

MARKET GUIDE CHINA GUANGZHOU



NEW ZEALAND
TRADE & ENTERPRISE
Te Taurapa Tūhono

**KNOW
HOW**

About China

China is full of history and change, people, and plenty of opportunities for New Zealand exporters.

China is the world's most populated country. Some aspects of the communist state's culture are historic. Others are changing quickly.

China is now a major overseas investor and has the fastest-growing manufacturing sector in the world. It has several e-commerce strategies and operations, and is focused on developing its digital economy further.

China is New Zealand's largest trading partner. It is also a major source of migrants, students and tourists. In 2008, New Zealand became the first and only Organisation for Economic Co-operation and Development (OECD) country to sign a Free Trade Agreement (FTA) with China. Since then, New Zealand's exports to China have grown significantly, from NZ\$2.53 billion in 2008 to NZ\$8.611 billion in 2015.

Dairy products make up over 34 percent of all exports to China. Other key exports include wood, meat, seafood and wool.

This export profile is expanding. New Zealand's non- agricultural exports to China include machinery, aluminium, plastics, wine and high technology products, particularly telecommunications. New Zealand's largest imports from China include electronics, clothing, furniture and toys.

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Quick facts

Guangzhou is:

- the capital of Guangdong province and has a population of approximately 14 million
- a centre for politics, the economy, technology, education and culture
- South China's central transportation hub and trading port
- home to major industries including automobiles, electronics and petrochemicals
- open to foreign direct investment
- nicknamed "The City of Flowers" because of its four evergreen seasons.

GDP:

US\$11,008 billion (2015)

GDP per capita (PPP):

US\$8,028 (2015)

Currency:

Chinese Yuan (RMB)

Official languages:

Mandarin

World Bank Ease of Doing Business ranking (2017):

78 of 190 (NZ ranked 1 of 190)

Corruption Perceptions Index ranking (2016):

76 of 176 (NZ ranked 1 of 176)

Free trade agreements:

NZ - China FTA

Value of NZ exports:

US\$6.55 billion (2016)

New Zealand's largest market in 2018

Land area:

9,326,410 sq km

Population:

1.37 billion (2015)

Density:

147 people/km²

Trade Agreements

If you are a goods exporter, use the Ministry of Foreign Affairs and Trade's [tariff finder](#) to find out the applicable tariff rates for China, as well as HS codes, document and shipping requirements. Visit the [Free Trade Agreements section](#) of the Ministry of Foreign Affairs and Trade's website for more information.

Opportunities for New Zealand businesses

China offers significant business opportunities for New Zealand companies, particularly in areas where New Zealand has a competitive value offering.

Food and beverage

Chinese consumers are looking for safe, high-quality products. As disposable incomes rise, consumers can afford better products and are more focused on wellbeing. New Zealand has a reputation for a clean environment with a good food safety record. This means our products are well received. In addition, the Chinese are increasingly looking for convenience products.

The Chinese market for domestic and imported wine has been developing rapidly. However, it is still a small part of the alcoholic drinks market. The largest market for imported wine is 'on premise' in top-end hotels, restaurants, bars and nightclubs. Four-star and five-star hotels, Western restaurants and up-market local chain restaurants generally have a selection of local and imported wines. The retail market for imported wines is growing also. Foreign supermarket chains in middle to high income districts normally have a wine corner. High-end domestic department stores and independent wine shops carry imported wine as well.

Infrastructure

China has made huge efforts to upgrade its transport infrastructure in the developed coastal provinces. However, the central and western regions are still not well connected to the industrial hubs along the coast. The Chinese Government has developed plans to address this.

Aviation

In the past decade, China has become Asia Pacific's largest aviation player and the second-largest aviation market in the world.

Chinese air transport industry's sales growth is forecast to grow at an average annual rate of 11.3 percent over the next four years. One reason for this is the increase in Chinese household incomes. The predicted industry growth is well above the Asia Pacific's regional average growth rate.

Aviation industry growth also means more pilots are needed. By the end of 2015, there were 23,502 pilots in China. Among the pilots, 2,533 had a private licence, and 20,970 owned a commercial licence. Most of them worked for airlines, flight schools, flight clubs or government agencies. China will need up to 500,000 general aviation pilots 20 years from now to meet the industry's predicted growth.

China has begun to ease restrictions on the use of airspace. It has allowed low-altitude air space (below 1,000 meters) in Changchun and Guangzhou. It is also seeking approval for Beijing and Shanghai. The aim of this is to improve access to the growing industrial, agroforestry, flight training, commuter services, tourism, and search and rescue sectors. China is developing considerable manufacturing expertise in aviation too.

There are opportunities to supply training, aviation services and airport design and fit out. There may also be opportunities in the general aviation maintenance, repair and overhaul sector.

Information and communications technology (ICT)

The ICT industry in China covers a wide range of products from low to high-end technologies. Demand for telecommunication services is expected to grow as the Government continues its programme to further develop the services sector. Demand for IT products will come from major infrastructure, government, telecommunications, finance, energy, education and transport projects.

The development of the digital economy is very important to the Chinese Government. It has developed a number of plans to encourage this, including the Internet Power Strategy, National IT Development Strategy, National Big Data Strategy, and 'Internet plus' Action Plan. The digital economy in China has shown a good momentum in this area. Examples include more information infrastructure facilities, a booming internet economy, and several leading international internet companies. It is also a world leader in the information industry.

China had 710 million internet users and 4.54 million websites by the end of June 2016. Internet has been used extensively in economic and social development and in people's lives. In 2015, China's total e-commerce transaction value was over RMB20 trillion. Online trade volumes reached RMB3.88 trillion, with an increase of 33.3 percent.

The volume of online sales in China is now greater than in the United States. Online sales are expected to grow 20 percent annually by 2020. Online shoppers are key to China's growth story. This is because they tend to be young, urban, and highly educated. They have a different attitude towards shopping than older generations do, and are more willing to spend.

E-commerce sales in China often stipulate fewer licensing requirements and quicker customs clearance than in actual stores. As a result, in some areas e-commerce is replacing shopping in physical marketplaces. There is expected to be 42 percent growth in personal spending by 2020 (according to Boston Consulting and AliResearch).

Nutraceuticals/health products

Chinese consumers have rising disposable incomes and increasing health awareness. Health products are a convenient choice for Chinese people looking to improve their health and wellbeing. This category is to be further divided to include products for specific conditions and different demands. These cover pregnancy, memory boosting, post-operative recovery and immunity enhancement.

New Zealand's health products, such as calcium-based, marine-derived and bee products, have good potential in China. Opportunities include supplying bulk ingredients for rebranding and launching New Zealand-branded product into the retail sector. New Zealand companies will need to meet the strict regulations and registration procedures around nutraceuticals and related health products in China.

Wood products

China imported US\$18.6 billion of wood in 2015. Of this, US\$1.55 billion was imported from New Zealand – this was down 10.36 percent compared with 2014. New Zealand's exports to China have historically been dominated by logs and lumber. There are now opportunities for New Zealand companies to add value to their offering to China. There is currently a building boom across many of China's main cities. This is opening up opportunities around interior fitouts and landscaping for both residential and commercial purposes.

China's furniture and finished goods industry is a key market for New Zealand *Pinus radiata*. The growth of China's fit out and construction markets offers potential for pine timber. There is also a growing demand for treated timber, especially for landscaping.

Agritechnology

China's dairy industry has been identified as one of the largest future areas of opportunity. Technologies that support New Zealand's dairy farming may suit the Chinese situation. For example, in southern China farmers are looking

for on-farm techniques to help develop their farming models and improve animal health. As a world leader in agricultural technologies, New Zealand is well placed to provide dairy production and processing technologies. It is also an ideal option for a long-term business and investment partner in the development of China's dairy industry.

Education

China's international education market is becoming increasingly competitive among foreign education providers. The number of Chinese students studying overseas has been increasing at secondary, undergraduate, postgraduate and vocational levels. This growth makes China an ideal country to market to. Institutions may consider investing time and resources into building long-term, strategic relationships with Chinese education facilities. The aim is to develop steady business opportunities and co-operation. Please contact New Zealand government agency [Education New Zealand's China-based staff](#) (Beijing/Shanghai/Guangzhou) for more information and assistance.

Environmental technology

In the past, China has received substantial loans to help rectify the decline of its environment. However, there are still huge problems – this means significant opportunities for New Zealand companies. The environment is an important concern for many local governments in China. Focus is on treatment of wastewater, soil remediation, sewerage and solid waste, and also noise and air pollution. The first step is to identify projects that match New Zealand's capability and understand how these projects are paid for. Many projects will require local partners.

Manufacturing

For a long time, China's manufacturing industry has been identified as having low-end large-scale production and a link with fake goods. For this reason, there is considerable pressure and urgency behind the push for an upgrade in the industry. China is developing a plan called 'Made in China 2025'. The focus is on promoting innovation, smart industrial transition, construction and the green industry. The purpose of this plan is to create leading industrial organisations that help the country upgrade from its current position as the 'world's factory'. 'Made in China 2025' is the first of three 10-year stages. Much of this process involves combining China's industrial and information technology infrastructure. The aim is to create the next generation of information technology. This includes high-end digitally controlled machinery and robots, avionics and aeronautical equipment, oceanic engineering facilities and high-tech ships, as well as an advanced public transport infrastructure.

For New Zealand companies, manufacturing in China relies on reducing costs. However, with rising costs in China, making the most of this advantage is challenging. Ideas around other approaches include improving competitiveness and value-added opportunities by developing the company's international relationships.

Many companies are now investing in China manufacturing projects to supply their China-based clients. Strategies can be built around reducing costs for parts in existing or future product lines within China — while keeping research and development, design, and other high-end manufacturing in New Zealand. Also, manufacturing in China and working more closely with logistics suppliers, who may be able to hold stock locally, could reduce lead times significantly.

For New Zealand companies, it may be best to focus firstly on building relationships with Chinese partners in the manufacturing sector. This can be achieved by investing in people and structures. It is recommended to make decisions on future involvement based on indirect and direct costs.

Business culture and etiquette

Like many southern regions in the northern hemisphere, life tends to be slower paced in the deep south of China. While the cities are still huge, there is not quite the sense of urgency as visitors will find in cities such as Beijing or Shanghai.

Cantonese language is still very prominent in Guangdong province. It is spoken by at least half the population (more than 50 million people) in everyday settings such as shops, taxis and restaurants. However, in formal business settings – and especially government settings – Mandarin (known in China as ‘Putonghua’) is the official language and Cantonese is rarely (if ever) spoken in formal meetings and banquets.

There is a funny local saying that Cantonese people will eat everything with four legs except tables and chairs, and will eat everything with wings except airplanes. What this means is that food is an adventure in China, particularly in the deep south. However, unaccustomed guests can respectfully decline to taste certain items, and a friendly sense of humor in these moments is always helpful.

Building good relationships is important when conducting business in China. Known as ‘guanxi’, personal relationships and connections are crucial when it comes to business and administration. It can be a helpful way to achieve success. Using ‘guanxi’ to understand the informal systems around formal rules can make the process easier.

Trust must be established. Chinese people traditionally do business based on mutual

trust, rather than through written contracts. Therefore, you will need to gain the trust of the key people you meet, and consider the trustworthiness of others.

Extra attention should be given to the elderly and/or senior people. Chinese do not like to ‘lose face’. It is important to avoid embarrassing individuals while in front of others.

A handshake is the normal greeting for men and women, irrespective of age or seniority. When meeting genuine old friends, a handshake gripped in both hands may be used.

When entering a room or meeting a group of people, the most senior Chinese person will be the first to greet you. This is then followed by others, with the next most senior person first. You should do the same if there are several people in your group. However, if one member of your group is well known to them (regardless of seniority), this person should guide the senior representative in and then introduce the remainder of the group. The interpreter will also help introduce the group.

Banquets

Traditional Chinese banquets usually comprise 10 to 12 courses and last about an hour and a half. At senior level or formal banquets, food is served

for guests by staff. In less formal situations, plates are put on a 'lazy Susan' and guests help themselves. However, it is common for the host to serve small quantities of food (especially from the first course) onto the plates of guests. This is usually done with chopsticks. It is best to use communal chopsticks or a serving spoon to transfer food onto your plate.

You should try to taste all the dishes served. If there is something you don't like, just leave it (if the courses are being served it will be removed by the waitress) or place it to one side of your plate. If your host insists that you try something, you should do so. The remainder can be left on the side of your plate. If you finish your bowl it is usually interpreted as a sign that you would like a second helping. The Chinese are very proud of their food and it will offend them if something is turned down completely. If you really dislike something or have an allergy, then you should explain this and it will be accepted.

At the beginning of a formal banquet, a brief speech and a toast of introduction will be made by the host. Following this the main guest should reply with a brief speech and a toast. Throughout the meal, it is normal for toasts to be made on both sides. Whoever proposes a toast

is responsible for setting the pace on how much is to be drunk, e.g. a sip, half a glass, or 'bottoms up'. Others will watch that person and follow. In more formal situations it is usual to sip. It would be impolite to toast a host to 'bottoms up'. It is usual to clink glasses with those immediately beside you, but not necessarily for each toast. When toasting, connecting the rim of your glass below the rim of your guest's glass will again show them respect.

At the end of the meal (once the fresh fruit dish has been eaten) it is customary for the main guest to thank the host on behalf of the group. The host will then respond. To signal the end of the banquet, the host will rise and thank the guest. This is a signal for everyone to rise. The Chinese like to have a clear beginning and end. It is typical for a banquet to be over in one to two hours.

Gift Giving

It is useful, but not necessary, to give small gifts to your Chinese customers during meetings or meals. In today's business culture, it is more the thought that counts than anything else, so gifts do not need to be expensive. Items that are representative of your company, organisation or New Zealand are best. For example: items with

your corporate logo (mugs, pens, key chains) or picture book, stamp packs and natural products of New Zealand.

Never give a clock, handkerchief, umbrella or white flowers, specifically chrysanthemums, as a gift. These represent tears and/or death in the Chinese culture. Also, do not give sharp objects such as knives or scissors, as they may signify the cutting of a relationship. Giving expensive gifts is not generally recommended. If you wish to give a gift to an individual, it is better to do it privately, in the context of friendship, not business. An exception to this is the symbolic gift given by one company to another. Such gift giving is usually more official and photographs are often taken.

If the meeting is at a banquet, gifts should be given at the end. It is common for Chinese to not open the gift in front of you. However, they may do so if you say that you would like them to or wish to explain something about the gift. It is unnecessary to present the whole group with gifts — you can simply present gifts to the senior person or people involved. If you wish to present a junior person or interpreter with a gift, this should be done privately rather than in front of the senior person.

Travel and visiting Guangzhou

Visas and immigration

Please visit the website of [Chinese Embassy in New Zealand](#) for the latest visa and immigration information.

Accommodation

Hotel bookings can be made directly, through agents overseas or via the [Ctrip](#) website. Hotel rates vary, particularly during the Canton Fair in April, May, October and November.

Hotel	Address	Phone	Website/Email
7 Days Inn	There are multiple locations in the city. Please check the location via hotel website:	+86 20 3787 1088	<u>en.7daysinn.cn</u>
Ocean Hotel (taxi to NZTE office around 20 minutes)	No. 412 Huanshi Dong Road Yuexiu District, Guangzhou 广州越秀区环市东路412号	+86 20 8776 5988	<u>oceanhotelguangzhou.cn</u>
China Hotel, A Marriott Hotel (taxi to NZTE office around 30 minutes)	No. 122 Liuhua Road Yuexiu District, Guangzhou 广州越秀区流花路122号	+86 20 8666 6888	<u>marriott.com.cn</u>
The Ritz-Carlton, Guangzhou (taxi to NZTE office around 30 minutes)	No. 3 Xinan Road Zhujiang New City Tianhe District, Guangzhou 广州天河区珠江新城兴安路3号	+86 20 3813 6688	<u>ritzcarlton.com</u>
Mandarin Oriental Guangzhou (next door to NZTE office building)	389 Tianhe Road Tianhe District, Guangzhou 天河区天河路389号	+86 20 3808 8888	<u>mandarinoriental.com</u>

Transport

There are a number of ways to get in and around Guangzhou, as outlined below.

Guangzhou Metro

For the existing eight lines of Guangzhou Metro network, the charge rate is RMB2 for every three stops:

- **Line 1:** Guangzhou East Railway Station to Xilang Station
- **Line 2:** Jiahewanggang Station to Guangzhou South Railway Station
- **Main route:** Tianhe Coach Terminal Station to Panyu Square Station via Tiyu Xilu Station
- **Spur line:** Airport South Station to Tiyu Xilu Station

- **Line 4:** Huangcun Station to Jinzhou Station
- **Line 5:** Jiaokou Station to Wenchong Station
- **Line 6:** Xunfen Gang Station to Changban Station
- **Line 8:** Fenghuang Xincun Station to Wanshengwei Station
- **Guangfo Line:** Xilang Station to Kuiqi Lu Station
- **APM:** Linhexi Station to Chigang Pagoda Station.

Buses and taxis

Bus: RMB2 for each transit

Taxi: start-up price at RMB10 (first 2.5 kilometres), RMB2.6 per kilometre

It is recommended that first-time visitors to Guangzhou use the hotel car service, unless you are travelling with someone who speaks Chinese, because most Guangzhou taxi drivers do not speak any English.

Air transport

Guangzhou's main airport is Baiyun International Airport in Huadu District. This airport currently has two runways, with three more planned to be built.

Railway transport

Guangzhou is the end of the JingGuang railway (Beijing–Guangzhou), the Guangshen railway (Guangzhou–Shenzhen), the Guangmao railway (Guangzhou–Maoming) and the Guangmeishan railway (Guangzhou–Meizhou–Shantou).

Please note: It is best to avoid using taxi services from inside the airport vicinity, but to wait in the designated 'taxi queue' outside the airport. This is located in the middle island waiting area.

Travel agencies

If you're looking for assistance for flights and/or trains, try the following organisations:

Ctrip

Telephone: 800 820 6666

www.ctrip.com

G Z Meiya International Business Travel Agency

Room 902

9th Floor, Jiantao Plaza

No. 18 Hua Cheng Da Dao

Zhu Jiang New Town

Tianhe District

Guangzhou

Telephone: +86 400 618 6183

GZL International Travel Service Ltd

No. 1 Lejia Road

Jichang Road West

Guangzhou 510403

Telephone: +86 400 863 8888 or

+86 20 8633 8888

Email: christy@gzl.com.cn

www.gzl.com.cn

Intercity transport to Hong Kong

Guangzhou is well connected to Hong Kong by train, coach and ferry.

The Guangdong Through Train departs from the Guangzhou East railway station (广州东站) and arrives at the Hung Hom KCR station in Kowloon, Hong Kong. The route is approximately 182 kilometres long and takes less than two hours. Regular coach services are also provided, with coaches departing every day from different locations (mostly major hotels) around the city.

Tipping

Tipping is not required in Guangzhou.

Most five-star hotels in the city charge 15 percent service charge.

IT, internet and communications

Telephone / Making an international call

You can make a direct international call by pressing '00' followed by the country code and phone number.

Mobile phones

Rental services are available at the airport.

Internet/Wi-Fi

Most cafes, restaurants and offices provide free Wi-Fi.

Electronics

In China, outlets for 120 volts are available. Always check the power supply before using any equipment.

Currency, credit cards and ATMs

The currency used in China is the Yuan Renminbi. If you're travelling to China, you will need to exchange your currency for the Chinese Yuan.

Only large shopping malls, brand chain stores, some hotels and some scenic spots accept international credit cards, such as Visa, MasterCard, American Express and Diners Club.

The ATMs of some banks, such as Bank of China, China Merchant Bank and the Industrial and Commercial Bank of China, accept international cards. ATMs dispense Chinese currency. This will be taken out of your account based on the exchange rate and the bank's policies. If the symbols and logos of your credit card are shown on the ATMs, then it can be used to withdraw money. It's helpful to know that different banks have different limits on the amount that can be withdrawn from the ATM each time.

For information on currency conversion visit xe.com.

Public holidays

For information on public holidays in China visit the [Office Holidays](#) website.

Avoid planning a business trip for the key Chinese holidays. Days to avoid include 1 October (Chinese National Day), 1 May (International Labour Day) and the Spring Festival (Chinese New Year, which is based on the lunar calendar and falls in mid-January to mid-February, depending on the year). National Day is a week-long holiday, and Spring Festival lasts about two weeks. During these periods, much of the country shuts down and the transportation networks are overloaded with people heading for home or back to work.

Language and useful phrases

Here are a few useful phrases in Mandarin to get you started:

English	Mandarin
Hello	Ni hao
Thank you	Xie xie ni
Goodbye	Zai jian
Do you speak English?	Ni hui shuo ying wen ma?
How much? (money)	Duo shao cham?
Excuse me (sorry)	Dui bu chi
Excuse me (I have a question)	Ching wen
I don't understand	Wo ting bu dong
I don't want it	Bu yao
Where is the toilet?	Na li you she shou jian?

Safety and security

Visit the [Safe Travel](#) website for the latest travel advisory updates. New Zealanders in China are strongly encouraged to register their details on Safe Travel.

Medical services and hospitals

There are a number of medical centres and hospitals in Guangzhou:

Hospitals	Address	Telephone	Note
Global Doctor Guangzhou Clinic	1st floor, Building D, Tianyu Garden, No.136 Linhe Zhong Rd, Guangzhou	+86 20 3890 6699 + +86 10 5915 1199 (Emergency 24 hours)	<ul style="list-style-type: none"> No paediatric services Monday to Saturday: 9am – 12 noon; 1pm – 6pm
New Omega Medical Centre – Canadian Immigration Medical Examination Centre	9/F Center Plaza, East Railway Station, Guangzhou 510620	+86 20 2886 1900 / +86 20 838 7812	<ul style="list-style-type: none"> Paediatric services are available (appointment needed) Monday to Saturday: 8.30am – 5pm
Guangzhou Can Am International Medical Centre	5/F Garden Tower, Garden Hotel, 368 Huanshi East Road, Guangzhou 510064	+86 20 8386 6988	<ul style="list-style-type: none"> Paediatric services are available. Full day
Eur Am International Medical Centre	1/F North Tower, Ocean Pearl Building, 19 Hua Li Lu, Zhu Jiang New City, Guangzhou 510445	+86 20 3758 24-hour emergency hotline: 137 1041 3347	Monday to Sunday: 8.30am – 6pm (appointment needed)
Clifford Hospital	3 Hongfu Road, Panyu, Guangzhou, Guangdong 511495	+86 20 8471 8123	<ul style="list-style-type: none"> Paediatric services are available. Monday to Sunday: Outpatient times 8am –12 noon; 2pm – 5.30pm Emergency Centre: 24 hours
Guangdong General Hospital	106 Zhongshan 2nd Rd, Yuexiu Qu, Guangzhou Shi, Guangdong Sheng 510080	+86 20 8382 7182	<ul style="list-style-type: none"> Paediatric services are available. Monday to Sunday: 8am – 11.30am; 2.30pm –5.30pm

Trade shows and industry exhibitions

Visit Chinaexhibition.com for information on the various trade shows and exhibitions in Guangzhou.

Product registration

The product registration process in China can be complicated. It's best to work with your business partners (including importers and distributors) in China to complete the process.

When it comes to food, all imported pre-packaged food must be labelled in both English and Chinese (simplified Chinese as used in mainland China). The following is the minimum information to be listed:

- standard name of foodstuffs
- list of ingredients
- exact volume of each ingredient
- net weight and volume

- name and address of manufacturer and local agent or distributor
- production date, use-by date and guidance for storing
- country of origin
- quality grade
- code of national standard, or industrial standard, or enterprise standard for the product
- special contents if there are any (e.g. irradiated food).

The Chinese State Council website has more details on the [*General Standard for the Labelling of Pre-packaged Foods*](#).

It is important to have the labelling fully correct and compliant when importing into China as there have been cases of severe delays to correct non-compliant or incorrect labelling.

Setting up operations and establishing a business

Most common business entities

Foreign investors generally establish a business presence in China in one of six ways:

1. Wholly Foreign Owned Enterprise
2. Representative Office
3. Joint Venture
4. Partnership Enterprise
5. Hong Kong company
6. Shanghai Free-Trade Zone company.

Wholly foreign owned enterprise (WFOE) is a limited- liability company wholly owned by the foreign investor. A WFOE must have registered capital and its liability is limited to its equity. It can generate income, pays tax in China and its profits can be sent back to the investor's home country. Any limited-liability enterprise in China which is 100 percent owned by a foreign company, individual(s) or companies can be called a WFOE.

Representative offices (RO) is a liaison office of its parent company. It requires no registered capital. Its activities are limited to: product or service promotion, market research of the parent company's business, quality control or contact liaison in China. An RO is generally not allowed to earn any revenue or enter contracts with local businesses in China.

Foreign Invested Partnership Enterprise (FIPE) for foreign investors is a recent type of business presence in China (since 1 March 2010). It refers to:

- a) Two or more foreign enterprises or individuals establishing a Partnership Enterprise (PE) in China
- b) Foreign enterprise(s) or individual(s) with Chinese individual(s) or company(ies) establishing a Partnership Enterprise (PE) in China.

This is a recent type of business entity in China. With very little capital, partners could start a business in China easily. There's no minimum registered capital required for FIPE. In the same way as WFOEs, FIPE could generate revenue, hire local and foreign staff, and enter contracts with local and overseas businesses in China.

Joint Venture (JV) is a limited-liability company formed between a Chinese company investor and a foreign investor. The parties agree to create an entity by both contributing capital. Then they share in the revenues, expenses and control of the enterprise. A JV has usually been used by foreign investors to enter industries such as: education, entertainment, mining and hospitals.

Hong Kong company is an approach that is often used as a Special Purpose Vehicle (SPV) to invest in mainland China.

Hong Kong is one of the quickest locations to incorporate a business. Although a Hong Kong company is not a legal entity in mainland China, many foreign investors, especially those from Europe and North America, choose to form a Hong Kong company as an SPV to invest in China.

New Shanghai Free-Trade Zone company (FTZ) is one of the first in mainland China. This free-trade zone includes three bonded zones: Waigaoqiao Port, Yangshan Deep-Water Port and Pudong International Airport, covering a total of 28 square kilometres. Under this approach, the entry of goods will only require registration of the variety and value of the goods, without any inspection and intervention. There will be no declaration process for goods coming in and out of the zone. The zone will take more than 10 years to construct. Upon completion, the free-trade zone will provide world-class transport and communications facilities. It will also offer a tax-free environment for domestic and foreign enterprises that consider Shanghai to be a major hub of their supply chains across Asia.

The pilot programme includes several steps. It will create tax-friendly facilities for trade and investment within the free trade zone, promote China's interest-rate liberalisation and, eventually, RMB convertibility. It will also encourage financial product innovation and promote the development of offshore businesses.

Top questions regarding choice of entity

[*Visit the Path to China website*](#) to compare the different entity types.

Customs and import regulations

To get products into China, there are a few factors to work through. This includes Chinese Customs, border control rules and other regulations. You can read more about getting products into China on the NZTE website.

Restrictions on foreign ownership

China has a legal and regulatory framework that means the Government can promote investment in specific regions or industries as it chooses. It can also limit foreign investment that it considers not to be in its national interest or that might compete with state-sanctioned ownerships or other domestic firms. Foreign investors report that many regulations include vague key terms and standards. In addition, they state that regulations are often applied in an inconsistent manner by different regulatory entities and localities.

There are over 1,000 rules and regulatory documents related to foreign investment in China issued by government ministries. They include, but are not limited to:

- the Guiding Catalogue of Foreign Investment Industries
- the Interim Provisions on Foreign Investment in Cinemas
- the Administrative Measures on Foreign Investment in Commercial Areas
- the Administrative Measures on Ratification of Foreign-Invested Projects
- the Administrative Measures on Strategic Investment in Listed Companies by Foreign Investors.
- the Provisions on Mergers and Acquisition of Domestic Enterprises by Foreign Investors
- the Administrative Provisions on Foreign Investment in Road Transportation Industry.

Taxation

[*China Briefing*](#) by Dezan Shira and Associates has detailed information about individual income tax on foreigners working in China.

Opening a bank account

As China's banking system continues to free up, foreign investors have more flexibility over the management of their funds. However, China's banking system remains complicated. Many restrictions apply to foreign investors. There are several options foreign investors need to consider when opening a Chinese bank account. [*China Business Review*](#) has information about opening a bank account in China.

Resources and contacts

Chambers of commerce

Guangzhou has various Chambers of Commerce:

Chamber	Address	Telephone	Website/Email
The American Chamber of Commerce in South China	Suite 1801 Guangzhou International Sourcing Center No. 8 East Pa Zhou Avenue Haizhu District Guangzhou PRC 510335	+86 20 8335 1476	www.amcham-southchina.org
The British Chamber of Commerce Guangdong	22/F Guangzhou International Finance Centre 5 Zhujiang Road West Zhujiang New Town Guangzhou 510623	+86 20 8314 3000	www.britchamgd.com admin@britchamgd.com
The European Chamber of Commerce Guangzhou	Unit 2817 28/F Tower A China Shine Plaza No. 9 Linhe Xi Road Tianhe District Guangzhou	+86 20 3801 8629	www.europeanchamber.com.cn Oivashchenko@europeanchamber.com.cn

Local government directory

[Guangzhou Government's International](#) has information on the city's local government.

Business associations

There are a number of business associations in Guangzhou:

Service Provider	Address	Telephone	Website / Email
Guangdong Alcoholic Beverage Industry Association	Room 1002, Minghui Building, Baiyun Pearl Apartment, Airport Road, Guangzhou	+86 20 3619 7159	www.gdjyzc.org.cn lyg200888@126.com
Guangdong Seafood Chamber of Commerce	4/F Zhujiang Refrigerating Plant, No. 33 Gangqian Road, Huangpu District, Guangzhou	+86 20 8152 8355	www.gdapbf.com gdapbf@163.com
Guangdong Provincial Health Food Association	No. 24 Shanqing Jie, Dongfeng Zhong Road, Guangzhou 510045	+86 20 8313 4614	www.gdbjw.com pengping33@126.com
Mommy Baby Products Association of Guangdong	Room 226, Zhongqing Building, No. 1 Zhuzhi Houjie, Pangfu Road, Guangzhou 510180	+86 20 8136 8911	www.gdsyyt.com gdyyt226@163.com
Guangzhou Furniture Association	Room 428, Dezheng Building, No. 48 Dezheng South Road, Guangzhou	+86 20 8383 0812	www.gzfacn.com skyzhuang@126.com
Guangdong Federation of Industry and Commerce	No. 2 Chao Tian Road, Guangzhou 510180	+86 20 8335 1517	www.gdgcc.com jjbgsi@gd.gov.cn
Guangdong Association of Environmental Protection Industry	10/F 363 Dongfeng Zhong Road, Guangzhou 510045	+86 20 8351 7493	www.gdepi.com.cn hb83517493@tom.com
Guangdong Food and Packaging Machinery Industry Association	4-IV Gaungren Road, Guangzhou 510030	+86 20 8337 5255	www.gdfpma.com gdfpma@126.com
Guangzhou Association of Enterprise with Foreign Investment, China	Room 1012, 10/F No. 158, Dongfengxi Road Guangzhou 510170	+86 20 8108 8650	www.gzaefi.org.cn 13697423826@139.com

NZTE/Embassy contact details

NZTE and the New Zealand Embassy have offices in Guangzhou.

Organisation	Address	Phone	Website/Email
New Zealand Trade and Enterprise	Suite 3006 TaiKoo Hui Tower 1 385 Tianhe Road Tianhe District Guangzhou, PRC 510620 中国广州市天河区天河路 385号 太古汇一座 3006室 510620	+86 20 8931 9600	www.nzte.govt.nz exporthelp@nzte.govt.nz
New Zealand Consulate General, Guangzhou	Suite 3006 TaiKoo Hui Tower 1 385 Tianhe Road Tianhe District Guangzhou PRC 510620 中国广州市天河区天河路 385号 太古汇一座 3006室 510620	+86 20 8931 9600	



New Zealand Trade and Enterprise (NZTE) is the Government agency charged with a single purpose: growing companies internationally, bigger, better and faster, for the good of New Zealand.

We employ 600 people, have over 200 private sector partners and draw on a global network of thousands more. We have people based in 50 offices, working across 24 time zones and 40 languages to support New Zealand businesses in over 100 countries. Our global presence lets us deliver value to the businesses we support, through our unique know-how (knowledge and experience) and know-who (networks and connections).

Our know-how and know-who is expressed in our Māori name: Te Taurapa Tūhono. Te Taurapa is the stern post of a traditional Māori waka, which records valuable knowledge, and stabilises and guides

the craft forward. Tūhono represents connections to people and an ability to build relationships.

We provide customised services and support to ambitious businesses looking to go global. We help them build their capability, boost their global reach, connect to other businesses and invest in their growth. We also connect international investors with opportunities in New Zealand through a global network of investment advisors.

We call on our Government network and work closely with our NZ Inc partners and the business community, to grow our national brand and help businesses to open doors in global markets.

nzte.govt.nz

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ISBN: 978-1-98-855256-9

September 2018