



regional language network

Business Culture Guide

Argentina, China, France, Germany, India,
Italy, Japan, South Korea, Mexico, Poland,
Russia, Saudi Arabia, Spain & Sweden.

Introduction

This Culture Guide is the culmination of 5 years' field work into the business cultures of 13 export markets. These countries were chosen as they were those for which companies had consistently requested information after encountering above average cultural barriers to trade.

Although there is a plethora of information on the internet and in other published sources, the aim of these 'field reports' was to gather data informally through interviews with companies, UKTI staff and other business support organisations in the target markets. In order to guide the questions we were to ask, a series of culture workshops was first held in the East of England through which these questions were identified.

Following the visits to market & the development of these reports, a further series of culture workshops was held to test their relevance and usability. The final amalgamation of these 13 individual reports into one combined document has been financed through UK Trade & Investment East of England and the 2009-11 EU-funded Transfer of Innovation Decipher project.

In total, almost 200 informal interviews and 30 culture workshops have been held to inform this publication supported by the attendance of over 180 companies in the workshops. Some of the information from these reports dates back to 2006, however for the majority we have endeavoured to update the information they contain through ongoing discussions with companies and business support staff.

In this publication you will find information on the following markets: Argentina, France, Germany, India, Italy, Japan, S.Korea, Mexico, Poland, Russia, Saudi Arabia, Spain & Sweden. We are aware that information on other markets is also required by companies, and we are working on developing further resource in this area.

In all cases, we recommend that companies refer to the UKTI staff in-market and to their international trade advisors for the latest cultural and market information on these countries. We are conscious that economic and political circumstances vary over time, and for this reason where possible we have focussed on generic business-related culture gathered through experience and anecdote.

My own experience over the years, both from working in a multinational enterprise and a small business and from working in international government projects, is that to possess a knowledge of the culture & language of our commercial or project partners helps demonstrate commitment to the working relationship and ultimately makes doing business that much more efficient.

David Owen

Director, RLN East

UK Trade & Investment East of England



Lifelong Learning Programme





CHINA BUSINESS CULTURE

This report is designed to support and complement existing cultural information available through the UKTI posts in China (see www.uktradeinvest.gov.uk). It adds value in that it provides evidence and information from discussions and interviews with those ‘in the field’ with regard to Chinese business culture. Its primary purpose is to help better prepare UK businesses for approaching the Chinese market for the first time.

The information contained in this report is based on a number of sources, including the UKTI China culture workshops held in Cambridge (2007 - 10) which included discussions with companies and business support agencies in China, information from the UKTI China pod cast, an interview with David Owen (UKTI) and Chris Cotton (CBBC), discussions with Simon Rodwell of the company Hunter Rodwell; and several visits by RLN East project staff to China between 2006 & 2010 as part of its UKTI activity.

Thanks also goes to Tom Fairley of Taylor Vinters, Joan Zhou from EEDA, and Amy Tan from Encocam for their valuable contribution of information which can be found in this report. The report complements the comprehensive information already available on China (see UKTI, BIS, CBBC and British Consulate websites) in that it aims to answer some of the more practical questions that arise when travelling to China on business for the first time, as well as providing an insight into Chinese business culture.

This report is divided into five parts – part 1 is the combined wisdom of those we met in Shanghai and Beijing back in 2007 and supplemented by information from the 2010 workshop in relation to the questions immediately below, and part 2 is an interview with Chris Cotton of CBBC. Part 3 contains generic information on manufacturing & the environment in China. Parts 4 contains specific questions asked by businesses from the East to a panel of experts.

FACTS AND FIGURES

1. China has the 2nd largest economy
2. Largest Asian market for UK exports
Projected GDP growth: 11.9% in 2010 and 9.9% in 2011
3. Exports from Britain = £5,129 billion in 2009.
4. 44% increase in exports of goods in first 8 months of 2010 to £4.5 billion.
5. Shift from export led economy to domestic demand

GOOD PRODUCT OR SERVICE

- Clear requirements / design – build in flexibility for localising
- Build relationships with partners – understand them
- Plan on committing the resource
- Allow time
- Consider your IP – and how to protect it
- Use “best practice” business tools – but be aware of cultural differences and ensure you are understood

TREAT IT AS A CONTINENT, NOT A COUNTRY

- Guangdong Province 85 million people
- Sichuan Province 83 million
- Jiangsu Province 74 million
- Zhejiang Province 47 million
- Chongqing 31 million
- Shanghai 17 million
- Beijing 14 million

Part 1

The following questions were asked those we met in Shanghai and Beijing back in 2007. These have then been supplemented with responses from the companies and organisations present at the workshops. There were also discussions which arose from the panel at the 11 Nov 2010 workshop, held north of Cambridge, and discussed in more detail at the advanced workshop in Bury St Edmunds workshop on 9 Feb 2011. The panel comments and reflections are incorporated into the below questions and answers.

1. What was your first impression of doing business in China?
2. What in your experience are the main barriers or frustrations that UK companies face in China?
3. What top 3 tips would you give companies wishing to do business in China for the first time?
4. Is there a difference between generations in terms of how business is done?
5. What are the key cultural issues companies face when working in China for the first time?
6. What is the general perception of the British in China?
7. From your experience, is English widely spoken by those in the business community that you deal with?
8. Have you ever learned Chinese and, if so, did you find it difficult?
9. To what extent should companies adapt their marketing and web materials to the Chinese market?

1. What was your first impression of doing business in China?

The Chinese market is very large and very complex. There are many opportunities in China, but also lots of potential pitfalls. On one side, there is extreme wealth, on the other side extreme poverty. China has a population of 1.3 billion, but only 250 million have any disposable income. Business in China centres around relationships and people. It takes time to get to know each other and to build up a relationship of trust which is the basis for any business. This can be rewarding, but also very frustrating at times. Things move at a different pace and patience is required. Complicated government rules and paperwork can make a start very difficult.¹ Despite the communist structure, the society, particularly in Shanghai is mainly money-driven.

2. What in your experience are the main barriers or frustrations that UK companies face in China?

The barriers that companies face can vary according to whether a company is setting up its own presence in China or whether they operate through an agent/partner. Whether you set up your own company or operate through an agent, Chinese business culture is very different from UK business culture. It is important to understand “how the machine works”. For instance, in Western culture we expect instant action and results. In China, things work at a different, much slower pace. Projects can take 3 times as long and cost 3 times as much than in the UK/Europe to get off the ground.

Deadlines have a different meaning in China! Also, and most importantly, in Chinese culture personal rela-

tionships are paramount and come before business. The concept of “face” can also be a major obstacle. It means that situations should be avoided where your Chinese partners are put in a situation where they “lose face” (for example by contradicting them or exposing them publicly). Chinese culture is based on the principle of “shame” (Confucianism) as opposed to the Western culture which is based on the principle of “guilt” (Christianity). When there is a problem or something goes wrong, your Chinese partners are very likely not to tell you as this would bring shame upon them.

Laws and regulations are generally complex and difficult to understand/interpret. Chinese law is advisory only. It is often down to the local authorities to interpret and apply them. This can lead to great uncertainty. This problem affects particularly those companies who are setting up a presence in China. They also face the problem that business activities can be very restrictive. Companies need to apply for a business license and must not operate outside that license. There are many levels of regulations and permits and industry restrictions.

Although the problem of IPR infringement seems to be improving gradually (WTO obligations are starting to take hold), there is still a major problem with copyright and intellectual property. Companies are strongly advised not to transfer any know-how without having their copyright registered locally and before having signed a contract. If in doubt, seek professional advice! Corruption is still wide-spread, although the government is starting to crack down. For large foreign companies it is less problematic, but for small companies it is much more difficult to resist.

Those companies with offices in China indicated to us that there was a considerable staff retention problem. Talented and qualified (and at the same time loyal!) Chinese individuals are very sought after. They are constantly being head-hunted and do not hesitate to change jobs after a short time if a better paid alternative presents itself. Whilst in the Western culture frequent job changes can have a negative impact on a CV, this does not seem to be an issue for Chinese employees.



3. What top 3 tips would you give companies wishing to do business in China for the first time?

Do your homework and have a strategy: China is vast and complex market. Carry out a thorough analysis of your business case. Make sure that your products/services are suitable for the Chinese market and adapt your business model if required (China is not a single market). Apply the same good business principles that you would apply for a project at home. (In other words, don't leave your business sense at home!) Start small and depending on success build up from there slowly. Set yourself a target and do not lose sight of it.

Invest time and money: Be prepared that things take longer. Be patient, diligent and invest time and money in your Chinese venture. Understand the culture and invest in relationships: Be polite and show that you understand the culture. Find a reliable partner to look after your interests. Sometimes you can be lucky and that person will be bilingual and understand both Chinese and Western culture. Yet the language factor should not be the decisive element. It is more important to find the best partner for the Chinese market. The language barriers can be overcome by using translators.

Show interest and commitment by visiting your contacts/agents frequently. Take nothing for granted and try to stay on top of things at all times. Where manufacturing is concerned, it may be a good idea to get a 3rd party involved for quality control in order to ensure that the products comply with the expected standard. If you build a presence in China, localise at the right time and firmly establish your company culture. Networking is very important, therefore participate in as many events as you can. And carry plenty of business cards with you – in Chinese! These are always exchanged and this should be done with two hands, as a sign of respect.

You need to visit China to do business there. You cannot expect to do it all from the UK. Paying attention to culture and the Chinese way of doing things pays dividends. For faster progress, try looking for a good Chinese business partner and/or employ a local manager

4. Is there a difference between generations in terms of how business is done?

Yes, there is a difference. The younger generation which has been raised in a society where China is increasingly opening itself up to the rest of the world, is more and more outward looking. Thanks to the availability of the internet and the modern media the younger generation is also extremely well informed. They are generally well attuned to Western life. The downside though is that having grown up after the Cultural Revolution during which the old values, including religion, were widely abolished, younger people have generally embraced money as their new ethics. Employers deplore a lack of morals which can manifest itself in low levels of trust, lack of community spirit, lack of loyalty and greed. The government, having realised this trend, is now trying to re-introduce traditional values.

However, there is still deep rooted respect for the older generation which still embraces the more traditional values and is not as profit orientated. Senior people are “paraded” at official events as grey hair symbolises influence and respect. Consequently, it is advisable to send senior staff to important events. This also “gives face” to the hosts by demonstrating that they are being taken seriously.



5. What are the key cultural issues companies face when working in China for the first time?

Communication issues – concept of face. Throughout my meetings and discussions, the main recurring issue was the concept of face. One should be very careful not to expose or challenge someone in public. This applies particularly to the older generation. This does not mean, however, that differences of opinion or dissatisfaction can never be expressed. There is a fine balance to strike between being perceived as being weak on the one hand and causing someone to lose face on the other hand. Confronting someone does not necessarily mean insulting him or her. There are ways of doing it, for example behind closed doors and in a polite manner and mixing criticism with praise. At the end of the day, the rules of good behaviour apply like everywhere else! Particularly for those dealing with staff in China, it is a fine but necessary art since poor performance sometimes needs to be addressed.

The impact of the “shame principle” (Confucianism) has been explained above. People will not admit mistakes or problems for fear of shame. It is important to encourage honesty and communication and also to keep staff motivated.

Guanxi: The principle of “Guanxi” (connections) is very important in China. It runs like a red thread through a person's life, starting at family level and continuing through school, university and employment. It is a system of favours and relationships that is hard to duplicate! Rather than trying to reproduce Guanxi, try to be polite at all times and to treat people courteously. Also, don't forget to mix business and pleasure.

Celebrations and banquets are important! If you cultivate your contacts and make an effort to understand the culture and your partner, your connections will develop automatically. It is also important to remember that Guanxi influences a Chinese person's decisions. There are situations where social acceptance is more important than individual desires. For instance, an offer may be declined because accepting it would mean to upset the family or social circle.

Bribery and corruption: unfortunately, these still seem to be part of the business culture. Whatever the circumstances, stick to your principles and don't be bullied into compromising your business ethics.

6. What is the general perception of the British in China?

The British are generally very well liked and respected in China. They are admired for their technical expertise and organisation skills. They are perceived as efficient, yet sufficiently laid back! Chinese people are intrigued by the Royal Family and English traditions. The British are also acknowledged for their investment into China. There also seems to be a strong affinity with Germany. Apparently, German companies were one of the first Western companies to invest in China approx. 10 years ago.

7. From your experience, is English widely spoken by those in the business community that you deal with?

Young people generally start learning English at primary school. However, their reading and writing skills tend to be far better than their spoken English. The main reason for this is a lack of practice. Those companies I met seem to be able to operate in English without too much of a problem as it is widely spoken among the Shanghai business community. This is also due to the fact that the ability to speak English greatly increases career prospects. The local Chinese customer outside the big city, however, is unlikely to speak English. All companies have emphasised to me the importance of learning the language, at least to some degree, particularly those living and working in the country.

8. Have you ever learned Chinese and, if so, did you find it difficult?

It is extremely difficult and time consuming to learn Mandarin and one should be realistic about reaching any real degree of proficiency. All of our contacts in China at the time of the interviews were learning Mandarin and most of them can get by in every day's life. All agreed that it was essential to learn the language in order to understand the culture, particularly when living in China. Only one contact spoke Mandarin fluently in a business context and was able to liaise with his production manager in fluent Mandarin. We were told however, that if you speak Mandarin fluently, it is quickly taken for granted and your Chinese partners may forget all too easily that you are not operating in your mother tongue. This can lead to misunderstandings. – A common problem that does not only apply to the Chinese language. At any rate, speaking the language to some degree shows interest and commitment and will be very positively received by your Chinese contacts. For those living in the country, it is a necessity on a personal and a social level.

9. To what extent should companies adapt their marketing and web materials to the Chinese market?

Translation and localisation of brochures and websites is very important. Chinese people are extremely keen on the internet. They are generally very well informed and know exactly what is what. When translating the website into Chinese, it is also important to “make it look Chinese”. That means that the entirety of the available space should be used so that the page appears very full. If you can, get your Chinese contact to check the translation.

Diversity & Characteristics of Areas of China

The following generalisations were taken from the workshop in Nov 2010. They provide an interesting insight!

Beijing & Tianjin: straightforward	Shanghai: clever & farsighted
Guangdong: decisive & full of stratagem	Fujian: honest & sedate
Shandong: forthright & generous	Jilin: reasonable & loyal
Hubei: open & direct	Sichuan: upright
Yunnan: unhurried	Tibet: warm hearted

Discussion between David Owen (UKTI) and Chris Cotton (CBBC)

This interview was conducted by David Owen, International Communications Manager for the East of England, on 2 August 2006, however despite the fact that this was some time ago, items from this interview have been updated during the course of writing this report. It aims to provide East of England companies with a ‘case study’ of experiences of supporting companies looking to establish themselves in the Chinese market, and of taking UK companies on market visits to China. It should be read in conjunction with the PowerPoint presentation of ‘Negotiating with the Chinese’ available on www.rln-east.com/culture.

In your experience of taking companies to China, what is generally their first impression?

That would have to be the scale of the place with much being different to the UK. There can be a danger of feeling disorientated and somewhat overwhelmed when you first visit China. If you are in that frame of mind - and you are jetlagged too - we have come across instances of company representatives who seem to abandon their usual sound commercial principles. In other words, they have agreed to things with Chinese partners which they might not have agreed to elsewhere. China is still a tremendously exciting place to visit, though.

Is English widely spoken in the business community?

The level of English varies hugely. Many people will have some knowledge of English but can often be shy or reluctant to use it, as they are concerned at the possibility of losing face if they get it wrong. If you don't speak Chinese, we always recommend hiring a competent interpreter for business meetings. There are definite advantages to being able to speak some, or even a lot, of Chinese, as it shows you have a level of

commitment and indicates respect. The language can be difficult for foreigners to learn, but if you can say a few things in Chinese - offering a toast, for example - that goes down very well. If a company is really serious about developing its business in China, I would encourage its representatives to make an effort to learn some of the language. In the main commercial centres in China there will be signs in English and there is a huge effort to get things into English. There is also a growing interest by people to learn to speak English.

What about East of England companies learning the language?

Mostly it is Mandarin which is spoken, as it is the official language of China, but there are numerous dialects. Business meetings are usually conducted in Mandarin, but can be heavily accented. I have talked with representatives of companies trying to learn Chinese, and I can honestly say they have felt it to be a positive experience - particularly once they have had the chance to use it with the Chinese themselves. Their pronunciation may not be perfect, but it has always gone down very well and all those I have met have benefited from the experience. Chinese grammar is simple compared to German, for example, but where it gets complicated is when you start to learn the characters to read and write. The actual structure of the language is easy, but it is a tonal language, so if you get the tone wrong you can be saying all sorts of things!

Some people say that China as a market is more suited to the bigger players, and that it can be too large for an SME to enter. What would be your take on that?

The bigger UK companies are certainly likely to be there, but if your product or service is right for the market you can succeed. We work with companies large or small - even two-person operations - which provide a service the Chinese are prepared to pay for. However, all companies that are successful in China have recognised the need to devote significant time to the market. It is not a market for a quick win, and you need to build into your business plan time to establish & nurture your contacts. The rewards are there if your product or service is right and you persevere. To help with this there is a lot of support from a whole host of different organisations. We work closely with the UKTI international trade teams and CBBC carries out most of the OMIS reports for UKTI in China. We are constantly encouraged by the large number of delegations we host from China, and, all other things being equal, Chinese companies still have a willingness to work with British companies. The British seem to have an affinity with the Chinese, and we still tend to have a good reputation in China. We are admired for playing by the rules, and certain aspects of UK culture are similar to Chinese - for example, the reluctance to blow your own trumpet; not wanting to embarrass people in public - and we tend to understand the concept of saving face better than some other nationalities.

What are the main barriers or frustrations that UK companies face in China?

Frustrations can occur when companies travel a long way to get there and spend a not insignificant amount of money, and then there is an over-eagerness to get results quicker than is likely to happen. For example, negotiations tend to drag on or stall, or follow-up doesn't happen as quickly as you would like. Relationships are the key - you need to persevere with relationships, and not lose your cool. Devote time to this & accept the different pace of things. Sometimes you wonder where it's all going when suddenly the pace will pick up for no obvious reason. There are different cultural niceties, but



there's really very little that you can do that will really cause offence.

'Correct' behaviour is expected during interactions

Education is celebrated

Businessmen expected to behave responsibly in the community

Reluctance to resort to formal legal proceedings

Chinese very sensitive to western criticism in politics and business.

And what about the system of 'guanxi'?

Yes, 'guanxi' – sometimes termed as 'value-laden relationships' - which means the building up of a network of contacts to help you succeed in all aspects of life in China. This is something that harks back to ancient Chinese beliefs and ways of doing things and it can be a complicated concept for Western people to grasp. It's a moot point as to how much real 'guanxi' Westerners can build up themselves.

Do companies you deal with stick mainly to the larger cities, or do they venture out into the provinces?

As costs continue to rise in the major centres, companies are starting to go into the provinces, but there is still a keenness to focus on the main cities such as Beijing, Shanghai, Guangzhou etc. However, our role is to help familiarise the company with the best possible options for its business. Setting up a facility elsewhere may have better tax breaks or may be a cheaper, more effective option. It is important to remember, however, that you are not dealing with a single marketplace or cultural identity in China and there are often subtle differences between cities, regions & provinces.

What top 3 tips would you give companies travelling to China for the first time?

Keep a business head on, and don't be overwhelmed by scale and the obvious differences. Sooner rather than later you will encounter a Chinese banquet and these are great fun - eating all sorts of interesting things! - and the banquet is a crucial element of doing business in China. It is a ritual that you need to go through and, hopefully, enjoy although it is a bit of theatre. It used to be something of an endurance test, but now they follow much more of a pattern with a steady procession of dishes, with toasts at various points. Don't drink too much! It can be easy to get carried away and get drunk especially if drinking the local firewater such as 'mao-tai'. You also don't have to empty your glass when you 'ganbei'. If you really don't want to eat something, say so politely but don't make song and dance about it. If you have been invited to a banquet and you are a vegetarian or have specific dietary requirements, do let your hosts know in advance. It is polite and will avoid any unnecessary embarrassment. At the meal, you don't need to finish everything on your plate, as your hosts may think you haven't had enough. They assume that you are still hungry and that they haven't done their job as a host to feed you adequately.

What are the Chinese like with telephone communications?

The Chinese telephone manner can be confusing, as there are various aspects to it. Mobile phones are always on, and are always being answered, and this is not regarded as being rude in any way. If you're back in the UK trying to call Chinese partners we recommend that if you have got someone who can speak Chinese to use them - it can be frustrating trying to get through, being put on hold, or people just not coming back to the phone as they don't fully understand who you want to speak to or what you want to discuss.

In my experience there has been the occasional exaggeration of competence or scale when Chinese company is presenting one's business – have you ever come across this?

There can sometimes be the odd exaggeration or over promise in a keenness to get your business. But it can also work the other way.

Is IPR (Intellectual Property Rights) still a problem in China?

Yes, there are problems. China actually has some of best IPR laws in the world, but there can be problems with enforcement. There are growing instances of Chinese companies having their IP stolen by other Chinese companies, and there is a growing eagerness by the Chinese to sort this out. Companies must build the danger of IPR infringement or theft into their risk assessment before going into China. You need to have a game plan in place to protect yourself as far as you can before it becomes an issue. With other legal issues, if a dispute arises, our suggestion is that you try to resolve it without recourse to the courts, but there will be occasions where this is not possible. It is common for disputes to be resolved without going to court, and this is where the whole 'guanxi' thing comes into effect, with mutual contacts acting as mediators.

Chris – any final comments?

Our top five tips for doing business in China can be summarized as:

1. Do your homework. Before anything else, carry out proper, in-depth research on the market for your product or service in China.
2. Gain an appreciation of the cultural niceties of doing business in China. Try and learn some Chinese.
3. Visit the market. See firsthand the opportunities for your company in China.
4. Cultivate the best contacts you can in China and take time to develop and nurture this network.
5. With the right product, all small or medium sized companies have as much chance of success in China as the big organisations.

Chris, we're very grateful for all your input, and thank you once again for your time.

David Owen and Chris Cotton between them have 45 years' experience of working in China and dealing with Chinese business culture.

Part 3

Manufacturing and the Environment in China

China has selected thirteen sustainable cities which are showcases for sustainable and environment projects. Geographically, the programme should target locations which are included in the 'thirteen sustainable cities' list and also have a local automotive industry. There is a need substantially to increase Chinese understanding of UK skills and capabilities in new-energy vehicles and these cities are identified as open and interested to hear from UK manufacturing companies.

Most promising Business opportunities: November 2010. The most promising business opportunities are to be found thorough:

- The provision of technology and engineering expertise to support Chinese customers' development programmes. The current low volumes and the pressure to manufacture within China makes component supply a less plausible option
- Working with those larger Chinese VM's identified as 'leaders' in this report who have long-term, adequately financed new-energy vehicle programmes
- Focusing on mainstream hybrid and pure electric technologies. Chinese companies are less interested in more radical or long term new energy solutions
- Begin able to offer proven solutions, and to demonstrate a record of proven success. Chinese customers are reluctant to act as a new technology test bed
- Addressing areas of specific Chinese weakness e.g. engine and battery management systems, integration systems and software, advanced transmissions. 'China has not yet found a solution to the extra costs associated with new-energy technologies' UKTI China Manufacturing report 2010.

China consumers generally prefer products that have a proven track record of reliability, and secondly they will want re-assurance that new-energy vehicles can be maintained and serviced as easily, and economically, as their conventional rivals. Concerns are also expressed about the unproven safety of NEV's and the potential for fire within battery systems. The Chinese will make decisions on what to buy based on economic grounds rather than through altruism or the desire to be seen as a trend-setter. Full information and details on the automotive sector in China can be found at UKTI website: <http://www.ukti.gov.uk/export/countries/asiapacific/fareast/china/sectorbriefing.html>

UKTI has published report on China and the manufacturing sector, the report is very detailed and extensive and covers topics such as, doing business guide, FCO updates, sector information, country information, overseas security information for businesses. It also includes a general introduction, preparing to export tips and information, how to do businesses, what the challenges are and business etiquette and tips on how to invest in China. The report is available for free at: <http://www.ukti.gov.uk/export/countries/asiapacific/fareast/china/doingbusiness.html>

In recent years, the government in Beijing has become increasingly vocal in its support of clean energy. China has expended vast sums of political and economic capital to ensure that it dominates the global clean energy sector. To that end, in 2009 China invested \$34.6billion, almost twice as much as the US, ranking it for the first time number one for overall finance and investment into clean energy.

Part 4

At the workshop held in Cambridge in Nov 2011 there was a Q&A session for businesses to question a panel of experts. The results of these discussions are below:

1. There is no official UK government payment protection scheme to protect companies from bad debt in China, however there are the usual export credit guarantee schemes which financial organisations run.
2. The Chinese are very brand hungry, and there is a sufficiently large urban population of wealthy families who can afford to buy branded goods. It is a status symbol which sets them apart from everyone else. However, brands would need to be focused on those geographical areas which are more economically advanced. IPR and brand infringement cases are more Chinese-on-Chinese than overseas business driven, and enforcement is becoming tighter.
3. There are few shortcuts to doing business in China, although the combination of OMIS and EMRS (UKTI core services) are helpful in developing a structured and informed approach to the Chinese market. Most UK exporters the panel had come across experienced clients exporting via a local agent or partner rather than directly to the customer.
4. It is highly recommended to visit China, preferably more than once, before committing to the market. It is worth considering towns further inland from the coast, as cities in these areas are of interest to the Chinese government in terms of development and investment. CBBC has started to establish offices outside the 'traditional' favourites such as Beijing, Shanghai & Guangzhou. For instance, there are now offices in Hangzhou, Wuhan, Nanjing and Chengdu.
5. 'Honest and open dialogue' occurs at all times, in particular however once relationships are built with Chinese counterparts and they feel more confident in their dealings with others. Chinese may first wish to develop a sense of friendship before feeling confident in business. This is demonstrated in the use of former classmates or family connections in business.

