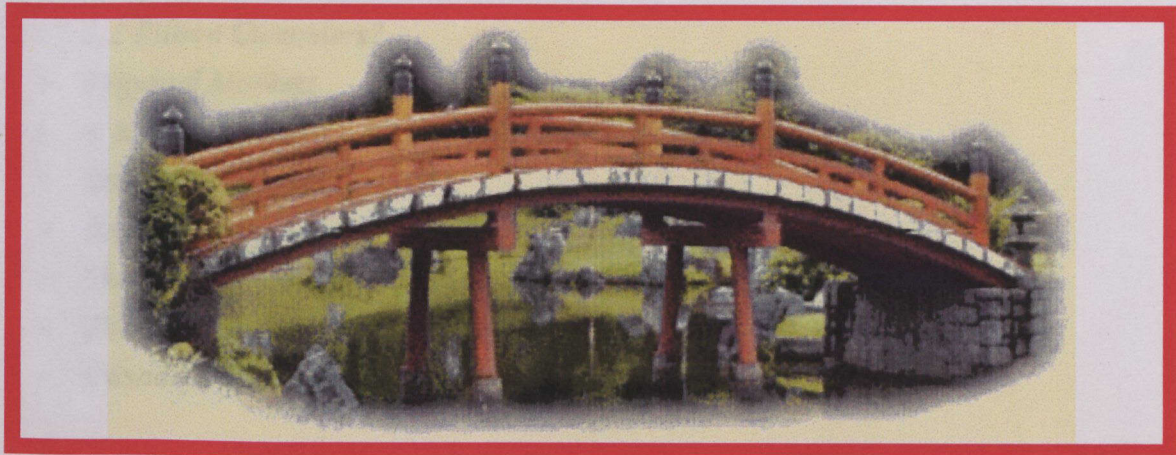


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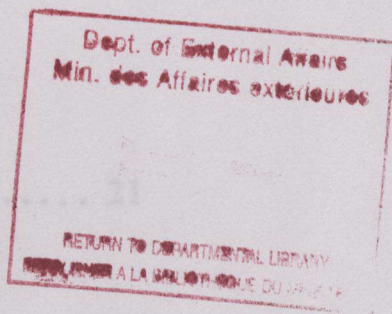
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SME Survival Guide to the China Market

<http://www.dfait-maeci.gc.ca/china>





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The Canadian Trade Commissioner Service in Beijing, Shanghai, Guangzhou, Hong Kong and Chengde, 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.

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.

China – Getting Started and Best Practices

Language and Culture

To even the most experienced exporters, China is a challenging market. Some of the reasons for difficulty are self-evident. Some are less obvious. A few examples:

- Language differences are especially intimidating. More and more Chinese are gaining a basic fluency in English. You're probably not going to become fluent in Chinese, but it will be useful to learn some basic expressions – especially if you plan to travel outside the major cities. It will give you confidence in getting around and delight your Chinese friends. However, for most business transactions, information gathering and negotiations, you will need a skilled interpreter.
- Cultural differences present difficulties for parties doing business in China. It is easy to underestimate their importance. Subtle cues and nuances may be misunderstood. For example, many Chinese laugh or giggle when they are embarrassed or uncomfortable. Many Westerners react angrily in this situation because they think they're being laughed at!
- The Chinese avoid directness when it comes to telling you they cannot do something for you. In Western culture, we accept forthrightness – provided it is polite. But in China, people are apt to be very uncomfortable saying no to you. So often they don't say no; they may tell you your request "will be difficult", or they may avoid answering entirely. You may never hear another word about the matter, while you are expecting a reply or results, only to discover you misinterpreted their indirectness.

The best way to deal with cultural differences is to arm yourself with as much knowledge as possible about Chinese culture. Use the help of the Canadian Embassy, Department of Foreign Affairs and International Trade and the Canada China Business Council to find consultants who know the waters and can help you navigate. Talk to colleagues with experience in China. The Chinese are generally very accepting of Westerners and forgive cultural gaffes, but they may not know enough about Western culture to know you intended no offence.

Depending on the nature of your business, you may wish to explore entering China via Hong Kong. In terms of its business practices and culture, Hong Kong is a hybrid of Western and Chinese characteristics, enormously modern and sophisticated but with historical and family ties reaching deep into the heart of China.

Hong Kong exists to conduct business and therefore business in Hong Kong are extremely welcoming to new companies and their products, services, technology and ideas. In addition,

the Hong Kong business environment is transparent and straightforward. Many smaller companies have had their first Asian exporting success in Hong Kong, and have used it as a stepping stone to the mainland China market."

1.2 Billion Customers?

China has been luring business people from the West for centuries, not least because of its huge size. But viewing China as a single market of 1.2 billion potential customers is extremely misleading.

- Since China began opening up twenty years ago, some areas of the country - especially the cities and coastal regions - have developed rapidly, while other areas continue to lag behind. Per capita income rates in China's wealthiest cities now approach the levels found in the so-called Asian tigers. In such places, the consumer market is thriving and may constitute a realistic export target.
- About 70 percent of China's population still lives in rural areas. Consumer preferences and purchasing power in these areas will differ markedly from China's cities.
- Chinese tastes differ widely from place to place within China, and from the West. Consumer attitudes differ. Extremely successful Western products have had to be adjusted to sell in China. This applies equally to your marketing strategy.

China's market characteristics are rooted in its culture and current economic conditions. What sells like hotcakes in Toronto or Moosejaw may not even be understood in Chengdu or Wuhan. One of the commonest mistakes of foreign businesses entering China is a failure to do appropriate market research. Skilled consultants can provide this service – use them!

Regional Markets

China is a big country hampered by challenging infrastructure. Finding an export market in one part of the country doesn't guarantee success anywhere else.

- It is useful to see China as a number of large regional markets. Many Chinese provinces have populations and areas comparable to those of the European nations. Look at the Chinese market as you would at the European Community, a collection of markets, each of them with distinct and different characteristics.
- Exporters should focus on one of China's regional markets and not on the nation as a whole. A company successful in one of the large metropolitan regions (Beijing, Shanghai, Chongqing, for example) may not even need to explore other regions to expand its business.

- China is currently undergoing a decentralization of purchasing and procurement power. The provinces and large cities have more freedom to manage their own affairs than ever before. In this situation, it is more and more critical to develop close relationships with local decision makers. Market research should focus on identifying the right region to launch oneself in this vast market.
- China's weak infrastructure puts many seemingly attractive export areas beyond reach. If you set up a factory in the country's interior where labour rates are low, you may find it impossible to import supplies and export product quickly enough to make your venture viable. China's roads, railways and communications have not kept up with the country's burgeoning population and development needs. Your business plan will have to focus on a specific region or unified sector where you can realistically market your product or service.
- The modernization of China's infrastructure to help create a truly national market is a priority of the Chinese government, which wants foreign participation in this work. One of China's recent great successes has been in telecommunications development, a sector in which major international firms are now competing with each other and with the rapidly developing and aggressive domestic industry. Roads and bridges, railways and airports, and technical training are also important. Businesses with strengths in these areas may wish to explore their application to China.

A Market Economy with its own Characteristics

China's path of economic and political development differs greatly from that of Western countries. This will have a tremendous impact on how you do business there.

- China is attempting to combine a one-party state – the Chinese Communist Party -- with a program of economic liberalization that encourages foreign investment and rapid economic development.
- The transition from a centrally-planned to a market economy with Chinese characteristics is an enormous and complex undertaking, is not complete and will be evolving for years to come. Though the Chinese government has removed Communist Party committees from direct control of many enterprises, Party officials hold key positions in government at every level.
- Attitudes to work vary widely. Until recent years, due to the lack of market discipline, the sense of workplace responsibility was weak. Jobs were guaranteed for life, irrespective of the worker's performance. This is changing rapidly. Many young Chinese are working hard to share in the benefits of modernization and make exemplary employees, but remnants of old attitudes remain.

- Bureaucrats who are tied to the old state-system of jobs (low pay, drab offices, little incentive to work hard or accept responsibility) may resent the wealth of entrepreneurs (foreign or Chinese) and make life difficult for you!

Rule of Law

China's legal foundation and regulatory framework may also make doing business challenging.

- Current laws are sometimes inadequate to deal with new market conditions. It may be unclear who is responsible for making decisions or giving approvals within government. There may be a number of departments with overlapping jurisdiction. Applicable regulations may be in conflict with each other. You will need experienced legal counsel with a presence and experience in China guiding North American enterprises.
- Western concepts of contract law are being introduced into the country through the vast number of business deals with foreign partners. But personal relationships between deal-makers often carry more weight than the details of the written contract. This doesn't mean that you should be content making a deal on a handshake, but it does mean that the personal relationship you build with your Chinese partner will be more important than you're used to in Canada.
- Informal instruments like Letters of Intent or Agreement and Memoranda of Understanding are frequently used to strengthen pre-contractual undertakings. While these instruments lack contractual enforceability, they are seen very clearly as a sign of one's commitment and play a crucial role in relationship building.
- It is not uncommon for Chinese partners to break contractual obligations, nor is it uncommon for them to seek an amendment if the venture's profits exceed or disappoint expectations, or if the Chinese partners' objectives differ fundamentally from those of the Canadian party.
- Enforcement of contracts is weak in China. Western companies who choose to take legal recourse and sue for breach of contract in China may find that the court is a difficult environment and not always friendly. National treatment is still a challenge here though there has been significant progress. Old habits of local protectionism underlie this bias. (Chinese also suffer this "home-field advantage" when they travel to distant provinces or cities within China to sue or try to enforce judicial orders.)
- The Chinese government is working on many fronts to improve the rule of law. A new generation of Chinese jurists is being trained in modern economic law. Many travel overseas to study and work and return to China with a better understanding of Western attitudes to law and enforcement. Newly established arbitration tribunals are available

to mediate commercial disputes impartially, although most Western legal counsel still entertain reservations in this regard. But much positive progress has been achieved.

Realistic Expectations

- Some of the difficulties that you encounter doing business in China will be unavoidable.
- You must be prepared to sacrifice some short-term gains. The return on your investment will likely not come as quickly as you would expect. You may have done all of the right things, but still find your venture held up by unanticipated delays. You may have excellent agents but find that your potential partners are totally lacking in business experience. They may make unacceptable demands. These difficulties will take time to work out, so don't go in with false expectations.

The SME Advantage

- While some of these difficulties may make the China market seem difficult to reach, many SMEs ("small and medium-sized enterprises") enjoy a great deal of success there. Smaller companies can take advantage of niche markets and may be more flexible than bigger companies that have large bureaucracies. SMEs can offer more direct access to the real decision makers in their company. This access is important to your Chinese counterparts.
- By preparing carefully to export to China, SMEs can overcome the disadvantages of size. You may not have the resources of a large company, but you can take the time to prepare, conduct market research, identify sources of financial support, and seek expert advice from those experienced in the Chinese marketplace.
- SMEs can form strategic alliances with larger multinationals or Chinese companies.
- SMEs can export technology and provide management support with a licensing/royalty deal.
- SMEs are in a better negotiating position, have lower margins for profit to compete successfully since they generally operate with lower overhead than bigger companies.

The SME Challenge

- Doing business in China takes time, money and energy. It also requires that principals and key technical staff of a firm commit to visit China a few times a year to work on business development, relationship building and specific opportunities. This means that productive resources will have to be diverted to pursue objectives that may take some time to realize and will not generate immediate returns.
- The value of an SME often lies in its knowledge (intellectual property or processes). China's track record of protecting intellectual property is not very good, and although China is making real efforts to try to improve the situation, we still hear of Canadian and foreign companies who see their futures jeopardized because their technology has been taken without appropriate compensation.
- Many SMEs are involved in services. Chinese clients are still very reluctant to pay for these services. They will often ask for free consultation and offer to fold the cost of it into future manufacturing (hard sales) opportunities.
- The cost of doing business in China is high. Travelling to the market is costly, as is adapting one's product or service to local tastes, needs and conditions. A simple example is the need to produce Chinese language literature to describe your company and its products.
- Companies need a partner on the ground to do business (an agent, distributor, representative, etc.). Given the cultural differences and the weak distribution infrastructure, finding the right partner is a challenge in itself.
- Last but not least - the inclusion of China in an export development plan should never be improvised. There are too many aspects to consider to make it successful.

Canadian SME Success Stories

Although China is challenging as an export market, there have been many successes for Canadian SMEs. The following are three companies from varied sectors who have found a market for their product and services in China.

- **Global Gourmet Foods** found success when they introduced their "Annie's Kiosks" this past November in Beijing. This fast food kiosk program uses Canadian food products and works closely with its key supplier Maple Leaf Foods. At first, Global experienced a number of common problems faced by foreign firms entering the Chinese market (e.g. inaccurate market info, determining the right winning concept, etc.). However, their patient partnership with the Beijing Bus and Trolley company has given them a huge boost of confidence, reduced many of the risks that they originally faced, and has helped them understand the realities of doing business in China.

- **AMR Technologies Inc.** produces and markets a special class of high purity, high value industrial minerals known as rare earths. It has successfully set up two majority owned Chinese joint ventures. Both joint ventures became profitable soon after inception, and have grown substantially within the rare earth industry over the past six years. The company exports over 90% of its production from the two Chinese plants to customers in Japan, Korea the United States and Europe. The company's 1998 expected revenue should be in excess of US\$30M. AMR is Canadian public company listed on the Toronto Stock Exchange under the symbol AMR.
- Last June **Alpha Communications Corp.**, a Canadian publisher, signed a contract with China's largest publisher, the China International Publishing Group(CIPG). CIPG has opened the door to the education market for **Alpha Communications Corp.** by allowing them to directly sell their books to schools in China. **Alpha Communications Corp.** is taking advantage of the explosive English as a second language market and foresees its textbooks being used in Chinese classrooms by the year 2000.

Planning Your First Visit to China

Getting to know China

You can start to learn about China just sitting at your computer. If you don't have any experience doing business with China yet, now's the time to start to get some general information that will help you when you get there. There are some excellent websites that will help you to start exploring the country:

- www.chinavista.com
- www.china.com
- www.chinapoint.com
- www.sinosource.com
- www.chinatoday.com
- www.chinapages.com
- www.moftec.gov.cn (Ministry of Foreign Trade and Economic Cooperation)
- www.ccpit.org (China Council for the Promotion of International Trade and the China Chamber of International Commerce)

Do you already have an idea of where you're going to try to market your product or service in China? Or maybe you want to find out more about a particular area of the country. If so, some of China's major urban centres have web pages:

Beijing:

- www.flashpaper.com/beijing/
- www.chinavista.com/beijing/home.html

Dalian:

- www.dalian-gov.net

Guangzhou:

- www.guangzhou.com
- www.guangzhou.gd.cns
- www.gdboi.com

Nanjing:

- www.chinapages.com/jiangsu/nanjing/nanjing.htm
- www.chinavista.com/nanjing/home.html

Shanghai:

- www.chinavista.com/shanghai/home.html
- china-window.com/shanghai/mlink/eindex.html

- www.sh.com
- www.shanghai-ed.com
- www.shanghaiguide.com

Shantou:

- www.shantou.gd.cn

Suzhou:

- www.chinavista.com/suzhou/home.html

Xiamen:

- www.chinavista.com/xiamen/home.html

You may also want to start following business, economic and political news from China. Two daily newspapers from Hong Kong have excellent coverage on China. The *South China Morning Post* has an internet edition that can be accessed at www.scmp.com. The *Asian Wall Street Journal* also covers business news from China, and there is an internet edition available for a subscription fee. The address is www.ajs.com. Business news on China may also be found in Asia-focused weekly news magazines such as the *Far Eastern Economic Review* and *Asiaweek*.

Another excellent source of business news exclusively focused on China is *Business China*, published by the Economist Intelligence Unit every two weeks. This is an expensive publication, but provides top notch reportage on current developments in the China market.

Membership in the Canada China Business Council will provide you with networking opportunities and information services.

Take a trip to China. Get a berth on a trade mission. Arrange to meet Chinese business people visiting Canada.

Publications on Doing Business in China

There are plenty of useful guides for those new to the China market. A guide specifically for the Canadian entrepreneur is *Briefings for Business: China*, published by the Asia Pacific Foundation of Canada. This guide is updated twice yearly and contains useful information on Chinese business practices. It can be obtained by e-mail at kirsten@apfc.apfnet.org or by calling the *Asia Pacific Foundation* in Vancouver at (604) 684-5986. Their website is www.apfnet.org.

For guides covering technical matters like foreign investment regulations and land use, try

Investment in China: A Question and Answer Guide on How to do Business by Wang Yongjun (Amacom, New York, 1996) or *The Business Guide to China* by Laurence Brahm (Butterworth-Heinemann, 1997).

For questions on Chinese business etiquette, try *Passport China: Your Pocket Guide to Chinese Business, Customs and Etiquette*, by Jenny Li (World Trade Press, 1996) or *Business China: A Practical Guide to Understanding Chinese Business Culture* by Peggy Kenna (NTC Publishing Group, 1994). All of these books can be purchased through the mail-order bookstore *Books For Business* in Toronto, toll-free at 1-800-668-9372.

You may also wish to read *China: Mission Impossible?* by Rainer Thomm, a book on general business practices in China and how to enter and be successful in the China market. More information on *China: Mission Impossible?* can be found at www.chinareads.com.

Guides for Exporters

SMEs may want to buy some general guides for Canadian exporters. *Guide to Export Services* is an overview of export services available to Canadian businesses and can be obtained through the International Trade Centres (ITCs) located in each province. *Exporting from Canada* (Self Counsel Press, North Vancouver, 1994) is another useful guide.

The Canadian Chamber of Commerce and the Business Development Bank of Canada (BDC) have produced a video called *Going Global* which offers SMEs advice on developing international markets. The video shows you how to analyze your export market and develop a marketing plan. The cost of the video is \$19.95 and it can be obtained by contacting BDC toll-free at 1-888-INFO-BDC.

Government SME and Export Websites

Team Canada has two key websites for Canadian Exporters. www.infoexport.gc.ca is designed to help Canadian companies in their efforts to export. Here you will find information on Team Canada trade missions, market reports prepared by DFAIT, information on Canada's Business Services Centres (CBSC) and more.

exportsource.gc.ca is a site specifically designed to help Canadian SMEs prepare to export. It provides information on trade show preparation; planning a business trip; developing an export plan, and identifying international export opportunities. It also recommends other useful web links, including regional organizations such as the Atlantic Canada Opportunities Agency. SMEs will find the section "Roadmap to Exporting" especially useful.

A third website is Industry Canada's *Strategis* at strategis.ic.gc.ca. This is Canada's largest business website and can help SMEs assess their export capacity, access business

information, statistical and business data, and focus on important questions to ask yourself as you prepare to export.

Getting There

Getting to China is easy. International carriers are providing direct flights from major North American cities including Vancouver and Toronto. For reservations and information, contact your local agent.

Domestically, China is well supplied with airlines, with daily flights to most Chinese cities from major centres like Hong Kong, Shanghai and Beijing.

Visas

The Chinese government requires Canadians to obtain a visa to travel to China. In order to obtain a business visa, you will need a valid Canadian passport, a letter of invitation and a passport-size photo. An letter of invitation is issued by a Chinese company, official organization or government body. Canadian diplomatic missions cannot issue them.

Visas take five working days and cost \$50. A twenty-four rush service is available for an additional \$40. (These are current fees, subject to change.)

Visas are normally issued for a single entry into the country, but double entry visas are also available. Remember, if you have to travel to Hong Kong after you have entered China and will be returning to the mainland, you will need a double entry visa. Canadian travellers to Hong Kong do not require a visa.

You can obtain your visa from the Chinese Embassy in Ottawa or from one of China's three consulates located in Toronto, Vancouver and Calgary:

Embassy of the People's Republic of China

Consular Section
515 St. Patrick Street
Ottawa, Ontario
K1N 5H3
Tel: (613) 789-9608
Fax: (613) 789-1414

Consulate General of the People's Republic of China

Consular and Visa Section
240 St. George Street
Toronto, Ontario

M5R 2P4

Tel: 416-324-6464/6466/6491

Fax: 416-324-6468/9013

Consulate General of the People's Republic of China

Consular and Visa Section

3380 Granville Street

Vancouver, B.C.

V6H 3K3

Tel: (604) 734-0704

Fax: (604) 736-4343

Consulate General of the People's Republic of China

Consular and Visa Section

Suite 1011, 6th Avenue S.W.

Calgary, Alberta

Tel: (403) 264-3322

Fax: (403) 264-6656

Visas for Chinese Visitors to Canada

In 1997, the Canadian Embassy, Beijing received over 30,000 visitor visa applications, for an acceptance rate of 90 percent. This includes business travellers.

Common reasons for refusal are: failure to submit adequate supporting documentation and concerns regarding bona fides. China is the top country in terms of improperly documented arrivals at our ports of entry (refugee claimants). In order to ensure that visa applications are processed in an efficient manner, we would like to make the following recommendations.

If you intend to invite a Chinese business person to Canada, you should provide that person with the following documents to be submitted with their application:

- 1) A formal letter of invitation that includes your full name, title, business address, contact telephone and facsimile numbers, the name and title of the person you are inviting, the intended duration of the visit, a brief summary of the reason for extending the invitation, and a statement concerning who will pay for the trip expenses;
- 2) A copy of any additional documents that outline the business to be conducted during the visit or business previously conducted with the person you are inviting, which may include, but would not be limited to:
 - Contracts, purchase orders, bills of lading, or service agreements.
 - Contact names, titles, addresses, and phone and facsimile numbers for third parties

with which you have arranged meetings on behalf of the person you are inviting.

- A notarized copy of your immigration status document (if you are a temporary resident of Canada, to prove that you are legally in Canada).

- 3) In addition, if you have not previously invited any Chinese business visitors or have not invited within the past two years, please provide a copy of your Canadian business registration document, and a copy of the Summary of your most recent Corporate Notice of Assessment form from Revenue Canada.

Please ensure that this documentation is submitted by the Chinese applicant to the Canadian Embassy with the visa application. Urge the applicant to submit the application as early as possible. Most delays visitors experience are due to Chinese internal procedures. You should allow at least five working days for visas to be processed.

Please remember that the Chinese procedures for obtaining a Chinese passport and permission to travel are complicated and time-consuming. You also should keep in mind that because many businesses are still largely state-run, representatives may be considered officials by the Chinese government, which can slow the visa application process. All applications for visas for official delegations are submitted to foreign embassies by the Chinese Ministry of Foreign Affairs (MFA). This is a requirement of the Government of the People's Republic of China. Sometimes it takes several weeks for the MFA to submit completed applications, collect the passports, and return them to the holders once Canadian officials reach a decision.

Vaccinations and Health

To get the latest information on travel advisories to China, vaccination information and possible health risks, see DFAIT's site:

www.dfait.maeci.gc.ca/english/travel/cosmos/english/TE055000.HTM(English)

www.dfait.maeci.gc.ca/english/travel/cosmos/francais/TF055000.HTM (French)

Remember that some series of vaccinations take months to complete, so plan in advance.

Don't forget that your provincial health insurance may not cover emergency health care abroad. Check with your provincial medical plan before heading to China to see whether you will need to buy additional medical coverage while you are out of the country. You should buy insurance that will cover emergency medical evacuation. There are Western-style medical facilities in some major cities in China that can deal with routine problems, but more serious problems almost always require evacuation to Hong Kong or home.

Market Intelligence: Where is it and how to get it

Getting Started Before You Leave

SMEs often lack accurate market intelligence and this adversely affects their export success. In China, foreign enterprises of all sizes consistently fail to do adequate market research, trying to market products or services that were never suitable for the Chinese market to begin with. Remember that Chinese consumer tastes, purchasing power, and values cannot be assumed to match those of Canadian households.

Complete as much market research as you can before you leave Canada. There is no single source of market information, so you will have to gather information from a wide variety of sources:

- What kind of questions should you be asking in order to assess whether China is the market for your product or service? Team Canada's website exportsource.gc.ca can help SMEs with their questions on determining market opportunities.
- DFAIT's *China and Hong Kong Trade Action Plan 1998* outlines possibilities in various sectors in China, including agriculture, food products and related sectors; electric power; environment; forestry; and information technologies and telecommunications. To obtain this publication, contact the InfoCentre.
- Experts at the Team Canada Market Research Centre have prepared a number of market reports on China. See the website www.infoexport.gc.ca for these or contact InfoCentre.
- Industry Canada provides links to various sources of market information through their website strategis.ic.gc.ca. Using the search engine in this website, you can also access a list of many different publications available on market conditions in China, Canadians in the Chinese market place and other useful subjects.
- A number of private sector organizations based in Canada and China can conduct market research on your behalf. The Canada China Business Council (CCBC), and consultants recommended by the CCBC can help you do the market research that you may not have the resources to do yourself.
- The Economist Intelligence Unit has a number of research reports on China, including investment guides to various cities and regions of China and sectoral studies in such areas as healthcare. The cost of these publications tends to be quite high, but they are an excellent source of up-to-date market information.

Primary Research in China

When you do get to China, some of your primary research will be done yourself by investigating first-hand whether your business proposal will be marketable there. However, you may need to hire someone locally to do additional research which you cannot easily do. Look for consultants that have plenty of experience in the Chinese market, good local contacts, and a proven track record of results for other businesses.

- The Canadian Embassy in Beijing and Consulates in Shanghai, Guangzhou, Hong Kong and Chongqing have information on hand and Trade Commissioners who can provide you with important market intelligence.
- Meet with appropriate consulting firms in China. Determine whether they can help you. You should consider both Chinese (State-owned and private) firms, as well as expatriate professionals facilitating foreign trade and investment.

Role of the Department of Foreign Affairs and International Trade - China Division

Working in conjunction with the Canadian Embassy in Beijing, the Consulates General in Shanghai, Guangzhou, Hong Kong and the Canadian Consulate in Chongqing, the China and Mongolia Division of the Department of Foreign Affairs and International Trade in Ottawa is able to provide important market intelligence to Canadian companies interested in doing business in China. While there are many officers in the Department who interface with China-related issues, a good first point of contact may be with the China and Mongolia Division, which has overall responsibility for Canada's trade and economic relations with China.

Working through an array of contact and market intelligence sources, the China and Mongolia Division can help you assess your potential target market, and provide advice on doing business, especially with matters relating to market access. The Division has a series of off-the-shelf briefs, including the 1998 edition of the *China Hong Kong Trade Action Plan*, which provide a general overview of Canada's relations with China. There are a number of sector specific market reports and these can be obtained through InfoCentre.

In order for DFAIT and the Canadian missions in China to help you better, it is imperative to provide as much information as possible regarding your business and your specific market interests. Of course this information is treated as commercially confidential. With these details, you can begin to tap into DFAIT's trade development network. Officers in the China and Mongolia Division are in daily contact with Canadian Trade Commissioners posted in China.

Your Trade Commissioner Service promotes Canada's economic interest in the global

market place. In a market as complicated and challenging as China, one needs to marshal a number of services in order to be competitive. Give the China and Mongolia Division a call!

• **China and Mongolia Division**

Department of Foreign Affairs and International Trade

125 Sussex Drive

Ottawa, Ontario

K1A 0G2

Tel: (613) 996-0905

Fax: (613) 943-1068

Canada Business Service Centres (CBSCs)

For new exporters, Canada's Business Service Centres (CBSC) will help you get access to information on government services, programs and regulations. The Centres are a cooperative effort between federal, provincial and private sector organizations, with twelve located across the country in major urban centres.

By calling toll-free at 1-888-811-1119, you will be connected with the CBSC closest to you. Each CBSC offers a variety of products and services to help clients obtain quick, accurate and comprehensive business information. The CBSCs minimize telephone run-around, inadequate or incorrect information, and duplication of government services. This enables clients to make well-informed business decisions.

You can also learn more about the CBSCs by looking up their internet site www.cbsc.org.

International Trade Centres (ITCs)

For experienced exporters and those ready to export, International Trade Centres (ITCs) have been set up across Canada in order to help SMEs take advantage of export opportunities.

ITCs are part of an international network of trade officers in major cities across Canada and in more than 125 countries around the world. They work to ensure that your company receives the most pertinent information for your export requirements. ITCs are there to provide information to Canadian exporters on international markets, joint ventures and technology transfer opportunities; trade fairs and missions; and trade-related conferences and seminars. ITCs can also be useful for companies developing their marketing plans before they get in touch with a trade commissioner at one of Canada's missions in China.

You can contact the ITC closest to you at the following telephone numbers or fax:

	Telephone	Fax
St. John's	(709) 772-5511	(709) 772-2373
Charlottetown	(902) 566-7443	(902) 566-7450
Halifax	(902) 426-7450	(902) 426-5218
Moncton	(506) 851-6452	(506) 851-6429
Montreal	(514) 283-6328	(514) 283-8794
Toronto	(416) 973-5053	(416) 973-8161
Winnipeg	(204) 983-4540	(204) 983-3182
Regina	(306) 780-6325/6124	(306) 780-8797
Saskatoon	(306) 975-5315	(306) 975-5334
Calgary	(403) 292-4575	(403) 292-4578
Edmonton	(403) 495-2944	(403) 495-4507
Vancouver	(604) 666-0434	(604) 666-0954

Regional Assistance

A number of regional organizations may be able to provide you with additional assistance. In the Atlantic region, the Atlantic Canada Opportunities Agency; in Quebec, the Canada Economic Development for Quebec Regions; in the West, Western Economic Diversification (WD).

You can learn more about the services of each of these regional organizations by looking up this web page: exportsource.gc.ca/expkit_3F/navxx.html under the heading "What's new" at the top (French "Quoi de neuf").

InfoCentre

DFAIT's InfoCentre is a referral service and information resource centre where Canadians can obtain information on international markets and Canadian foreign policy. InfoCentre's staff can advise exporters on the full range of DFAIT's trade programs, services and publications as well as provide information, counselling and technical assistance.

Publications may be obtained by calling toll-free 1-800-267-8376 or (613) 944-4000 in the National Capital Region. Requests may also be faxed to (613) 996-9709 or by sending an electronic mail message to sxci.enqserv@extott09.x400.gc.ca.

The InfoCentre also maintains an interactive fax-on-demand system which provides access to Departmental publications. **FaxLink Domestic** stores a wide variety of trade and foreign policy-related documents and is accessible within Canada only. This system can be reached by dialing (613) 944-4500 from the handset attached to your fax machine (you must dial the system from your fax phone). This system is available twenty-four hours a day, seven days a week. Long distance charges apply for use of the system.

DFAIT has prepared market studies on China in the following areas, available on the Infoexport website:

The Air Pollution Control Market in China, December 1997
The Aircraft and Parts Market in China, June 1996
The Airport Development Market in China, August 1996
The Alcoholic Beverages Market in China, July 1998
The Architectural Services Market in China, January 1997
The Biotechnology Sector in China, July 1998
The Bottled Water Market in China, July 1998
The Confectionery Market in China, July 1998
The Contract Furniture Market in Hong Kong, June 1997
The Construction Services Market in China, January 1997
The Data Communications Market in China, April 1998
The Franchising Market in China, June 1997
The Highway Construction Market in China, April 1997
The Highway Construction Market in China, May 1997
The Non-Alcoholic Beverages Market in China, February 1998
The Processed Food Market in China, January 1998
The Telecommunications Market in China, October 1997
Construction Materials – China
Pulp and Paper Sector – China
Technology Transfer - China

WIN Exports

WIN Exports is DFAIT's computerized database of Canadian exporters and their capabilities. The system is used by trade commissioners in Canada and overseas, and Team Canada partners – the federal and provincial government departments involved in international business development and the ITCs - to share information, keep track of services provided and match companies like yours to foreign purchase requirements.

Canadian trade commissioners use the WIN Exports database to find out more about your company and to identify Canadian exporters in response to the tens of thousands of requests they receive each year from potential foreign buyers. Company information supplied to WIN Exports can be quickly printed and provided to prospective foreign buyers, importers, distributors and partners.

Only exporters or export-ready firms that expect to be actively exporting soon can register. You will also need to be registered before you can speak to a trade commissioner at one of the Canadian missions in China. Registration is free. Requests for registration can be faxed on your company letterhead to the Export Development Division, DFAIT, at 1-800-667-3802 or (613) 944-1078 for the National Capital Region. You can also obtain a WIN registration

form on-line at

www.infoexport.gc.ca/section2/winexp2-e.asp (English)

www.infoexport.gc.ca/section2/winexp-f.asp (French)

Canada China Business Council (CCBC)

The CCBC is a private sector, non-profit membership organization incorporated in 1978 to facilitate and promote trade and investment between Canada and the People's Republic of China. Sixty percent of the CCBC's members are small and medium-sized enterprises.

The CCBC's mandate is to stimulate and support trade in goods and services, investment and technology transfer; to achieve greater economic growth and closer relationships between Canada and China; to provide practical and focused assistance to business; and to be the voice of the Canadian business community on matters of Canada-China relations, both to the government and to the public at large.

SMEs unable to maintain a full-time presence in China may find the range of services offered particularly useful. CCBC member services include due diligence, market research, policy support, counseling, negotiating tips and strategies, arranging business programs, providing logistics and translation services.

Networking

The CCBC offers members an opportunity to develop their business ties through regular networking lunches and events in Beijing, Toronto, Vancouver and Montreal. The CCBC's Annual General Meeting (AGM) features prominent speakers and panels on major business issues. During federal and provincial visits to China, the CCBC focuses on the coordination of business programs and networking sessions with compatible Chinese counterparts.

The CCBC also has a comprehensive directory of Canadian companies and professionals in China. The directory includes contact and business services information, a useful guide to doing business in China, as well as CCBC, Canadian Embassy and Consulate service information.

The CCBC's head office is in Toronto, with other offices in Vancouver, Beijing and Shanghai. You can learn more about CCBC membership, services and events from their web-site www.ccbc.com or by contacting one of their offices:

Head Office

110 Yonge Street

Suite 802

Toronto, Ontario M5C 1T4

Tel: (416) 954-3800

Fax: (416) 954-3806

Western Canada Office

Suite 2600
515 West Hastings Street
SFU at Harbour Centre
Vancouver, B.C.
V6B 5K3
Tel: (604) 291-5190
Fax: (604) 291-5039

Beijing Office

CITIC Building
Suite 18-2
19 Jianguomenwai Street
Beijing 100004
Tel: 86-10-6512-6120 or
86-10- 6500-2255, ext. 1820/1821/1822
Fax: 86-10-6512-6125

Shanghai Office

South Tower, Hong Kong Plaza
283 Huai Hai Zhong Road
Shanghai 200021
Tel: 86-21-6390-6791
Fax: 86-21-6219-3118

Using Trade Finance Mechanisms

Export Development Corporation (EDC)

Export Development Corporation (EDC) is a unique financial institution that has been helping Canadian businesses grow and prosper through exports and international investment since 1944. EDC's sophisticated trade finance solutions can help exporters compete in more than 200 countries, including higher-risk and emerging markets.

EDC has considerable experience in supporting Canadian exporters and investors in the China market. Since 1979, more than 250 Canadian contracts have been supported involving over \$5 billion of Canadian goods and services. An array of EDC insurance, financing, guarantee and bonding programs is available to support Canadian firms in penetrating or expanding their businesses in China.

Export Insurance Services

EDC's insurance services include:

- Insurance for sales on short- and medium-term credit;
- Bid/performance-related insurance and guarantees;
- Surety bond support;
- Equipment (political risk) insurance; and
- Foreign investment insurance.

EDC insurance policies protect exporters against various losses due to commercial and political risks. Examples include buyer insolvency, default on payments, repudiation of goods, contract termination, foreign exchange conversion and transfer payment difficulties, war, revolution or insurrection preventing payment, cancellation of government import or export permits, wrongful calls on bid/performance letters of guarantee, and inability to repatriate capital or equipment due to political problems.

Export Financing Services

EDC's financing services include:

- Lines of credit with foreign banks or agencies worldwide;
- Note purchasing arrangements;
- Direct buyer loans; and
- Project risk financing packages.

EDC's financing services enable Canadian exporters to provide their customers with flexible medium- or long-term financing. Support is provided for the sale of capital equipment and services, with repayment terms generally extending up to 10 years, depending on the nature of the product or service. Under EDC financing arrangements, EDC disburses funds directly to the Canadian exporter. All transactions financed must meet EDC's normal criteria relating

to Canadian benefits, the exporter's technical and financial capability, and the creditworthiness of the borrower/country.

Opening Doors for SMEs

Thousands of SMEs rely on EDC's support. Some of the ways in which EDC is helping SMEs increase their export business in China include:

- *Emerging Exporters Team*, which focuses exclusively on helping smaller exporters manage risks associated with exporting. Exporters can access a team member by calling **1-800-850-9626**. These small-business specialists can put insurance coverage in place on the spot and can approve sales to foreign buyers.
- *SME Financial Services Team*, which coordinates all EDC initiatives aimed at SME capital goods and services exporters.
- *NORTHSTAR Trade Finance Inc.*, which, through a partnership with EDC, helps Canada's SMEs boost their competitive edge. NORTHSTAR has offices in Vancouver and Toronto and includes as shareholders three prominent Canadian banks. It provides medium-term loans (i.e. 1-5 year terms) ranging from \$100,000 to \$5 million to buyers of Canadian exports. These loans do not require repayment guarantees from the exporter since EDC insurance protects NORTHSTAR against buyer non-payment. China has been a primary focus of Northstar's operations in recent years. Exporters can contact NORTHSTAR at 1-800-663-9288.

As the Chinese market continues to evolve, EDC is familiarizing itself with issues related to transactions involving new risk (non-sovereign) structures, as well as the dynamic new Chinese entities involved. All creditors, including EDC, are struggling with some of the issues behind new risk transactions in China. However, EDC is well-positioned to consider providing support for creditworthy joint venture projects, as well as for projects involving corporate risk, commercial bank risk and project financing/limited recourse structures.

As part of its approach to addressing new risks, EDC now has an ongoing presence in China, and thus will gain enhanced market intelligence on issues relating to new risk transactions. Furthermore, EDC's business teams and financing and insurance specialists closely follow developments in the China market, helping EDC to underwrite new risks in support of Canadian exporters and investors.

For more information about EDC support for doing business in China, call **1-888-332-3320** to contact an EDC office near you. Fax **(613) 598-6697** or e-mail export@edc4.edc.ca. EDC's website is www.edc.ca.

Canadian International Development Agency (CIDA)

CIDA's Industrial Cooperation Program (INC) has been active in China since 1982, encouraging the Canadian private sector to establish long-term business relationships with developing country partners. If you are considering investing in China through a joint venture arrangement or as sole owner of a new firm, INC can share in the costs at the feasibility study stage and contribute to the costs of the developmental components of the project at the implementation stage, in such areas as training and environmental/social impact enhancement.

INC reduces the risks to Canadian firms by sharing the costs of their projects. Sectors that have had the largest interest from Canadian firms are energy, water and sanitation, agriculture, transport and communications.

To find out whether INC is right for you, contact an INC program manager at **819-953-5444** or fax **819-953-5024** or e-mail info@acdi-cida.gc.ca. You may also want to have a look at CIDA's website www.acdi-cida.gc.ca.

CIDA administers most of Canada's international development assistance programs, many of which rely on support from Canadian businesses through consultants, contractors and suppliers. You can also contact the CIDA Contracting Management Division at **819-997-7778** or fax **819-994-5395**.

Business Development Bank of Canada (BDC)

With both financing and management services under one roof, BDC offers a number of services tailored specifically to helping SMEs take advantage of opportunities in the global marketplace.

BDC can provide training and counseling to SMEs who lack the export knowledge and experience necessary to proceed with confidence. BDC can help you assess your export potential; improve your business performance; and prepare your export strategy. Whether you are new to exporting or not, BDC can help SMEs get ready to export to China. For more information call **1-888-INFO-BDC**. BDC's website is www.bdc.ca.

Canadian Commercial Corporation

The Canadian Commercial Corporation (CCC) is a crown corporation established in 1946 to assist Canadians selling to other countries. CCC acts as an international trade facilitator and prime contractor, and offers a wide range of contracting services. CCC can help your company do business by assisting in contract negotiations to complete sales on better terms with fewer risks. By participating as a prime contractor in an export sale, CCC provides a foreign buyer with a commitment, backed by the Canadian government, that you will meet

the conditions of the contract.

CCC, through the Progress Payment Program (PPP), can also assist SME exporters experiencing working capital difficulties as a result of their inability to get advance payments from foreign buyers. PPP matches CCC's expertise in evaluating contracting risks and the commercial lending capabilities of Canadian financial institutions. When CCC backs an SME's export transaction through PPP, the participating financial institution provides pre-shipment financing for the sale beyond the company's normal line of credit. Once the PPP line of credit is in place, CCC verifies the work performed under the terms of the contract and the exporter can access the progress payments accordingly.

To contact CCC, call 613-996-0034 or fax 613-995-2121 or 613-947-3903. You can also e-mail info@ccc.ca or have a look at their website www.ccc.ca.

Canadian Commercial Banks in China

For some financial services, you may require the assistance of one of Canada's commercial banks. Commercial banks offer investment advice on the China market; risk management; short, medium and long-term financing; credit and trade finance services such as letters of credit; documentary and clean collections, and guarantees and receivable financing.

Branch or representative offices of a number of Canada's commercial banks may be found in Beijing, Shanghai, and Guangzhou:

Bank of Montreal

Beijing Branch

Suite 1011

Bright China Changan Building

Tower One

7 Jianguomennei Avenue

Beijing 100005

Tel: 86-10-6510-2233

Fax: 86-10-6510-2234

Guangzhou Branch

T.P. Plaza, Suite 1203

9-109 Liu Hua Road

Guangzhou 510015

Tel: 86-20-8669-5148

Fax: 86-20-8669-5149

Royal Bank of Canada

Beijing Representative Office
Unit 18-20, Level 6, China World Tower
China World Trade Centre
No. 1 Jianguomenwai Avenue
Beijing 100004
Tel: 86-10-6505-0358
Fax: 86-10-6505-4206

Bank of Nova Scotia

Guangzhou Branch
Unit 1005-1007, Main Building
Guangdong International Hotel
339 Huan Shi Dong Lu
Guangzhou 510098
Tel: 86-20-8331-2323 or 8331-1310
Fax: 86-20-8331-1799

Beijing Representative Office
1205-06 China World Tower
China World Trade Centre
No. 1 Jianguomenwai Avenue
Beijing 100004
Tel: 86-10-6505-0552
Fax: 86-10-6505-0553

Chongqing Branch
Unit 501, 5/F
Chongqing Guest House
Commercial Mansion
283 Min Sheng Road
Chongqing 400010
Tel: 86-23-6373-3500
Fax: 86-23-6384-1079

National Bank of Canada

NBC in Shanghai
1440 Yan An Road (C), 4-C
Apollo Building
Shanghai 200040
(86-21) 6248-2316
(86-21) 6248-1928

What to Expect in China

General advice

- Chinese people arrive on time for meetings and other occasions (and sometimes 5 or 10 minutes in advance). It is considered rude to arrive late for engagements of any kind. Travelling from one point to another in many Chinese cities can be extremely time-consuming due to traffic delays. Make sure you leave early enough to make it to your destination on time.
- Take time to get to know your counterparts. You will need to establish a high level of trust in your partner. Business style in China relies on personal relationships based on trust rather than legalized, impersonal obligations. Don't rush things.
- China may be a developing country, but be prepared for prices which in some cases exceed those for comparable goods and services in Canada. Doing business in China is not cheap. Accommodation, meals, entertainment, rent, business services and other necessities are expensive. Look into the costs before you go.
- Physical conditions in China's cities can be difficult, with heat, cold, dust, crowding, noise, traffic, and their sheer size. Be prepared for this. China's best foreign hotels afford a wonderful refuge from the stress of such an environment, as well as providing business centers with modern computer and communication facilities.
- For serious transactions and information-gathering, you will require a guide or an interpreter. (These may be provided by your Chinese hosts for sightseeing and shopping, but for business you should find your own.) China-based consultants can help you in this respect. Local guides can also provide important cultural guidance on an on-going basis as they accompany you during your stay.
- Most Chinese are honest. That said, corruption and dishonesty exist. Westerners are immensely rich and privileged by average Chinese standards. This disparity in wealth inspires some to take advantage of others' vulnerabilities. Be aware of this. In small things, you can expect to get "taken" now and then. In your business transactions, seek expert advice. "Tax farming" (the collection of taxes by successive levels of the bureaucracy, each taking a cut as the revenue passes upward) is an ancient activity in China. But not all the taxes so collected actually exist!

- The Chinese use intermediaries to make personal introductions, to carry bad news and to settle disputes. It is possible to carry on an acrimonious argument without ever facing your opponent. Everything goes back and forth through a third party who communicates each side's position without displaying the unpleasant emotions that may be involved (though these emotions may be reported). Result: the hard feelings and embarrassment that accompany a dispute and even threaten the underlying relationship are mitigated. This is a highly civilized system – explore it.
- Entertaining is a very important part of doing business in China. You should be prepared to spend more money on entertainment than would be normal at home. For your Chinese counterpart, entertainment is an important step in getting to know you and in establishing good relations – long before a letter of intent or contract is signed. In China, this entertainment commonly involves banquets, speeches, Chinese whiskey (look out!) and karaoke.
- Banquets are an integral part of deal-making in China. On these occasions, you can't go wrong by taking cues from your Chinese counterpart. Sit where your host suggests; try the food that is offered; make a reciprocal speech and toast. If karaoke is part of the evening, gather your courage and sing your favorite song. Your host will enjoy it! If you don't know any songs, learn the words to a couple of popular English songs before you leave for China. ('Red River Valley' is a great choice, since the melody is exactly the same as a very popular Chinese folksong. Your Chinese hosts will be stunned that you know Chinese folk-music, and in English translation to boot!).
- Canadians can expect a lot of goodwill from the Chinese. That being said, you can watch all of that goodwill go down the drain if you act inappropriately. It is all too common for visitors to China to give deep offence by seemingly innocent remarks comparing China unfavourably with Western countries. Chinese people are well aware that Canada is a wealthy nation compared to China and for some Chinese, China's economic level is a source of embarrassment. Be sensitive to this. Your Chinese friends may make disparaging remarks about China's "backwardness", but don't take this as an invitation to add your own criticisms. If you can think of a positive thing to say on such occasions, it will be appreciated.

- *Negotiating*

In the short period since China's economic reforms began in 1978, the Chinese have earned a reputation as skilled commercial negotiators. A foreign business going into China should bear the following things in mind:

- Don't leave your basic business principles in Canada. While you need to be sensitive to the different business environment and adjust some of your attitudes and strategies for China, do not ignore the principles that have made your success in Canada and in other markets. Business is business and in China as elsewhere, you should have a bottom-line.
- Chinese negotiation successes stem in part from the eagerness of foreign businesses to get a China deal. Your hopes for high future returns may lead you to make unusually generous concessions. This is fine, if your assessment of the future is correct. But don't be taken in by enthusiasm for China's "huge market". Be hard-headed in your planning and research and clear about your objectives and bottom-line.
- The Chinese continue to need foreign investment, advanced technology and technical expertise. They are constantly seeking for new import and export opportunities. Their needs are real and pressing. At the same time, many foreign players are working to fill those needs. Competition is fierce.
- China is still a developing country. Many resources and opportunities which we take for granted in the West are hard to come by in China. And bureaucratic control of economic activity can be highly complicated. These things may limit the Chinese side in unforeseeable ways. Be sensitive to these limits and tactful in addressing them.
- The Chinese are genuinely warm and considerate hosts. They enjoy entertaining guests, and this extends to foreign business people. Be prepared to separate work from pleasure. Camaraderie in the karaoke bar the night before can properly give way to calm professionalism at the negotiating table the morning after.
- In negotiations, you may meet with these common tactics:
 - stating initial positions far above the bottom-line;
 - assertions that things must be done differently because you are in China;
 - playing on your fear of failure and loss of investment;
 - threatening to go elsewhere for a deal;
 - expressing disappointment with your stubbornness;
 - appealing to the spirit of cooperation and mutual benefit;
 - asserting a desire for a long-term relationship;
 - displaying anger and exasperation; and
 - referring certain points to decision-makers not present at the table (to buy time).

- Special things to consider in a Chinese negotiating context:
 - You have come around the world at great expense to have these talks. The Chinese will assume that you want to take something home to show for it. You must be ready to abandon your China initiative if the numbers are wrong, and the other side must know this. Where you draw the line (and where you appear to draw it) are your decision.
 - You are playing in someone else's ballpark. They will control schedule and agenda unless these are agreed before you arrive. At the same time, you can be unduly pressured if substantive talks are left to the last hours before you leave. Be prepared to extend your stay if necessary – you may take the other side by surprise.
 - Chinese negotiators are known for their stamina. Long days at work will precede banquets and entertainment in the evening. Rest days will be taken up with sightseeing. Time to review and strategize will be at a premium.
 - As a rule, avoid displays of anger at the negotiating table. Even if the other side blows up, you may gain more ground by noting this tactic (rare in Chinese interactions) and reacting calmly.
 - Avoid a scattershot approach to negotiating. Even if you bring a sizeable team, the most senior member should do the talking. Subordinates can be called on in a formal manner to handle specialized questions.
 - Despite everything you hear about the importance of personal relationships over written obligations – take exhaustive notes, settle all details, and get it in writing!

Sources of Help in China

Canadian Embassy and Consulates

In addition to the Canadian Embassy in Beijing, Canada has three Consulates to help export-ready Canadians. They are located in Shanghai, Guangzhou and Chongqing.

Canadian trade commissioners at the Embassy and Consulates can provide a wide range of services to support export-ready Canadian SMEs. They supply valuable analysis on current market conditions and opportunities; provide specific information on priority sectors in the Chinese economy; give counsel on Chinese business practices; and provide information on trade fairs and related events. Trade commissioners can also help by introducing you to potential customers, government officials and business contacts.

Trade commissioners at the Embassy in Beijing are assisted by local commercial assistants specializing in agriculture; aviation and transportation; high technology and telecommunications; energy and minerals.

Once you've registered your company with WIN Exports (you need to do this before you can speak to a trade commissioner), you should be prepared to provide him or her with company literature, and information about your product and pricing. The trade commissioner may also need to know:

- How long have you been in business?
- What are your sales volumes, market share, number of employees?
- What makes your product or service competitive in Canada (e.g. quality, price, packaging, delivery, after-sales service)?
- Who are your major customers in Canada?
- Who are your major competitors in Canada?
- What distribution channels do you use (i.e. agents, distributors, others)?
- Are you already exporting? If so, to where?

Details about your export plans:

- What are your reasons for targeting the China market?
- What makes you feel you have a competitive advantage in China?
- What is your strategy for entering this market? (e.g. pricing, shipping, financing)?
- What budget have you committed to marketing your product or service?
- Who in your organization will be dedicated to pursue this export market?
- Do you have any previous experience in the China market or in other markets abroad?
- Are you currently pursuing other markets?
- Have you contacted the trade commissioners in these other markets?

- When are you planning your first business trip to China?

If you plan to travel to China, details should be provided to the trade commissioner well in advance.

Beijing

Canadian Embassy
19 Dongzhimenwai Street
Chaoyang District
Beijing, 100600, PRC
Tel: 86-10-6532-3536
Fax: 86-10-6532-4072

Shanghai

Canadian Consulate General
Tower 4, Suite 604
Shanghai Centre
1376 Nanjing Xi Lu
Shanghai, 200040, PRC
Tel: 86-21- 6279-8400
Fax: 86-21- 6279-8401

Guangzhou

Canadian Consulate General
Room 801
China Hotel Office Tower
Liu Hua Road
Guangzhou, 510015, PRC
Tel: 86-20-8666-0569
Fax: 86-20-8667-2401

Chongqing

Canadian Consulate
Suite 1705, Metropolitan Tower,
Wu Yi Road, Yu Zhong District
Chongqing, 40010, PRC
Tel: 86-23- 6373-8077
Fax: 86-23-6373-8026

Hong Kong

Canadian Consulate General
11th Floor to the 14th Floor
One Exchange Square

8 Connaught Place
Central, Hong Kong
Tel.: 852-2847-7414
Fax: 852-2847-7441

Canadian Law Firms in China

There are now a number of Canadian law firms in Beijing and Shanghai:

Blake, Cassels & Graydon

Suite A-1, 21st Floor
Hanwei Plaza
Chaoyang District
Beijing, 100004, PRC
Tel: 86-10-6561-1515
Fax: 86-10-6561-0667

Boughton Peterson Yang Anderson

Room 1901 South Tower
Hong Kong Plaza 283
Huaihai Zhong Road
Shanghai, 200021, PRC
Tel: 86-21-6390-6790
Fax: 86-21-6390-7310

Bull Houser & Tupper

17F/E2, Zhao Feng Universe Building
No. 1800, Zhong Shan Road West
Shanghai 200233, PRC
Tel: 86-21-6440-0015
Fax: 86-21-6440-0021

Goodman Phillips & Vineberg

1612 Office Tower One
Henderson Center
18 Jianguomennei
Dongcheng District
Beijing, 10005, PRC
Tel: 86-10-6465-1538/6465/1539
Fax: 86-10-6465-1353

Remedios & Co.

Unit No. 01

18th Floor, Block B

Vantone New World Plaza

#2 Fuchengmenwai Dajie

Xitucheng, Beijing

100037, PRC

Tel: 86-10-6857-8731/8732

Fax: 86-10-6857-8735/8730

Hot Links Index to China

Business Associations and Linkages

Alliance of Manufacturers and Exporters of Canada: www.palantir.ca/the-alliance
Asia Pacific Foundation: www.apfnet.org
Business Development Bank of Canada: www.bdc.ca
Canada's Window on China- Canada's missions in China website: www.canada.org.hk
Canadian Business Service Centre: www.cbsc.org
Canadian Chamber of Commerce in Hong Kong: www.cancham.com.hk
Canada China Business Council (CCBC): www.ccbc.com
Canadian Trade Office in Taipei: www.ctot.org.tw
China Council for the Promotion of International Trade (CCPIT): www.ccpit.org
Chinese Manufacturers Association of Hong Kong: www.cma.org.hk
Embassy of the People's Republic of China in Ottawa www.chinaembassycanada.org/embassy-e.html
Federation of Hong Kong Industries: www.fhki.org.hk
Hong Kong Canada Business Association (HKCBA): www.hkcba.com
Hong Kong Trade Development Council: www.tdec.org.hk/main/china.html
Ministry of Foreign Trade and Economic Cooperation: www.moftec.gov.cn
Selling to the Hong Kong SAR Government: www.info.gov.hk/gsd/index.htm
Sinosource - Business Directory of China: www.sinosource.com
Vancouver Board of Trade: www.vancouver.boardoftrade.com

Business and Trade Sites

CETECH Corporation: www.cetech.cinet.com.cn
China BusinessNet: www.china-businessnet.com
China Economic Information: www.ce.cei.gov.cn or www.chinaeco.com
China Trading: www.chinatrading.com
China Vista: www.chinavista.com
ChinaBig: www.ChinaBiG.com
Economist Intelligence Unit: www.eiu.com
Sinosource: sinosource.com/ftc/index.htm

Other Links for Canadian Investors and Exporters

Asian Development Bank: www.asiandevbank.org
CanadExport Newsletter: www.dfait-maeci.gc.ca/english/news/newsletr/canex
Canadian Commercial Corporation: www.ccc.ca
Canadian International Development Agency: www.acdi-cida.gc.ca
Export Development Corporation of Canada: www.edc.ca

Export Source: www.exportsource.gc.ca
International Financial Institutions: www.dfait-maeci.gc.ca/ifinet
InfoExport: www.infoexport.gc.ca
Strategis: Trade Data Online: www.strategis.ic.gc.ca
World Bank: www.worldbank.org

General Information on China

ABC Country Book of China: www.theodora.com/wfb/china_geography.html
Canada's Window on China - Canadian Embassy and Consulates in China: www.canada.org.hk
China Today - A comprehensive information base on today's China: www.chinatoday.com
China Vista - The world's premier online gateway to China: www.chinavista.com
China.com - Your information gateway to China: www.china.com/english/
ChinaPages - China Business Information Resources: www.chinapages.com
ChinaPoint - Europe Asia Hong Kong Taiwan Business: www.chinapoint.com
Health Info: www.dfait.maeci.gc.ca/english/travel/cosmos/english/TE055000.HTM (English)
www.dfait.maeci.gc.ca/english/travel/cosmos/francais/TF055000.HTM (French)

Internet Search Engines and Web-Catalogue Sites

AWETO - Internet search index: www.aweto.com/china
Nihao - Search engine for China related sites: www.nihao.com
Orientation - Web directory interactive database of China Sites: www.orientation.com
SOHOO - Chinese Language Web Index: www.sohoo.com.cn
WhatSite - Chinese Internet Catalog: www.whatsite.com/index_e.htm

News Sites

Asia Business Connection Online Newspaper Catalogue: www.asiabiz.com/news.html
Asia Wall Street Journal: www.awsj.com
Asiaweek: www.pathfinder.com/Asiaweek
China Daily: www.chinadaily.com
South China Morning Post: www.scmp.com/news

Regional Information

A Window on Shanghai - General Info: china-window.com/shanghai/mlink/eindex.html
Asian City Web - The largest free email network in the world: www.guangzhou.com
China Vista's Beijing Vista: www.chinavista.com/beijing/home.html
Dalian Municipal Government: www.dalian-gov.net
Guangzhou Web Page (in Chinese): www.guangzhou.gd.cn
Nanjing City Pages: www.chinapages.com/jiangsu/nanjing/nanjing.htm

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Shanghai-ed - Guide to life and business in Shanghai: www.shanghai-ed.com

Shantou (in Chinese): www.shantou.gd.cn

The Beijing Page: www.flashpaper.com/beijing/

The Shanghai Guide s- Life in Shanghai: www.shanghaiguide.com

Welcome to Shanghai on the Internet: www.sh.com

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