Opinions on Encouraging Technology Importing and Innovation and Promoting Changes in Pattern of Trade Growth

Full text

The competent departments of commerce, development and reform (planning, economy and trade), science and technology, and finance at various levels in all provinces, autonomous regions, municipalities directly under the Central Government, cities specifically designated in the state plan and Xinjiang Production and Construction Corps, Guangdong Sub-Administration of China Customs, Special Commissioners’ Offices in Tianjin and Shanghai, the customs offices directly affiliated to the General Administration of Customs, bureaus of state taxation, intellectual property offices and bureaus of foreign exchange at various levels: For the purpose of acting in the spirit of the National Science and Technology Conference, further implementing the strategy of Revitalizing Trade through Science and Technology, carrying out the Eleventh Five-Year Programme on Revitalizing Trade through Science and Technology, encouraging domestic enterprises to import advanced technologies and to enhance their own abilities in imported technology absorbing and re-innovating in order to boost their core competitiveness and accelerate the changes in the pattern of trade growth, the following opinions are hereby proposed:

I. Deepen the Understanding of the Current Situation of Technology Importing

1. Since the reform and opening up to the outside world, China has made tremendous progress in technology importing. Nearly 80000 contracts of foreign technology importing have been signed since 1979, with a total contractual value of more than US$200 billion. During the Tenth Five-Year Programme, China signed 35000 contracts of foreign technology importing worth nearly US$73 billion, which accounted for 36% of the total number since the inception of reform and opening up policy. The imported technologies have played a key role in upgrading the industrial technologies, strengthening the innovating ability of domestic enterprises and accelerating the economic and social development.

2. Currently, the international economic pattern is undergoing profound changes: economic globalization has been gaining momentum, economic restructuring accelerating, technological innovation making more and more contributions to the economic growth and science and technology have become the focal points of the competition of overall national strength. New trends have appeared in international technology transfer: multinational corporations, as the main body in international technology transfer, are exerting a more and more profound influence on it while the small-and-medium-sized enterprises have also been more active; transfer of advanced technology has increased; and intellectual property has become an effective measure of promoting technology trade and competition. All these have placed increased demands on the capabilities in technology absorbing and innovating of domestic enterprises.

II. The Guidelines, General Objectives and Fundamental Principles of Technology Importing and Innovation

3. Guidelines: to fully carry out the scientific outlook on development, further promote the implementation of the strategy of Revitalizing Trade through Science and Technology, and, in accordance with the
requirements of the Fifth Plenary Session of the Sixteenth Central Committee of the Party, to support
and encourage the import of advanced technologies, enhance the capabilities in imported technology
absorbing and re-innovating, promote the progress of China's industrial technology, improve the capacity
for independent innovation and core competitiveness of domestic enterprises and accelerate the
changes in the pattern of trade growth, for the final purpose of achieving a early historic leap from "a
country with large trade volume" to "a trading power".

4. General Objectives: to optimize the technology importing structure and improve its quality and
efficiency, for the purpose of raising the proportion of the contracts of proprietary and patented
technologies to about 50% of the total by 2010, increasing the counterpart funds for the imported
technologies absorption, establishing a technology importing and innovation promoting system which
has enterprises as the main body and is oriented towards the market, steered and promoted by the
government and supported by the scientific forces of all parties concerned, and achieving a benign cycle
in this regard, i.e. "importing the technologies - absorbing them - re-innovating and developing of new
technologies - improving the international competitiveness.

5. Fundamental Principles: firstly, to combine the import of advanced technologies and the optimization
of importing structure and raise the proportion of proprietary and patented technologies in product
designing and manufacturing process; secondly, to combine the technology importing and developing
and innovating, enhance the effective connection of technology importing and absorbing, and
emphasizing the absorption and re-innovation of imported technologies in order that domestic
enterprises will have more independent intellectual property rights in core products and technologies;
thirdly, to combine the development of new and high-tech industries and reformation of traditional
industries, select some key areas and industries and enlarge the scale of their import and have the
traditional industries restructured and upgraded; fourthly, to combine the general promoting and
emphasis laying and cultivate a batch of key enterprises of technology importing, absorbing and
re-innovating; fifthly, to combine raising the quality of imported foreign funds and propelling the
development of domestic industries, encourage foreign investment in new and high-tech industries and
their accessory industries, extend the industrial chain and help and support the development of
export-oriented enterprises.

III. Accelerate the Establishment of Technology Importing and Innovation Promoting System of
Domestic Enterprises

6. In line with the orientation and requirements of China's industrial development, provide special
assistance for enterprises in importing technologies with market potential and possible advantages in
future competitions or with great significance to national well-being and the people's livelihood, such as
those in biology, civil aerospace industry, machine building, petrochemical industry, clean power
generation, new materials, energy saving and environmental protection.

7. Be committed to multilateral technological cooperation. Break the technological monopoly of
developed countries and promote the import of new and high technologies through strengthening
exchanges and cooperation between governments, NGOs and enterprises; adopt various forms of
cooperation such as joint research, collaborated tasks and matched communication and enlarge the
scope of cooperation; to have more countries as the source of imported technologies and import
technologies at various level to suit the technological needs of domestic enterprises; make the
multilateral cooperation mechanism an intermediary of research and development and technological
cooperation between enterprises and scientific institutions on both sides.

8. Establish and improve the public information system for international trade in technologies. Assist domestic enterprises in obtaining information on international technology market through information collecting, policy consulting, technological resources and demands releasing.

9. Advance the administration and protection of intellectual property rights of domestic enterprises: support and encourage them to apply for domestic and overseas patents for re-innovated technologies; provide them with information on patent and legal service on intellectual property, assist them in utilizing professional measures such as patent searching, analyzing and applying, protect the intellectual property rights and improve the ability and level of applying rules concerning intellectual property.

10. Support qualified enterprises in going global. Make full use of foreign scientific and technological resources by establishing overseas research and development institutions, keep track of world advanced technologies and constantly improve the technology developing and innovating capabilities of Chinese enterprises.

11. Continue to encourage transnational corporations to set up research and development institutions in China and raise China's overall level in research and development. Encourage cooperation between transnational corporations and China's research and development institutions, colleges and universities and enterprises, the industrialization of technological fruits of foreign research and development institutions in China and the technological transfer of foreign-invested enterprises to state-owned private enterprises.

12. Encourage and guide domestic enterprises to establish strategic relationship of alliance with transnational corporations or tech-advanced enterprises in developed countries and to take part in technology R&D activities led by transnational corporations; encourage domestic enterprises to join in their foreign counterparts in technology research and development and speed up the internationalization of new and high-tech research and development.

13. Give full scope to the key role of enterprises in technology importing, absorbing and innovating. Encourage domestic enterprises to import advanced and applicable technologies independently and conduct joint research and development in technology absorption and innovation with scientific and technological institutions, colleges and universities, or establish jointly technology developing institutions; to support large enterprises or enterprise groups to take advantage of current resources for importing, absorbing and re-innovating the key and common technologies and introducing the technologies to small-and-medium-sized enterprises; on the basis of the intellectual, information, capital and policy resources of the state-level economic and technological development zones and state-level new and high-tech industry development zones, guide the enterprises within the zones in importing new and high technologies and realizing technological innovation.

14. Cultivate and support a batch of high-quality intermediary institutions which can provide domestic enterprises with such services as technology information, market research, technology appraisal, patent searching and legal consultation, offset the disadvantages of domestic enterprises in information and professional personnel, guard against the market risks and promote the communication and coordination between enterprises.
IV. Utilize Economic Means Comprehensively to Encourage Technological Importing and Innovating

15. The state, with the Foreign Trade Development Foundation, supports the expansion of exports through technology importing and innovating. In accordance with the Administrative Measures of Subsidy Fund for Loans of Technology Renovating and Reforming Projects and Administrative Measures of Fund for Research and Development of Exporting Products, the state supports enterprises to import advanced technologies, absorb and re-innovate the imported technologies and conduct technology reformation, research and development for cooperation with foreign counterparts.

16. Provide domestic enterprises with necessary financial support for importing advanced technologies and their re-innovating. Policy banks and commercial banks may grant loans for technology importing, absorbing and re-innovating on the basis of the laws, rules and policies of the country.

17. Provide domestic enterprises with necessary financial and foreign exchange support to establish overseas research and development centre, and give special assistance to the projects of overseas research and development centre which can utilize international advanced technologies, managerial expertise and professionals.

18. The competent departments of finance and taxation shall modulate the scope of reduction and exemption of taxes on royalties obtained by foreign enterprises from transferring technologies to Chinese enterprises and scientific institutions. The competent departments of finance shall improve the taxation policy of imported technologies together with other relevant departments, and those of customs, determine the dutiable value of separately imported technology in importing, formulate the measures of taxation and encourage domestic enterprises to import patented and proprietary technologies and managerial expertise, with a view to further optimizing the quality and structure of technology importing.

19. Establish and improve the venture capital mechanism and support enterprises and scientific institutions to import the fruits of frontier sciences by utilizing social capital and having them industrialized, for the purpose that the enterprises may better grasp the latest foreign technological fruits and core technologies and enhance their capability of independent innovation.

V. Improve Various Systems of Technology Importing and Re-innovating

20. Improve the legal and regulation system on technology importing. The relevant departments of the government shall conduct an investigation and research on the application of current laws, and, on the basis of current situation, revise Regulations of the People's Republic of China on Administration of Technology Import and Export and formulate rules for implementation of the aforementioned regulations so as to guide domestic enterprises to protect their own lawful rights and interests. The relevant departments of the government shall periodically regulate Catalogue of the People's Republic of China for Technologies Prohibited or Restricted from Import, restrict the import of technologies which have been mature enough or have become out of date in China, prohibit or restrict that of technologies which require large energy consumption and produce much pollution or which have already been eliminated, and restrict the repeated and blind import.

21. Establish the exchange and training system of technology importing work. Enhance the information exchange on technology importing of enterprises, provide more guidance and training for technological
trade personnel and cultivate a contingent of professionals in this regard with both technical specialization and the knowledge on international trade.

22. Improve the comprehensive statistic system of technology importing. The competent departments of commerce, foreign exchange, customs and statistics shall strengthen cooperation and establish a full-caliber system of statistic analysis and online administration of technology importing.