Executive Summary

Innovation is an increasingly important theme for Chinese policymakers, viewed as a way to promote economic development and upgrading in China and bring increased economic benefits to the Chinese public. US companies are active innovators in China, with sizable operations and R&D facilities designed to create and deliver innovative products and services to Chinese companies and consumers.

Chinese innovation policies create both opportunities and challenges for American companies. Many of the challenges stem from the ways in which China implements its innovation incentive policies and how these policies treat domestic and foreign companies. Indigenous innovation policies that discriminate against foreign companies and their products in areas such as government procurement and intellectual property have long been a concern for the US-China Business Council (USCBC).

In November 2011, the State Council addressed concerns about innovation and procurement policies by releasing a notice requiring provincial and local governments to halt implementation of any measures that used government procurement preferences to promote indigenous innovation products and services. The measure also required authorities to review existing regulatory documents for provisions that may need to be eliminated, and to report results to the State Council before the end of December 2011.

More than three years later, there are signs that implementation of these commitments is lagging. Some sub-national governments have yet to publicly comply with these requirements. Additionally, a growing number of provincial and local governments have announced new indigenous innovation policies that favor domestic products in government procurement processes, contradicting State Council rules.

USCBC’s findings:

- On the positive side, as of May 2015, 19 provincial governments had released notices and announcements to comply with central government requirements. Fifteen provincial governments—Anhui, Beijing, Chongqing, Guangdong, Guizhou, Hebei, Hunan, Inner Mongolia, Jiangsu, Jiangxi, Jilin, Liaoning, Tianjin, Xinjiang, and Yunnan—complied to some degree after the November 2011 State Council notice was issued. An additional four—Fujian, Gansu, Shandong, and Shanghai—did so before the notice was issued. An additional 41 sub-provincial governments—ranging from Chengdu, Sichuan to Wuxi, Jiangsu—have issued notices and announcements to comply with central government requirements.

- However, significant work still remains: 12 provinces have not released any measures since January 2011 to implement central-level pledges, including some locations where foreign companies have significant investment, such as Sichuan and Zhejiang provinces.

- Moreover, USCBC has found 31 new local regulations formally linking indigenous innovation and government procurement released even after such links were prohibited by the State Council’s November 2011 notice. This number has been increasing each year since 2011, suggesting work still needs to be done on these issues.

USCBC recommends that US government officials re-prioritize this issue to ensure full and consistent compliance, including at the Innovation Dialogue, Strategic & Economic Dialogue, Joint Commission on Commerce and Trade, and other relevant bilateral meetings.
Innovative US companies view China’s drive to promote innovation as an important step in its economic development, creating both opportunities and challenges. In the US-China Business Council (USCBC)’s 2014 member company survey, for example, 11 percent of companies surveyed said that China’s innovation promotion policies have had a positive impact on sales or operations, compared with 5 percent who said that it had had a negative impact. Of remaining companies who said these policies had not yet had an impact on sales, 45 percent said that such policies present a strategic opportunity, while 39 percent said that innovation policies are a strategic concern.

Many of these concerns, however, stem from the ways in which China implements its innovation policies and how these measures treat domestic and foreign companies. Indigenous innovation policies that discriminate against foreign companies and their products in areas such as government procurement have long been of concern to the US-China Business Council (USCBC) and its member companies.

In January 2011, and in response to detailed discussions between the US and Chinese governments on indigenous innovation policies such as the Ministry of Science and Technology (MOST) proposed national catalogue of indigenous innovation products, Chinese President Hu Jintao attested that China would eliminate existing measures that used government procurement to promote indigenous innovation products and services at the expense of foreign companies. This was followed by subsequent commitments at the May 2011 Strategic and Economic Dialogue (S&ED) and the November 2011 Joint Commission on Commerce and Trade (JCCT) to eliminate regulations and policies linking innovation and government procurement.

In the subsequent months, central and provincial governments have taken specific steps toward implementing these commitments. In June 2011, the PRC Ministry of Finance (MOF) and other agencies published notices invalidating three regulations linking indigenous innovation and government procurement and removed the draft accreditation rules for indigenous innovation products in July. These national regulations had comprised important parts of the PRC regulatory framework promoting government procurement of indigenous innovation products and had spurred national, provincial, and local government agencies to release similar policies.

Such discriminatory links, however, remained at the sub-national level, with policies and regulations such as the accreditation rules for indigenous innovation products and catalogues for those products. As confirmed at the JCCT, the State Council on November 17, 2011 released a notice stating that sub-national governments at all levels must halt implementation of any measures that link innovation and government procurement within regulatory documents by December 1, 2011. The notice also requires these governments to announce to the public which regulatory documents remain in effect, which are eliminated, and which are suspended, and to report progress to the State Council by the end of December 2011. (For a copy of the notice, see www.cqbn.gov.cn/gwquery.asp?id=2301).

Subsequent government actions to amend or eliminate some of these regulations and catalogues show that many provinces and local governments took tangible steps to meet these commitments. Based upon publicly available information, 19 of China’s provinces (such as Guangdong and Jiangsu) and provincial-level cities (such as Beijing and Shanghai) demonstrated some kind of specific, concrete action in late 2011. The majority of provincial governments did so in direct response to the November 2011 circular.

Not all provincial and municipal governments, however, complied. Based on USCBC research, several important provinces (such as Zhejiang and Sichuan) did not publicly demonstrate that they had complied with the notice. Of greater concern, many provincial and sub-provincial government agencies have released new policies and regulations that re-link indigenous innovation and government procurement. To date, USCBC has uncovered 31 new policies released since the November 2011 State Council notice requiring provincial and local governments to halt implementation of any such measures. These policies have increased each year, from one policy released in 2011 to 12 policies released in 2014. Three such policies have already been released in 2015.
These measures include the following:

2011

- A notice announcing budget management of government procurement released in December 2011 by the local government of Cheng County, Longnan, Gansu, indicating that the county government procurement budget should incorporate preferential purchase of indigenous innovation products.

2012

- Regulations on provincial science and technology progress, passed by the Shaanxi provincial government in May 2012, stating that the government should put indigenous innovation products developed by local enterprises and institutions into its government procurement catalogue.
- Rules to support local enterprises released in June 2012 by the local government in Zhenjiang, Jiangsu, encouraging use of the indigenous innovation product catalogue and government procurement to support local enterprises.
- Interim measures announced by the Changsha municipal government in July 2012, requiring local government agencies, units, and state-owned enterprises and groups conducting government procurement to preferentially purchase the products listed in a catalogue of indigenous innovation and energy efficient products of Changsha when other conditions are equal. The catalogue was released in October 2012; more products were added in December 2013 and August 2014. (Note: Neither the full text of the interim measures nor the December 2013 batch of products added to the catalogue was publicly available at the time this report was released.)
- A circular released in August 2012 by the Hainan provincial government, requiring local government agencies, units, and state-owned enterprises and groups conducting government procurement to offer preferential government procurement for local indigenous innovation products and services, and assigning the provincial financial department and development and reform commission to implement these procedures.
- A notice reviewing 2012 government procurement work released in December 2012 by the municipal government of Yantai, Shandong, describing a scoring mechanism to evaluate government agencies’ procurement work that includes points based on procurement of indigenous innovation products.
- Implementing plans for fostering high-tech enterprises in Henan issued in June 2012 by the province’s Science and Technology Department, recommending that the government preferentially include products incorporating core intellectual property held by high and new-technology enterprise (HNTE) companies in its procurement catalogue.

2013

- A 2012 provincial government work report, released by the Hubei provincial government in January 2013, stating that the government would expand the scope of preferential government procurement of indigenous innovation products.
- Regulations on the Haikou National New High-Tech Industrial Development Zone released in January 2013 by the municipal government of Haikou, Hainan, stating that district and municipal authorities should purchase indigenous innovation products provided by innovative companies in the zone if their prices are at the same level as other bidders and their technology meets government procurement standards.
- Opinions to promote the local cultural industry released in February 2013 by the local government of Xiangshan County, Ningbo, Zhejiang, stating that the county government should gradually increase the ratio of cultural products and services products in their government procurement catalogue that have intellectual property from the county in order to promote local enterprises.
- Implementing opinions on establishing a “Zhenjiang Talent Zone” issued in February 2013 by the municipal government of Zhenjiang, Jiangsu, stating that the government will preferentially add indigenous innovation products into their government procurement catalogue.
- A notice announcing 2013-2014 government procurement work released in February 2013 by local authorities in Hanggin Banner, Inner Mongolia, stating that the government should “actively support” indigenous innovation products through government procurement, and should give prior consideration of procurement for domestic indigenous innovation companies if they have the same quality or price conditions.
• A circular listing 114 indigenous innovative products as the government procurement preferences issued in March 2013 released by the local government in Yinzhou District, Ningbo, Zhejiang, stating that the release of the catalogue was to encourage government procurement and preferential purchases by entities with state-owned capital of products, materials, equipment, and services from the district.

• Implementing opinions on accelerating the development of small and medium-sized technology firms released by the authorities of Tianjin Binhai New Area in May 2013, suggesting that local government procurement should prioritize indigenous innovation goods and services from their government procurement catalogue.

• Rules to support local enterprises released in August 2013 by the local government in Yangzhou, Jiangsu, that encourage government agencies to preferentially procure accredited HNTE products above the provincial level, as well as software products, as a means of supporting the city’s indigenous innovation products.

• A circular stipulating annual government procurement catalogues and standards released in December 2013 by the provincial government in Fancheng District, Xiangyang, Hubei, calling for the district governmental agencies to include indigenous innovation products in the catalogue for annual procurement activities.

2014

• Implementing opinions on the protection of intellectual property rights issued in January 2014 by the Sichuan Provincial Intellectual Property Office, suggesting that the local government should carry out preferential procurement of indigenous innovation products when they have the same conditions as other products.

• A 2014-2015 government procurement catalogue released by the government of Shilou County, Shanxi, in February 2014, stipulating that the local authorities should prioritize indigenous innovation products in government procurement.

• Guidelines for developing leading innovation enterprises released by the Science and Technology Bureau of Changshu, Jiangsu, in March 2014 that identify the accreditation and government procurement of indigenous innovation products as a preferential fiscal measure to cultivate innovation enterprises.

• Opinions about accelerating the development of leading industrial enterprises, released in March 2014 by the municipal government of Ningbo, Zhejiang, that encourage the inclusion of indigenous branded goods and products incorporating intellectual property held by leading indigenous enterprises in the government procurement catalogue and the indigenous innovation quality products catalogue.

• A circular on government procurement and promotion of advanced products in Zhongguancun Science & Technology Park, issued in April 2014 by the Beijing municipal government, that sets fiscal incentives for governmental agencies and state-owned enterprises to purchase advanced technology and products developed by Zhongguancun-based enterprises, universities, and research institutes. Focal areas include office supply products; products used in environmental protection, public safety, health care, and transportation management; and infrastructure products.

• A circular announcing 2014-2015 local government procurement catalogue, standards, and tendering work released in April 2014 by the local government in Aohan Banner, Inner Mongolia, requiring that the local authorities preferentially budget for and purchase indigenous innovation products.

• Rules on science and technology in Luoyang, Henan, approved in September 2014 by that province’s people’s congress, stating that the government agencies can use funds to preferentially procure products based on innovation taking place in Luoyang, including products under development.

• A circular announcing 2014-2015 local government procurement policies released in July 2014 by the government of Zhuozi County, Inner Mongolia, stating that the local authorities should make preferential purchase of indigenous innovation products and environmentally friendly products.

• A circular announcing 2015 local government procurement policies released in October 2014 by the local government in Jungar Banner, Inner Mongolia, requiring that the local authorities preferentially buy indigenous innovation products.
- A circular on annual government procurement released by the municipal government of Jinzhou, Hubei, in December 2014, stating that the government will include indigenous innovation products in its procurement catalogue.
- Opinions about encouraging high-tech enterprises released in December 2014 by the municipal government of Luliang, Shanxi, stating that local government funds must be used to preferentially procure indigenous innovation products.
- A annual government procurement circular released in December 2014 by the municipal government of Suqian, Jiangsu, stating that the local government should preferentially procure indigenous innovation products in order to support development of small and medium-sized enterprises.

2015

- A circular on annual government procurement issued in February 2015 by the government of Xinshan County, Hubei, requiring municipal authorities to preferentially purchase indigenous innovation products.
- A circular establishing a catalogue of indigenous innovation products released in February 2015 by the Economic and Information Technology Bureau of Yinzhou District, Ningbo, Zhejiang, indicating that the government will support such products through preferential government procurement and use of state-owned investment funds.
- A notice regarding the 2015 budget released in March 2015 by the Finance Bureau of Nanxian County, Hunan, stipulating the preferential procurement of indigenous innovation products and local products.

USCBC has also uncovered statements from government officials, agencies, and stakeholders calling for, or discussing the need to implement, government procurement preferences for government procurement. This includes statements from the deputy director of the State-Owned Assets Supervision and Administration Commission (March 2015), representatives of the Municipal Statistics Bureau of Zhuzhou, Hunan (October 2013), and the Hunan Provincial Academy of Social Sciences (December 2014).

To facilitate continued discussion about how China has implemented its indigenous innovation commitments, USCBC has issued regular reports detailing central, provincial, and local policy changes that relate to China’s pledges. This next section of the report is designed to inform policymakers in both countries on progress towards full implementation of China’s commitments at the provincial and local level since January 2011, with a particular focus on those documents released since the November 2011 notice.

**Provincial- and Local-Level Government Actions Designed to “Delink” Indigenous Innovation and Government Procurement**

**Anhui**

- On July 8, 2011, the Anhui Finance Bureau announced that it would suspend the implementation of 2007 provincial rules that regulate government procurement of indigenous innovation products, including provisions that cover drafting and use of provincial catalogues. www.ahzfcg.gov.cn/news/2014-11/2e656004-e912-4193-be41-998780f71659.html

- In late November or early December 2011, the Anhui provincial government issued a circular that is believed to order all government and agencies at or below the provincial level to halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. (Full text unavailable; referenced in www.czzwgk.gov.cn/openness/detail/content/53db5d5a4261f2d01b4edcc8.html)
On November 30, 2011, four Anhui governmental agencies, including the Anhui Commission of Science and Technology and the Anhui Finance Bureau, jointly released a circular announcing that it would halt implementation of the 2007 Anhui Provisional Indigenous Innovation Product Accreditation Management Rules as of December 1, 2011. (Link inactive, but formerly available at www.ahzwgk.gov.cn/xxgkweb/showGKcontent.aspx?xxnr_id=95297)

On December 8, 2011, the Chuzhou municipal government released a circular announcing the launch of its work to eliminate measures linking innovation and government procurement. The notice required relevant departments to draft a list specifying which regulatory documents would remain in effect, and which would be discarded or suspended. Departments should eliminate such documents by December 12, 2011, and should report results to the public and to the Anhui provincial government. www.czzwgk.gov.cn/openness/detail/content/53db5d5a4261f2d01b4edcc8.html

Beijing

On September 7, 2011, the Beijing Finance Bureau released a circular, which referenced the June 2011 MOF circular, calling on municipal government agencies to implement MOF government procurement policies. It also stated that agencies should stop implementation of three local measures transmitting the central-level notices invalidated in the June MOF circular: the 2007 Evaluation Measures on Indigenous Innovative Products for Government Procurement, the 2007 Administrative Measures on Budgeting for Government Procurement of Indigenous Innovation Products, and the 2007 Administrative Measures on Government Procurement Contracts for Indigenous Innovation Products. (Link inactive, but formerly available at www.bjsjs.gov.cn/zfcg/zcfg/8a8481d2345a594701355ba4a2ef028c.html)

On December 1, 2011, the Beijing municipal government released a circular announcing that it would suspend the implementation of some related measures linking innovation and government procurement, including specific provisions in the 2006 Opinions on Strengthening Indigenous Innovation Capacity and Building an Innovative City, the 2008 Opinions on Pilot Work to Develop Government Procurement of Indigenous Innovation Products in Zhongguancun Science & Technology Park, the 2009 Opinions on Scientific Promotion of Industry Development in Ecological Conservation Development Zones, and the 2010 Opinions on Promoting the Establishment of Industry Development Guidance in Beijing. cwc.bjedu.gov.cn/publish/portal13/tab784/info18781.htm

On April 17, 2012, the Shunyi district government under Beijing city released a circular announcing that it would halt the implementation of any measures that link innovation and government procurement, including specific provisions in the 2009 Circular on Helping Enterprises Deal with the International Financial Crisis and the 2010 Circular on Boosting the Development of Cultural and Creative Industries. www.bjshy.gov.cn/Item/48041.aspx

Chongqing

On July 14, 2011, the Chongqing Finance Bureau announced that it would no longer award extra points for indigenous innovation products in the Chongqing municipal government procurement process. The bureau also said it would eliminate such points from the 2010 standard text for tendering documents. www.cqgp.gov.cn/portal/documentView.do?method=view&id=478226
On November 29, 2011, the Chongqing municipal government released a circular announcing that all government entities at or below the municipal level must halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. Agencies and district governments must submit lists of regulations that will remain in effect, as well as those that will be eliminated or suspended, to the city government by December 15. The Chongqing Legislative Office will summarize progress reports and submit its final report to the State Council by December 25.

(Link inactive, but formerly available at www.cqfzb.gov.cn/Pro_General/ContentShow.aspx?ProID=49&myid=8655)

On December 5, 2011, the Banan district government under Chongqing city released a circular announcing that government entities within the district must halt implementation of any regulations linking innovation and government procurement by December 1, 2011, and must also halt implementation of any regulations based on related regulations now invalidated by NDRC, MOST, and MOF. Agencies must submit suggested regulations to eliminate to the Banan Legislative Office by December 12, which must then report the results of such work to the Chongqing Legislative Office by December 15.

(Link inactive, but formerly available at www.cqbn.gov.cn/gwquery.asp?id=2301)

On January 17, 2012, the Chongqing municipal government announced the results of its round of regulatory changes, stating that county governments had eliminated five regulatory documents linking innovation and government procurement and had revised two others. Chongqing’s government is also currently revising Article 8 of the 2008 Opinions on Encouraging Enterprises to Expand Research & Development Investments to Increase Indigenous Innovation Capabilities.

govinfo.nlc.gov.cn/search/htmlflash4Radar?docid=2800307

Fujian

- On July 11, 2011, the Fujian Finance Bureau announced that it would suspend implementation of 2007 provincial rules regulating government procurement of indigenous innovation products, as well as all policies on government procurement preferences for indigenous innovation products.

www.fjicpa.org.cn/article.cfm?f_cd=56&s_cd=404&id=82FB052A-D605-5850-CBD6FFA4714C7316

- On July 11, 2011, the Xiamen Bureau of Science and Technology released a circular announcing that the city would “temporarily suspend” its 2011 work on accrediting indigenous innovation products in light of the July central-level interagency circular. Xiamen’s circular made no reference to existing catalogues in Xiamen.

www.xminfo.net.cn/index.php?m=content&c=index&a=show&catid=12&id=17176

- On July 20, 2011, the Zhangzhou Government Procurement Center released a circular announcing that it would suspend implementation of any policies providing preferences in government procurement to indigenous innovation products that appear in the center’s bidding documents.

www.zzzfcg.gov.cn/viewbody.cfm?id=9078

- On August 24, 2011, the Fujian Finance Bureau announced that it would suspend implementation of the 2007 Fujian Trial Administrative Measures on the Accreditation of Provincial Indigenous Innovation Products.

www.shanghang.gov.cn/dzzw/dwzw/gfxwj/sjwj/201108/t20110829_97301.htm

Gansu

- On July 6, 2011, the Gansu Finance Bureau announced that it would suspend implementation of indigenous innovation-related provisions included in broader provincial measures on procurement of energy saving, environmental, and indigenous innovation products.

www.gszzfcg.gansu.gov.cn/web/147/110287.html
Guangdong

- On August 2, 2011, the Guangdong Finance Bureau announced that it would suspend implementation of the 2009 guidance on government procurement of indigenous innovation products starting on August 1, 2011. (Full text attached in www.haizhu.gov.cn/site/main/gov/zfcg/a/A634539201500558750.pdf)

- On August 16, 2011, the Qingyuan municipal government released a circular referencing the August 2011 Guangdong Finance Bureau circular and requesting relevant government agencies, including finance and science & technology bureaus at the city, district, and county level, to comply. qingyuan.gdgpo.com/show/id/4028708332b5d20e0132f752f6de0c92.html

- On August 17, 2011, the Shaoguan municipal government released a circular referencing the August 2011 Guangdong Finance Bureau circular and requesting relevant government agencies, including finance and science & technology bureaus at the city, district, and county level, to comply. qingyuan.gdgpo.com/show/id/402870833244646501324bf4cde31815.html

- On October 8, 2011, the Haizhu district government of Guangzhou released a circular referencing the August 2011 Guangdong Finance Bureau circular and requesting relevant government agencies at the district and sub-district level to comply. (Full text attached in www.haizhu.gov.cn/site/main/gov/zfcg/a/A634539201500558750.pdf)

- In late 2011, the Guangdong provincial government released a circular that is believed to order all government agencies at or below the provincial level to halt implementation of any measures that link innovation and government procurement within regulatory documents. (Full link not available, but referenced in zwgk.gd.gov.cn/007335807/201204/t20120405_311243.html)

- On January 9, 2012, the Chaozhou municipal government released a circular calling for governments at or below the municipal level to eliminate or revise regulatory documents linking innovation and government procurement. Such regulatory changes must be completed and reported to the Chaozhou Finance Bureau by February 15, 2012. zwgk.gd.gov.cn/007335807/201204/t20120405_311243.html

- On January 9, 2012, the Xinhui district government under Jiangmen city released a circular calling on governments and agencies at or below the district level to eliminate or revise regulatory documents linking innovation and government procurement. Such regulatory changes must be completed and reported to the Xinhui Legislative Office by February 15, 2012. (Link inactive, but formerly available at www.xinhui.gov.cn/zwgk/GBYTJ/QZFGB/201205/P020120524638115803821.doc)

- On March 8, 2012, six Jiangmen municipal government agencies, including the Jiangmen Science and Technology Bureau and the Jiangmen Finance Bureau, released a circular announcing revisions to the 2009 Jiangmen Provisional Management Rules for Indigenous Innovation Product Accreditation, including the elimination of Article 10, which had called for advantages in government procurement for indigenous innovation products. fjz.jiangmen.gov.cn/FileDiscuss.aspx?Id=639

- On March 13, 2012, the Zhuhai municipal government released a circular calling for all relevant government agencies to eliminate or revise regulatory documents linking innovation and government procurement. Such regulatory changes must be completed before December 1, 2011, and must be posted for the public on the municipal government website as well as reported to the Zhuhai Finance Bureau and the Zhuhai Legislative Office. www.zhcz.gov.cn/ljcz/gzdt/201203/t20120313_279376.html
On April 17, 2012, the Guangzhou municipal government released a circular announcing that the city would immediately halt the implementation of the Guangzhou Management Rules for Indigenous Innovation Product Accreditation.

On January 5, 2012, the Liuzhou municipal government autonomous region released a circular announcing that the city would start reviewing and revising regulatory documents linking innovation and government procurement. The notice stated that the municipal government would halt implementation of any such regulatory documents by December 1, 2011. Agencies must submit suggested regulations to eliminate to the Liuzhou Legislative Office by January 20; that office must then report the results of such work to the municipal government by January 16.

On January 9, 2012, the Liunan district government under Liuzhou city released a circular announcing that the district would start reviewing and revising regulatory documents linking innovation and government procurement. The notice stated that the district government would halt implementation of any such regulatory documents by December 1, 2011.

On January 16, 2012, the Fangchenggang municipal government announced the results of its work to review and revise regulatory documents linking innovation and government procurement released before December 20, 2011. According to its report, the review included five documents released by the municipal government, all of which remain in effect, and four departmental documents, of which one remains in effect and three have been suspended.


On December 22, 2011, the Hebei Finance Bureau released a circular referencing the June 2011 MOF notice and requesting relevant government agencies at all levels to comply.

In early February 2012, the Hebei Finance Bureau issued a circular calling on all government entities at or below the provincial level to halt implementation of the 2011 Hebei Indigenous Innovation Product Government Procurement Catalogue.

On December 31, 2011, the Langfang municipal government released a circular requiring invalidating the Hebei Indigenous Innovation Product Government Procurement Catalogues and halting implementation of the Hebei Provincial Department of Finance’s Circular on preferential government procurement of specified products.
Hunan

- On December 1, 2011, the Hunan provincial government released a circular announcing that all government entities at or below the municipal level must halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. Government entities must complete this work by December 31, 2011 and report results.
  www.yylq.gov.cn/html/zhengwugongkai/zwgkzcwj/11216.html

- On December 14, 2011, the Yueyanglou district government under Yueyang city released a circular announcing that government entities, in accordance with Hunan provincial measures, must eliminate or revise any regulatory documents linking innovation and government procurement and announce which documents remain in effect, and which are eliminated or suspended. The notice called on all relevant departments to submit the results of these efforts by December 20, 2011.
  www.yylq.gov.cn/html/zhengwugongkai/zwgkzcwj/11216.html

- On December 19, 2011, the Hengyang municipal government released a circular announcing that it would halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. Agencies must submit suggested regulations to eliminate to the Hengyang Legislative Office by December 20. Regulatory changes must be completed by December 25, 2011.  
  (Link inactive, but formerly available at www.hengyang.gov.cn/main%5Chyzw/zfxxgk/fggw/szfgswj/1_17888/default.shtml)

- On December 19, 2011, the Beihu county government (Chenzhou city) released a circular announcing that it would halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. Regulatory changes must be completed by December 20, 2011.
  www.czbeihu.gov.cn/dtxx/tzgg/content_61384.html

- On December 19, 2011, the Changsha municipal government released a circular announcing that it will revise regulatory documents that link innovation and government procurement no later than December 31, 2011. Regulatory changes would be implemented as soon as revisions are released.

- On December 31, 2011, the Taoyuan municipal government released a circular announcing that it had completed the required document removal work, confirming that the two existing regulations dealing with government procurement were both valid and that there were no documents that required elimination or suspension.
  taoyuan.gov.cn/Web/Article/84401f06-ed8b-4af6-9682-04c738714143

  www.hnfgw.gov.cn/xxgk/sdfxfg/27119.html

www.xiangtan.gov.cn/new/wszf/wjgz/zfwj/szfgfxwj/content_26596.html

Inner Mongolia
- On December 21, 2011, the Inner Mongolia autonomous regional government issued a circular referencing the November 17 State Council notice and calling on governments below the provincial level to implement the policy and submit progress reports to the Inner Mongolia Legislative Office by January 31, 2012.

www.nmfzrb.gov.cn/information/fzb17/msg548586222.html

- On February 24, 2012, the Inner Mongolia Health Department announcing that it would halt implementation of a 2007 notice aimed at implementing the spirit of MOF rules on indigenous innovation and government procurement.


Jiangsu
- In November 2011, the Jiangsu provincial government released a circular that is believed to order all government and agencies at or below the provincial level to halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011.
  (Full link not available, but formerly referenced in www.jscc.gov.cn/pub/jscc/zfxxgk/zfxxgkml/zjgg/11/201112/t20111231_22292.html)

- On November 25, 2011, the Changzhou Municipal Working Group for Comprehensive Promotion of Legal Administration Work released a circular announcing that implementation of any measures that link innovation and government procurement within regulatory documents should be halted no later than December 1, 2011, and that all government agencies at or below the Changzhou municipal level should review existing regulations for compliance. The municipal committee, city government, and directly administered offices should report initial results of their review and recommended changes to the Changzhou Legislative Office by December 5, 2011, while all municipal-level government organs, district governments, and governments of other directly administered cities should report to the same office by December 10, 2011.
  (Link inactive, but formerly available at www.changzhou.gov.cn/gi_news/133994310012279)

- On November 29, 2011, the Qidong municipal government released a circular announcing that any measures that link innovation and government procurement within regulatory documents should be eliminated and implementation halted no later than December 1, 2011. Regulatory changes should be completed by December 10, 2011, with progress reports given to the Qidong Legislative Office the same day.
  (Link inactive, but formerly available at www.qidong.gov.cn/art/2011/11/30/art_1768_125686.html)
• On December 6, 2011, the Wuxi municipal government released a circular announcing that it would halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. Relevant departments and agencies should submit progress reports to the Wuxi Legislative Office by December 10, 2011. That office will summarize and submit a final report to the municipal government by December 15, 2011. (Link inactive, but formerly available at www.wuxi.gov.cn/zfxxgk/szxxgkml/zcfg/szfbgsj/5969581.shtml)

• On December 8, 2011, the Donghai municipal government released a circular announcing that government entities, in accordance with Jiangsu provincial measures, must eliminate or revise any regulatory documents linking innovation and government procurement and announce which documents remain in effect, and which are eliminated or suspended. The notice called on all relevant departments to submit results of removal work by December 20, 2011. (Link inactive, but formerly available at xsgk.jsdh.gov.cn/zhengfuxinxigongkai/xianzhengfubangongshi/2011-12-31/2583.html)


• On January 10, 2012, the Nanjing municipal government issued a decision announcing the elimination and revision of a broad mix of documents – including some related to innovation and government procurement. These changes include the elimination of 2008 measures to promote innovation in enterprises, and revisions to 2009 measures on promoting enterprise growth and stable, rapid development and to 2010 policies for promoting the software and information service industries. While revisions removed explicit ties between government procurement and innovation, the notices still call for government support and promotion of indigenous innovation software products and services. www.nanjing.gov.cn/njszf/szf/201202/t20120229_1183133.html

• On February 3, 2012, the Xuzhou municipal government announced the results of its round of regulatory changes designed to eliminate or revise regulatory documents linking innovation and government procurement, stating that city government agencies had eliminated specific provisions in the 2006 Circular on Encouraging and Promoting Scientific and Technological Innovation and Start-ups and the 2009 Outline of Xuzhou’s Intellectual Property Strategy. (Link inactive, but formerly available at 58.218.194.33/xzxxgk/nrglIndex.action?catalogID=ba5a42a118c5c8140118c5ef68980046&type=2&messageID=ff80808135a7cddd0135ebc1c7f604a2)

**Jiangxi**

Jilin
- On November 28, 2011, the Jilin provincial government released a notice rejecting a proposed policy that would have offered preferential government procurement to a local computer brand, Zhuo’er. In its rationale for rejecting the proposal, the notice cites the June 2011 Ministry of Finance notice and states that Jilin provincial authorities had halted implementation of relevant policies linking indigenous innovation and government procurement as a primary rationale for rejecting the proposal. (Link inactive, but formerly available at jl.gov.cn/zwgk/yatabl/zxwylmta2010/2011_38838/201311/t20131128_1573761.html)

Liaoning


Ningxia
- On December 21, 2011, the Yanchi county government released a circular calling for governments at or below the county level to eliminate or revise regulatory documents linking innovation and government procurement. All departments and agencies should report suggestions for regulatory changes or results of such work to the Yanchi county government by December 25, 2011. (Link inactive, but formerly available at xxgk.yanchi.gov.cn/detail.asp?id=1592)

- On January 18, 2012, the Dawukou autonomous regional government announced that it would halt the implementation of the Administrative Regulations for Dawukou Government Procurement. govinfo.nlc.gov.cn/nxfz/xxgk/dwqrmzfzwgk/201201/t20120119_1309802.html?classid=363

- On February 17, 2012, the Wuzhong Municipal Legislative Office released a review of its 2011 work and its direction for 2012. This report notes that it had completed a review of local regulations to ensure compliance with requirements not to link innovation policies and government procurement, and had not found any regulations that were out of compliance. xn--xcrj123e.xn--fiqs8s/article/dfxz/dfzxx/nx/201202/20120200360611.shtml

Shandong
- On July 4, 2011, the Shandong Finance Bureau released a circular, which referenced the June MOF circular, calling on provincial government agencies to implement MOF government procurement policies. (Link inactive, but formerly available at www.ccgp-shandong.gov.cn/fin_info/servlet/attach?type=site&id=832)
Shanxi

- On December 13, 2011, the Anze county government called for governments at all levels to eliminate or revise regulatory documents linking innovation and government procurement in line with China’s external commitments. Such regulatory changes must be completed by December 25, 2011, and governments should post online a list of which documents are still in effect and which have been eliminated or suspended. Regulatory documents that are not listed online in this manner should cease implementation after January 1, 2012.
  www.anze.gov.cn/info/news/shows/2697.htm

- On February 12, 2012, the Gujiao municipal government released a circular announcing that all government entities at or below the municipal level must halt implementation of any measures that link innovation and government procurement within regulatory documents, and must begin work to eliminate or revise regulatory documents linking innovation and government procurement. Results of the work must be reported to the Gujiao Legislative Office by February 20, 2012.
  (Link inactive, but formerly available at www.sxgjiao.gov.cn/gfgw/bgtwj/2010bgt/201203/561314199.html)

Shanghai

- On July 1, 2011, the Shanghai branches of MOST and MOF announced that Shanghai’s 2009 catalogue of indigenous innovation products would no longer be valid, effective immediately.
  www.czj.sh.gov.cn/zcfg/gfxwj/zcfg/201107/t20110708_128211.html

Sichuan

- On July 11, 2011, the Chengdu Government Procurement Service Center announced that it would no longer award extra points for indigenous innovation products during the evaluation process for five specific municipal-level government procurement projects as of July 1.

Tianjin

- On July 1, 2011, the Tianjin Finance Bureau announced that it would no longer award extra points for nationally and locally accredited indigenous innovation products in the evaluation process for government procurement programs starting July 1, and released a list of bidding projects prior to July 1 that would need to be reviewed for compliance with the new notice.

  www.tjjj.gov.cn/upload/File/20111215160915059.pdf

- On June 26, 2012, the Tianjin municipal government released a circular, announcing that the city would halt implementation of the 2009 Tianjin Provisional Management Rules for Indigenous Innovation Product Accreditation Management Rules.
  www.tjzfxxgk.gov.cn/tjep/ConInfoParticular.jsp?id=33352
Xinjiang


- On December 8, 2011, the Hutubi county government released a circular announcing that it would halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. Relevant departments and agencies should complete regulatory changes and report to the Hutubi Legislative Office by December 10, 2011. www.htb.gov.cn/arc,70,769.php

Yunnan
- On August 16, 2011, the Yunnan Finance Bureau released a circular referencing the June 2011 MOF notice and requesting relevant government agencies at all levels to comply. www.ynwscz.gov.cn/show.asp?id=1925

- On September 20, 2011, the Wenshan municipal government released a circular referencing the August 2011 Yunnan Finance Bureau circular and requesting relevant government agencies, including finance bureaus at the city, district, and county level, to comply. www.ynwscz.gov.cn/show.asp?id=1925

- In late November or early December 2011, the Yunnan Legislative Office released a circular that is believed to call on all government and agencies at or below the provincial level to halt implementation of any measures that link innovation and government procurement within regulatory documents no later than December 1, 2011. (Full link not available, but referenced in www.cxlaw.gov.cn/show.asp?id=4674)

- On December 8, 2011, the Chuxiong Yi autonomous prefectural government issued a circular referencing a similar notice from the Yunnan provincial government, calling on government entities to carry out regulatory changes and submit progress reports to the Chuxiong Legislative Office by December 16, 2011. www.cxlaw.gov.cn/show.asp?id=4674

- On December 20, 2011, the Qujing municipal government in a report released on its performance in 2011 stated that it had begun the work of eliminating or revising documents that link innovation and government procurement measures. (Link inactive, but formerly available at qj.xxgk.yn.gov.cn/canton_model25/newsview.aspx?id=1645716)

- On January 17, 2012, the Yongshan county government released a notice soliciting comments on the results of work to eliminate or revise regulatory documents linking innovation and government procurement. The government asked for comments on elimination or revision of eleven relevant documents. Comments and recommended changes are due to the government by February 20, 2012. zt.xxgk.yn.gov.cn/ztmode/newsview.aspx?id=1666995