

# **EU SME Centre Overview**

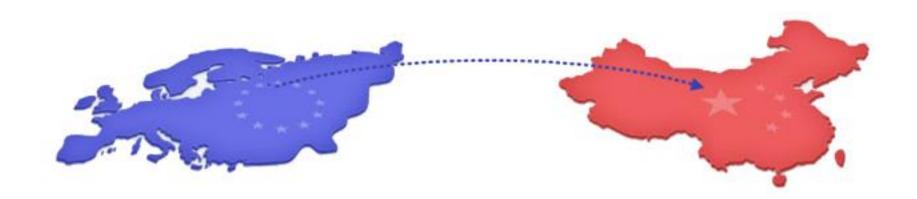
**March 2014** 



A project funded by the European Union

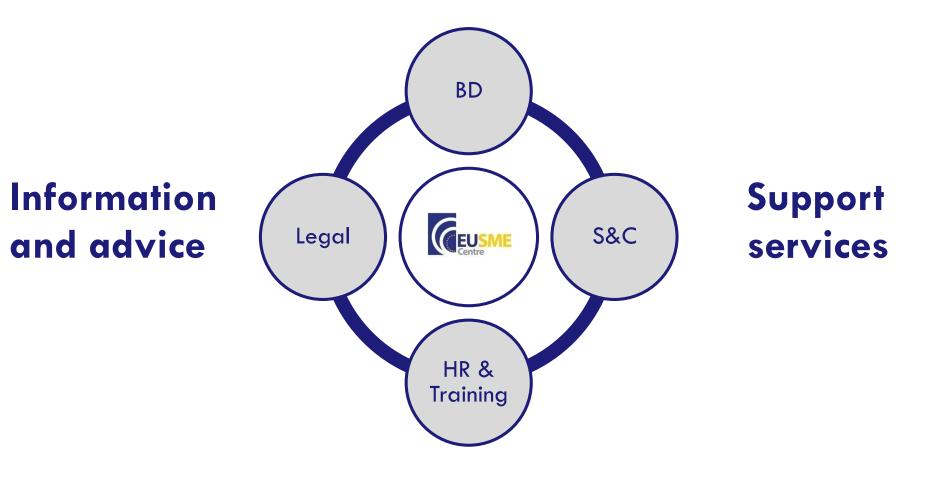






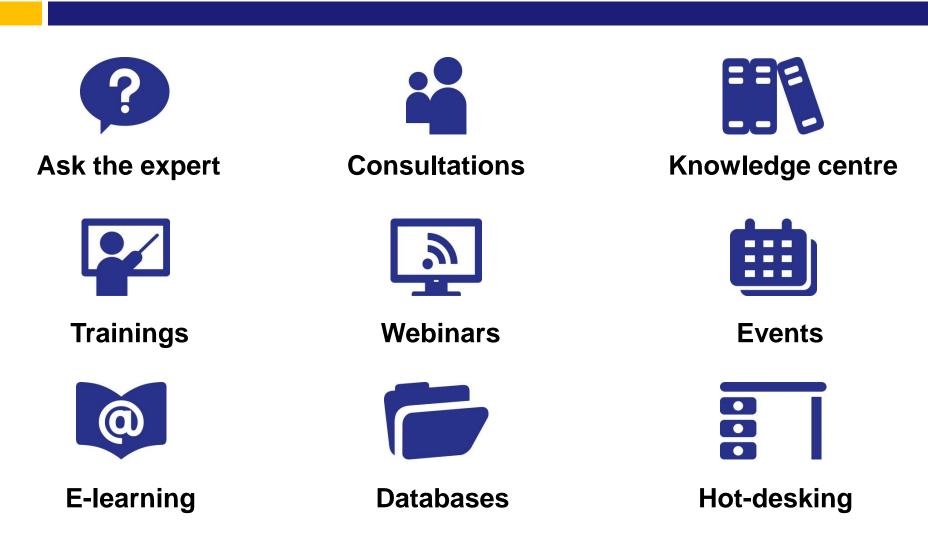
To assist European SMEs to export to China and establish, develop and maintain commercial activities in the Chinese market.





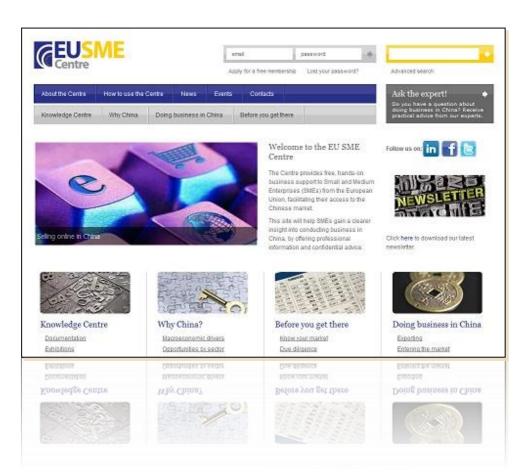


# **The EU SME Centre - Services**





### **Centre Website**



All services

available through

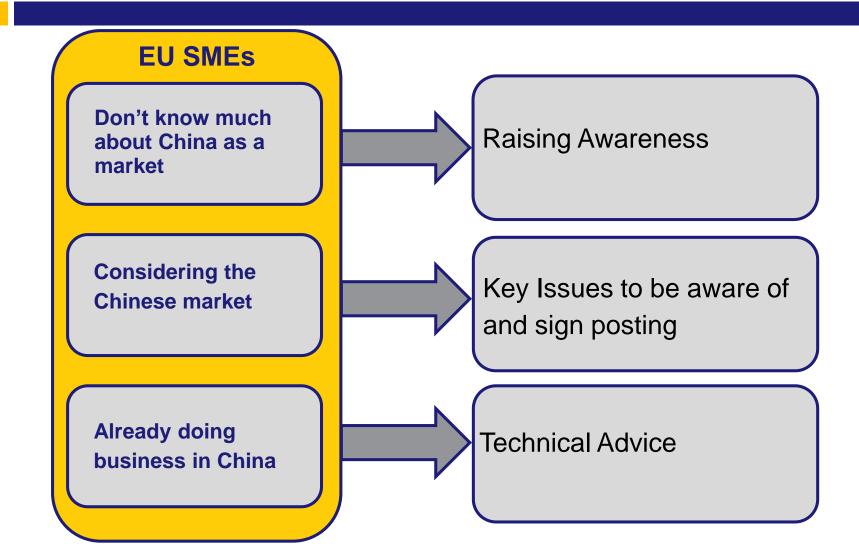
website...

• After registration!

www.eusmecentre.org.cn









# **Horizontal Issues**

|  | Legal  | BD  | Market Access   | HR & Training  |
|--|--|---|---|--|
| Don't know<br>anything about<br>the market | <ul> <li>Legal environment <ul> <li>key areas to pay attention to</li> </ul> </li> <li>Due diligence</li> <li>Legal services in China</li> </ul> | <ul> <li>Raising awareness <ul> <li>Is China on Your</li> <li>Radar?</li> </ul> </li> <li>Are you ready for China?</li> </ul> | <ul> <li>How does the<br/>Chinese Standards<br/>and Conformity<br/>Assessment<br/>System Work?</li> <li>Who are the key<br/>organizations<br/>involved in the<br/>process?</li> </ul> | <ul> <li>Key HR challenges<br/>in China</li> </ul>   |
| Considering<br>the market                  | <ul> <li>Entry modes</li> <li>Contracts</li> <li>Key laws</li> <li>Tax</li> </ul>  | <ul> <li>E-commerce</li> <li>Opportunities by sector</li> <li>Finding a service provider</li> </ul>                           | <ul> <li>Which service<br/>providers can help<br/>me with the<br/>process?</li> <li>Standards and<br/>Conformity<br/>Assessment for<br/>product X</li> </ul>                          | <ul> <li>Which service<br/>providers can help<br/>me?</li> <li>Hiring and<br/>retaining staff</li> </ul>   |
| Already in the<br>market                   | <ul> <li>Labour</li> <li>Access to finance</li> <li>Payment<br/>conditions</li> <li>Dispute settlement</li> </ul>                                | <ul> <li>Marketing in China</li> <li>Distribution in<br/>China</li> </ul>   | <ul> <li>Update on market<br/>access changes</li> </ul>   | <ul> <li>The new labour<br/>law</li> <li>The staff handbook</li> <li>Training your staff<br/>in China –<br/>available training<br/>services</li> </ul> |



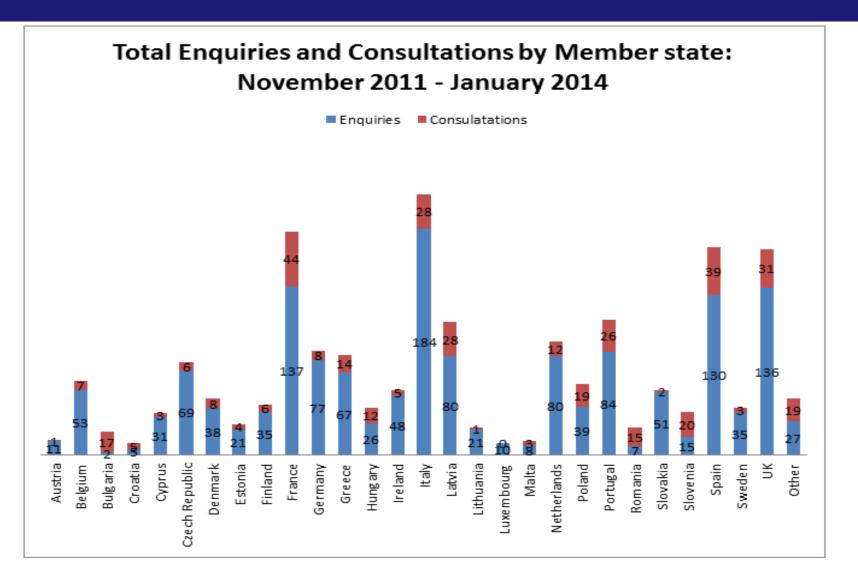
# **Top three questions**

#### **Over 2100 enquiries and consultations so far.**

| Business development 35% | <ul> <li>Looking for Chinese partners (26%)</li> <li>Market information (18%)</li> <li>Import tariffs (14%)</li> </ul> |
|--------------------------|--|
| Legal 35 %               | <ul> <li>Due diligence (25%)</li> <li>Ways to enter the market (22%)</li> <li>Trade related advice (14%)</li> </ul>    |
| Standards 25%            | <ul> <li>Customs clearance (19%)</li> <li>Wine standard (14%)</li> <li>Textile standard (12%)</li> </ul>               |
| HR & Training 5%         | <ul> <li>Salary (40%)</li> <li>Termination (18%)</li> <li>Recruitment (12%)</li> </ul>                                 |



# **Enquiries by Member State**





# Diagnostic kit Are you ready for China?



- Includes four reports and an online quiz
- Covers all aspects of early market entry in China
- Includes lists of national and European support organisations
- Includes a multitude of links to further sources of information
- Freely available on our website
   www.eusmecentre.org.cn



# **Publications**

Access latest and essential information on China for free on our website through 80+ publications.

- Reports
- Guidelines
- **Case Studies**
- **E-Learning Modules**
- Interactive Infographics
- Webinar Recordings

Healthcare Sector Report



Environnement SA – selling air quality and emissions monitoring systems in China







WELCOME TO THE EU SME CENTRE WEBINAR SERIES







- Automobiles and auto parts
- Chemicals
- Commercial services
- Construction
- Food & Beverages
- Green technology
- Healthcare
- ICT
- Machinery equipment and components
- Textiles and apparel



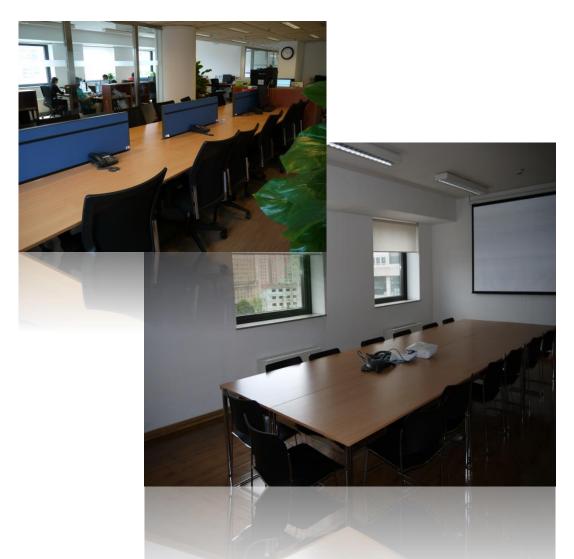




- Generally broadcast every week (usually Tuesdays)
- In-house and external experts discuss a variety of topics
- Some past topics:
  - 'Find the right Chinese partner',
  - 'How to get my goods through Chinese customs'
  - 'How to tap into China's thrust for building'
- Participation is free for all EU SMEs and intermediaries



# Hot desks



- Free work stations and meeting rooms for SMEs temporarily in China
- Within the Centre itself, right next to the Centre's experts
- Located in the business centre of Beijing
- Can be booked from a couple of hours to a couple of weeks



#### **Databases**

#### Exhibitions

Visiting trade fairs and exhibitions in China is a good way to assess the general scope of the local business environment, allowing SMEs to make price and quality comparisons and gain a better understanding of local suppliers, producers, distributors and potential competitors.

The Centre has compiled an up-to-date fully searchable database of relevant trade exhibitions in China to allow users to conveniently browse what fairs are happening in the region within specific industry sectors.

#### CPCA SHOW 2011 / 2011 International Cleanroom Exhibition | Energy | 2011-03-15 to 2011-03-17

Mainly concentrating on business consultation and exhibition service, they commit ourselves to assist our customers with marketing and various conferences an Service providers: search results The 11th Chi and Equipme Finpro, Finland Trade Centers in Beijing, Shanghai, Guangzhou 2011-03-24 and Hong Kong | Beijing One of the top cippe2011 with German Industry and Commerce Greater China, Beijing | Beijing reach 40.000. Spanish Chamber of Commerce in China | Beijing 3rd China Int | Energy | The Organizin including on-si Private providers exhibition and www.cneechin: Aellio Web Agency | Beijing AsecorpChina | Shanghai Avantia XXI | Madrid ( & Shangai) Chamber of Commerce Mechelen | Mechelen De Horizon Consulting Intl., Co., Ltd. | Beijing Dragonfly Group | Shanghai Dragonfly Group | Shanghai

VALUES YO I YEAR I STANDARD

#### Search Exhibitions

Sector:

Keywor

From:

Chemicals Commercial services Construction

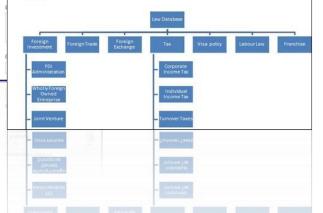
#### Law Database

Accurate information on legal requirements is one of the crucial conditions for qualified decision making in any business. Practical application of Chinese legislation, as in any other legal system, requires professional legal assistance. However, an introduction to elementary laws on foreign investment and foreign trade can facilitate SMEs' initial orientation on requirements for entry to the Chinese market and can be helpful when formulating the scope of services and during negotiations with a legal advisor.

The EU SME Centre has gathered about 40 laws and regulations and created an easily accessible and user-friendly law database which contains a selection of laws and regulations covering seven important areas relevant to doing business in China: foreign investment, cross border trade, foreign exchange, tax, labour, visa policy, and franchising.

This law database is a complementary source of information to the guidelines published by the Centre on the website and provides a first impression of Chinese legislation in relevant areas. In no case does it constitute a full list of legislation covering the mentioned topics, and professional advice either through consultation with a Centre expert or another qualified legal professional should be sought in each individual case.

For an overview of the content of the database use the below scheme or type a keyword.



- Trade shows and exhibitions
- Service providers
- Law database



# **Mission for Green Growth**



- 330 meetings
- Between 50 EU and 80 Chinese companies



#### **Stay Connected**



Updates on foreign exchange for Foreign-Invested Partnerships (FIPE) Partnerships (FIPE) The Massures for the Administration of the Establishment of Partnership Enterprises in Chins by Foreign Enterprises or Individual (FIPE) were adopted more than two years ago. However, recently the State Administration of Foreign Exchange (GAFE) issued a Notice on Issues Related to the Administration of Foreign Exchange for FIPE in order to clarity and as for facilitate foreign exchange administration procedures for FIPE.

diligenco be rebro The Notice deals with administration requirements, e.g. on procedures, deadlines when the FIPE shall register at For the as all ot YouTub SAFE, what documents are necessary to submit for registration, repatriation of profit, how to handle changes in business licence and other mandatory documents.

We take this opportunity to draw your attention not only We take this opportunity to draw your attention not only to the notice, but also to remind you of the existence of this fourth vehicle available for foreign investors in addition to the traditional trio – wholly foreign-owned enterprises (WOFE), equity joint ventures (JV) and cooperative JVs.

Cooperative size FIPE is a partnership of two or more foreign enterprises or individuals (foreign partners and Orinese natural persons, legal persons or other organisations. There are both advantages and disadvantages and we advise you to consider carefully for what purposes you intend to estability a FIPE FIPE are characteristical by a certain actuality of the FIPE are characteristical by a certain flexibility concerning contributions and profit sharing among partners, relative speed in establishment. flexibility in management and the fact that instead of corporate tax for the partnership, partners pay their individual taxes. One of its disadvantages is the unlimited liability for general partners. Please note that the Catalogue Guiding Foreign Investment is applicable for FIPEs.

For further information, feel free to "ask the expert" at www.eusmecentre.org.on.



The seventh issue of our newsletter focuses on the machinery sector in China. 1.) China statistics - numbers of interest.

2.) Latest publication – The Centre has just released its latest report on the machinery sector in China.

<u>Expert's corner</u> – market access advisor Ludmila <u>Hyklova</u> with news on foreign exchange updates for Foreign-Invested Partnerships.

Trade fairs – find a list of the most important machinery trade fairs in China in 2013.

5.) Enquiry of the month - This month, we explain how to import wine to China.

 Upcoming publications – a selection of upcoming publications by the EU SME Centre, including our very first interactive infographic and part two of the diagnostic kit "Are you ready for China?"

New section <u>SME tip of the month</u> – highlighting specific opportunities for EU SMEs in sub-sectors

8.) Stay connected and see what is coming up soon,

test publication

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There is China a in comm and, mo and you influence achieve Ludmila

Unders

Due to fast industrialisation and urbanisation, the machinery sector in China Due to dast industralisation and urbanisation, the machinery sector in Ohna has been growing at breah-skaling rated urbang the last decades. In the last two years alone, the output value of the Chinese machinery indistry increased continuously been supported by extensive stabilistic from the Chinese government in order to enable manufactures in the country to catho a with global competitor. Even though impressive grows has been made in terms of productivity and quality, cuttime-adage technology still has to be imported because it in our stabilistic break.

Decided if is no analosis exercite the sector as a whole, followed by a closer look at the most promising sub-accors for European manufacturers. Overall output values are broken win the individual product groups and characteristics of specific markets are explored in more detail. Figures on the value of imports of specific products are given to show the market share networks to European companies, while explored in growing and the growing monotone of Chara S densets products in the global market.

The neuroid so anyyes the relevant stipulation of the 12<sup>o</sup> Five Var Piller, which steeses in once y copressing technologies. Since European SMEs are particularly strong in these areas, their products will continue to be in high elemand. Outport numbers per year allogies and present any strong in these areas, their products will continue to be in high elemand. Outport numbers per year allogies and present on how much the section is dependent on parameters set by economic planning by the government. This suggests that it is more than worthwhile to study the details of sectoral Five-Varian strong start of a developments in themain in the coming years.

Finally, the regulatory framework is discussed and regional industry clusters and markets identified. After a brief introduction of different ways of accessing the market, specific opportunities for European SMEs are pinpointed.

The EU The EU Understanding China event series which included seminars and networking. HR expert Benot (Biggong, has been in Beight on make a presentation on behalf on the Centre on the opportunities and the challenges of the Chinese market. This training included a presentation on the role of intermediates; the Centre's services and publications as well as practical advice for SMEs looking to do business in China. 28% year-on-year increase of profits in the agricultural machinery sector in China. 11.7%; the rate at which the petrochemical general machinery industry grew in China. Heavy mining, machine tool industry increased 6%. With 11% this year, the growth of China's industrial value-added output is expected to slow, but remains impressive.

With 35% of total global output, China is the

largest source of primary manufacturing worldwide

EU SME Centre Newsletter December 2012

Sources: Dutch Embassy Report: Zimbo: China.org.cn

#### EU SME Centre report "The machinery sector in China"





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