Alexandr Svetlicinii identifies a pattern of reasoning that the Commission follows, or should follow, in assessing these transactions. This reasoning focuses in particular on the management mode and the influence that the foreign State could have on the strategy and market conduct of SOEs in order to achieve industrial policies.

Following this overview, the author presents what he calls “novel legal issues of a general interest” in European law. The challenge is of course to define the notion of single economic unit and to demonstrate the reasoning path that is the proper one for the substantial assessment of mergers, in particular by determining the criteria allowing identifying the risks of coordination of the Chinese state-owned enterprises. From the danger of distortion of competition resulting from cross-subsidization, to the risks of post-merger coordination between the Chinese state-owned enterprises, the author clearly identifies various obstacles that this type of concentrations may generate for the merger assessment.

This book is a meticulous demonstration of a problem that is frequently raised in the current public discourse but without identifying its contours. Alexandr Svetlicinii has managed to identify and connect various factors internal to the Chinese economy with the possible risks of anti-competitive distortions the EU internal market. The author can only be congratulated on the lucidity and relevance of his analysis, whether it be on the method or the approach.

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