Guide to Business with China

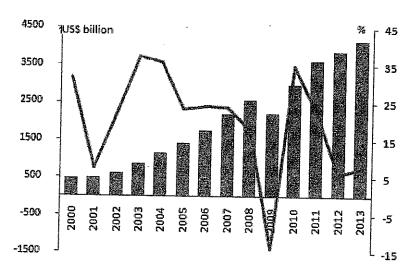
2015 Edition

The Economic and Commercial Counselor's Office of the Embassy of the People's Republic of China in The Bahamas

With the strengthening of the relationship and economic and commercial the deepening of cooperation between China and The Bahamas, more and more Bahamians wish to start business with China. Chinese products are famous for their quality and comparably low price, which has been attracting attention of the whole world, but many Bahamian businessmen get no clue of how to get in touch with their Chinese counterparts, and have difficulties of judging the credibility of their potential partners. In order to further promote trade and investment between China and The Bahamas, and introduce more reputable companies in different industries in China alongside with some tips and guidelines in dealing with trade disputes, we, the Economic and Commercial Counselor's Office of the Embassy of the People's Republic of China in The Bahamas, prepared this guide for the Bahamian businessmen to have a better and smoother experience in doing business with China.

3 Steps to Conduct Trade with China

According to the statistics of the World Trade Organization, China has become world's largest country in foreign trade in 2013 with a total trade value of US\$4.16 trillion, ranked 1st in export and 2nd in import for 4 consecutive years. According to the latest statistics of Chinese customs, in 2014 under the looming shadows of the global economic crisis, the total value of China's import and export still reached RMB26.43 trillion, with a year-on-year increase of 2.3%. Among that, exports amounted to RMB14.39 trillion, up by 4.9%; and imports amounted to RMB12.04 trillion, down by 0.6%. It shows the strength of Chinese foreign trade against the global recession, and the confidence of traders from all over the world in Chinese products. With the ongoing recovery in major countries, the foreign trade of China is expected to rebound. It's a great time to start your business with China.



China Import & Export Volume and Trends 2000-2013

#1 How to find a reputable company in China in the industry I'm interested in?

There are millions of companies and firms in China, it's hard to judge their credibility when you don't have any experience in doing business with them. In order to help foreign traders to get detailed information about Chinese products and company information, the Ministry of Commerce of China (MOFCOM) started MOFCOM Public Information Service (MPIS) project, by setting up 2 websites called China Commodity Net (CCN) and World Importers Net (WIN), as an

important part of China national public information service system for international trade and economic cooperation. China Commodity Net (CCN) aims to promote cooperation and trade between reputable Chinese companies with related authoritative international certification and their overseas counterparts by listing their company and products information on the website and building communication platform. The CCN also provides sourcing services, credit services and business invitation. It's especially useful for the small and medium sized companies to look for business information in China. World Importers Net (WIN) aims at promoting international trade by providing both and overseas companies with information. It is an important part of China national public information service system for international trade and economic cooperation. Both websites are funded by the Chinese government; all services are free of charge.

Another way of getting information about credited

trader and their products is through the China Import and Export Fair, also known as the Canton Fair. It is held biannually in Guangzhou every spring and autumn, with a history of 58 years since 1957. The Canton Fair is a comprehensive trade fair with the longest history, the highest level, the largest scale, the most complete exhibit variety, the broadest distribution of overseas buyers and the greatest business turnover in China. We strongly encourage any businessmen who wish to start business with China to pay a visit to the Fair first and see what it is like when you begin the business. The Canton Fair also provides VIP service which includes visa and custom clearance facilitation, translation service, business promotion and etc., for participation in the form of a business group. However, if you cannot make a field trip to the Fair, they also have a website listing the information of exhibitors and their products. You can browse on the internet and get in touch with Chinese suppliers by yourself.

For large enterprises, the Ministry of Commerce of China has set up a ranking system of **China Foreign** Trade Enterprises Top 500, issuing the report of ranking annually. You can also download detailed ranking information from the website.

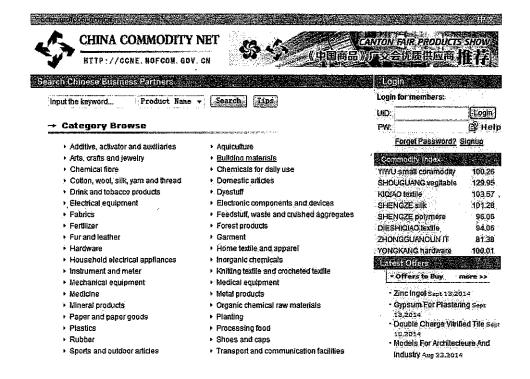
The websites link can be found as follows:



The Ministry of Commerce of China (MOFCOM):

http://www.mofcom.gov.cn/

(7 language versions)



China Commodity Net (CCN):

http://ccne.mofcom.gov.cn/

(also can be visited from the quick link on the website of MOFCOM)



World Importers Net (WIN):

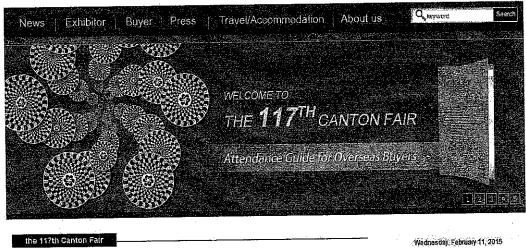
http://win.mofcom.gov.cn/en/index.asp

(also can be visited from the quick link on the website of MOFCOM)



The Only Official Website of China Import and Export Fair (Canton Fair)





the 117th Canton Fair

Phase 1 (April 15-19, 2015)

From the 117th Canton Fair

China Import and Export Fair (Canton Fair):

http://www.cantonfair.org.cn

(12 language versions, can be found at the navigation column)



China Foreign Trade Enterprises Top 500:

http://top500.ec.com.cn/

#2 how to verify the information of the company I'm currently dealing with?

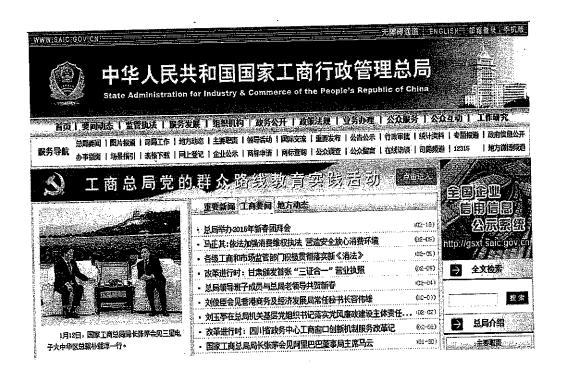
We frequently receive phone calls requesting us to verify if a company they're dealing with actually exists and if it's reputable. Though the Economic and Commercial Counselor's Office may assist businessmen with these issues, the official verification process, including exchange of documents and information between government agencies, can be very time-consuming and costly. Therefore, we strongly recommend local companies and individuals to go check these information online. It's the quickest way to do it. Here are some useful tips:

- ➤ Check the websites listed in #1 above to see if the Chinese supplier is a member of these networks certified by the MOFCOM.
- ➢ Go to the website of the State Administration for Industry and Commerce of China (SAIC) (http://www.saic.gov.cn/) to look up "Company Registration Information" (Chinese version only). You

may find the official registration information of the Chinese company, as it is a mandatory legal requirement for any company to run business in China to register with SAIC. If you want to check out more detailed information, go to the website of local administration for industry and commerce. (Quick links can be found at the website of SAIC)

If you cannot read Chinese and have trouble finding a translator for you, we recommend you ask your counterpart to prepare their company registration information document and have it translated and notarized.

➤ Do **NOT** randomly look up for company registration information on the internet.



State Administration for Industry and Commerce of China (SAIC) (http://www.saic.gov.cn/)

1 /

#3 what do I do if I have a trade dispute with Chinese companies?

With the increasingly close bilateral business and trade relationship, it becomes more and more common to see some different understandings in terms or condition of goods and etc. Sometimes they may come to a trade dispute. And there may be a few scams involved due to the two parts are not able to see each other. Here're some tips to avoid such things:

- ➤ Check the registration information of your counterpart using the SAIC database. It's better if you find your partner on the websites we recommend above, as they're certified by the Chinese Government.
- ➤ Refer to Contracts for the International Sale of Goods (CISG) and Incoterms when you negotiate your contract terms, they are general guiding principles widely used in international commercial transactions and accepted by governments, legal authorities, and practitioners worldwide for the interpretation of most commonly used terms in

- international trade. The Incoterms are updated from time to time; the latest version is **Incoterms 2010**.
- For certain goods and industries, the Chinese Government requires a pre-occupied qualification for companies who wishes to do such business, be sure to check whether they're qualified vendors. (For further information, please check the website of Chinese Customs at http://www.customs.gov.cn)
- Make sure you keep all communication records and transaction records.



General Administration of Customs of China (http://www.customs.gov.cn)

- In case you do encounter a trade dispute or scam during business, follow these steps:
- 1) Negotiate with your counterparts and urging them to comply with the contract terms.
- 2) If you have evidence showing your counterpart breaches the contract and refuse to make correction, you can:
- a) Bring the dispute to lawsuit or arbitration according to the "dispute settlement" provision in your contract;
- b) Seek assistance from the Economic and Commercial Counselor's Office (see contact information below) to get in touch with the company involved. We'll also get in touch with local commerce authority to verify the case.
- 3) If you believe you have encountered a scam, take these two actions at the same time:
- a) Call the Economic and Commercial Office (see contact information below) to report your case and send photocopies of all your documents and records to us.
- b) Call the local police department to report the case,

request them filing for investigation. (General Police number in China: 110, you can call for further assistance)



中华人民共和国驻巴哈马大使馆经济商务参赞处

The Economic and Commercial Counsellor's Office of the Embassy of the People's Republic of China in the Commonwealth of the Bahamas



The Economic and Commercial Counselor's Office of the Embassy of the People's Republic of China in The Bahamas

Address: Shirley Street East, P.O. Box SS-6389,

Nassau, The Bahamas

Tel: +1-242-393-1960/1029 ext. 104/105

Fax: 1-242-393-0733

Website: http://bf.mofcom.gov.cn/

Email: bf@mofcom.gov.cn