

China's government procurement: New definition raises bar for "Domestic Product"



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ISSUING BODY

**STATE
COUNCIL
GENERAL
OFFICE**

DOMESTIC PRODUCT CRITERIA

- Produced within China
- Component cost ratio threshold
- Key components/ processes localized

PRICE INCENTIVE

20 %

deduction for
domestic products
in bid evaluations

TRANSITION PERIOD

3-5 year grace period per
product category

Weekly Facts & Figures.

- **Definition criteria:** “Domestic Product” now requires production in China, local component sourcing, and localization of key processes.
- **Procurement advantage:** Domestic goods receive a 20% price advantage in government tenders.
- **Foreign impact:** Foreign firms must localize manufacturing and supply chains to remain eligible for public procurement.

What This Means.

"Under today's geopolitical climate, qualifying as a 'domestic product' in China's public procurement system is no longer just a compliance matter — it is a strategic decision."



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Start the conversation.



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