Preamble

The Japanese Chamber of Commerce and Industry in China has been publishing the "Japanese Business in China White Paper" since 2010 to promote dialogue with the central government and local governments of China. The 2016 White Paper is the 7th edition. This particular white paper summarizes proposals to analyze and solve issues that Japanese companies are facing. A total of 8,894 corporate members that belong to the Japanese Chamber of Commerce and Industry in China and other chambers of commerce and industry around China participated in the analysis. Consisting of 28 chapters with 52 proposal items, the 2016 White Paper is divided in 4 sections; "Current Status of Chinese Economy and Japanese Companies", "Common Issues and Proposals", "Current Status of Each Industries and Proposals" and "Current Status of Each Areas and Proposals".

This white paper describes nothing but the current status of the economy in China from the viewpoint of Japanese Companies. It reveals various issues that Japanese companies, who have been engaged in business across China over a long period of time, have been facing as they are pursuing growth in China

The main points of the 13th 5-year plan were adopted at the National People's Congress in March 2016. It revealed main targets and missions for full-scale completion of "a moderately prosperous society" for 2016 to 2020. To achieve/implement of this plan, the necessity of intensifying the reform was emphasized again. I believe that the proposals in this white paper, contains many useful suggestions for the Chinese Government to intensify the reform.

In retrospect, the importance of foreign investment in Chinese economic reform is immeasurable and especially Japanese companies have been playing a tremendous role. The Japanese Chamber of Commerce and Industry in China will take over our predecessors' achievement and actively make suggestions continuously to the Central Government and local governments in China to enhance the business environment in China.

This white paper is made up with precious contributions that member companies of the Japanese Chamber of Commerce and Industry in China provided us while engaging in their own work. Upon compiling this white paper, the research committee office (Japan External Trade Organization (JETRO) Beijing Office) played the central role. Furthermore, the Secretariat office of the Japanese Chamber of Commerce and Industry in China and JETRO

offices in Shanghai, Dalian, Guangzhou, Qingdao, Wuhan, and Chengdu played roles in collaborating with other chambers of commerce and industry around China. We would like to take this opportunity to express our sincere appreciation for all those who have made a great contribution.

The Japanese Chamber of Commerce and Industry in China sincerely hopes that the 2016 White Paper will facilitate dialogue between Japan and China and strengthen the bond of the two countries, thus lead to further prosperity together.

Fumihiro Koba Chairman

The Japanese Chamber of Commerce and Industry in China