

Request Points of 2024's Proposal

< Overall Concept >

Securing Business Opportunities by Improving Non-Discriminatory Status, Predictability and Transparency

< 3 essential factors of the proposal >

1. Fair competition

To construct a market system where orderly competition exists, we propose reviewing various systems that are obstructing fair competition, fair treatment to domestic companies and foreign companies such as in government procurement and when formulating standards, and further reform of the intellectual property right system.

2. Opening up to the international community

To adapt the globalization of the economy, we propose opening up further the restriction against entry of foreign investment in the manufacturing and service industry and further adoption of global standards.

3. Improvement and facilitation of administrative predictability and transparency

To construct a constitutional and service type government, we propose simplifying, expediting administrative procedures and abolishing permits, licenses, and certifications significantly. At the same time, we propose the unification of system application and interpretation and securing a sufficient preparation period for system change.

< This year's Key Areas >

1. "Issues related to human exchange"

The Chinese government has launched a series of new policies to make it more convenient for foreigners to visit China and is expanding the number of countries eligible for visa waiver measures. On the other hand, Japan is still basically unable to enter China without a visa in advance, which is an obstacle to the smooth traffic and business promotion between two countries. We strongly propose that National Immigration Administration, the Ministry of Foreign Affairs, and other agencies resume visa waivers for Japanese nationals for 15 days or less as soon as possible.

2. "Issues related to cross-border and management of data"

With regard to the cross-border transfer of information and data, including personal information, the "Provisions on Promoting and Regulating Cross-Border Data Flows", which were promulgated and enforced in March 2024, and other related laws and regulations are being developed. However, there are many uncertainties for user companies in terms of procedures, etc., due to ambiguous definitions and lack of precedents. We propose that, in its implementation, prior guidance be provided, and that coordination and collaboration be sought among relevant government departments, and that the principle of non-discrimination between domestic and foreign companies be enforced to ensure that foreign companies are not treated in a discriminatory manner. From this perspective, we propose that the opinions of industry, including foreign-invested companies, be fully heard and taken into consideration when formulating regulations on data classification and grading in the future.

3. “Issues related to government procurement”

Regarding equal participation of foreign-invested companies in government procurement, the State Council's “Opinions on Further Optimizing the Foreign Investment Environment and Increasing Efforts to Attract Foreign Investment”, promulgated in August 2023, mentions that foreign-invested companies are guaranteed to participate in government procurement activities in accordance with the law. In November 2023, the Ministry of Commerce issued a “Letter on the Rectification of Unreasonable and Discriminatory Treatment between Chinese Enterprises and Foreign-invested Enterprises”, and in December 2023, the Ministry of Finance issued a “Notice on Further Improving the Transparency and Efficiency of Government Procurement Related Matters”. With regard to these policies, we propose that the principle of equality between domestic and foreign companies as stipulated in the “Foreign Investment Law” and the “Regulations on the Implementation of the Foreign Investment Law” be thoroughly implemented, and that an environment be established in which domestic and foreign-invested companies can participate in market competition equally, so that the products and services of foreign-invested companies are not excluded in activities such as government procurement and solicitation of bids for public projects.

< About this White Paper >

- The “White Paper on the Chinese Economy and Japanese Companies” is a proposal prepared by the Japanese Chamber of Commerce and Industry in China to promote dialogue with the Chinese central government and local governments on issues facing Japanese companies throughout China. This is the 15th volume, having been produced annually since 2010.
- In preparing this white paper, opinions were solicited from 8,312 Japanese-affiliated companies that are members of the Japanese Chamber of Commerce and Industry in China and organizations of chambers of commerce and industry throughout China, and these opinions were utilized as the authentic voices of Japanese-affiliated companies in the drafting of the proposal.
- This white paper is to be hand-delivered to the central government and local government officials by the Japanese Chamber of Commerce and Industry in China and other executives. In principle, the head of the joint delegation of Japanese business groups to China will hand the white paper directly to the head of the Chinese central government (Premier Li Qiang for the 2023 white paper).

< Perspectives and values in this report >

- China offers significant market opportunities (approximately 18% of global GDP) for foreign companies and is a powerful source of corporate profits for many companies that have set up operations in the country. Conversely, foreign companies have become important economic players for China. The rapid development of China's economy since reform and opening up shows that they have contributed greatly to the Chinese economy through the creation of employment opportunities, the propagation of management skills and technology, and the ripple effect on local businesses.
- China and foreign companies have cultivated a truly win-win relationship to date, and “balancing China's sound economic development with the growth of the company” in the aftermath of the COVID-19 pandemic will maximize the interests of all parties.
- This white paper contains many specific tips and ideas to achieve the goals of organizations and people who want to “increase investment”, “achieve national and regional economic growth”, “increase employment and tax revenues”, and “achieve sound corporate growth”.

< Structure of this report >

- In addition to reporting on the results of improvements over the past year in the Executive Summary, we have picked out the major items for proposal that we expect to improve in this white paper, and have attached a list of proposal items.
- This white paper is divided into four parts: “Current Status of the Chinese Economy and Japanese Companies”, “Common Issues and Proposals”, “Current Status of Each Industry and Proposals” and “Current State of Each Region and Proposals”, with a total of 27 chapters and 569 proposals, covering the following main areas.

Common areas: trade, investment, competition law, taxation and accounting, labor service, intellectual property rights, energy saving/environment, technical standards/certification, logistics, government procurement, and commerce and industry organizations.

Industries: manufacturing, including food, energy, chemicals, pharmaceuticals, consumer electronics, and automobiles; and services, including telecommunications, transportation, distribution and retail, finance, and tourism.

Geographic regions: Northern China, Eastern China, Southern China, Northeastern China, Central China, and Western China.