



Successful trading in China

Access to China and its directors have been working and trading in China for over twenty years. We have manufactured, imported, and exported to China during this time. While Access to China primarily focuses on IT services, we also assist Chinese companies in sourcing products and services from overseas companies.

There are many books and websites dedicated to successfully trading in or with China.

We want to provide a few key points for trading in the Chinese markets.

- Brand ownership – generally, there is little brand protection between China and the rest of the world;

i.e., registering your brand in the UK / EU / USA does not protect mainland China. Your brand can be registered in China by a Chinese or international company, which will remove your trading rights to use it in China.

We recommend registering your band(s), trademarks and logos in mainland China. This will give you the power to develop your market in China without needing to travel there.

- IPO—Intellectual Property rights—As with branding ownership, it is essential to ensure your company's rights are protected. A protected IPO also provides additional benefits for new and leading ideas and technical developments. Organisations in Asia will fund part or all of the development costs.
- Research your products and band in China – Your research can start without travelling to China. Look for your products/bands on the Asia websites and search engines. You may find your Asian market has already been developed for you.

e.g., Baby food products in Tesco in the UK have been resold in China

- Central and regional government funding—The Chinese government has successfully grown its GNP through investment in Chinese businesses and infrastructure. One key to this success is the creation and publication of the five-year Chinese development plan.

If you plan to trade with China, start by conducting a five-year review of China's development plan.

Most large Chinese businesses are government-owned. Their achievement will measure the success of government companies against the five plans. Each government company is required to report to the regional and national governments by 1 October each year.

Many SMEs receive funding if they can demonstrate how they will contribute to the five-year plan's progress.

This often leads to new Chinese companies asking for a JV with overseas companies to meet the goals of releasing government funding, e.g.

- Moving overseas manufacturing to China
- Having access to new technologies
- Creating local employment

When planning to trade with a new company in China, securing government funding is not a bad idea; however, it's essential to clearly understand the funding source before your business invests time and money.

- Chinese contact—This is the hardest thing to do in any country. Who are you talking to, and what role are they working in?

Use the internet to find as much information as possible about their business.

Often, you will have multiple business cards with different company names and details. Check all the information and the relationship between the companies.

Identifying the power base in a meeting is very difficult. Usually, the person in the room with nothing to prove asks the fewest questions.

Please note that government staff can no longer receive expensive gifts or be taken for costly meals. We recommend keeping things simple and to the point.

Always walk away if it does not feel right. If necessary, they will come and find you.

Most importantly, seek assistance from international trading organisations, references, and other relevant sources.

Please see the “useful link” for additional information.