

SME Survival Guide Introduction

With nearly one-quarter of the world's population, China continues to show great promise of becoming the world's largest consumer market. It is estimated that by 2010, there will be in excess of 500 million middle-class consumers in China. A growing urban middle class and continuing economic reforms make this potentially enormous market seem all the more attractive to Canadian exporters. Therefore, it is not surprising that more and more Canadian companies, including small and medium-sized enterprises (SMEs), are looking to China, including Hong Kong as a possible export market.

While China does present new opportunities, it is nearly on the other side of the world-several time zones away and therefore travel and business communication are more expensive. China has a highly complex business environment and its culture and ways of doing business can be daunting to new export-ready companies and even the most seasoned export-ready firms. To assist you in meeting this challenge, the China and Mongolia Division at Foreign Affairs and International Trade and our missions in China and Hong Kong have developed this survival guide. Designed specifically for SMEs, the guide includes essential information on how to tackle the China market.

Whether you are contemplating your export potential to China or have a strategy for this complex market, this guide should serve as a handy reference for your endeavour in this vast country.

There are a number of sources listed in this guide which can help SMEs approach the China market. Along with information listed in this document, we suggest you to visit the following websites: dfait-maeci.gc.ca/china (China Perspectives) and www.canada.org.hk (Canada's Window on China).

The Canadian Trade Commissioner Service in Beijing, Shanghai, Guangzhou, Hong Kong and Chongqing as well as in the China and Mongolia Division of Foreign Affairs and International Trade in Ottawa are there to promote value-added activities and bring benefits to Canadian manufacturers and service providers through business with China.