

# China repeals controversial technology trade rule

June 30 2011, By JOE McDONALD , AP Business Writer

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(AP) -- China has repealed a policy favoring Chinese producers in government purchases of computers and other technology that triggered complaints by foreign companies and governments that it violated free trade.

The Finance Ministry announcement was the second time in a month that Beijing repealed a [technology](#) policy after complaints by its trading partners. The U.S. [government](#) announced June 7 that China was withdrawing measures that American officials said improperly subsidized Chinese wind turbine makers.

A brief ministry statement late Wednesday said it would no longer enforce procurement rules that are part of a decade-old "indigenous innovation" campaign to spur domestic technology development. They required government agencies to favor Chinese makers in six areas including computers, clean power and communications.

"This repeal represents a forward step toward leveling the playing field in the government procurement market in China," said Davide Cucino, president of the European Union Chamber of Commerce in China, in a written response to questions.

Foreign businesses had complained the rules would hamper or eliminate access to fast-growing technology markets in China, where the government often is the leading purchaser of computers and other advanced equipment.

[Chinese officials](#) agreed to repeal policies linking innovation to government purchasing during President Hu Jintao's visit to Washington in January.

The regulations were a core element in complaints by foreign companies that Beijing is trying to reserve China's most promising industries for domestic competitors in violation of its free-trading pledges.

The repeal is a "meaningful step by the Chinese government in delinking government procurement from indigenous innovation," said Ted Dean, chairman of the American Chamber of Commerce in China, in a written statement.

Dean said the group would watch to see whether the latest change was carried out at the local level.

The rules were especially sensitive at a time when the United States and other Western nations hope to revive economic growth by boosting technology exports.

Beijing has launched "Buy [China](#)" campaigns previously to favor local suppliers in construction and other projects. But the technology procurement rules were unusually explicit in rejecting a foreign role on such a large scale.

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Citation: China repeals controversial technology trade rule (2011, June 30) retrieved 23 May 2024 from <https://phys.org/news/2011-06-china-repeals-controversial-technology.html>

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