

Changes in supply chains of Japanese firms in China's Guangdong Province: A case study based on a questionnaire survey (Summary)

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The global supply chains have been affected by the US-China conflict and the worldwide spread of COVID-19. Japanese firms are mitigating supply chain risks by relocating to Japan or shifting operations to Southeast Asia.

This study presents findings from a survey of Japanese firms in Guangdong Province, examining the impacts of the coronavirus outbreak, changes in supply chains, effects of US- China tensions, and management challenges in China. We find that many Japanese firms focus on selling within China and rely heavily on local suppliers. Despite escalating US-China tensions, most Japanese firms report minimal impact or no change. The prevailing strategy among businesses is to maintain current operations without withdrawing from China. While there haven't been significant alterations in supply chains yet, diversification strategies like domestic sourcing within China, expanding supplier networks, and local production at sales sites are being explored.

Keywords: Supply Chain Management, Local Procurement Practices, Japanese firms

JEL classification: F23, F29