

Business in China

Colombia, marzo 2013

关系



**ZHOU MIN****male | 1984/03 |HuKou: China Shanghai | CPC Member | Han
Shanghai****135238862887(Mobile)****E-mail:gary0324@sohu.com****周敏****Self Assessment:**

Industrious, Passional, be responsible and serious-minded to the job.

Be good at handling the relation between member of team, communication else, make efforts with every teammate jointly to accomplish various missions .

a desire to succeed

Summary

- Dextal International: consulting company. Commercial services for Western companies in China.

- Desired Job Type: Full Time
- Target Location: Shanghai
- Start Working: within 1 week
- Overseas Work Experience: Yes, once

ZHONGGUO

中国



西半球
Western hemisphere

东半球
Eastern hemisphere

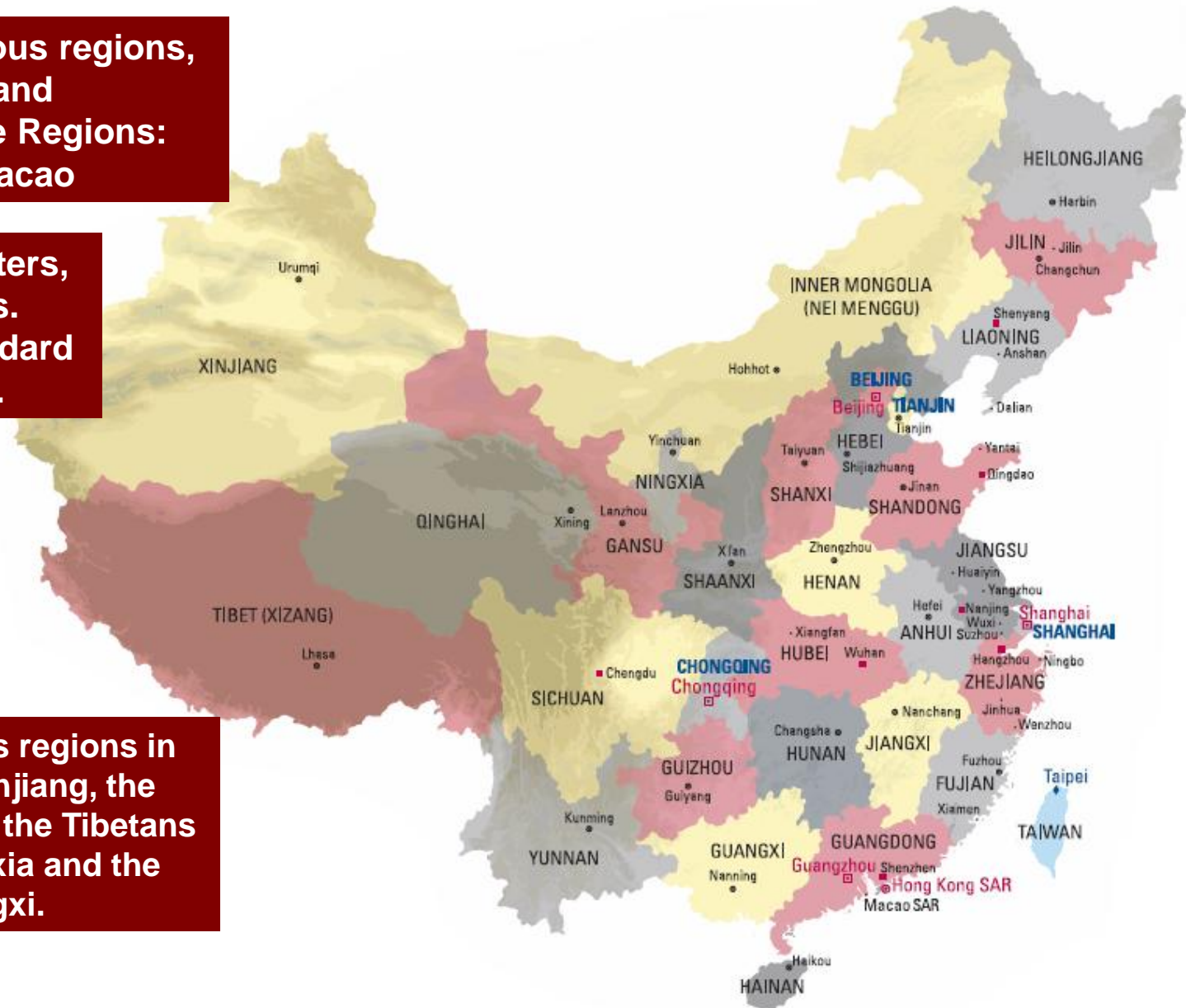
- 图例
- 首都和省会
 - 大城市
 - 城市
 - 国家边界
 - 国际边界
 - 领海
 - 专属经济区
 - 海峡
 - 河流
 - 湖泊
 - 海洋

图中代号:
 ① 阿塞拜疆 Azerbaijan
 ② 圣基茨和尼维斯 St. Kitts and Nevis
 ③ 荷属安的列斯 Netherlands Antilles
 巴勒斯坦地区内的地区界线 1947年11月联合国安理会会议所规定的“犹太国”(以色列)疆域。

**23 provinces, 5 autonomous regions,
4 municipalities and
2 Special Administrative Regions:
Hong Kong and Macao**

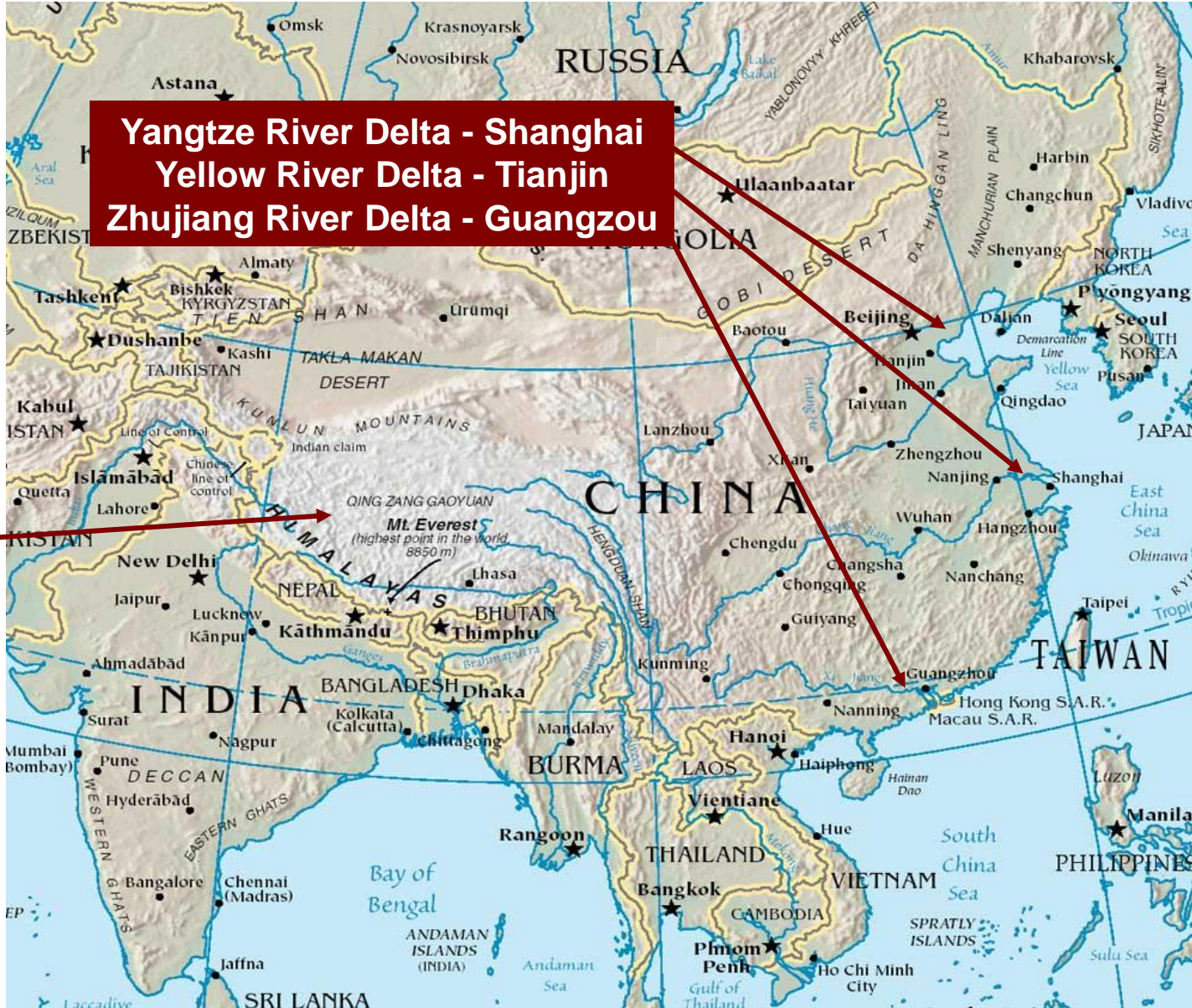
**9.6 million square kilometers,
across four time zones.
"Beijing Time" is the standard
for the whole country.**

**There are five autonomous regions in
China: the Uyghurs in Xinjiang, the
Mongols in Inner Mongolia, the Tibetans
in Tibet, the Huis in Ningxia and the
Zhuangs in Guangxi.**



Yangtze River Delta - Shanghai
Yellow River Delta - Tianjin
Zhujiang River Delta - Guangzhou

Brahmaputra
Indus
Mekong

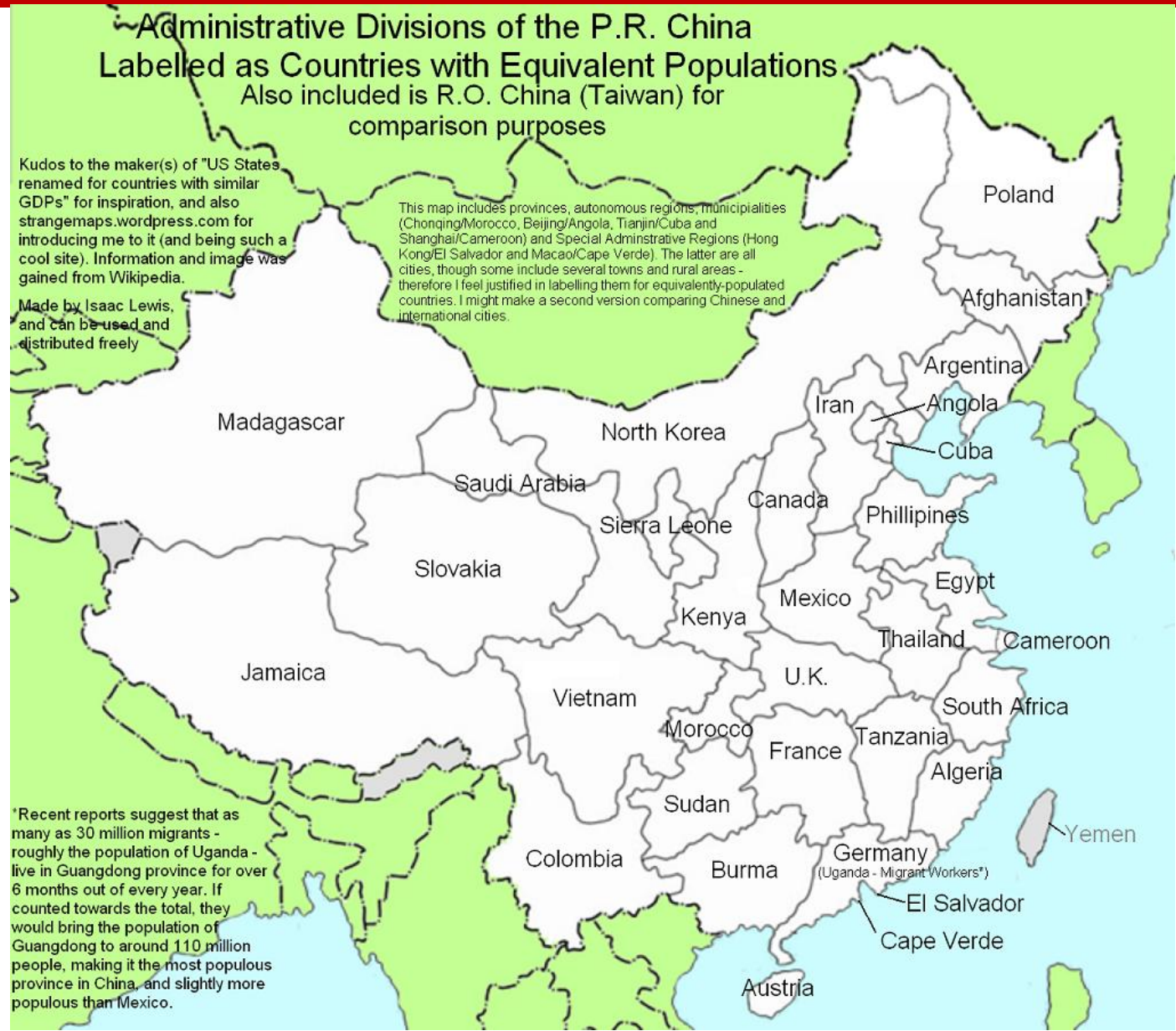




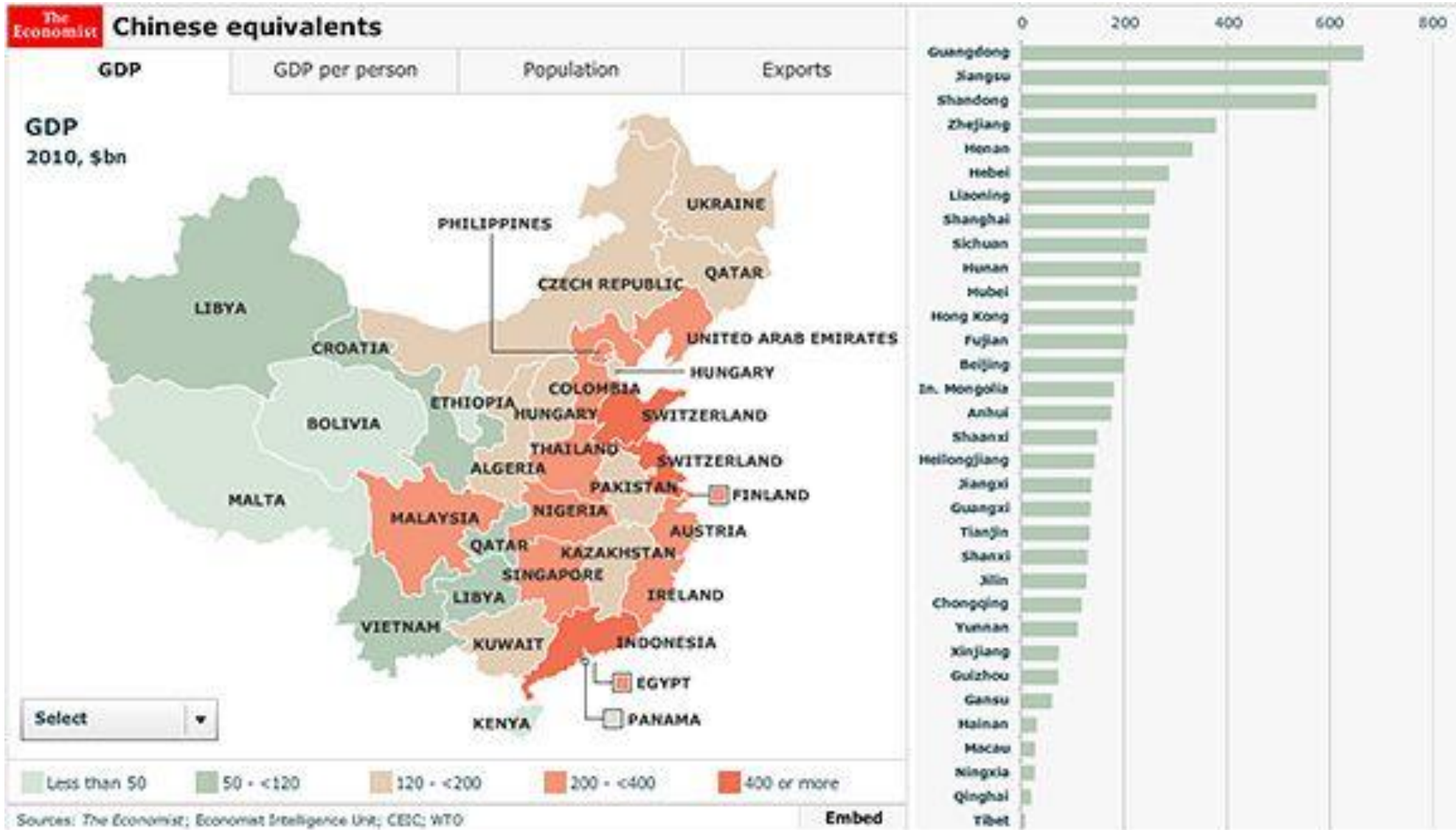
Administrative Divisions of the P.R. China
Labelled as Countries with Equivalent Populations
 Also included is R.O. China (Taiwan) for comparison purposes

Kudos to the maker(s) of "US States renamed for countries with similar GDPs" for inspiration, and also strangemaps.wordpress.com for introducing me to it (and being such a cool site). Information and image was gained from Wikipedia.
 Made by Isaac Lewis, and can be used and distributed freely

This map includes provinces, autonomous regions, municipalities (Chongqing/Morocco, Beijing/Angola, Tianjin/Cuba and Shanghai/Cameroon) and Special Administrative Regions (Hong Kong/El Salvador and Macao/Cape Verde). The latter are all cities, though some include several towns and rural areas - therefore I feel justified in labelling them for equivalently-populated countries. I might make a second version comparing Chinese and international cities.



*Recent reports suggest that as many as 30 million migrants - roughly the population of Uganda - live in Guangdong province for over 6 months out of every year. If counted towards the total, they would bring the population of Guangdong to around 110 million people, making it the most populous province in China, and slightly more populous than Mexico.



- Population: 1.338.299.511 persons.
- China population is distributed unevenly with more in the east (more than 300 persons per square kilometer) and fewer in the west (about 40 persons per square kilometer).
- Proportion of population
 - aged at 0-14: 26.4 percent
 - aged 15-64: 67.2 percent
 - aged 65 and over: 6.4 percent.
- The Average Chinese Life-Span of the population is 74.68 years



Zhōnghuá Rénmín Gònghéguó Xiànfǎ

Article 1 The People's Republic of China is a socialist state under the people's democratic dictatorship led by the working class and based on the alliance of workers and peasants.

The socialist system is the basic system of the People's Republic of China. Disruption of the socialist system by any organization or individual is prohibited.



**Cronología histórica
s. XIX - XXI**

19th Century - China begins a long decline. Western powers impose "unequal treaties" that create foreign concessions in China's ports. Regional warlords rise as central government atrophies.

1899-1901 - "Boxer Rebellion" in Northern China seeks to stifle reforms in the Qing administration, drive out foreigners and re-establish traditional rule. Defeated by foreign intervention, with Western powers, Russia and Japan extracting further concessions from weakened Qing government.

1911-12 - Military revolts by reform-minded officers lead to proclamation of Republic of China under Sun Yat-sen and abdication of last Qing emperor.

1931-45 - Japan invades and gradually occupies more and more of China.

1934-35 - Mao Zedong emerges as Communist leader during the party's "Long March" to its new base in Shaanxi Province.

1937 - Kuomintang and Communists nominally unite against Japanese. Civil war resumes after Japan's defeat in Second World War.

1949 - 1 October - Mao Zedong, having led the Communists to victory against the Nationalists after more than 20 years of civil war, proclaims the founding of the People's Republic of China. The Nationalists retreat to the island of Taiwan and set up a government there.

- 1950** - Tibet becomes part of the People's Republic of China.
- 1958** - Mao launches the "Great Leap Forward", a five-year economic plan.
- 1966-76** - "Cultural Revolution", Mao's 10-year political and ideological campaign aimed at reviving revolutionary spirit.
- 1976** - Mao dies. From 1977 Deng Xiaoping emerges as the dominant figure among pragmatists in the leadership.
- 1979** - Diplomatic relations established with the US. Government imposes one-child policy.
- 1986-90** - China's "Open-door policy" opens the country to foreign investment and encourages development of a market economy and private sector.
- 1989** - Troops open fire on demonstrators who have camped for weeks in Tiananmen Square.
- 1989** - Jiang Zemin takes over as Chinese Communist Party general secretary from Zhao Ziyang, who refused to support martial law during the Tiananmen demonstrations.
- 2001** November - China joins the World Trade Organisation.

2003 October - Launch of China's first manned spacecraft: Astronaut Yang Liwei is sent into space by a Long March 2F rocket.

2006 May - Work on the structure of the Three Gorges Dam, the world's largest hydropower project, is completed.

2006 July - New China-Tibet railway line, the world's highest train route, begins operating.

2007 September - A new Roman Catholic bishop of Beijing is consecrated - the first for over 50 years to have the tacit approval of the Pope.

2008 August - Beijing hosts Olympic Games.

2010 October - Jailed Chinese dissident Liu Xiaobo is awarded Nobel Peace Prize, prompting official protests from Beijing.

2011 February - China formally overtakes Japan to become the world's second-largest economy after Tokyo published figures showing a Japanese GDP rise of only four per cent in 2010.

To get rich is glorious

Deng Xiaoping



Consideraciones sobre la economía China

- Crecimientos anuales del 8% - 10% en los últimos 15 años.
- Momento histórico por el cambio de modelo económico: paso de una economía basada en la producción a una de consumo y servicios.
- Esfuerzo del Gobierno en hacer convivir la producción en cadena y en masa con industria de valor añadido.
- Necesidad de materias primas y energía (África) y tecnología.
- Volumen de las exportaciones a la baja. El mercado interior toma el relevo.

La 1ª revolución industrial: +250% en 100 años
La 2ª revolución industrial: +350% en 60 años
China: +700% en 20 años

- En el 2020 existirán alrededor de 800 zonas urbanas con una renta per capita mayor que la de Shanghai actualmente (25,000\$).
- Una vez alcanzadas las necesidades básicas, la demanda se orientará a sanidad, educación y mejores servicios públicos. El sector público deberá colaborar con el privado para cubrir las necesidades de la población urbana.

The 12th Five Year Plan (2011 - 2015)

Approved by the National People's Congress, comes at a time when the need to rebalance toward a more domestic demand-led, service sector-oriented pattern of growth is stronger than before.

The Plan has set five main objectives:

- Maintaining stable and fast economic growth, with a focus on price stabilization, more job creation, improved balance of payment, and higher quality of growth.
- Achieving major progress in economic restructuring, with higher share of household consumption and the service sector, further urbanization, more balanced rural-urban development, lower energy intensity and carbon emissions, and better environment.
- Increasing people's incomes, reducing poverty and improving the living standards and quality of life.
- Expanding access to basic public services, increasing the educational level of the population, developing a sound legal system, and ensuring a stable and harmonious society.
- Deepening the reforms in the fiscal, financial, pricing and other key sectors, changing the role of the state, improving governance and efficiency, and further integrating into the world economy.

China is the place where economy grows every year between 8% and 10% and will continue like this – at least – in the next 10 years.

Political and social stability is guaranteed by a long term dictatorship.

Any company willing to grow in the world market has to decide about one thing:

how is your business affected by China?



**Algunos tópicos
sobre China**

Lo copian todo!





Todo lo que fabrican es de mala calidad!



Zongshen is one of the many Chinese motorcycle brands that take credibility from the popular generalization that Chinese motorcycles are all junk. They have **partnerships with Harley Davidson and Piaggio** and the Zongshen Racing Team has race experience dating back to 1999. The team has experience running bikes in MotoGP, [CSBK](#) and a 2002 World Motorcycle Endurance Championships win.



Están destrozando el medio ambiente!

- China is the **world's biggest energy consumer**, after topping the U.S. in 2009 according to the International Energy Agency.
- China is projected to increase its **energy demand by 75%** between 2008 and 2035, according to the International Energy Agency.



- By 2030, China will have exploited all of the country's available **water supplies**, according to official Chinese government projections.
- By 2030, China's **carbon dioxide emissions could equal the entire world's CO2 production** today, if the country's carbon usage keeps pace with its economic growth.

***Hacer negocios en China:
Guanxi and Ganbei:***

- Diferencias culturales: enormes pero no insalvables.
- No son 1.300 millones de clientes.
- No es un mercado único. Decenas de mercados locales con diferentes niveles de desarrollo y diversas necesidades de los consumidores.
- Sistema dictatorial comunista.
- Importancia clave del socio local.
- *guanxi*: círculo de relaciones y favores que se establece entre personas (no empresas).

FIRST STEPS

- Key issue: take time to choose your local partner.
- Our worst enemy: Western impatience
- Common questions: age, family and earnings.
- Reasonable flattering : *Mianzi*
- Avoid physical contact and NO answer



NEGOTIATION

- Find a win – win situation to get a YES.
- Did they understand that?: Ask the same question in a different way.
- Keep calm and keep your demands when they change negotiator.
- Negotiation is everything not only what happens inside meeting room.



WE HAVE AN AGREEMENT... DO WE?

- Once we have a contract signed: real negotiation begins.
- It is more important personal relation than many contracts.
- Justice is slow in China, agreements are faster.



Tian-Shi, Di-Li, Ren-Ho

➤ **Cola Cao**: the amazing history of selling cocoa in China

1990: Cola Cao enters into the Chinese market.

Milk consumption is 0

1995 – 2000: Government's official campaign supporting milk

Consumption: TV, newspapers, etc.

2010: 200 cities and 20.000 shops where Cola Cao is sold.

Market leader in their segment (60% market share)

30M € Gross sales



Cola Cao



高乐高



Banana



Orange



Peach



Vanilla



Strawberry



Chocolate

MARCA	PUTONGHUA	PINYIN	SIGNIFICADO
BMW	宝马	bao ma	Caballo precioso
Carrefour	家乐福	jia le fu	Familia feliz
Citibank	美国花旗银行	hua qi	Bandera de flor
Coca-Cola	可口可乐	ke kou ke le	Feliz y delicioso
Cola Cao	高乐高	Gao Le Gao	Alto feliz alto
Danone	达能	da neng	Tener potencia
Fedex	联邦	lian bang	Federación
Gucci	古姿	gu zi	Antiguo / Bella
Heineken	喜力	xi li	Felicidad / Fuerza
HP	惠普	hui fu	Económico / Creciente
HSBC Bank	英国汇丰银行	hui feng	Reúne / Enriquece
Ikea	宜家	yi jia	Casa conveniente
WVC	万国	wan guo	Todos los países
Jaguar	捷豹	jie bao	Leopardo veloz
Lladró	雅致	ya zhi	Elegante
Longines	浪琴	lang qin	Olas / Instrumento musical
Lux	力士	li qi	Fuerza
Mercedes	奔驰	ben shi	Correr a toda velocidad
Nestlé	雀巢	que chao	Nido
Palm	奔迈	ben mai	Correr / Avanzar
Pentium	奔腾	ben teng	Correr y ascender
Pepsi	百事可乐	bai shi ke le	Contento con todo
Peugeot	标志	biao zhi	Símbolo / Hermoso
Piaget	伯爵	bo jue	Conde
Roca	乐家	le jia	Feliz familia
Shell	壳牌	qiao bai	Concha

1995 – 2000: Government's official campaign supporting milk

Consumption: TV, newspapers, etc.

1998: Western brands enter China massively.

2000 – 2008: Milk is widely accepted by Chinese population.

Chinese producers appear

(Hohhot, Inner Mongolia: powdered milk).

2008: Melamine scandal. Milk consumption drops.

2010: Milk market is mature in big cities. China is one of the main

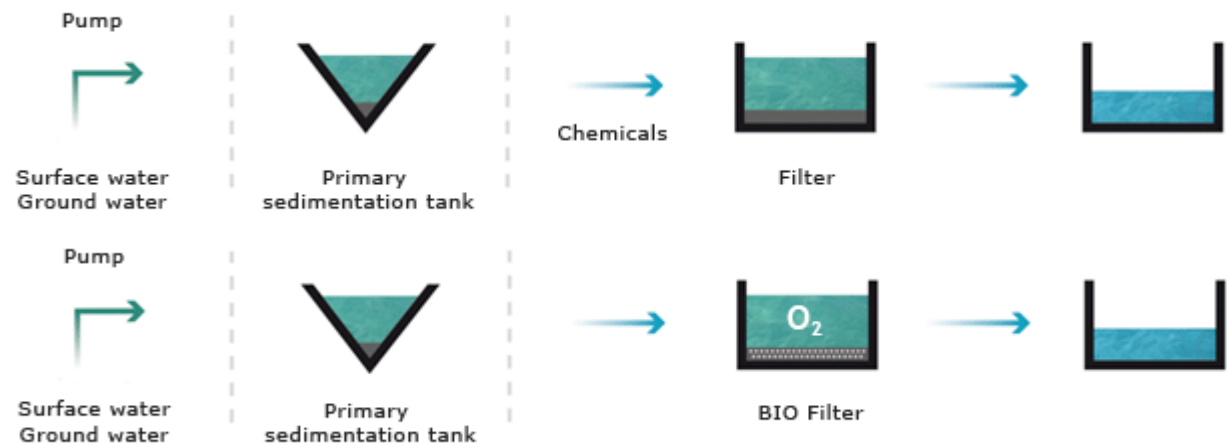
World's importers.



- Bodega familiar: buenos precios, buen producto, buen *packaging*.
- Búsqueda de distribuidores y acuerdo con un distribuidor en exclusiva para toda China.
- Pedido en firme para un año: 50 contenedores. Capacidad productiva de la bodega insuficiente y retirada del mercado.



- Empresa catalana de tratamiento de aguas: mercado potencial enorme en China.
- Tecnología química que permite obtener agua potable de gran pureza.
- Tecnología rechazada por los agentes públicos y privados. Hay sistemas con un coste más bajo que proporcionan agua con menos pureza pero dentro de los límites legales.



Galletas BIRBA
—
Camprodon vs. China



BIRBA es:

Camprodon, 1910, tradición, historia, calidad, autenticidad, sabor, proceso de elaboración. Sin aditivos, sin colorantes, sin conservantes.

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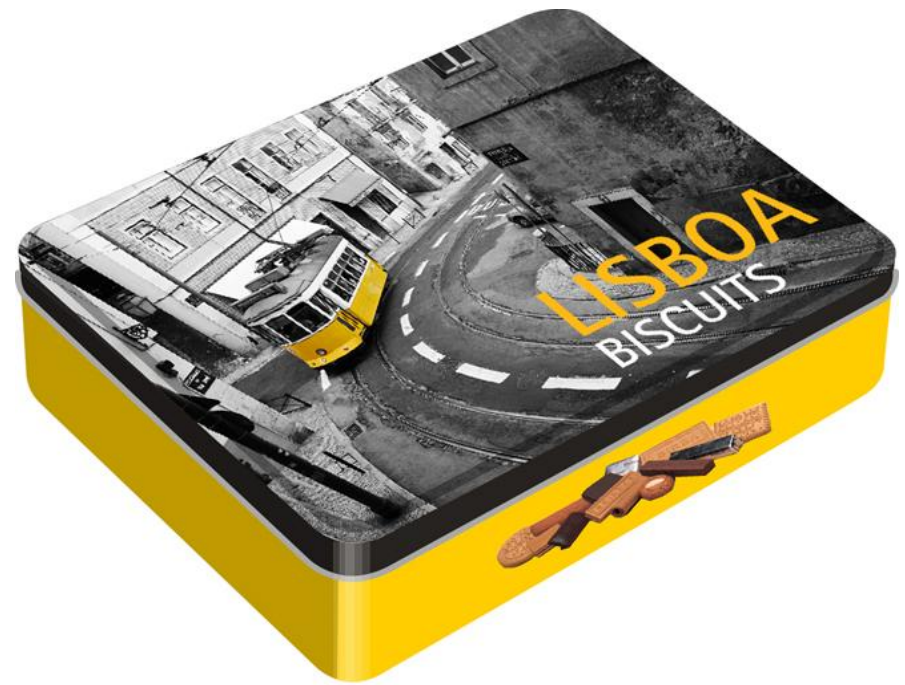


碧尔巴



















20.737 \$



37.155 \$



	%	VALUE €
Price EXW		3,14
Transport to port	2%	0,06
FOB Cost		3,20
International freight	5%	0,16
CIF Cost		3,36
Tariff	20%	0,67
DDP Cost		4,04
Import Expenses	1%	0,04
Inland port - Warehouse	3%	0,12
Financial cost	3%	0,13
Cost from port to warehouse		4,32
Exchange rate € / RMB	8,5	36,74
Cost RMB		36,74
Importer /distributor margin	50%	18,38
Distributor price to supermarket chain		55,13
Margin of supermarket chain	100%	55,13
Price of supermarket chain		110,26
VAT	17%	18,74
Price with VAT		129,00
Price RMB		129,00

- China is not 1.300M consumers
 - China is not an unique market
- How to approach cultural differences is the key: market study
 - Adapt your product to Chinese consumer
 - Don't think small when entering China
- Have patience: risk is high because profits could be very high.



Chinese consumer is:

- a “newcomer”
- a “nouveau riche” approach
 - not loyal to any brand
 - experimenting and discovering everyday
- eager for product information and endorsement
 - luxury and famous brand lovers
 - used to bargain and very price sensitive

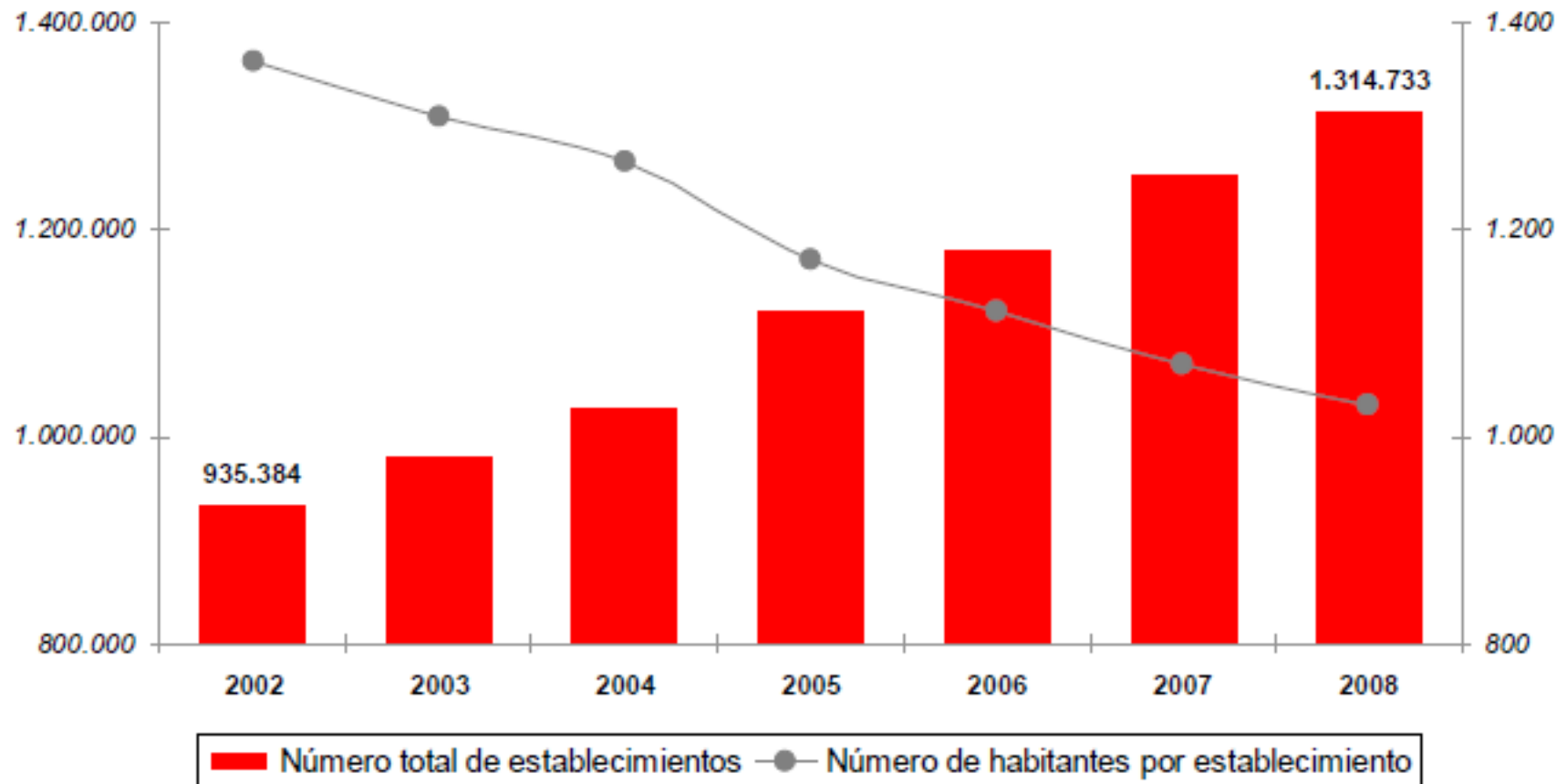


Projected MAC Populations in 2015

Tier	2015 MAC population	Number of cities and counties
Tier 1	More than 2 million	16
Tier 2	1 to 2 million	23
Tier 3	500,000 to 1 million	49
Tier 4	250,000 to 500,000	141
Tier 5	100,000 to 250,000	333
Tier 6	30,000 to 100,000	648
Tier 7	Less than 30,000	1,073

+400 Million consumers

EVOLUCIÓN DEL 'RETAIL' EN CHINA



France: 1 shop = 70 consumers

NÚMERO DE MILLONARIOS EN LAS CIUDADES DE CHINA (2010)

	Región / Ciudad	Millonarios	Multi - millonarios
1	Beijing	151.000	9.400
2	Guangdong	145.000	8.200
	Guangzhou	49.200	3.810
	Shenzhen	45.600	3.160
3	Shanghai	122.000	7.300
4	Zhejiang	116.500	6.760
	Hangzhou	47.300	2.590
	Wenzhou	20.400	2.130
	Ningbo	13.500	860
5	Jiangsu	62.600	4.300
	Nanjing	22.100	1.680
	Suzhou	15.600	930
6	Fujian	33.500	2.100
	Xiamen	11.500	640
	Fuzhou	10.200	540
7	Shandong	30.500	1.720
	Qingdao	11.100	570
8	Liaoning	26.800	1.710
	Dalian	11.000	690
	Shenyang	7.660	510
9	Sichuan	22.100	1.520
	Chengdu	13.500	730
10	Henan	15.200	1.040

	Región / Ciudad	Millonarios	Multi - millonarios
11	Hebei	14.500	1.110
11	Tianjin	14.500	1.030
13	Shanxi	13.300	1.110
14	Hubei	12.500	900
14	Hunan	12.500	670
16	Shaanxi	11.000	680
17	Inner Mongolia	10.200	700
18	Chongqing	9.700	650
19	Heilongjiang	9.600	670
	Harbin	5.790	370
20	Jiangxi	8.200	680
21	Anhui	7.100	760
22	Jilin	6.300	430
23	Yunnan	4.800	430
24	Guangxi	4.600	330
25	Hainan	3.500	130
26	Guizhou	2.700	240
27	Xinjiang	2.600	210
28	Ningxia	700	80
29	Gansu	650	70
30	Qinghai	500	40
31	Tibet	350	30
	TOTAL	875.000	55.000





In the future, there will be no markets left waiting to emerge.

Even as soon as 2050, 19 of the top 30 economies by GDP are forecast to be countries that we currently describe as 'emerging'.

DESDE 1958
HEMOS FORMADO

+ **60.000**
DIRECTIVOS

NUESTROS ALUMNOS

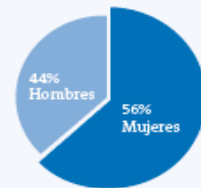
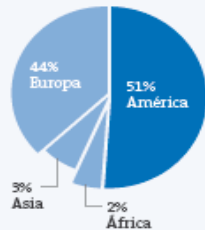
61

NACIONALIDADES



4

CONTINENTES



97%

ALUMNOS NOS RECOMIENDAN

EN 2012

1.747
ALUMNOS

+ **31.000**

HORAS DE FORMACIÓN AL AÑO

MADRID+BARCELONA

7.700 M²
INSTALACIONES

452

PROFESORES

1^a ESCUELA NEGOCIOS
IMPARTIR MÁSTER OFICIALES
UNIVERSITARIOS

+ **1.400**

ACUERDOS COLABORACIÓN
CON EMPRESAS NACIONALES
E INTERNACIONALES

+ **2.496**

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Y PRÁCTICAS AL AÑO

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32 PAÍSES

+ **80**

EVENTOS EN 2012

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+ **1.500** PROFESIONALES

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