



Business-to-business (B2B)

Face-to-face trading has been the traditional method of conducting business in China for the past 50 years. Today, the internet is essential in identifying potential suppliers. The key issue is that few foreign websites are accessible in China.

The standard process is to price the export to China on a FOB (Freight on Board) basis.

The shipping costs and management of imported goods in China are the responsibility of the Chinese business. This will include shipping costs, import duties, shipping insurance, local transportation costs, and local certification (if required).

The final payment for goods is typically made upon presentation of the FOB certification to a bank, which then holds the payment in escrow, waits for the shipping documents, and processes any prearranged testing and certification papers.

Imported goods to China may require local product licensing for certain products, such as power products (e.g., CCC certification) and beauty products (including Chinese animal testing).

A Chinese company must manage import processes. China's export system works very well. This is mainly because an exporter can claim a refund of the tax on goods from the government, just as the UK can claim a refund of VAT on exports outside the EU.

The import process into China does not offer the same “cash back” incentive to Chinese export agents. The only money they can receive comes from import fees.

We do not recommend directly importing goods into China. Make sure the Chinese purchaser is responsible.

This approach can become more complex when you move from B2C trading in China to supplying wholesalers. We recommend that you take note of the notes above. While you do not need product certification for B2C sales, you will need it if the products are resold within China.

If you are exporting to China, you must ensure your brand is registered in China. This is important if the Chinese have to test the products in China. The certification can then be cross-referenced with brand registration, providing access to the certification for further exports to China.

Additionally, please ensure your website is accessible in China and up to date before you start trading in China. Chinese businesses will always use your website as a point of reference.

They are exporting within China, which may seem unusual. Initially, many major cities had export manufacturing areas. This allows the goods to be manufactured solely for export. The products made are not subject to the rules and regulations of the Chinese market.

For example, you can make a kettle for the EU market with EU power certification. Chinese CCC power certification is not required as the product is being exported.

If overseas companies are selling goods made in China, please ensure you can do the same.

Importing goods made in China to your local country, we recommend you check the following;

- Compliance with your local trading standards
- A Chinese company meets foreign trading standards and asks to see the certification
- Re-test goods independently in China before goods leave China
- Infringement of property rights.

Goods manufactured in these export areas can be sold in the Chinese market. To overcome this, relocating manufacturing or exporting and reimporting goods may be necessary.