



China

Developing Long Term Relationships



China & India: Trading with Asia's Giants





Content

- Early Research.
- Initial Contact.
- Formalising partnership arrangements.
- Ongoing long term relations.
- The Future for China.



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China - Research

- Review the locations where your products could be traded, and start creating a list of potential partners.
- Use the internet – good web sites include :
- www.made-in-china.com, www.alibaba.com,
www.globalsources.com, www.taiwantrade.com.tw
- Contact by email and telephone.
- Note of caution – not all companies are what they appear.



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China – Visit

- Plan to visit all potential partners on a single trip.
- You will need a Visa.
- Most chinese contacts will assist with local transport and advise suitable hotel accommodation.
- Book about 1 month in advance – Flights and hotels.
- Use the high speed trains - [://www.travelchinaguide.com/china-trains/](http://www.travelchinaguide.com/china-trains/)
- Be prepared for long distances and long days – even in the same Province.
- Visit should be 1 week minimum.



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China – Initial Meetings

- Many contacts will speak English – but having a local interpreter or agent will help with communications particularly with smaller companies.
- Check to see if the business is a good fit.
- Understand the ownership and management structure .
- Establish a key relationship manager contact.
- If having lunch prepare for a 2 hour affair.
- Evening functions are key to making good business relations.



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China – Formal Arrangements

- Do the normal enquiry and quotation exercise. Detailed discussions and formal agreements should be face to face and followed up in writing.
- Attend dinners to discuss and agree sensitive issues such confidentiality exclusivity and payments. Warning – don't over indulge.
- A good reference site for etiquette : <http://cnmintel.com/china-business-trip>
- Create an agreement based on the current business practise.



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China – On going relationships

- Make 1 or 2 visits per year.
- Expect more involvement than UK relations
- Maintain regular contact.
- Maintain contacts even if the contact moves jobs.



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Buying from China - Pitfalls

- Partnership selection is critical.
- Find a good local UK freight company.
- Create and use management tools.
- Allow for lead-times.
- Be prepared for ongoing support visits .
- Become aware of currency movements, trade tariffs and political developments



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China – The Future

- Prices Will Increase – Currency , Labour , Materials.
- Competition from India – Vietnam.
- Competition from Inland China.
- Quality and Integrity will improve.
- Payment terms will become common.
- Most Manufacturing will stay in China for the foreseeable future – 2020.



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